

CITY OF LAWRENCE, KANSAS

2026

Operating Budget & Capital Improvement Plan





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lawrence
Kansas**

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morill

Executive Director

MISSION

We create a community where all enjoy life and feel at home.

VISION

The City of Lawrence - supporting an unmistakably vibrant community with innovative, equitable, transparent, and responsible local government.

ORGANIZATIONAL VALUES

Character
Collaboration
Commitment
Competence
Courage

INTRODUCTION

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July 8, 2025

Honorable Mayor and City Commission:

For the past several years we have worked as an organization and community to find a balance between continuing critical local government services, addressing deep needs in our public infrastructure, and the cost burden of taxes and fees for service. After utilizing one-time federal dollars and leveling out to a more typical economic growth rate, the 2025 budget was adopted with a structural deficit that drew down our General Fund reserves. Acknowledging the unsustainability of this condition, immediately following its passage, we began working on the 2026 budget with a single goal: **Build a plan to create a financially sustainable organization that matches the levels of service and cost the community is willing to support.** A relatively straightforward – but extremely difficult – task. With a lot of hard work and collaboration, as well as some experimentation, I present for your consideration the 2026 City Manager’s Proposed Operating and Capital Budget for the City of Lawrence, Kansas.

THE BUDGET PROCESS - A NEW APPROACH

We started the budget process months early this year. We needed additional time to present an alternative to the way this community engages in our budget creation. We invited the community to share both in the traditional work of telling us what they want from local government, but also sharing in the responsibility of figuring out how we prioritize and compromise to accommodate all perspectives. Recognizing the challenge, controversy and frustration of the past, we thought it was important to try some new approaches to gain new perspectives and perhaps a better overall plan. The old system gets the job done, but what else might be possible?

We believe the community has more to offer than just mobilizing and advocating for specific interests then waiting to see what happens. We believe and have found that community members in Lawrence DO care how we balance between competing interests and DO care how we figure it out. This year we asked an old question a different way and discovered that this community has significant collective wisdom that can benefit even the most important and difficult decisions. They are willing to make the difficult decisions to balance between competing priorities and values and that is much more useful to producing a municipal budget.



This proposed budget incorporates significant input received directly from community members who submitted input through a tool called Balancing Act. Like the City Manager, participants could not submit their input until they balanced the budget and accounted for how they would pay for increases in spending or decreases in taxes. Being a part of a community means we have to account for one another. This exercise required us to get in the same boat – balancing individual interests and priorities with the submissions from our neighbors. In addition to Balancing Act, we established a Community Budget Committee and an Employee Budget Committee to gather input at earlier stages in the budget development and serving as important sounding boards for innovations and ideas. As you know, we also came to the City Commission for critical updates and navigation conversations. The reinforcement and intermediate feedback was very helpful and energizing in this difficult work.

With a great deal of help from many, we have accomplished our mission and have built a plan that creates a financially sustainable organization that matches the levels of service and cost the community is willing to support.

FEATURES OF THIS BUDGET: REVENUES & EXPENDITURES

The two major revenue sources for our daily operations are property tax and sales tax. Following a substantial increase in sales tax post-pandemic, growth quickly normalized to more traditional levels. The City had to adjust to this reality in the previous year's budget, and we estimate similar growth in 2026 with a projected 2% increase over the Revised 2025 Budget.

The assessed valuation for the 2026 Proposed Budget is approximately 5% higher than the previous year. This budget is presented with no property tax rate or sales tax rate increase.

There are revenue increases that have been identified in our utilities (water/wastewater, solid waste, stormwater); however, those details will be presented later in the year with the update of the rate models, which rely on the annual financial audit. These increases stay in line with the projections from previous years that are necessary to maintain our total utility system.



CREATING A SUSTAINABLE ORGANIZATION

At the onset of the 2026 budget process, an anticipated \$6.6 million gap was projected in the General Fund (where most of the core services of the city are funded). As with most service-based businesses, this fund was heavily associated with personnel expenses, and personnel reduction was unavoidable. By being proactive in our work, we have achieved this reduction through the elimination of vacant positions and a program for voluntary early retirement inducement, with no involuntary terminations. We took on a challenge that has been building for years – balancing our expenses, while still investing in our people, with limited resources.

In order to establish a common way to talk about what is in our budget, what services are included, and what level of service the city was providing we broke down the budget into a variety of programs (or services) that the organization provides. Each program has a corresponding Service Level Rubric ranging from 1 to 5, with one being the most basic level of service and five being a very high level of service for an organization similar to Lawrence. This allowed everyone to engage in these important discussions at a common level understanding the cost of different levels of service.



Municipal Services & Operations
Street Maintenance

Phoenix logo indicates current service level provided by City

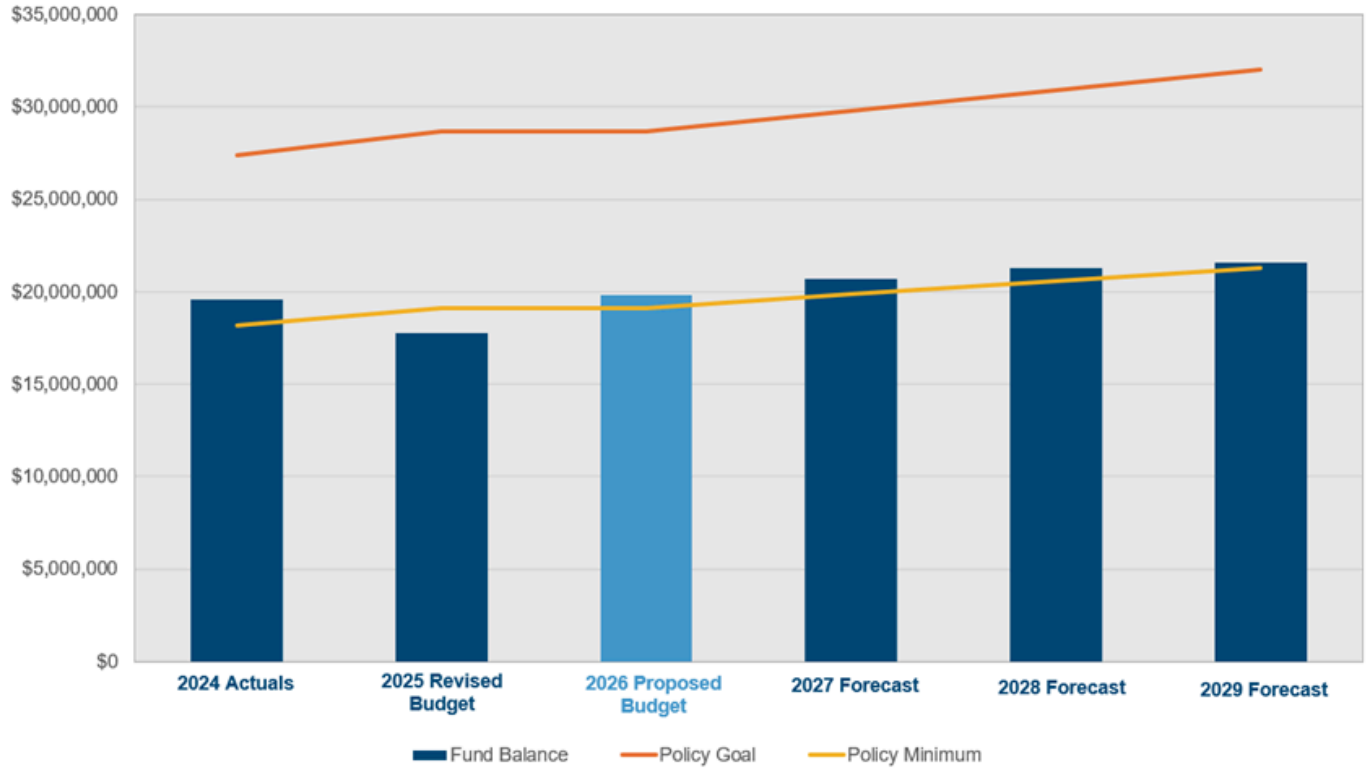
Using this common language and understanding of cost, we could bring hundreds or thousands of additional perspectives into the process rather than just the department directors and traditional budget team. Together with us in the same boat we shared the real-world limitation that only so many programs can be funded at higher levels and we weren't finished until we were balanced. We were able to gather really useful insight to the value people placed on services and the dynamic of how each is prioritized against the others. We eliminated technical jargon and offered scalable financial data. Everyone can participate and everyone's input (with shared constraints and responsibility) is useful.

Using this feedback, we created a "tiered system" to categorize each program, assigning a reduction percentage for each tier. Tier 1 represents programs that remain fully funded, while Tier 4 includes those that face the deepest reductions. Departments used these tiers as a framework but also relied on their expertise to develop a budget that aligns with the resources available while keeping a flat mill levy rate.

| Tier 1 | Tier 2 | Tier 3 | Tier 4 |
|---------------------------|-------------------------|------------------------|----------------------|
| MSO – ADA Compliance | CAO – Judicial Services | Economic Development | MSO – Levee Maint |
| MSO – Facilities Maint | CAO – Prosecutions | LDCFM – Admin Support | PD – Info Services |
| PD – Investigations | Homeless Solutions | LDCFM – Community Ed. | PRC – Golf Course |
| PD – Patrol | LDCFM – EMS | MSO – Admin Support | PRC – Rec & Wellness |
| PDS – Code Compliance | LDCFM - Logistics | MSO – Fiber & ROW Mgmt | |
| PDS – Housing Initiatives | LDCFM – Prevention | MSO – Project Mgmt | |
| PRC – Y&A Sports | LDCFM – Suppression | MSO – Transit Planning | |
| | LDCFM – Special Ops | PD – Admin Support | |
| | LDCFM – Training | PD – Equity & Outreach | |
| | MSO – Project Inspec | PD – Prof. Standards | |
| | MSO – Street Maint | PD – Training | |
| | MSO – Tech & Assets | PRC – Cemetery & Levee | |
| | MSO – Traffic Maint | PRC – Environmental Ed | |
| | PD – Animal Control | PRC – Parks & Trails | |
| | PD – Specialty Units | PRC – Rec Facilities | |
| | PDS – Building Safety | PRC – Sports Pavilion | |
| | PDS – Planning | T&P –Crossing Guards | |
| | PRC – Aquatics | | |
| | PRC – Urban Forestry | | |
| | Public Health | | |



By making these targeted reductions and setting aside dollars to rebuild the fund balance, we have set ourselves on a sustainable path forward.



2026 BUDGET PRIORITIES

Hard decisions were made to sustainably balance this budget today and into the future, and there will be noticeable service level impacts from those reductions. However, these cuts were approximately 5% of the total General Fund budget. With the service reductions proposed we have ample resources to sustainably deliver services into the future. Guided by the Outcomes in our Strategic Plan, we will deliver promised levels of service in the areas the community has prioritized and resourced.

CONNECTED CITY

Programs such as Street Maintenance and ADA Compliance are largely preserved in *Municipal Services and Operations* as we continue investing in existing infrastructure to drive toward the lowest cost of ownership, enhance sustainability, and maintain regulatory compliance. The overall condition of City streets and utilities is regularly identified as a very high priority in our surveys, and this budget seeks to address that feedback.



PROSPERITY & ECONOMIC SECURITY

Economic Development is prioritizing the key performance indicators: average calendar days from application to issuance for development permits for commercial development and growth in area median household income. The commercial building permit process will be evaluated for improvements to reduce the time for approval. Area median household income will involve work by external partner agencies, such as those working in support of small business owners and early-stage entrepreneurs. Companies at this scale serve as a key component of any community's economic development engine.

SAFE & SECURE

Fire Medical will maintain four-person staffing on each fire apparatus, which is a national standard and important for safe and effective fire ground operations. We're also laying the groundwork for an expansion with Station 6 by including it in the Capital Improvement Plan. This is a strategic investment to improve coverage and reduce response times in identified gap areas.

The Patrol and Investigations programs in Police are Tier 1 programs in Balancing Act and we will maintain current staffing levels to continue to make Lawrence residents feel safe and secure. We are seeking partnerships to support valuable community events such as Police Camp and Teen Police Camp.

STRONG, WELCOMING NEIGHBORHOODS

Planning and Development Services is working towards a holistic approach with Housing Initiatives and Code Compliance to support "A Place for Everyone" and positively impact a key performance indicator: percent of households that are experiencing housing stress.

Our multidisciplinary Homeless Response Team will be maintained in Homeless Solutions to prevent re-encampment and support sustained exits from homelessness, as well as the operation support for emergency shelters to ensure year-round access and life-saving interventions.

UNMISTAKABLE IDENTITY

As we look to continue to offer programming options in Parks, Recreation and Culture, the proposed budget includes proposed fee adjustments and access fees at recreation centers to support appropriate cost recovery levels and long-term sustainability. At the same time, we remain committed to affordability by offering financial assistance that ensure residents can participate and access our centers regardless of income.



FUTURE CONSIDERATIONS

While we have made significant progress in stabilizing our General Fund, more work is necessary in some of our other funds. Infrastructure Sales Tax and Transit need to be reviewed for long-term viability. With many unmet needs in our infrastructure, as well as limited federal transportation dollars coupled with growing contractual increases, we need to review these two sales tax supported funds for future re-authorization and a potential increase. Lawrence will also be part of a once in a generation event with the 2026 World Cup in Kansas City. This is an exciting opportunity, but it will put a strain on City resources. The Transient Guest Tax, which is a tax imposed on guests of hotels or other lodging facilities, is currently 6%. Staff will be offering options to the City Commission to potentially raise this percentage and capture the anticipated one-time growth expected from increased hotel stays.

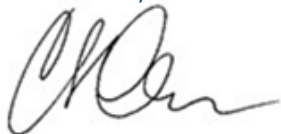
ACKNOWLEDGEMENT

This work could not be done without our Executive Team and many employees at all levels throughout our organization. I especially want to recognize Alley Porter and Mary Bisbee in our Budget, Strategy, and Performance Office for leading this effort. I also extend a thank you to Police Lieutenant Rob Murry and LDCFM Acting Deputy Chief Tyler Wade who piloted a program to develop deeper understanding of the city-wide budget at departmental leadership levels while supplementing the work of the Budget Office.

We have already mentioned the great value of the Balancing Act tool. Those community members who took the time to share their insights through that platform gave us significant direction in a very useful way. Most of all the consistent work of the City Commission, Boards and Commission and our community to establish and reinforce through the Strategic Plan and the many supporting policy documents the values and priorities of the community allow the annual budget process to be but an incremental step on our journey as a community rather than recharting a course year by year.

I look forward to the continuation of the budget process and hope this proposal sets a strong foundation of common information and balanced options. Through the next several weeks in collaboration with the community I am excited to see how this takes its final shape to move us forward.

Sincerely,



Craig S. Owens
City Manager

*Please note that the 2026 Proposed Budget underwent changes before adoption as directed by the City Commission. This includes a mill rate increase of 0.488.



MAYOR

MICHAEL DEVER



VICE MAYOR

BRAD FINKELDEI



COMMISSIONER

LISA LARSEN



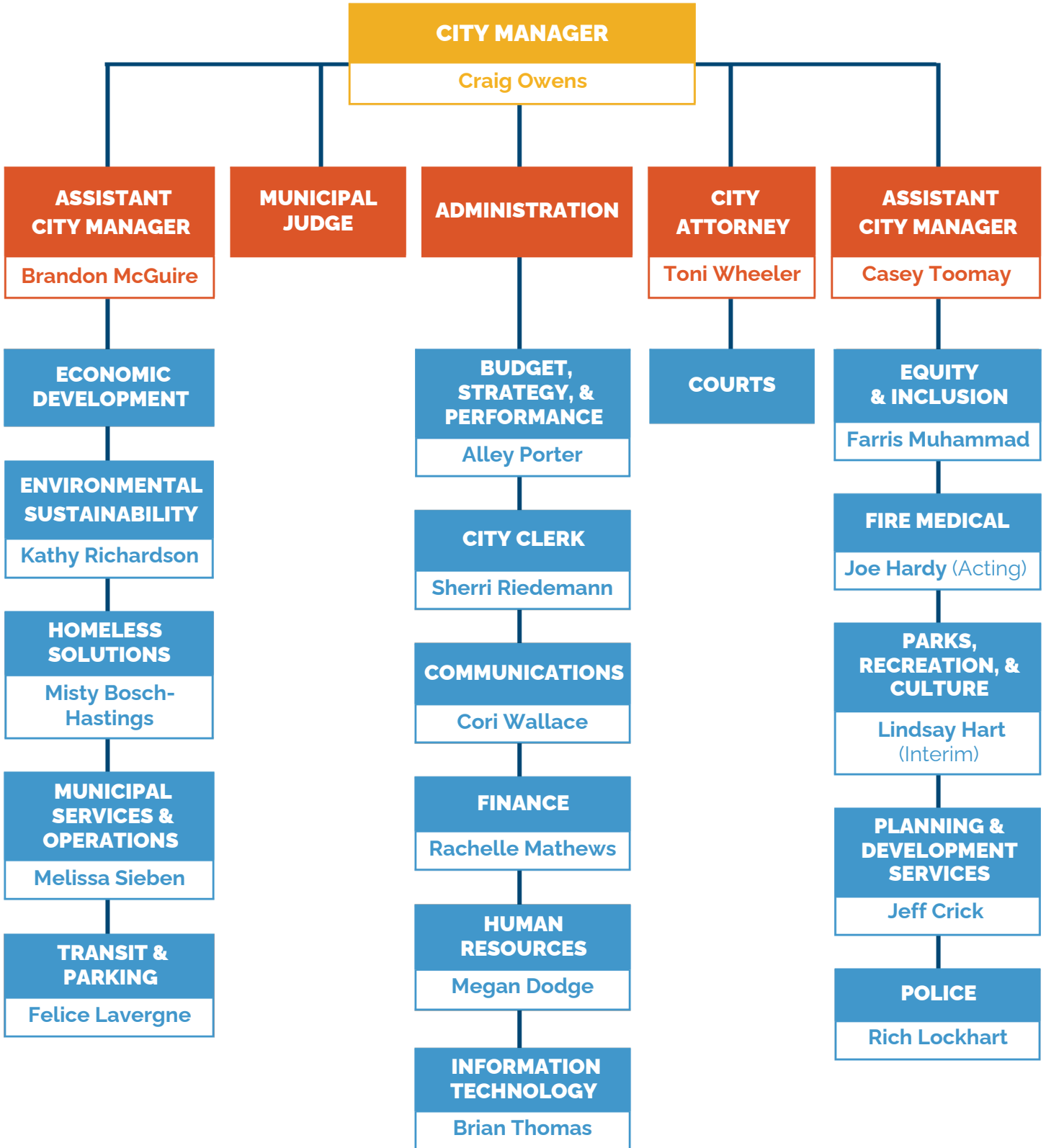
COMMISSIONER

BART LITTLEJOHN



COMMISSIONER

AMBER SELLERS



HISTORY

MAY 30, 1854

The Kansas territory opens for settlement per the Kansas-Nebraska Act. Settlers would decide if the state would be a free state or a slave state. Before passage of the Act, numerous tribal groups lived in the area, including those who had been here for centuries and those who more recently migrated to the area. The groups include the Kaw, Osage, Kickapoo, Sioux, and Shawnee people, among others.

AUGUST 1, 1854

The first settlers from Vermont and Massachusetts reach Lawrence. Abolitionists from New England saw the new territory as an opportunity to settle with like-minded abolitionists.

DECEMBER 1, 1855

The Wakarusa War begins in Lawrence, first with attacks from a pro-slavery contingency and the killing of a Free State supporter. Fighting intensified between Free State Jayhawkers and pro-slavery Bushwhackers, with Kansas earning the name "Bleeding Kansas." This period in Kansas history would last until 1861.

MAY 21, 1856

Following months of escalation, pro-slavery forces rode into town, ransacked two abolitionist newspapers and burnt down the Free State Hotel, in an event now known as the "Sacking of Lawrence."

JANUARY 29, 1861

The U.S. Congress adopts the Wyandotte Constitution, establishing Kansas as a free state, and the state becomes immersed in the Civil War. Numerous homes, businesses and churches were demolished during the war.

After the Civil War, Lawrence entered a rebuilding period and built many of the familiar sites in town today. While they went by different names when established, the University of Kansas, Haskell Indian Nations University, the Bowersock Dam, and Elizabeth M. Watkins History Museum, were all constructed during the post-Civil War period.



PRESENT

Today, Lawrence serves as the county seat for Douglas County and is the sixth largest city in Kansas. The City encompasses 34.3 square miles and is bordered by the Wakarusa and Kansas Rivers.

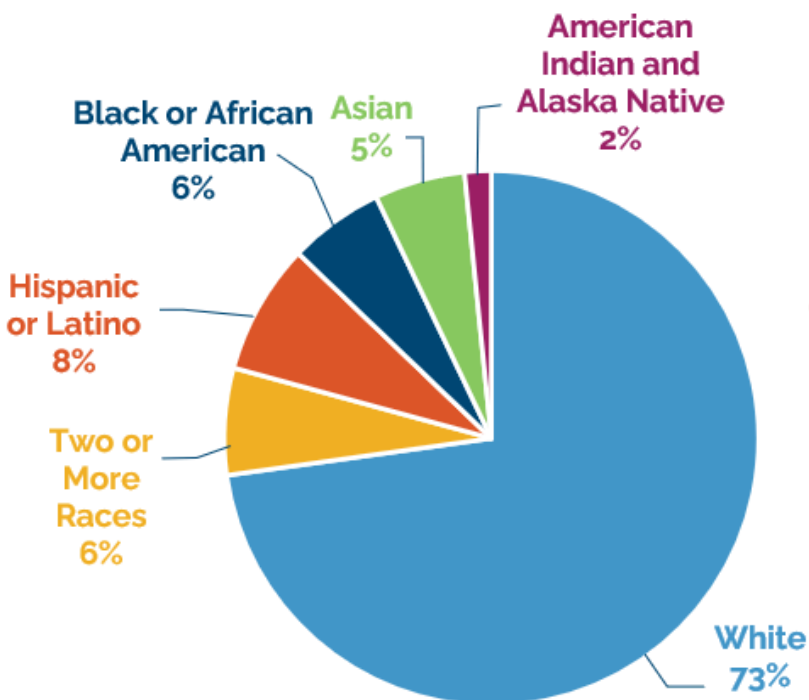
The City provides a full range of services which include police and fire medical protection, construction and maintenance of infrastructure, community planning and development, and recreational and cultural activities. The City also operates water, wastewater, and stormwater utilities. In addition, the City provides both residential and commercial solid waste removal services to its residents.

DEMOGRAPHICS

All demographic information for the City of Lawrence comes from the 2024 American Community Survey which collects population data.

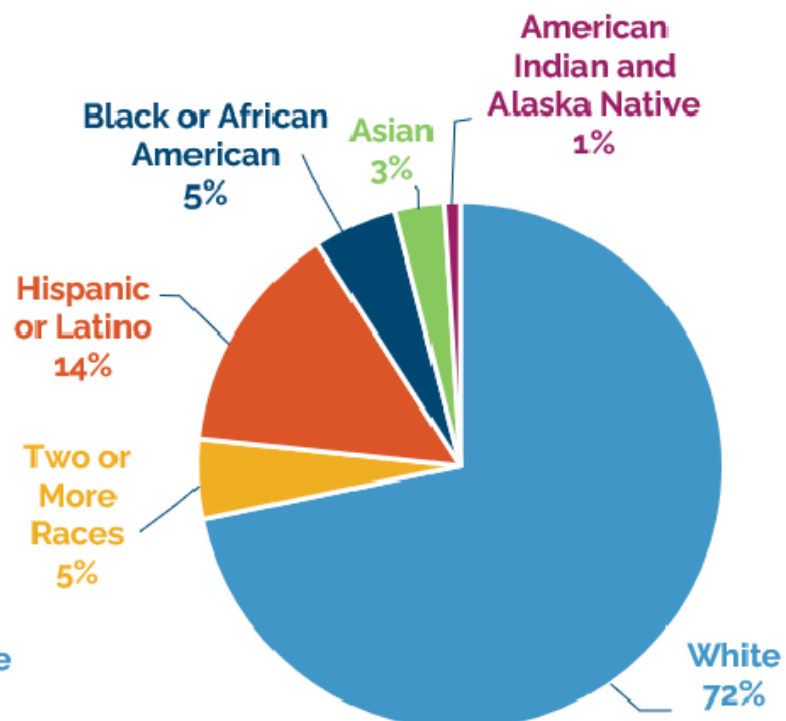
LAWRENCE

Race & Ethnicity Demographics



KANSAS

Race & Ethnicity Demographics

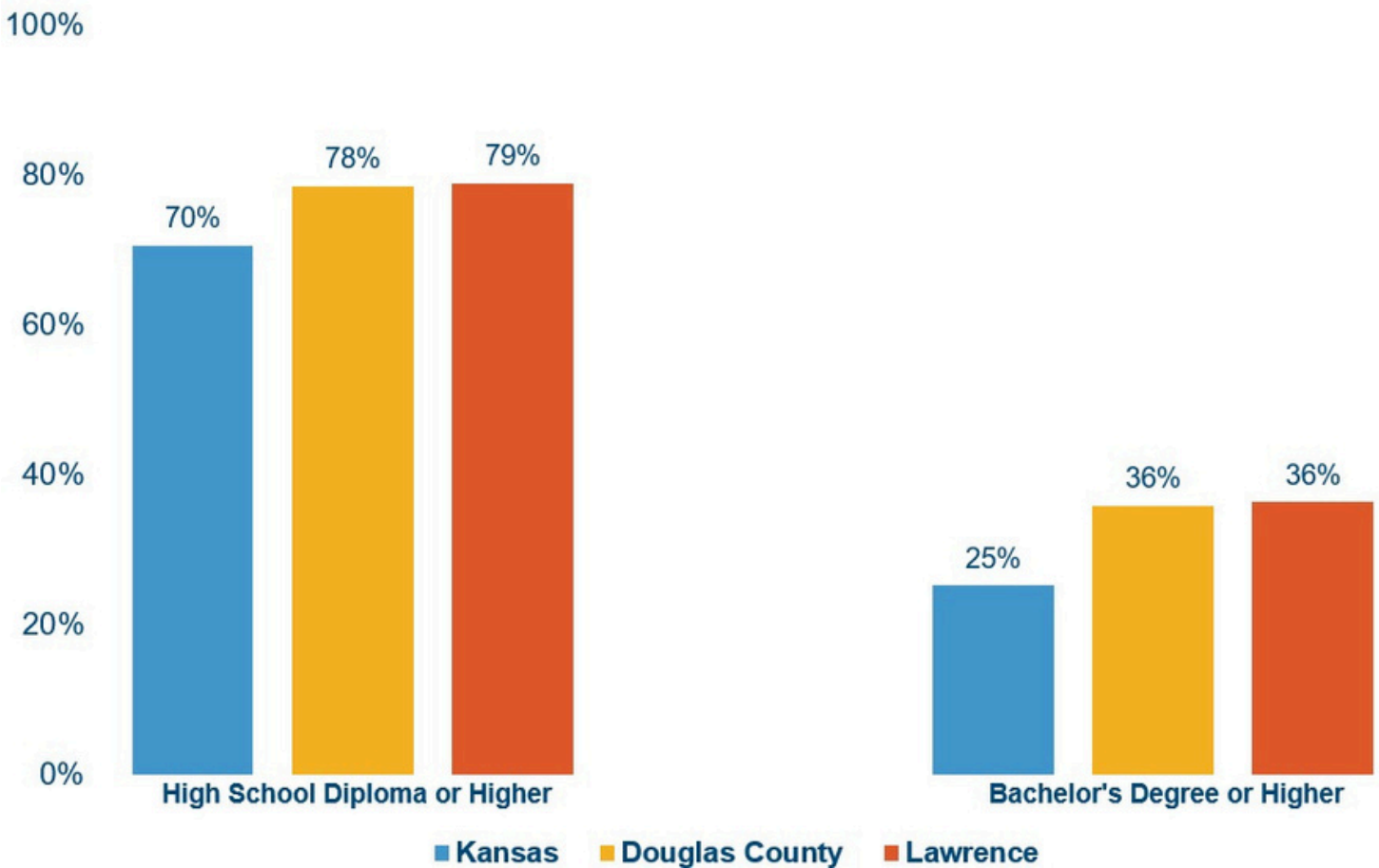


EDUCATION

Lawrence is a college town, home to both the [University of Kansas](#) and [Haskell Indian Nations University](#) - the nation's only inter-tribal university for Native Americans, representing more than 150 tribes from all across the country.

Unified School District No. 497 serves approximately 11,000 Lawrence students attending 11 elementary schools, four middle school, and two high schools.

**Percent of Residents with a High School Diploma or Higher,
and a Bachelor's Degree or Higher**



ECONOMY

Lawrence has a diverse and varied economy with multiple retail and commercial hubs throughout the city.

Additionally, there are two business parks— East Hills and Venture Park— located in the eastern part of the city.

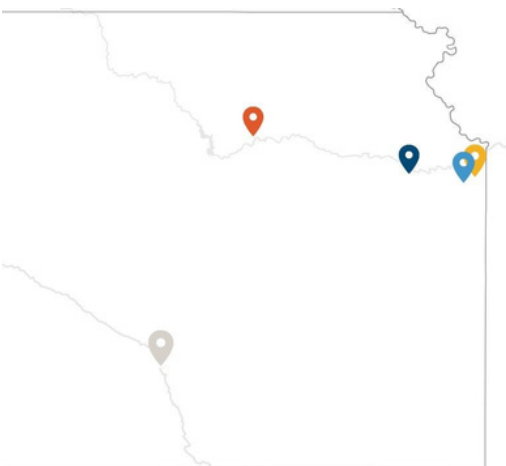
In July 2025, the city’s unemployment rate was 4.2% compared to 3.8% for the State of Kansas and the national rate of 4.2%.

Top employers in the city are the University of Kansas and Lawrence Memorial Hospital, along with the Lawrence Public School system, and private employers Berry Global and Hallmark Cards.



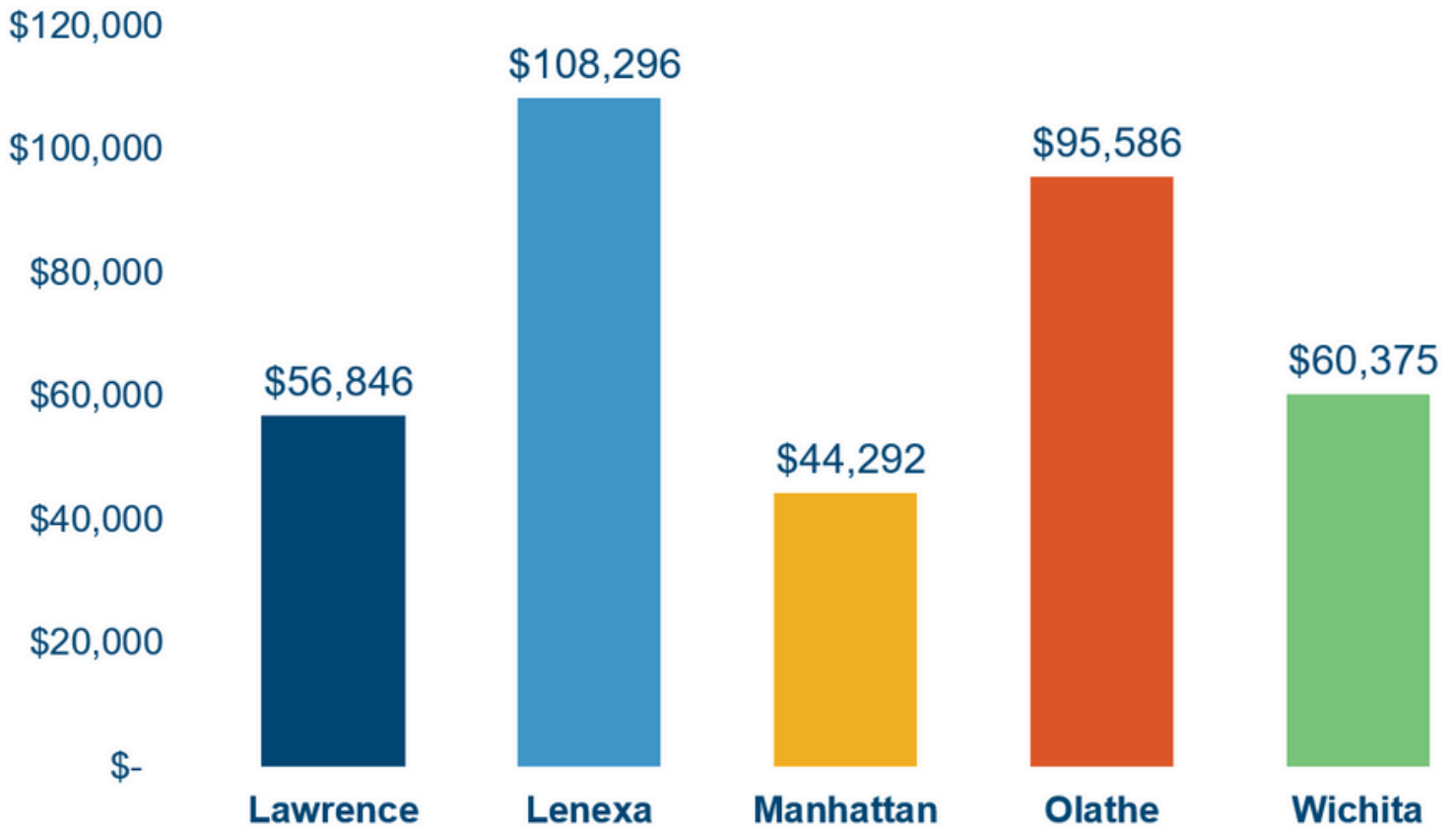
POPULATION

The City of Lawrence can be easily compared to peer cities on several demographic characteristics. Some of these peers include other Kansas cities: Lenexa, Manhattan, Olathe, and Wichita.



| | |
|------------------|---------|
| LAWRENCE | 97,271 |
| LENEXA | 60,072 |
| MANHATTAN | 53,829 |
| OLATHE | 153,772 |
| WICHITA | 396,488 |

PER CAPITA INCOME



The statistical information for each peer city can be found in their respective 2024 Annual Comprehensive Financial Reports (ACFRs):

Lawrence— [2024 ACFR](#)

Lenexa— [2024 ACFR](#)

Manhattan— [2022 ACFR](#)

*This is the most recent ACFR containing this information at time of submission.

Olathe— [2024 ACFR](#)

Wichita— [2024 ACFR](#)

WHAT MAKES LAWRENCE UNIQUE?

Lawrence, Kansas is unmistakable for its vibrant blend of outstanding downtown, an array of parks, recreation, and culture - all intertwined with a deep commitment to being a welcoming community.

From its scenic parks offering serene escapes to its bustling educational offerings and cultural scene buzzing with creativity, Lawrence beckons all to **enjoy life and feel at home.**

Our city's heartbeat thrives on inclusive community, reflected in our budget priorities, resources, community conversations, and dedicated City staff. But what truly sets us apart is our people— the diverse, dynamic souls who call Lawrence home. Together, we weave a tapestry of uniqueness, making Lawrence **a place like no other.**





FORM OF GOVERNMENT

The City of Lawrence has operated under the **Commission-Manager** form of government since 1951. The City Commission consists of five Commissioners elected at-large on a non-partisan basis. Each year, the Commission chooses one member to serve as Mayor.

The **City Commission** is responsible for policy making, passing ordinances, adopting the annual budget, appointing citizens to committees, and hiring the City Manager.

The **City Manager** is responsible for the day-to-day operations of the City, including hiring all personnel.

RESIDENTS

Deliver community services and programs, provides internal support to other city departments

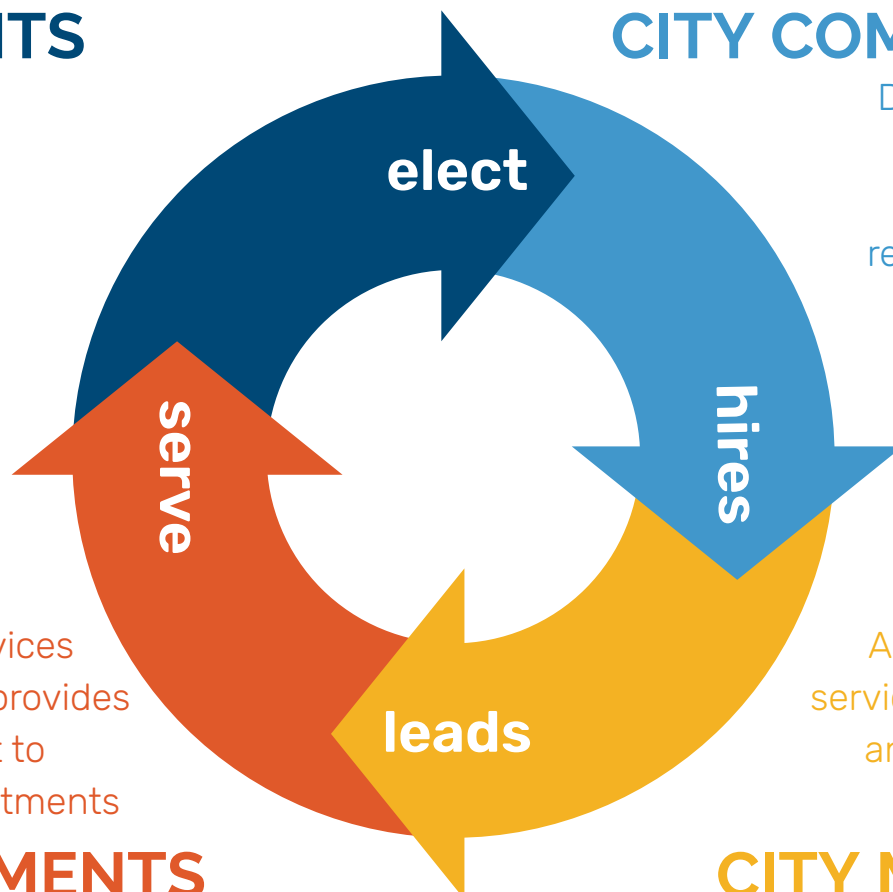
DEPARTMENTS

CITY COMMISSION

Determines policy, approves City ordinances and resolutions, adopts annual budget

Administers all city services, ensures laws and ordinances are enforced

CITY MANAGER



PROPERTY TAX

The City's budgeted mill levy is 33.674 mills, an increase of 0.488 mills compared to the 2025 Budget. The General Fund mill levy is 21.630, Debt Service is 7.956, and the Library's portion is 4.088 mills. The budget assumes an assessed valuation of \$1,607,631,456. One mill of property tax generates approximately \$1,575,479 of revenue.

SALES TAX

The 2026 Budget assumes a 2% increase in sales tax collected over the 2025 Revised Budget and an approximately 6% increase over 2024 actuals.

EMPLOYEE COMPENSATION & BENEFITS

The 2026 Budget assumes funding for the terms outlines in the Memoranda of Understanding between the City and all its collective bargaining units: Lawrence Police Officers Association, International Association of Fire Fighters, and Teamsters. The Budget also includes funding for a 3% general wage adjustment of base salary for all other employees.

There is an increase in the City's contribution to employee healthcare from approximately \$11,000 to \$12,000 per employee. The Budget does include statutorily required contributions for the City's portion of Kansas Public Employees Retirement System and the Kansas Police & Fire Retirement system.

INTERNAL SERVICES

This budget maintains the allocation of internal service fees for those functions that support the entire organization. These functions are budgeted in the Administrative Services (601) & Fleet (605) funds: City Attorney's Office, City Clerk, City Commission, City Manager's Office, Communications, Finance, Fleet, Human Resources, and Information Technology.

Approximately \$23.6M has been allocated from operating funds to internal service functions based on individualized formulas.

The fund highlights displays general highlights for several of the City’s major and minor funds. Complete information on these and all appropriated funds can be found on pages 72-112.

GENERAL OPERATING

| | |
|-----------------------|--|
| MILL LEVY RATE | increased 0.488 to 21.630 mills |
| REVENUES | increased \$5,821,000 or 5.08% over FY2025 Revised |
| EXPENDITURES | increased \$1,786,000 or 1.53% over FY2025 Revised |

*Increased revenue through assessed valuation and mill levy increase as well as the implementation of Parks, Recreation & Culture fees.

DEBT SERVICE

| | |
|-----------------------|--|
| MILL LEVY RATE | maintained at 7.956 mills |
| REVENUES | increased \$10,623,000 or 17.35% over FY2025 Revised |
| EXPENDITURES | increased \$11,581,000 or 19.27% over FY2025 Revised |

*Principal and interest payments align with current debt service schedules.

PUBLIC LIBRARY

| | |
|-----------------------|--|
| MILL LEVY RATE | decreased to 4.088 mills |
| REVENUES | increased \$357,000 or 5.44% over FY2025 Revised |
| EXPENDITURES | increased \$335,000 or 5.06% over FY2025 Revised |

*Mill levy decreased due to changes in official state budget; funding increased compared to FY2025.

WATER & WASTEWATER

| | |
|---------------------|--|
| REVENUES | increased \$3,625,000 or 4.86% over FY2025 Revised |
| EXPENDITURES | decreased -\$3,645,000 or -4.95% over FY2025 Revised |

*Includes rate increase to keep pace with ongoing operating and maintenance needs.

SOLID WASTE

REVENUES

increased \$211,000 or .99% over FY2025 Revised

EXPENDITURES

increased \$1,458,000 or 7.24% over FY2025 Revised

*Includes rate increase to keep pace with ongoing operating and maintenance needs.

STORMWATER

REVENUES

increased \$16,212,000 or 226.46% over FY2025 Revised

EXPENDITURES

increased \$15,950,000 or 242.44% over FY2025 Revised

*Includes rate increase to keep pace with ongoing operating and maintenance needs.

*This fund is now showing both the debt proceeds and principal and interest payments made from this fund which is the reason for the increase from 2025. These revenues and expenses will not show up as actuals due to the capitalization of assets per GAAP.

PARKING

REVENUES

increased \$554,000 or 22.71% over FY2025 Revised

EXPENDITURES

increased \$362,000 or 12.81% over FY2025 Revised

*Includes rate increase to keep pace with ongoing operating and maintenance needs.

ADMINISTRATIVE SERVICES

REVENUES

decreased -\$6,645,000 or -27.41% over FY2025 Revised

EXPENDITURES

decreased -\$5,929,000 or -25.32% over FY2025 Revised

*Fleet internal service charges were previously captured in this fund; Fleet is now its own fund which is the primary reason for the large decreases.

CAPITAL SALES TAX

REVENUES

increased \$125,000 or 1.58% over FY2025 Revised

EXPENDITURES

decreased -\$1,666,000 or -12.4% over FY2025 Revised

*This fund is supported by a dedicated sales tax.

TRANSIT SALES TAX

REVENUES

increased \$80,000 or 1.58% over FY2025 Revised

EXPENDITURES

decreased -\$649,000 or -10.52% over FY2025 Revised

*This fund is supported by a dedicated sales tax.

HOUSING TRUST FUND

REVENUES

decreased -\$392,000 or -13.39% over FY2025 Revised

EXPENDITURES

decreased -\$632,000 or -20.04% over FY2025 Revised

*This fund is supported by a dedicated sales tax.

JANUARY

- Policy Questions Presented to City Commission
- Public & Departmental Submission for CIP Projects

FEBRUARY

- Balancing Act Tool Open for Public Input
- Public & Departmental Submission for CIP Projects

MARCH

- Internal Service Departments Develop Budgets
- Review & Scoring Process for CIP

APRIL

- Review of Balancing Act Feedback at City Commission
- Financing Plan Developed for CIP

MAY

- General Fund & All Other Funds Develop Budgets
- Draft CIP Reviewed by Executive Team

JUNE

- Budget Submissions Reviewed by Executive Team
- Proposed CIP Presentation to City Commission

JULY

- Proposed Budget Presentation to City Commission

SEPTEMBER

- Public Hearings for Proposed Budget
- Budget Adoption

OCTOBER

- Budget Submitted to County

PERSONNEL CHANGES BY DEPARTMENT

| DEPARTMENT | 2024 BUDGET | 2025 REVISED* | 2026 BUDGET* |
|--|----------------|------------------|-----------------|
| Budget, Strategy, & Performance | - | - | 5.30 |
| City Attorney's Office | 22.50 | 21.00 | 21.00 |
| City Clerk | 3.00 | 3.00 | 3.00 |
| City Commission | 5.00 | 5.00 | 5.00 |
| City Manager's Office | 8.17 | 9.50 | 10.50 |
| Communications | 6.00 | 6.00 | 6.00 |
| Finance | 34.50 | 33.00 | 28.70 |
| Fire Medical | 226.60 | 168.00 | 168.00 |
| Human Resources | 8.00 | 12.00 | 12.00 |
| Information Technology | 20.54 | 22.00 | 21.00 |
| Municipal Services & Operations | 331.00 | 345.50 | 343.50 |
| Parks, Recreation, & Culture | 76.38 | 76.00 | 73.00 |
| Planning & Development Services | 45.08 | 39.00 | 37.00 |
| Police | 184.00 | 187.00 | 179.00 |
| Transit & Parking | 19.62 | 18.00 | 18.00 |
| TOTAL | 990.39 | 945.00 | 931.00 |

*As part of the 2026 budget process, the City utilized a new software to track positions which impacted 2025 totals. The biggest change is employees who work 2912 hours/year counted as 1.4 FTE in past years, and they are now shown as 1 benefited position. The updated personnel numbers are shown as 2025 Revised.

Several changes were made in 2026: the Budget, Strategy, & Performance Office was created - reallocating 5.3 existing positions from Finance, IT, and Police. Multiple positions were eliminated across the organization due to budget constraints.

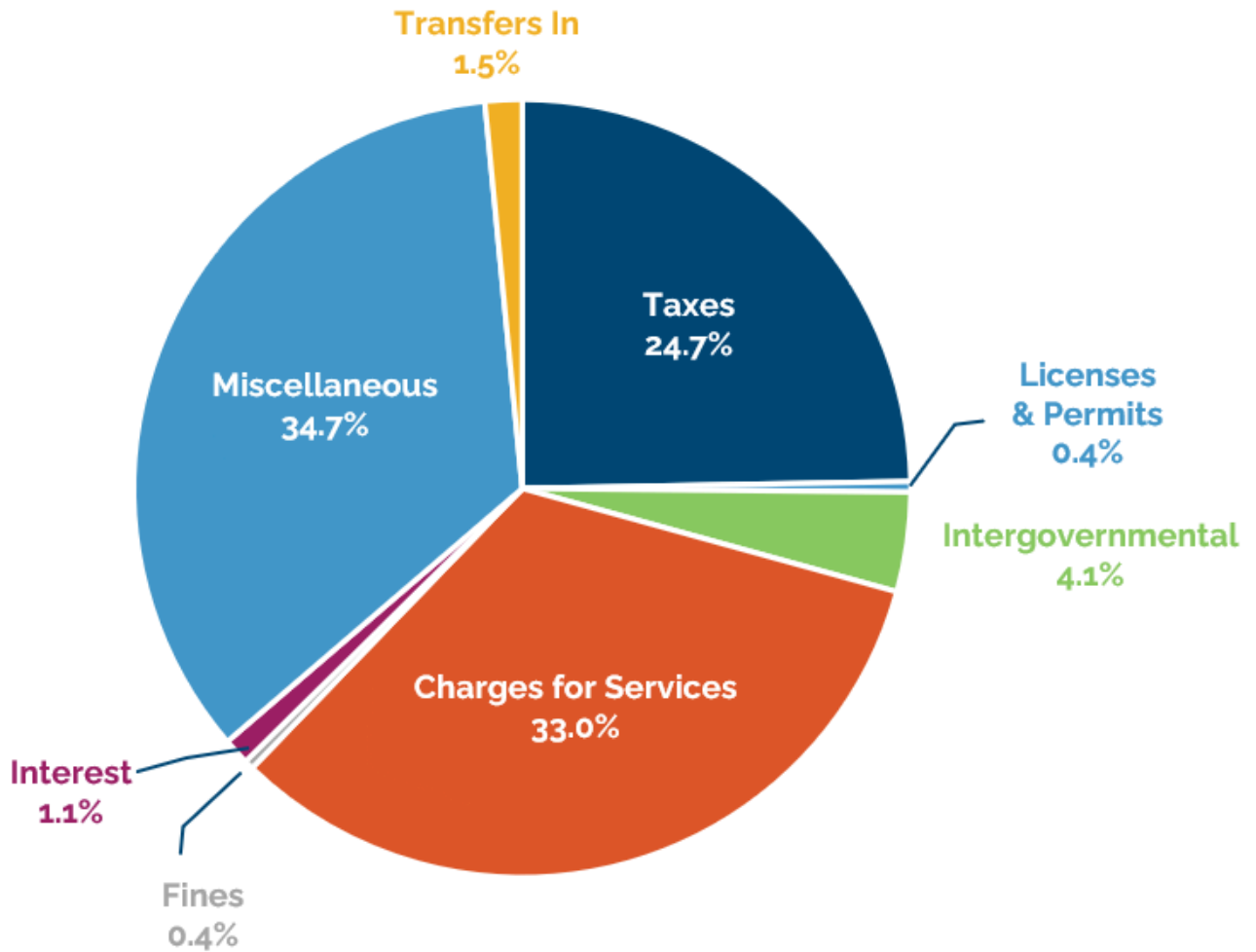
City Manager's Office includes Economic Development, Environmental Sustainability, Equity & Inclusion, and Homeless Solutions.

PERSONNEL CHANGES BY FUND

| FUND | 2024 BUDGET | 2025 REVISED | 2026 BUDGET |
|---|----------------|-----------------|----------------|
| 101 - General | 602.64 | 553.31 | 537.76 |
| 203 - Transit | 1.91 | - | 3.43 |
| 221 - Transient Guest Tax | 2.84 | 3.59 | 3.59 |
| 222 - Special Alcohol | 0.58 | - | - |
| 241 - Airport | 1.60 | 1.05 | 1.70 |
| 245 - Farmland Remediation | 1.50 | 1.30 | 1.30 |
| 501 - Water/Wastewater | 137.35 | 142.00 | 141.60 |
| 502 - Solid Waste | 87.75 | 88.85 | 88.75 |
| 503 - Parking | 10.80 | 13.15 | 12.15 |
| 504 - Stormwater | 14.80 | 17.60 | 21.00 |
| 601 - Administrative Services | 111.26 | 89.90 | 90.90 |
| 602 - Health & Wellness | 1.00 | 1.00 | 1.00 |
| 604 - Risk Management | 1.00 | 1.05 | 1.05 |
| 605 - Fleet | - | 17.10 | 17.10 |
| 801 - Federal Grant | 7.22 | 7.85 | 3.43 |
| 803 - Fair Housing Grant | 0.05 | 0.10 | 0.10 |
| 804 - Community Development Block Grant | 2.23 | 2.00 | 2.00 |
| 805 - HOME Grant | 0.74 | 0.25 | 0.25 |
| 806 - Transportation Planning | 3.12 | 2.90 | 2.90 |
| 851 - State Grants | 2.00 | 2.00 | 1.00 |
| TOTAL | 990.39 | 945.00 | 931.00 |

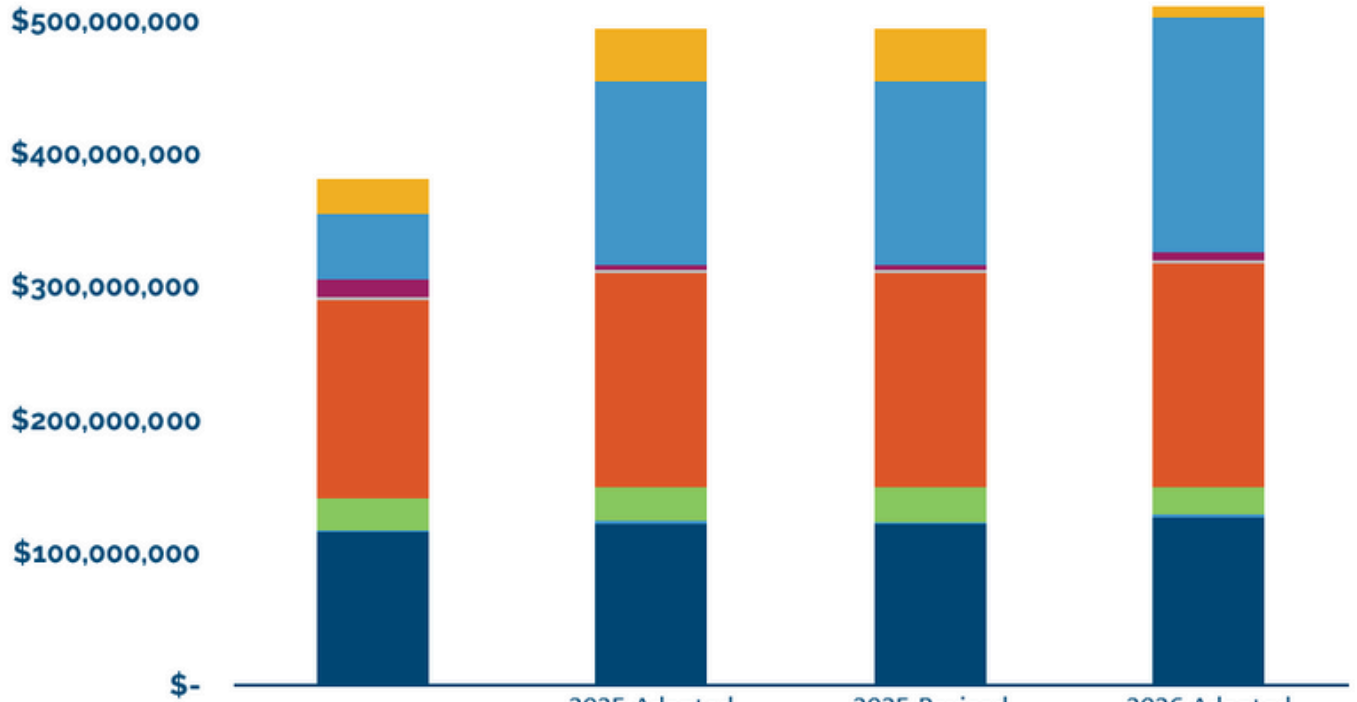
REVENUE HIGHLIGHTS

BY CATEGORY



| | |
|-------------------------------|--|
| CHARGES FOR SERVICES | This includes all fees charged for a specific service provided by the City which is not primarily supported by taxes such as utilities, parking fees, and recreation fees. |
| FINES | This revenue represents fines and charges levied by Municipal Court. |
| INTERGOVERNMENTAL | This includes grants or distributions received from other governmental entities. |
| LICENSES & PERMITS | This is where things such as professional licenses, animal permits, building permits, and parking fees are recorded. |

REVENUE HISTORY



| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|----------------------|---------------|---------------------|---------------------|---------------------|
| Transfers In | \$25,959,168 | \$39,569,000 | \$39,569,000 | \$7,880,000 |
| Miscellaneous | \$49,850,483 | \$137,572,000 | \$137,572,000 | \$177,525,000 |
| Interest | \$13,568,024 | \$4,590,000 | \$4,590,000 | \$5,635,000 |
| Fines | \$1,756,473 | \$1,804,000 | \$1,804,000 | \$1,960,000 |
| Charges for Services | \$149,160,958 | \$161,710,000 | \$161,410,000 | \$168,402,000 |
| Intergovernmental | \$24,078,663 | \$25,127,000 | \$25,981,000 | \$21,094,000 |
| Licenses & Permits | \$1,763,062 | \$1,969,000 | \$1,969,000 | \$2,250,000 |
| Taxes | \$115,168,958 | \$121,796,000 | \$121,423,000 | \$126,298,000 |

MISCELLANEOUS

TAXES

TRANSFERS IN

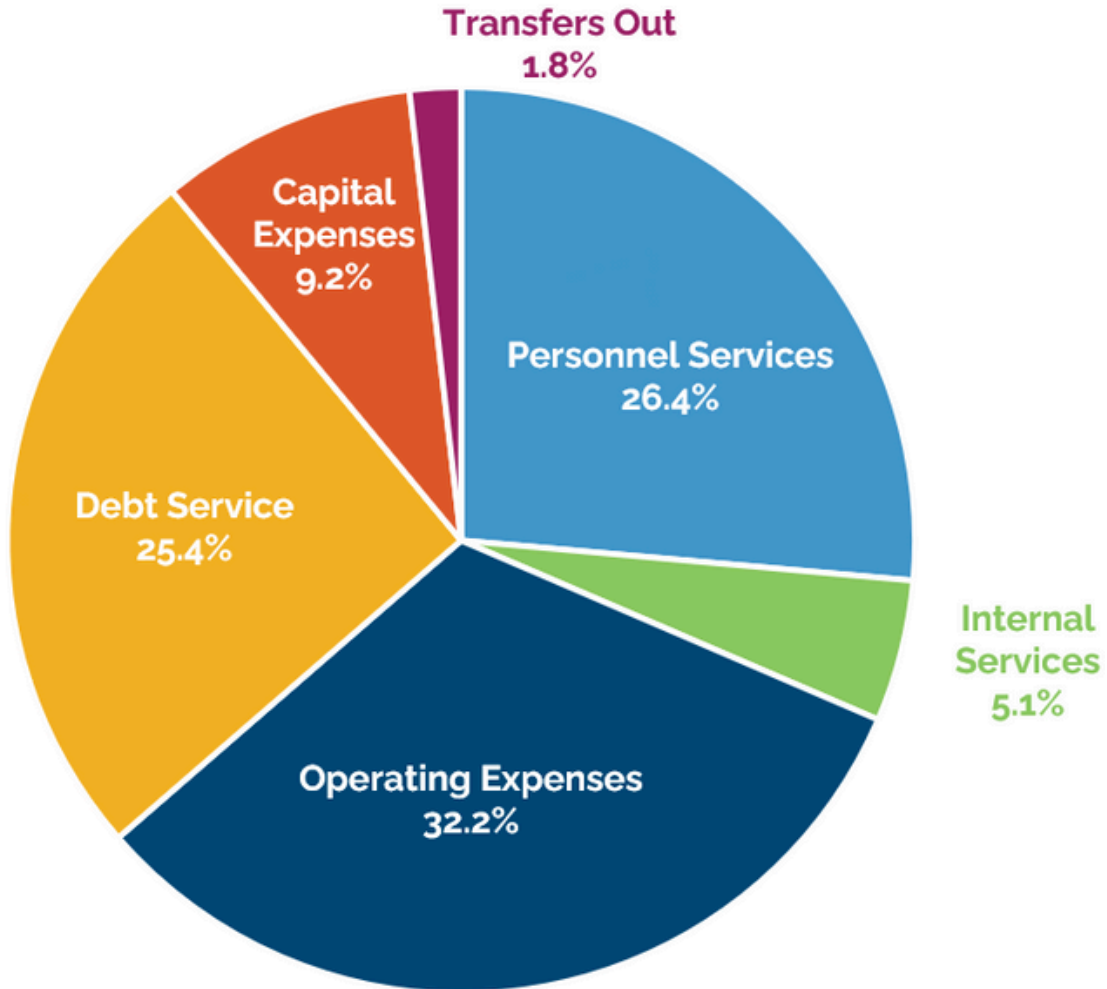
This encompasses all other revenue sources not identified in another category. The largest components are bond and temporary note proceeds. Other items include reimbursements, donations, and sale of assets.

Taxes include sales tax, property tax, and franchise fees. More information on sales and property tax can be found on pages 38-42. Franchise fees are charges to utilities for use of the public right-of-way.

Transfers are used to move money from one fund to another.

EXPENDITURE HIGHLIGHTS

BY CATEGORY



CAPITAL EXPENSES

This category includes large items that have a useful life of two years or more. Examples are land, buildings, building improvements, vehicles, large equipment, and infrastructure improvements.

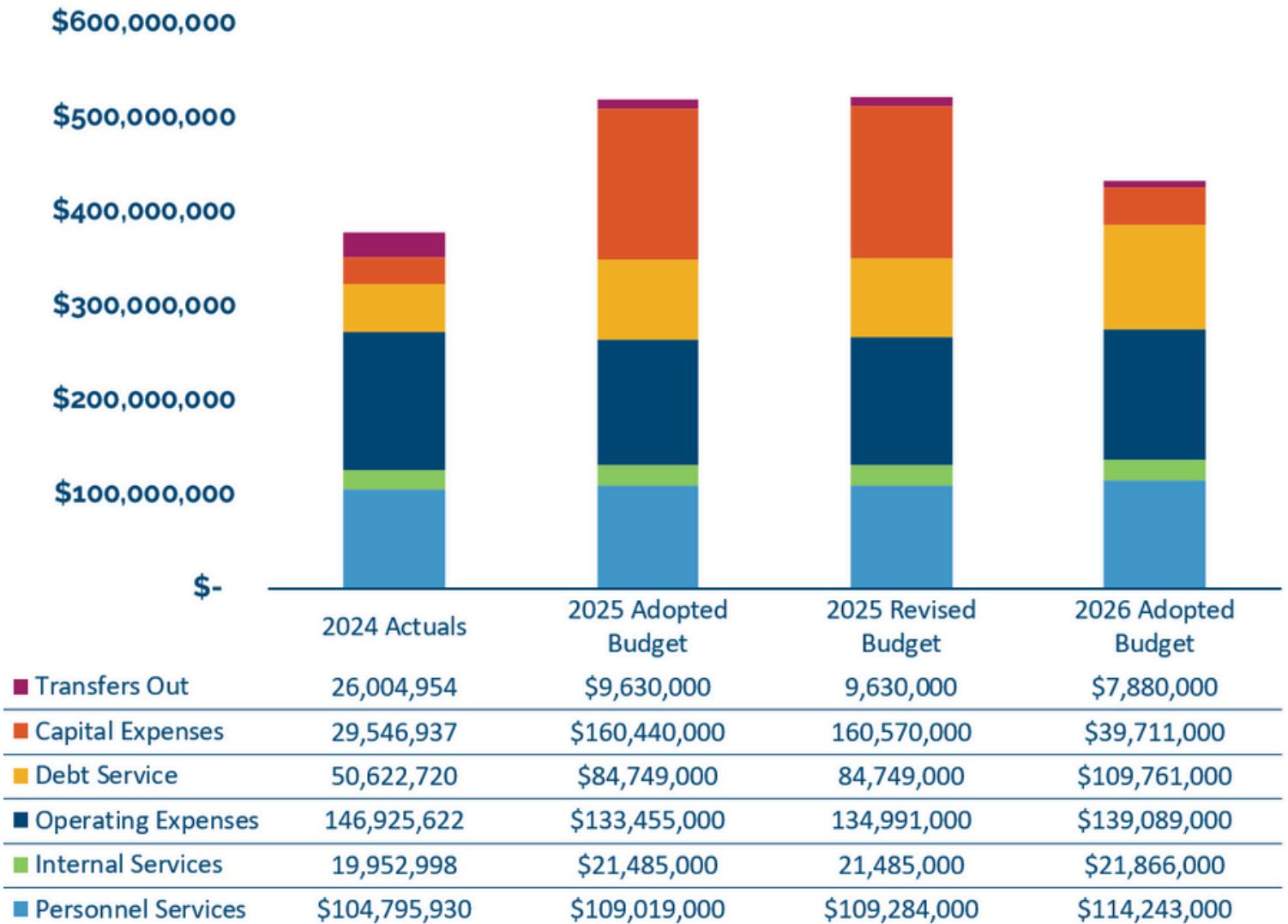
DEBT SERVICE

These are annual payments for projects that receive multi-year debt financing.

INTERNAL SERVICES

These are internal charges that account for activities that provide goods and services to other departments. Human Resources and Finance are an example.

EXPENDITURE HISTORY



OPERATING EXPENSES

PERSONNEL SERVICES

TRANSFERS OUT

This category includes operating costs that do not fall into other expenditure categories.

This category of expenditures is related to compensating employees, including salaries, overtime, and benefits

Transfers are used to move money from one fund to another.

*Previous budgets aligned capital expenses with the CIP which shows cashflow. The 2026 Budget has changed to show only new budget in the fiscal year for capital projects/expenses (due to many having previous bond authority) which is the cause for the difference between 2025 and 2026.

| Fund | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Budget |
|--|-------------------------|--------------------------------|--------------------------------|------------------------|
| 101 - General | 110,964,183 | 116,180,000 | 116,445,000 | 118,231,000 |
| 201 - Capital Sales Tax | 9,398,545 | 13,435,000 | 13,435,000 | 11,769,000 |
| 202 - Library | 6,180,000 | 6,625,000 | 6,625,000 | 6,960,000 |
| 203 - Transit | 6,080,260 | 5,835,000 | 6,170,000 | 5,521,000 |
| 204 - Housing Trust | 2,985,549 | 2,404,000 | 3,154,000 | 2,522,000 |
| 221 - Transient Guest Tax | 2,662,715 | 2,797,000 | 2,797,000 | 2,875,000 |
| 222 - Special Alcohol | 791,900 | 884,000 | 935,000 | 1,074,000 |
| 223 - Special Highway | 5,544,725 | 3,479,000 | 3,479,000 | 4,133,000 |
| 224 - Special Recreation | 981,554 | 1,274,000 | 1,274,000 | 1,089,000 |
| 225 - Law Enforcement Trust | 2,958 | 80,000 | 80,000 | 80,000 |
| 226 - Kansas Fights Addiction Act | 106,000 | 95,000 | 95,000 | 100,000 |
| 227 - Federal Funds Exchange | 1,951,575 | 1,180,000 | 1,180,000 | 1,180,000 |
| 242 - Airport Fund | 627,659 | 597,000 | 597,000 | 752,000 |
| 243 - City Parks Memorial | 24,391 | 40,000 | 40,000 | 40,000 |
| 245 - Farmland Remediation | 213,527 | 317,000 | 317,000 | 309,000 |
| 246 - Cemetery Perpetual | 177 | 12,000 | 12,000 | 20,000 |
| 248 - Wee Folks Scholarship | 25,061 | 35,000 | 35,000 | 50,000 |
| 271-277 - Economic Development | 2,554,294 | 3,186,000 | 3,186,000 | 3,219,000 |
| 301 - Debt Service | 41,425,804 | 60,112,000 | 60,112,000 | 71,693,000 |
| 401 - Equipment Reserve | 1,009,710 | 631,000 | 761,000 | 633,000 |
| 402 - Capital Projects Fund | 35,829,627 | 81,449,000 | 81,449,000 | 11,825,000 |

| Fund | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Budget |
|--|----------------------|----------------------|----------------------|----------------------|
| 501 - Water & Wastewater | 62,711,768 | 73,627,000 | 73,627,000 | 69,982,000 |
| 502 - Solid Waste | 19,197,272 | 20,132,000 | 20,132,000 | 21,590,000 |
| 503 - Public Parking | 2,470,876 | 2,427,000 | 2,827,000 | 3,189,000 |
| 504 - Storm Water | 6,018,470 | 6,579,000 | 6,579,000 | 22,529,000 |
| 505 - Utilities Bonded Construction | 1,936,113 | 56,020,000 | 56,020,000 | 10,851,000 |
| 506 - Utilities Cash Construction | 1,054,919 | 10,000 | 10,000 | 1,010,000 |
| 601 - Administrative Services | 21,420,653 | 23,418,000 | 23,418,000 | 17,489,000 |
| 602 - Health & Wellness | 17,120,742 | 19,337,000 | 19,337,000 | 20,806,000 |
| 604 - Risk Management | 2,125,378 | 3,837,000 | 3,837,000 | 4,377,000 |
| 605 - Fleet | 0 | 0 | 0 | 6,100,000 |
| 801 - Federal Grants | 7,409,998 | 5,769,000 | 5,769,000 | 6,475,000 |
| 802 - ARPA Grant | 2,140,132 | 0 | 0 | 0 |
| 803 - Fair Housing Grant | 29,140 | 22,000 | 22,000 | 21,000 |
| 804 - CDBG | 1,181,260 | 902,000 | 902,000 | 1,014,000 |
| 805 - HOME Grant | 755,173 | 454,000 | 454,000 | 432,000 |
| 806 - Transportation Planning | 230,754 | 328,000 | 328,000 | 350,000 |
| 851 - State Grants | 2,686,300 | 5,269,000 | 5,269,000 | 2,260,000 |
| TOTAL | \$377,849,162 | \$518,778,000 | \$520,709,000 | \$432,550,000 |

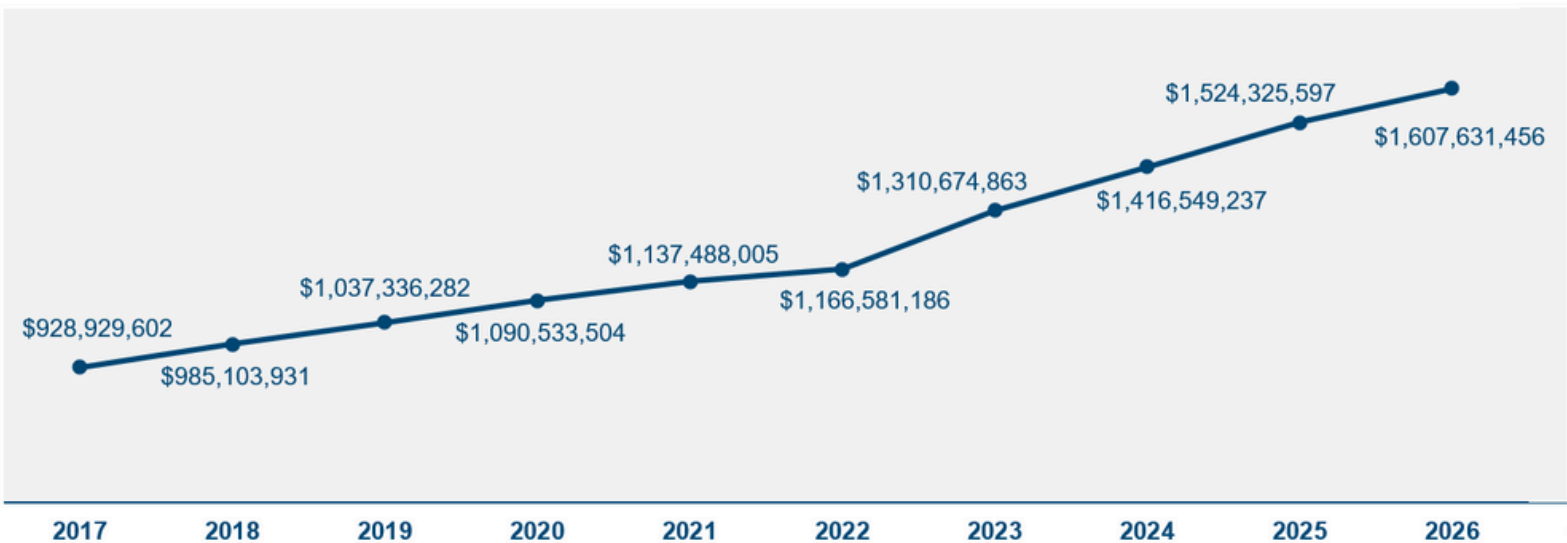
PROPERTY TAX

2025 ESTIMATED ASSESSED VALUATION FOR 2026 BUDGET \$1,607,631,456

CITY OF LAWRENCE MILL LEVY

| TAX LEVY | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General | 19.952 | 19.935 | 21.346 | 21.142 | 21.142 | 21.63 |
| Debt Service | 9.321 | 9.313 | 7.825 | 7.956 | 7.956 | 7.956 |
| Library | 4.045 | 4.042 | 4.119 | 4.109 | 4.099 | 4.088 |
| TOTAL | 33.318 | 33.290 | 33.290 | 33.207 | 33.197 | 33.674 |

ASSESSED VALUATION HISTORY



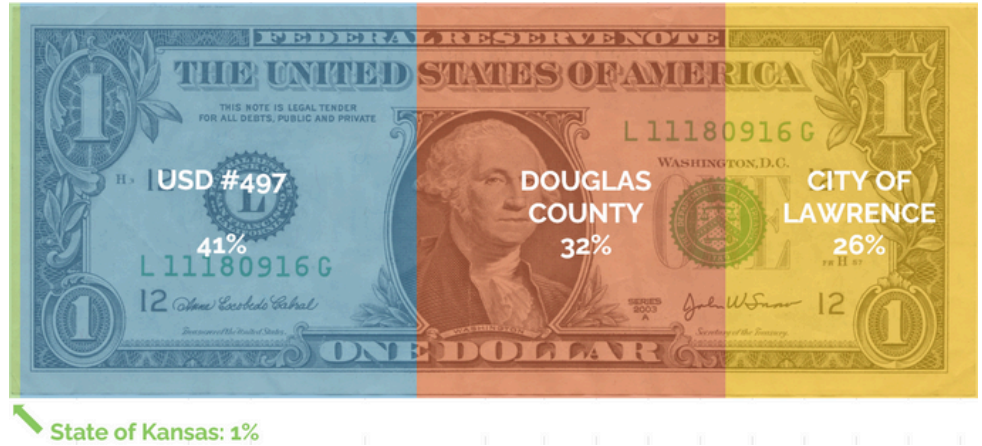
PROPERTY TAX BREAKDOWN

The City of Lawrence receives approximately **26%** of the property tax paid by a Lawrence resident.

Douglas County receives approximately **32%**.

USD #497 receives approximately **41%**.

The State of Kansas receives **1%**.



HOW TO CALCULATE YOUR PROPERTY TAX BILL

- 1 Determine the assessed valuation for your residential property by multiplying the appraised value of your home by 11.5%.*
- 2 Multiply your assessed valuation by the mill rate levied by the City.
- 3 Divide by 1,000. The result is your estimated tax bill for the City of Lawrence.

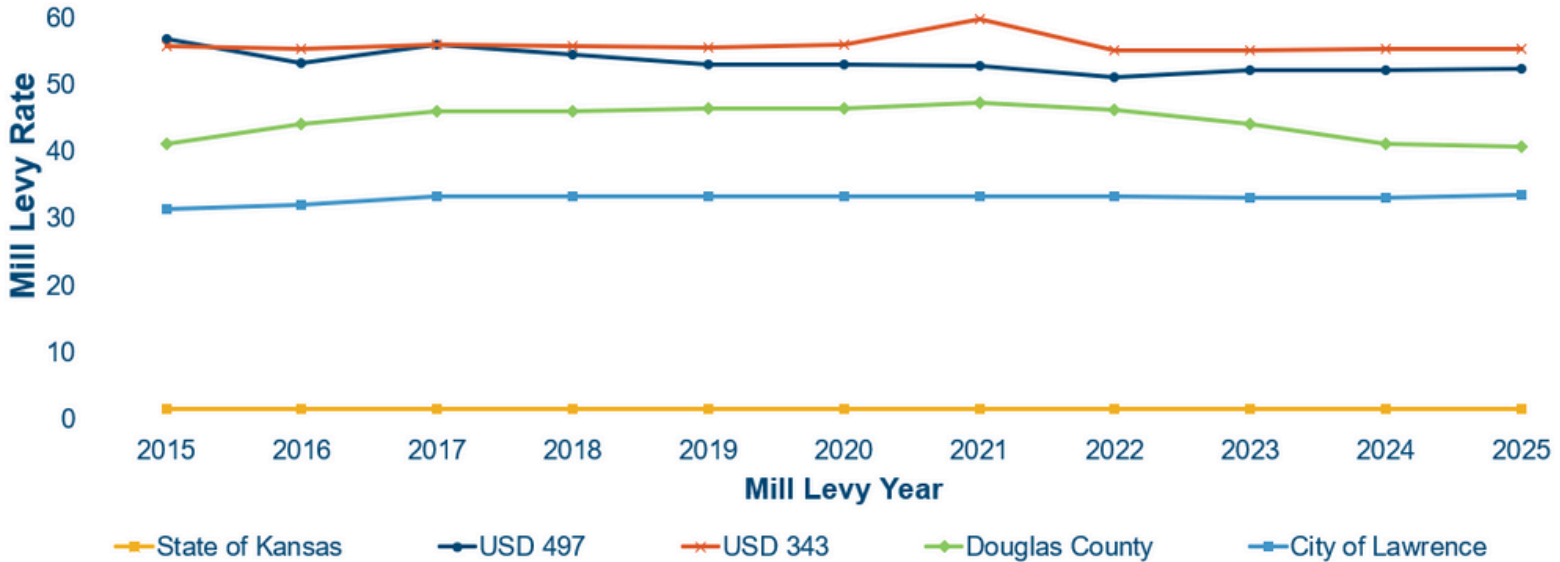
| | |
|-----------------------------|--------------------|
| Market Value of Home = | \$269,000 |
| | x 11.50% |
| Assessed Valuation = | \$30,935 |
| Assessed Valuation | \$30,935 |
| x City Mill Rate | x 33.674 |
| | \$1,041,705 |
| \$1,041,705/1,000 = | \$1,042 |

\$269k is the median home value.

***Commercial Property is assessed at 25%.**

For residential property, the 2026 City tax bill equates to approximately \$3.87 for each \$1,000 of the fair market value.

MILL LEVY COMPARISON



TOTAL MILLS LEVIED BY UNIT

| Levy Year | State of Kansas | USD 497 | Douglas County | City of Lawrence | Total |
|-----------|-----------------|---------|----------------|------------------|---------|
| 2015 | 1.500 | 56.906 | 41.098 | 31.488 | 130.992 |
| 2016 | 1.500 | 53.360 | 44.092 | 32.018 | 130.970 |
| 2017 | 1.500 | 55.950 | 46.018 | 33.279 | 136.747 |
| 2018 | 1.500 | 54.427 | 46.015 | 33.278 | 135.220 |
| 2019 | 1.500 | 52.984 | 46.430 | 33.290 | 134.204 |
| 2020 | 1.500 | 53.122 | 46.430 | 33.318 | 134.370 |
| 2021 | 1.500 | 52.840 | 47.419 | 33.290 | 135.049 |
| 2022 | 1.500 | 51.070 | 46.219 | 33.290 | 132.079 |
| 2023 | 1.500 | 52.229 | 44.209 | 33.207 | 131.145 |
| 2024 | 1.500 | 52.252 | 41.298 | 33.197 | 128.247 |
| 2025 | 1.500 | 52.333 | 40.669 | 33.674 | 128.176 |

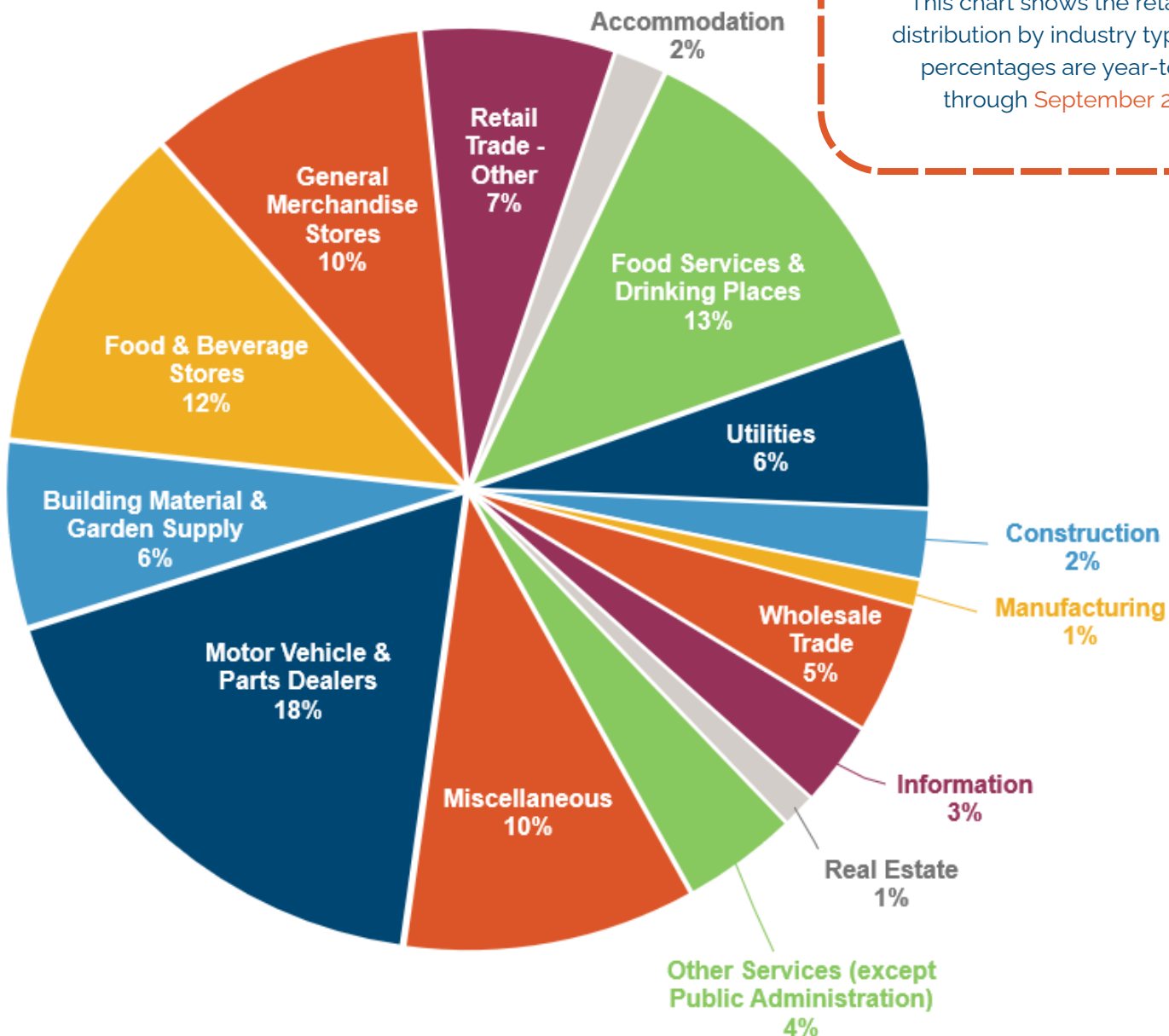
The **levy year** is the year in which the mill levy is adopted. That mill levy is used to levy taxes for the budget the following year. For example, the mill levy set in 2025 (levy year) is used for the 2026 budget.

SALES TAX

BY INDUSTRY

Where Does Sales Tax Revenue Come From?

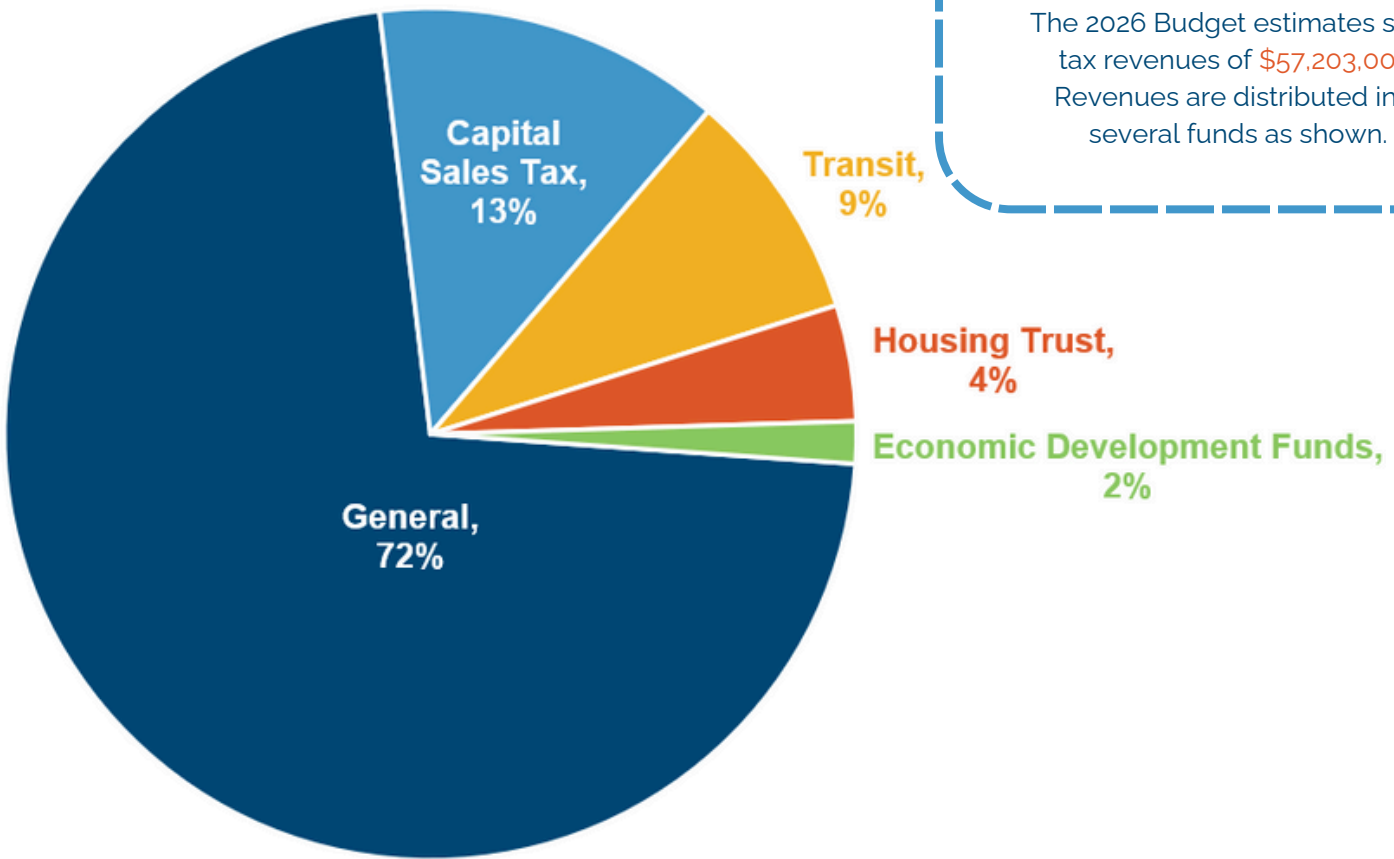
This chart shows the retail sales distribution by industry type. These percentages are year-to-date through September 2025.



BY FUND

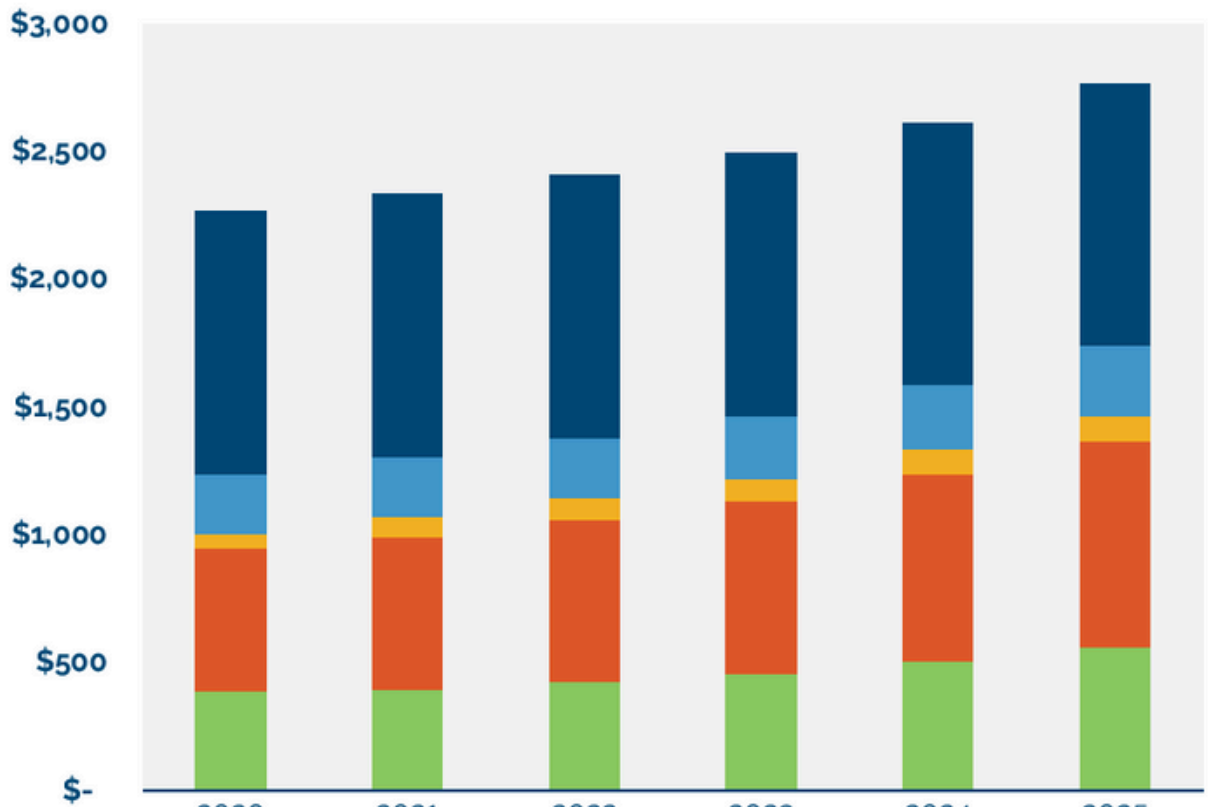
Where Does Sales Tax Revenue Go?

The 2026 Budget estimates sales tax revenues of **\$57,203,000**. Revenues are distributed into several funds as shown.



| Fund | 2024 Actuals | 2025 Adopted | 2025 Revised | 2026 Adopted |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| General - 101 | \$39,701,909 | \$40,634,000 | \$40,496,000 | \$41,176,000 |
| Capital Sales Tax - 201 | 7,291,033 | 7,412,000 | 7,437,000 | 7,562,000 |
| Transit - 203 | 4,860,689 | 4,854,000 | 4,953,000 | 5,033,000 |
| Housing Trust - 204 | 1,215,172 | 2,502,000 | 2,163,000 | 2,521,000 |
| Economic Development | 849,077 | 939,000 | 939,000 | 911,000 |
| TOTAL | \$53,917,880 | \$56,341,000 | \$55,988,000 | \$57,203,000 |

ANNUAL FINANCIAL IMPACT TO RESIDENTIAL HOUSEHOLDS



| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total | \$2,266 | \$2,335 | \$2,409 | \$2,494 | \$2,614 | \$2,765 |
| ■ City Property Tax | \$1,031 | \$1,031 | \$1,030 | \$1,030 | \$1,027 | \$1,027 |
| ■ Solid Waste | \$232 | \$232 | \$239 | \$246 | \$254 | \$273 |
| ■ Stormwater | \$54 | \$81 | \$85 | \$89 | \$95 | \$102 |
| ■ Sewer - 4,000 Gal/Mo | \$561 | \$597 | \$633 | \$677 | \$736 | \$804 |
| ■ Water - 4,000 Gal/Mo | \$388 | \$394 | \$423 | \$452 | \$502 | \$558 |

This table shows the anticipated impact to the average residential household. The property tax calculation is based on a home valued at \$269,000.

The average ratepayer will pay \$169 more for City services in 2025 based on the approved rate and tax increases. This is an increase of approximately 6%.

There are a number of items included in the City budget for services funded through agreements with Douglas County. Not all of these arrangements have been established by formal agreements.

In some instances, the other cities in Douglas County are receiving services without providing any financial support by way of the municipal levy. As a result, taxpayers in the City of Lawrence are paying more for the same service as taxpayers in other cities and unincorporated Douglas County.

The City Manager recommends reviewing these agreements – not in order to reduce the amount of funding going to these services, but to share the cost of providing them more equitably across all taxpayers in Douglas County.

Fire Medical Annual Operations*

CITY 59.7%

COUNTY 40.3%

Health Department Facility Maintenance

CITY 50.0%

COUNTY 50.0%

Planning Department Annual Operations

CITY 83.3%

COUNTY 16.7%

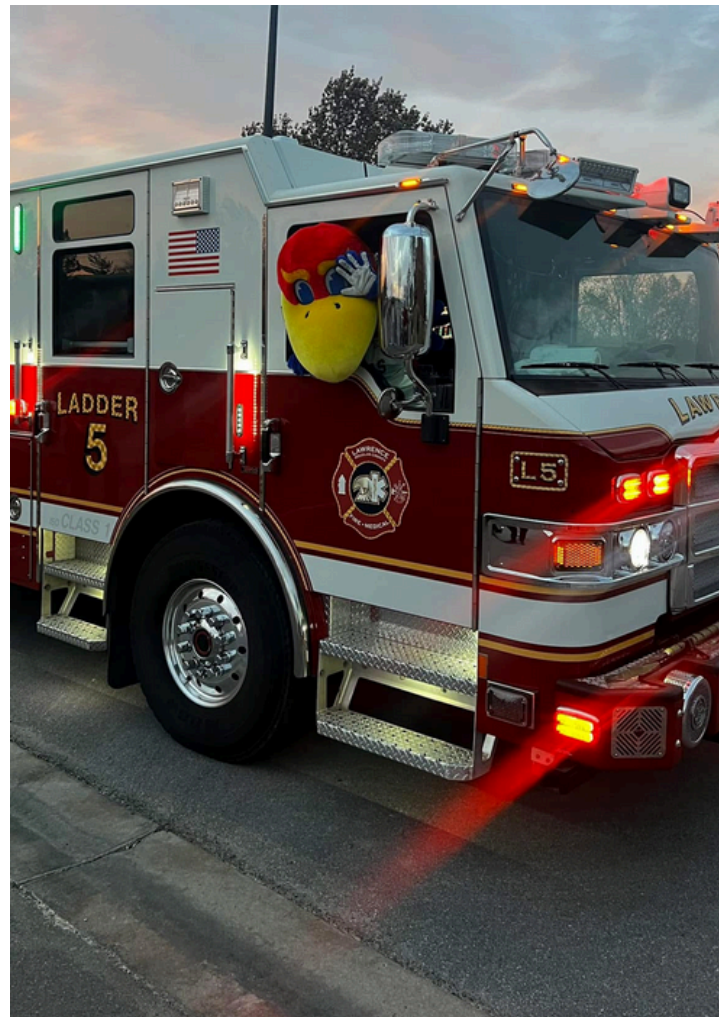
Emergency Communication Center

CITY 60.0%

COUNTY 40.0%

Jail Rate

CITY \$287.34 per day



*This percentage is only in effect for 2026. The City and Douglas County are actively in conversation about how these costs should be shared.

STRATEGIC PLAN

OVERVIEW

OUTCOMES

COMMITMENTS

UNMISTAKABLE IDENTITY

STRONG, WELCOMING NEIGHBORHOODS

SAFE & SECURE

PROSPERITY & ECONOMIC SECURITY

CONNECTED CITY

CITYWIDE

METRICS

OVERVIEW

In March of 2017, the City adopted its first Strategic Plan. That plan included seven critical success factors and eight priority initiatives. At the end of 2019, significant progress had been made towards achieving those priority initiatives, and the City began a process to update the Strategic Plan. During this process, the City conducted significant public outreach in late 2019 and early 2020.

The pages that follow outline the Commitments and Outcomes that the City Commission adopted in October of 2020.

The Strategic Plan effectively ties existing city expenditures to long-term entity- and community-wide goals. It also shapes new initiatives, capital improvements, and internal processes. The following pages also depict some of the priority performance indicators being undertaken to meet these strategic Outcomes and Commitments. Subsequently, city performance will be measured against these targets in upcoming years to ensure that progress towards the goals is being met and to adjust resource allocation and programming as necessary.

Moving into 2026, the City is looking to refresh its Strategic Plan as it will have been in effect for five years.



OUTCOMES

To realize our vision for Lawrence, our Strategic Plan is centered on achieving the following Outcomes. The Outcomes represent what our City is “in business to do” and what we plan to accomplish for our community.



UNMISTAKABLE IDENTITY

Lawrence is a welcoming community, synonymous with arts, diverse culture, fun, and a quintessential downtown. City parks and community events contribute to the vibrancy experienced by all people in Lawrence.



STRONG, WELCOMING NEIGHBORHOODS

All people in Lawrence live in safe, functional, and aesthetically unique neighborhoods that provide opportunities to lead healthy lifestyles with access to safe and affordable housing and essential services that help them thrive.



SAFE & SECURE

Lawrence is a community where all people feel safe and secure and have access to trusted public and community-based safety resources.



PROSPERITY & ECONOMIC SECURITY

The City of Lawrence fosters an environment that provides all people and businesses the opportunity for economic security and intentionally acknowledges, removes, and prevents barriers created by systemic and institutional injustice. Our community succeeds because of collective prosperity and a vibrant, sustainable local economy.



CONNECTED CITY

The City of Lawrence has well-maintained, functional, and efficient infrastructure, facilities, and other assets. Connectivity supports accessible, sustainable methods for safely moving people and information throughout the community and the region. Investment in these assets reflects the City’s commitment to contribute to the well-being of all people.

For the most up-to-date information regarding the City’s strategic planning process, please visit: lawrenceks.gov/strategic-plan.

COMMITMENTS

The way in which we accomplish the work set out in this Plan is as important as the Outcomes. This is why our Commitments are essential. With these six Commitments to **how we do our work**, the City will ensure we're following through on our Strategic Plan in the right way.



COMMUNITY ENGAGEMENT

Listen, share, and engage with our community to drive action and build trust in City government.

We invite and welcome all community members to collaborate and innovate with us. Through strong and equitable engagement with our community, we share and receive information about important city services and community life.



EFFICIENT & EFFECTIVE PROCESSES

Intentional and consistent delivery of city services.

We focus on process improvement by working collaboratively to understand needs, research, adapt, and develop successful solutions. Trust-worthy processes are the foundation for the delivery of city services.



ENGAGED & EMPOWERED TEAMS

People throughout the organization are trusted, supported, and cared for as we build community.

We invest in and cultivate service to community, individual growth, team development, respect, and trust. Our very best is achieved by a diverse, engaged, collaborative, and innovative organizational culture.



ENVIRONMENTAL SUSTAINABILITY

A deep respect for our place in relationship with the planet and environment.

We consider the environmental consequences of every decision, big and small, knowing that our actions have impacts beyond our boundaries. We protect and restore our ecosystem to make it healthier and more balanced for future generations.



EQUITY & INCLUSION

Fair and impartial delivery of services so that no group is disadvantaged or burdened, along with having inclusive representation and participation for all.

Inclusion and racial equity drive the culture of our organization and our community. When we intentionally prioritize race, it can no longer be used to predict life outcomes and outcomes are improved for all. We remove systemic barriers to reconcile historic injustices and their continued presence in our work.



SOUND FISCAL STEWARDSHIP

Efficient use and sustainable management of resources that align with community priorities.

We build and maintain public trust while using our resources to achieve high value. We provide transparent, easy access to relevant, accurate data for budgeting and decision making.

PERFORMANCE INDICATORS

As the City strives to achieve each Outcome, this must be done through the Commitments the City has made. Additionally, this mirrors the internal teams responsible for developing strategies, performance indicators, and the in-progress key activities.

Acknowledging limited resources, the City identified **priority performance indicators** this past year with the purpose of focusing on selected areas and dedicating time and funding to ensure measurable progress. Each priority performance indicator has a set of strategies to move the needle forward. Full details can be viewed on the [Strategic Plan webpage](#).

| | | | |
|------------------------------|-----------------|---|-----------------|
| UNMISTAKABLE IDENTITY | P. 50-51 | STRONG, WELCOMING NEIGHBORHOODS | P. 52-53 |
| SAFE & SECURE | P. 54-55 | PROSPERITY & ECONOMIC SECURITY | P. 56-57 |
| CONNECTED CITY | P. 58-59 | CITYWIDE | P. 60-61 |



UNMISTAKABLE IDENTITY

Unmistakable Identity activities are being taken on by both City departments and community partners. City of Lawrence Parks, Recreation & Culture, Communications, Library, Fire Medical, Planning & Development Services, Equity & Inclusion, and Municipal Services & Operations departments and offices are engaged in this work, alongside the Watkins Museum of History, eXplore Lawrence, Downtown Lawrence, Lawrence Arts Center, Theatre Lawrence, the Granada, Sister Cities, and other community partners.

COMMUNITY ENGAGEMENT

- UI-1:** Percent of residents who are satisfied or very satisfied with the Parks & Recreation system
- UI-2:** Percent of residents who are satisfied or very satisfied with the amount of arts, diverse culture, and events

EFFICIENT & EFFECTIVE PROCESSES

- UI-3:** Number of People who have visited/utilized a City recreation facility, recreation program, or Unmistakable Identity partner facility/program
- UI-4:** Number of residents who have attended select events in the past year



EQUITY & INCLUSION

- UI-5:** Percent of black, indigenous, and people of color (BIPOC) residents rating the community as welcoming
- UI-6:** Percent of residents who believe their culture is celebrated in the community (i.e. festivals, parades, events, etc.)
- UI-7:** Percent of scholarship need that is met for recreation programs
- UI-8:** Number of scholarship recipients each year



SOUND FISCAL STEWARDSHIP

- UI-9:** Percent of Parks & Recreation programs that meet their cost recovery target
- UI-10:** Number of non-residents who have attended select events in the past year

ENVIRONMENTAL SUSTAINABILITY

- UI-12:** Acres of park green space per resident
- UI-13:** Number of events that celebrate and enhance area environmental sustainability
- UI-14:** Number of trees planted, removed and maintained to create a healthy tree canopy



STRONG, WELCOMING NEIGHBORHOODS

Strong, Welcoming Neighborhoods activities are being taken on primarily by City staff, including the Planning & Development Services, Municipal Services & Operations, Police, Communications, Parks, Recreation & Culture, Sustainability, and Transit departments and offices, along with representatives from Douglas County.

COMMUNITY ENGAGEMENT

SWN-1: Percent of residents who perceive the City as a good or very good place to live



EQUITY & INCLUSION

- SWN-2:** Percent of residential units within a half mile of City green space
- SWN-3:** Percent of residential units within a half mile of a walking/biking trail
- SWN-4:** Percent of residential units within a half mile of a school or library
- SWN-5:** Percent of households that are experiencing housing stress: Rental, Owner
- SWN-6:** Point-in-time count of people experiencing homelessness



SOUND FISCAL STEWARDSHIP

- SWN-7:** Leverage the Affordable Housing Sales Tax dollars to maintain and create more affordable housing units
- SWN-8:** City Infrastructure cost per new residential unit: Multi-Family, Single-Family



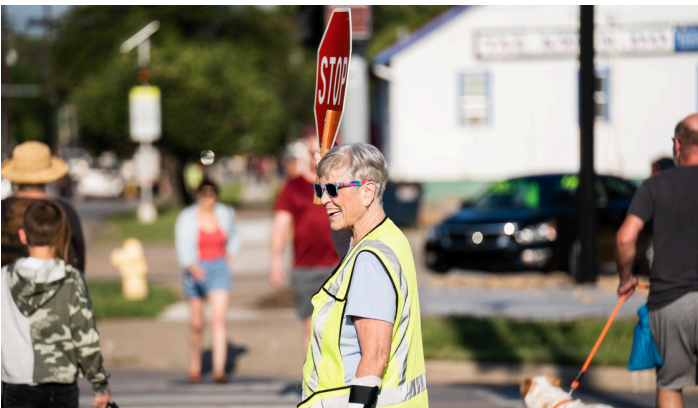
ENVIRONMENTAL SUSTAINABILITY

- SWN-9:** Pounds per person per day of municipal solid waste (trash) disposed.
- SWN-12:** Percent of total city land area that is protected natural resource areas including green spaces.
- SWN-13:** Connectivity of healthy food providers by transit, bike routes or sidewalks
- SWN-14:** Per capita of Greenhouse Gas (GHG) Emissions in tons of carbon dioxide-equivalents (CO2e)



SAFE & SECURE

Safe & Secure activities are being taken on primarily by City staff, including Fire Medical, Police, the City Attorney’s Office, Communications, Planning & Development Services, Equity & Inclusion, and the Library departments and offices, as well as representatives from the Lawrence-Douglas County Health Department.



COMMUNITY ENGAGEMENT

SAS-1: Percent of residents who perceive Lawrence as safe or very safe

EFFICIENT & EFFECTIVE PROCESSES

SAS-2: NIBRS Group A - Society, Person, and Property Crimes per 1000 Residents

SAS-3: Percent of fires contained to their room of origin

SAS-4: Percent of cardiac arrest patients with pulsatile rhythms upon arrival to a hospital

SAS-15: Response Time for Priority 1, 2, and 3 Calls for Service



EQUITY & INCLUSION

- SAS-5:** Number of calls handled by service alternatives to a traditional police response.
- SAS-6:** Variance in perceptions of safety by race
- SAS-7:** Percentage of Investigations resolved with an arrest, notice to appear, or referred to the DA or prosecutor for charging.
- SAS-8:** Percent of residents rating trust in emergency services departments as satisfied or very satisfied (LDCFM)
- SAS-9:** Percentage of outreach provided by systems-based advocacy to sexual and domestic violence per reported incidents.

SOUND FISCAL STEWARDSHIP

- SAS-10:** Expenditure per 1,000 residents for Police, Fire Medical

ENGAGED & EMPOWERED TEAMS

- SAS-13:** Percent of Law Enforcement Officers meeting or exceeding 80 hours of annual training
- SAS-14:** Percent of Firefighters meeting or exceeding 228 hours of firefighter training



PROSPERITY & ECONOMIC SECURITY

Prosperity & Economic Security activities are being taken on by City staff and community partners. City departments and offices involved include Economic Development, Planning & Development Services, Finance, the City Attorney's Office, Municipal Services & Operations, Communications, Equity & Inclusion, and Information Technology. The University of Kansas, Lawrence Chamber of Commerce, Peaslee Technical Center, KU Innovation Park, and Douglas County are also involved as community partners.

COMMUNITY ENGAGEMENT

- PES-1:** Percent of businesses satisfied or very satisfied with Lawrence as a place to do business
- PES-2:** Percent of residents satisfied or very satisfied with Lawrence as a place to work



EFFICIENT & EFFECTIVE PROCESSES

- PES-3:** Target industry employment growth (industries: creative & professional services; research/biomedical; computers, electronics, tech; advanced materials, green manufacturing)
- PES-4:** Average calendar days from application to issuance for development permits for commercial development



EQUITY & INCLUSION

- PES-5:** Women/minority business ownership rate
- PES-6:** Median Household Income by Race to Total Lawrence Median Income
- PES-7:** Area median household income

ENVIRONMENTAL SUSTAINABILITY

- PES-10:** Percent of development that is infill

SOUND FISCAL STEWARDSHIP

- PES-8:** Five-year rolling average of the total commercial building permit value
- PES-9:** Percent of private dollars leveraged to City dollars



CONNECTED CITY

Connected City activities are being taken on by City staff from the following departments and offices: Municipal Services & Operations, Planning & Development Services, Information Technology, Parks, Recreation & Culture, Parking & Transit, Fire Medical, and Police.

COMMUNITY ENGAGEMENT

- CC-1:** Resident satisfaction with condition of major city streets
- CC-2:** Resident satisfaction with biking, bus riding, walking/wheeling, and driving experiences, and water/wastewater services

EFFICIENT & EFFECTIVE PROCESSES

- CC-4:** Number of signalized intersections with a score of C or above to ease traffic congestion; Pavement in satisfactory or better condition
- CC-6:** Stormwater, water, wastewater, and facility assets in good or better condition



ENVIRONMENTAL SUSTAINABILITY

- CC-3:** Safe Water Drinking Act compliance - number of annual violations
- CC-12:** Percent of City-used electricity powered by onsite renewable energy; Fleet electric or hybrid units
- CC-13:** Bikeway completion



EQUITY & INCLUSION

- CC-5:** Sidewalk accessibility
- CC-7:** Annual reduction of accessibility barriers in facilities



SOUND FISCAL STEWARDSHIP

- CC-8:** Street maintenance cost per lane mile
- CC-9:** Airport cost recovery ratio
- CC-11:** Percent of construction projects completed on budget



CITYWIDE

These City-Wide progress indicators and strategies are designed to generate progress throughout the entire organization and all outcome areas, rather than addressing a specific outcome.

COMMUNITY ENGAGEMENT

- CW-1:** Percent of residents who are satisfied with the access, availability and timeliness of information
- CW-2:** Of residents who have engaged with a City department in the past year, the percent who were satisfied with the overall quality of service provide
- CW-3:** Percent of residents who are satisfied with the level of public involvement in local decision-making



EFFICIENT & EFFECTIVE PROCESSES

- CW-4:** Number of processes that are evaluated and improved per year

EQUITY & INCLUSION

- CW-5:** Overall Municipal Equality Index score



ENGAGED & EMPOWERED TEAMS

CW-6: Overall Employee Engagement Index

CW-7: Employee Engagement Index for Internal Service Departments

CW-8: Percent of employees who are satisfied with their jobs

SAS-11: Employee Engagement Index for Police

SAS-12: Employee Engagement Index for Fire Medical

UI-11: Employee Engagement Index for Parks, Recreation & Culture

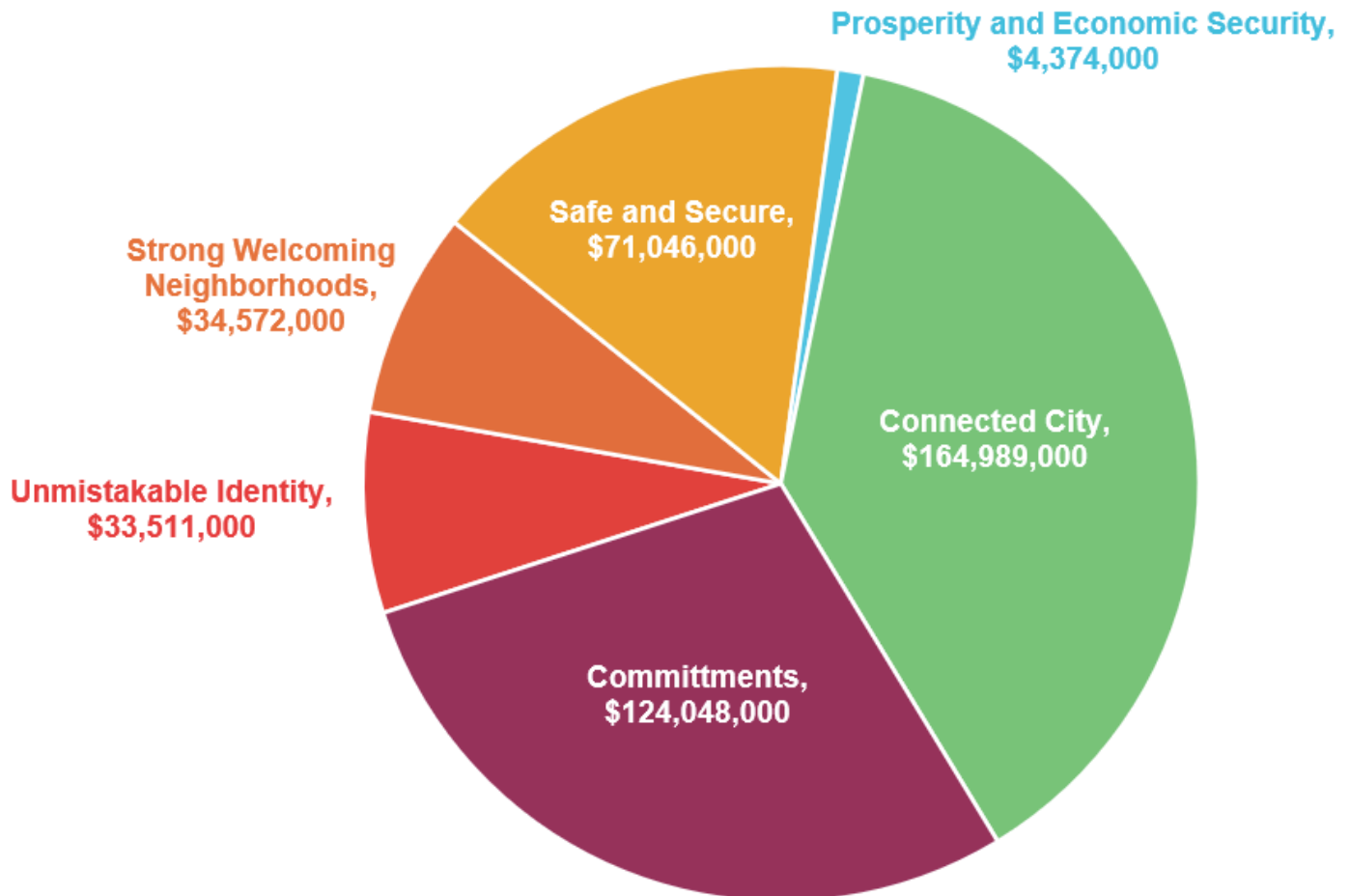
SWN-10: Employee Engagement Index for Planning & Development Services

SWN-11: Employee Engagement Index for Solid Waste

CC-10: Employee Engagement Index for Municipal Services & Operations (except Solid Waste)



PERFORMANCE METRICS



The previous pages listed each of the performance indicators for the associated Commitment and Outcome. Departments will utilize these performance indicators to help determine departmental priorities in future years in conjunction with citywide priorities.

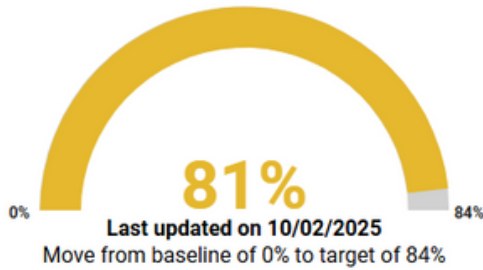
The following pages list the most recent data available for the City's **priority performance indicators**. The City is currently in the process of revamping its Strategic Plan dashboard and updating indicator data, so some indicators may have older data. See the most recent data as it is updated on the Strategic Plan platform.

As staff continues to collect data and establish targets, this information will be updated at: <https://lawrenceks.gov/strategic-plan/>.

UNMISTAKABLE IDENTITY

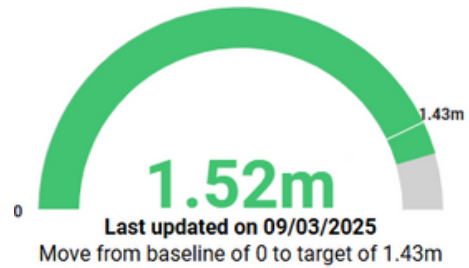
COMMUNITY ENGAGEMENT

UI-1: Percent of residents who are satisfied or very satisfied with the Parks & Recreation system



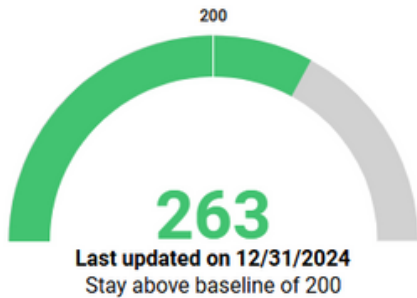
EFFICIENT & EFFECTIVE PROCESSES

UI-3: Number of People who have visited/utilized a City recreation facility, recreation program, or Unmistakable Identity partner facility/program



EQUITY & INCLUSION

UI-8: Number of scholarship recipients each year

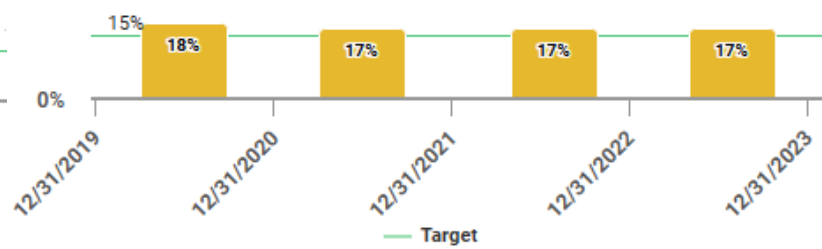
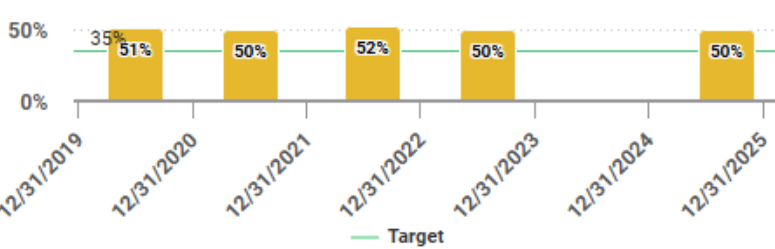


STRONG, WELCOMING NEIGHBORHOODS

EQUITY & INCLUSION

SWN-5: Percent of households that are experiencing housing stress: Rental

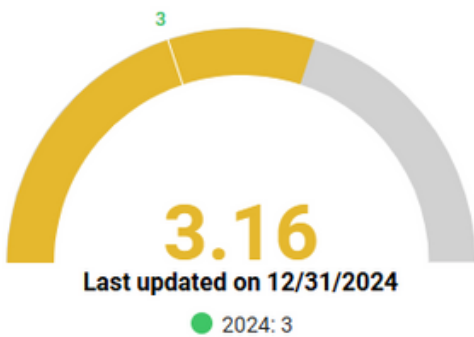
SWN-5: Percent of households that are experiencing housing stress: Owner



ENVIRONMENTAL SUSTAINABILITY

SWN-9: Pounds per person per day of municipal solid waste (trash) disposed.

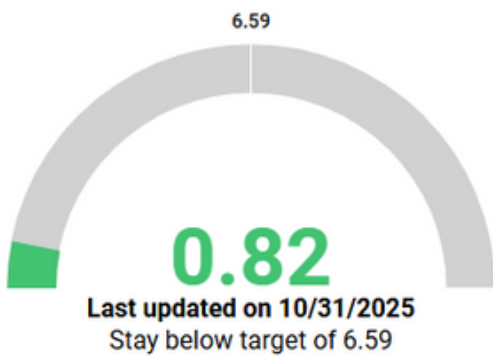
SWN-14: Per capita of Greenhouse Gas (GHG) Emissions in tons of carbon dioxide-equivalents (CO2e)



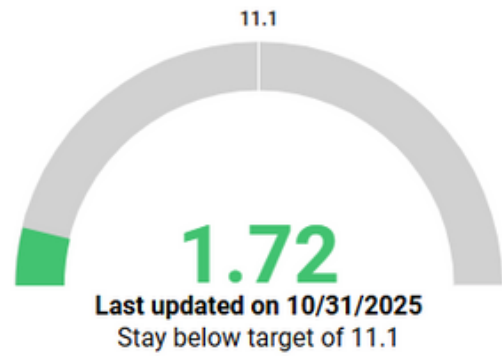
SAFE & SECURE

EFFICIENT & EFFECTIVE PROCESSES

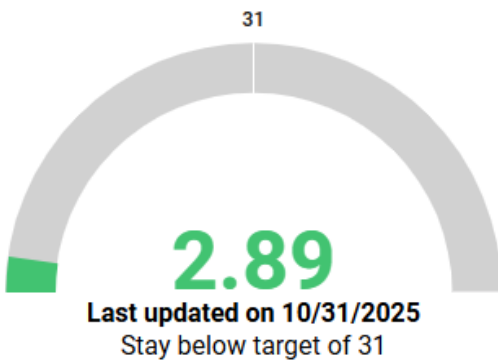
SAS-2: NIBRS Group A - Society Crimes per 1000 Residents



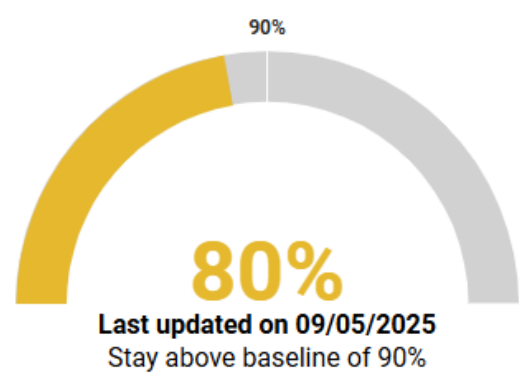
SAS-2: NIBRS Group A - Person Crimes per 1000 Residents



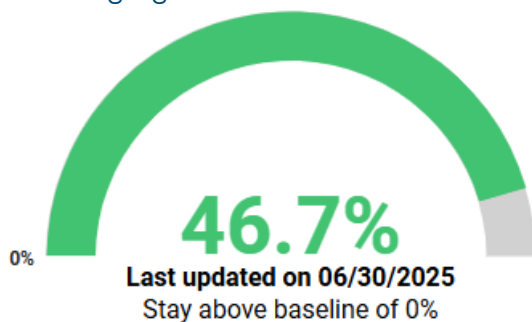
SAS-2: NIBRS Group A - Property Crimes per 1000 Residents



SAS-3: Percent of fires contained to their room of origin



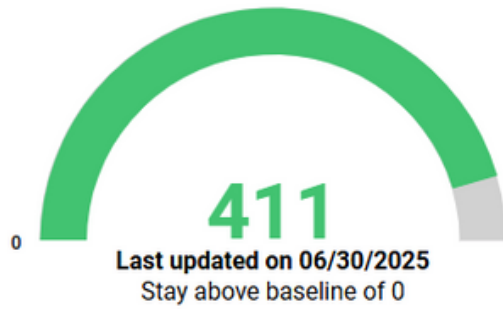
SAS-7: Percentage of Investigations resolved with an arrest, notice to appear, or referred to the DA or prosecutor for charging.



SAFE & SECURE

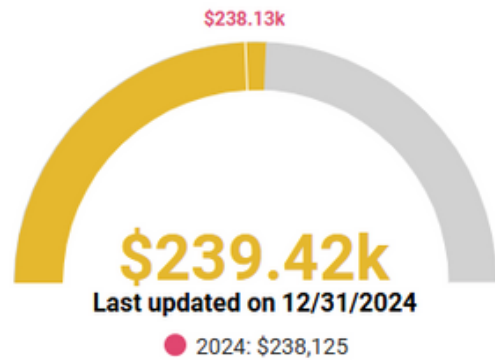
EQUITY & INCLUSION

SAS-5: Number of calls handled by service alternatives to a traditional police response.



SOUND FISCAL STEWARDSHIP

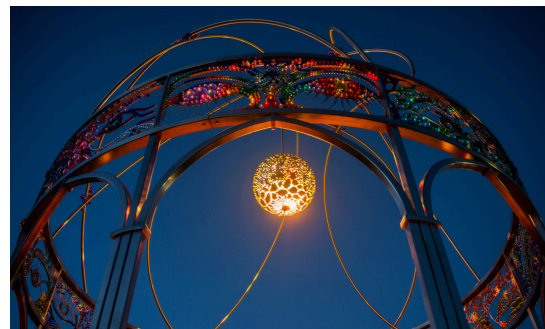
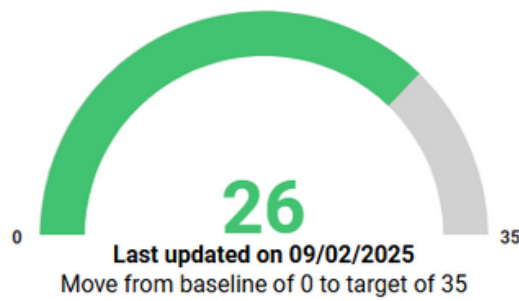
SAS-10: Expenditure per 1,000 residents for Fire-Medical



PROSPERITY & ECONOMIC SECURITY

EFFICIENT & EFFECTIVE PROCESSES

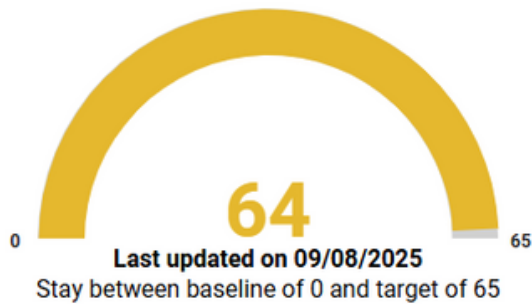
PES-4: Average calendar days from application to issuance for development permits for commercial development



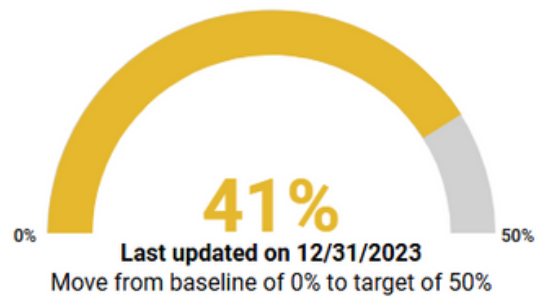
CONNECTED CITY

EFFICIENT & EFFECTIVE PROCESSES

CC-4: Number of signalized intersections with a score of C or above to ease traffic congestion

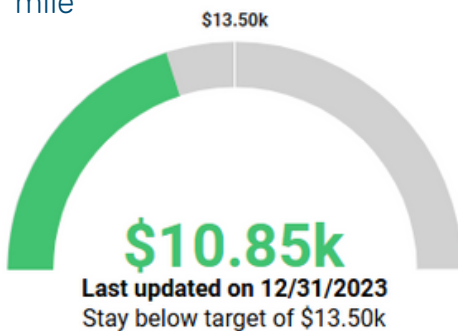


CC-4: Pavement in satisfactory or better condition

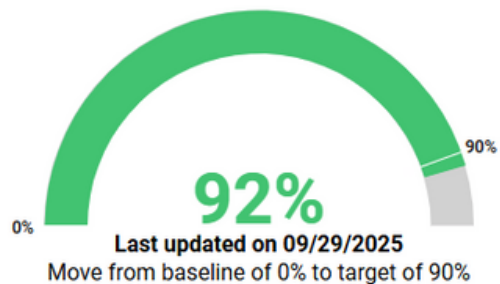


SOUND FISCAL STEWARDSHIP

CC-8: Street maintenance cost per lane mile

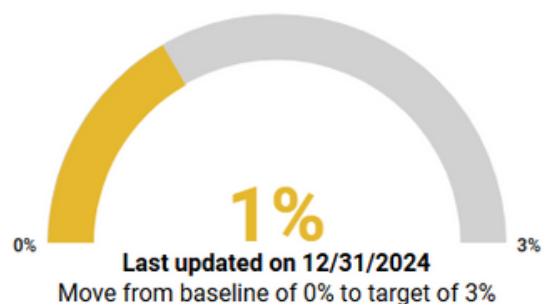


CC-11: Percent of construction projects completed on budget



ENVIRONMENTAL SUSTAINABILITY

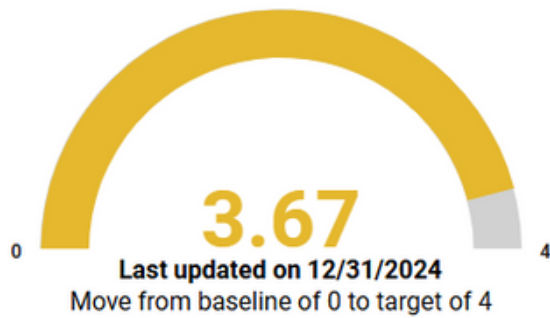
CC-12: Percent of City-used electricity powered by onsite renewable energy; Fleet electric or hybrid units



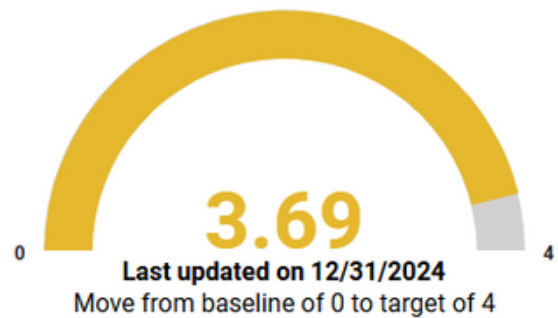
CITYWIDE

ENGAGED & EMPOWERED TEAMS

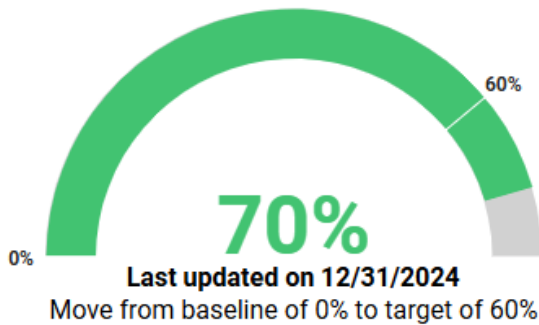
CW-6: Overall Employee Engagement Index



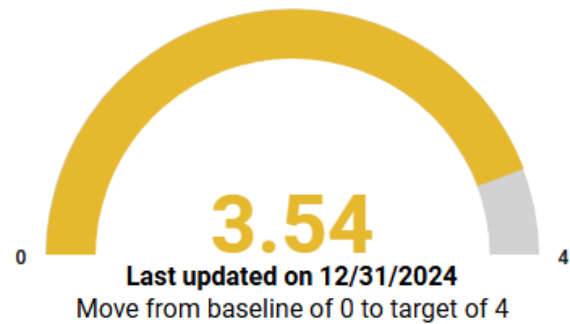
CW-7: Employee Engagement Index for Internal Service Departments



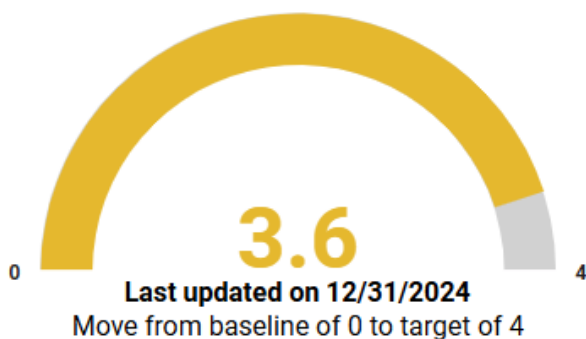
CW-8: Percent of employees who are satisfied with their jobs



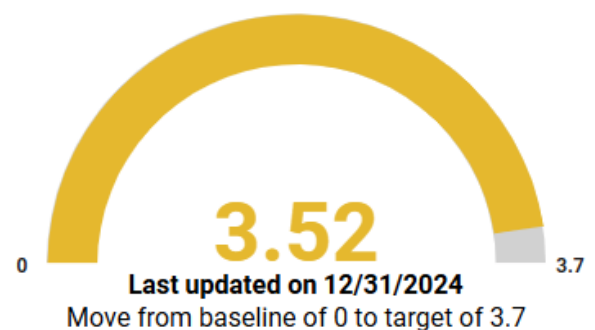
UI-11: Employee Engagement Index for Parks, Recreation & Culture



SWN-10: Employee Engagement Index for Planning & Development Services



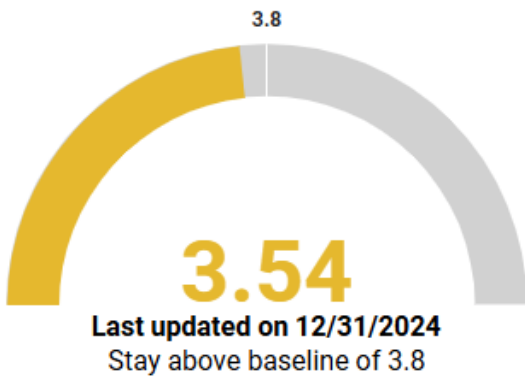
SWN-11: Employee Engagement Index for Solid Waste



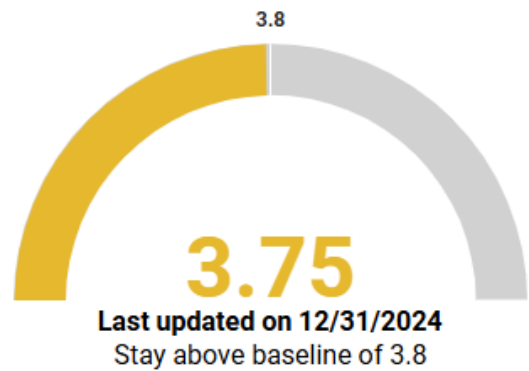
CITYWIDE

ENGAGED & EMPOWERED TEAMS

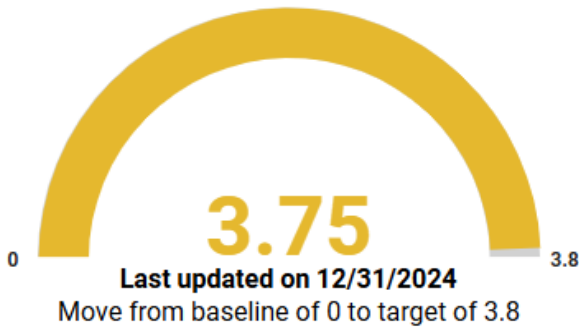
SAS-11: Employee Engagement Index for Police



SAS-12: Employee Engagement Index for Fire Medical



CC-10: Employee Engagement Index for Municipal Services & Operations (except Solid Waste)



FUND SUMMARIES & FINANCIAL FORECASTS

OVERVIEW

MAJOR FUNDS

MINOR FUNDS

CHANGES IN FUND BALANCE

The Fund Summaries and Financial Forecasts section aims to summarize the activities of each fund. A **fund** is a self-contained accounting entity with its own assets, liabilities, revenues, expenditures, and fund balance or other equity accounts.

The fund summaries are organized into two sections: major operating funds and minor operating funds. **Major funds** are those with an appropriation greater than \$10 million. **Minor funds** include all other funds. Within each section, the fund summaries are organized in accordance with generally accepted accounting principles.

Please note that while every fund the City uses is shown in this budget document, there are several funds that are not legally budgeted per State law.

MAJOR FUNDS

| | |
|-------------------------------------|----------|
| General (101) | P. 74-75 |
| Capital Sales Tax (201) | P. 76 |
| Debt Service (301) | P. 77 |
| Capital Projects (402) | P. 78 |
| Water & Wastewater (501) | P. 79 |
| Solid Waste (502) | P. 80 |
| Utilities Bonded Construction (505) | P. 81 |
| Administrative Services (601) | P. 82 |
| Health & Wellness (602) | P. 83 |

MINOR FUNDS

| | |
|---------------------------|-------|
| Library (202) | P. 84 |
| Transit (203) | P. 85 |
| Housing Trust (204) | P. 86 |
| Transient Guest Tax (221) | P. 87 |
| Special Alcohol (222) | P. 88 |
| Special Highway (223) | P. 89 |
| Special Recreation (224) | P. 90 |

| | |
|---|--------|
| Law Enforcement Trust (225) | P. 91 |
| Kansas Fights Addiction (226) | P. 92 |
| Federal Funds Exchange (227) | P. 93 |
| Airport (241) | P. 94 |
| City Parks Memorial (243) | P. 95 |
| Farmland Remediation (245) | P. 96 |
| Cemetery Perpetual Care (246) | P. 97 |
| Wee Folks Scholarship (248) | P. 98 |
| Economic Development Funds | P. 99 |
| Equipment Reserve (401) | P. 100 |
| Parking (503) | P. 101 |
| Stormwater (504) | P. 102 |
| Utilities Non-Bonded Construction (506) | P. 103 |
| Risk Management (604) | P. 104 |
| Fleet (605) | P. 105 |
| Federal Grants (801) | P. 106 |
| Fair Housing Grant (803) | P. 107 |
| Community Development Grant (804) | P. 108 |
| HOME Program Grant (805) | P. 109 |
| Transportation Planning Grant (806) | P. 110 |
| State Grants (851) | P. 111 |

There are two broad fund categories: Governmental Funds and Proprietary Funds.

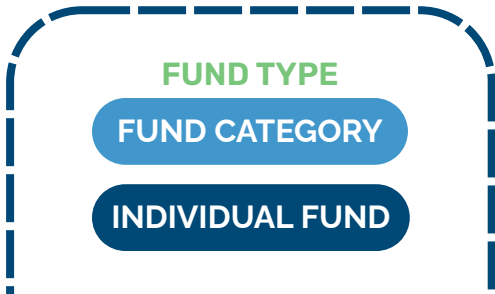
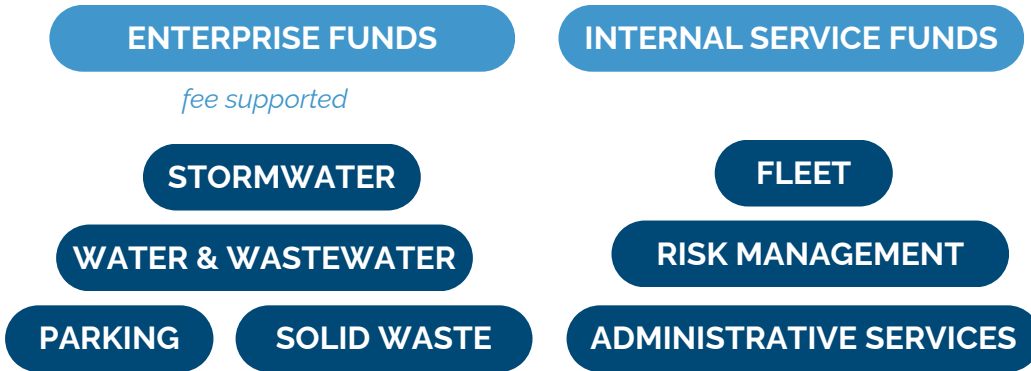
Governmental Funds include the General Fund, Special Revenue Funds, and the Debt Service Fund.

Proprietary Funds include Enterprise Funds and Internal Service Funds. Below are charts with some examples of each type of fund.

GOVERNMENTAL FUNDS



PROPRIETARY FUNDS



GENERAL (101)

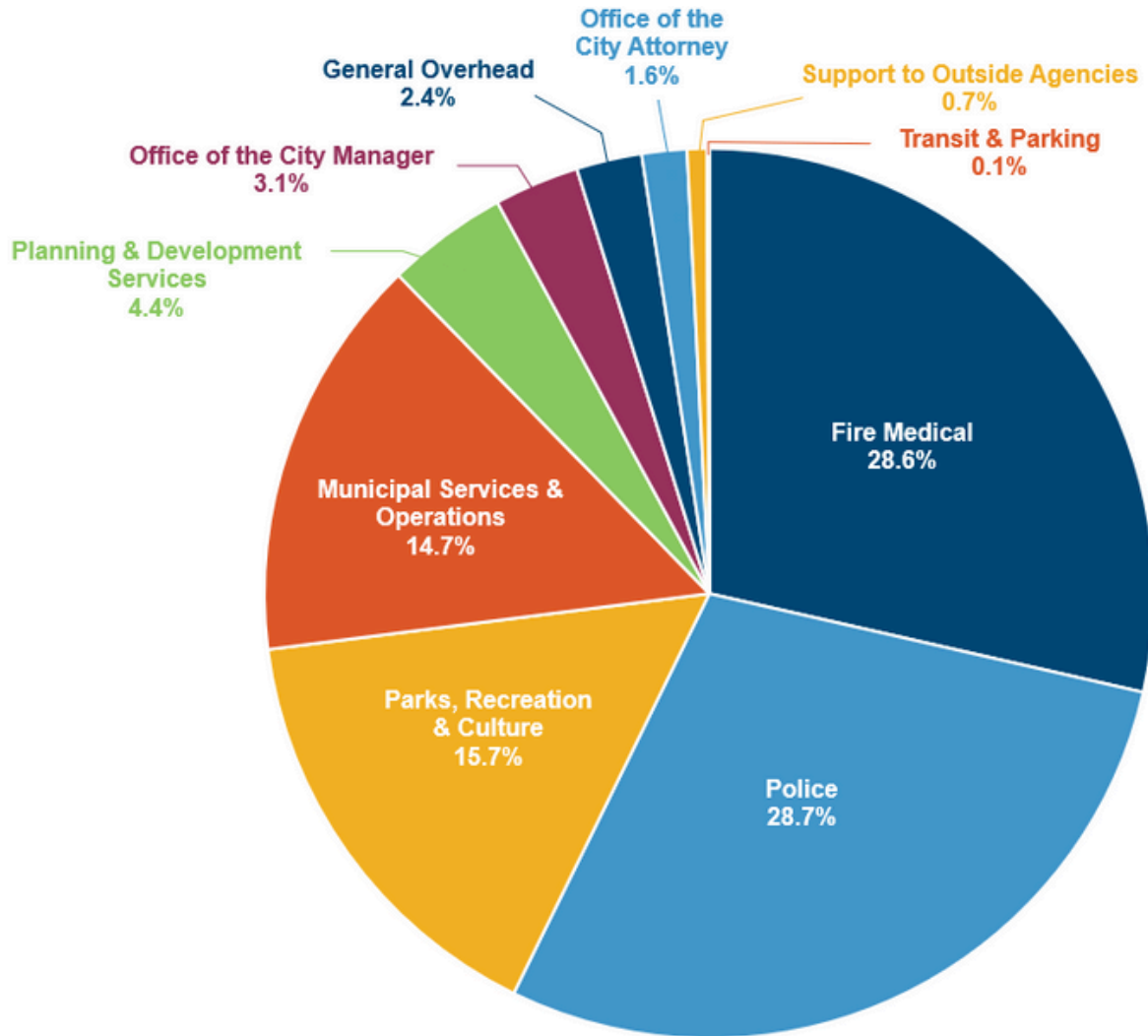
This fund is used as the primary operating fund for the City. The General Fund is a property and sales tax supported fund. It supports the majority of City-provided services including Police, Fire Medical, Parks, Recreation & Culture, street maintenance, and Planning & Development Services.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--|---------------------------|----------------------------|----------------------------|---------------------------|
| Revenues | | | | |
| Property | \$ 31,894,392 | \$ 33,968,000 | \$ 33,956,000 | \$ 36,676,000 |
| Sales Tax | 39,701,909 | 40,634,000 | 40,496,000 | 41,176,000 |
| Franchise Fees | 8,510,213 | 9,300,000 | 9,300,000 | 8,762,000 |
| Licenses and Permit Fees | 1,418,774 | 1,520,000 | 1,520,000 | 1,656,000 |
| Intergovernmental | 1,053,983 | 1,110,000 | 1,205,000 | 1,058,000 |
| Charges for Services | 16,097,188 | 18,176,000 | 18,176,000 | 20,537,000 |
| Fines, Forfeitures and Penalties | 973,885 | 850,000 | 850,000 | 950,000 |
| Interest | 1,582,718 | 800,000 | 800,000 | 800,000 |
| Miscellaneous | 3,766,088 | 2,288,000 | 2,288,000 | 2,797,000 |
| Transfer In | 5,387,000 | 5,996,000 | 5,996,000 | 5,996,000 |
| Total | 110,386,149 | 114,642,000 | 114,587,000 | 120,408,000 |
| Expenditures | | | | |
| Personnel Services | \$ 67,413,224 | \$ 69,416,000 | \$ 69,681,000 | \$ 71,689,000 |
| Internal Service Charges | 10,895,999 | 11,552,000 | 11,552,000 | 11,581,000 |
| Operating Expenses | 27,672,940 | 31,157,000 | 31,157,000 | 31,342,000 |
| Debt Service | 689,417 | - | - | - |
| Capital Expenses | 3,500,603 | 3,021,000 | 3,021,000 | 2,735,000 |
| Transfer Out | 792,000 | 1,034,000 | 1,034,000 | 884,000 |
| Total | 110,964,183 | 116,180,000 | 116,445,000 | 118,231,000 |
| Revenue Over / (Under) Expenditure* | (578,033) | (1,538,000) | (1,858,000) | 2,177,000 |
| Unassigned Beginning Balance | 20,211,077 | 19,633,044 | 19,633,044 | 17,775,044 |
| Less: Reserve by Policy (90 days) Available for Use | 27,361,031 (7,727,988) | 28,647,123 (10,552,079) | 28,712,466 (10,937,422) | 29,152,849 (9,200,806) |
| Total Unassigned Fund Balance | \$ 19,633,044 | \$ 18,095,044 | \$ 17,775,044 | \$ 19,952,044 |

*\$2 million of the anticipated revenue over expenses is intended to be used for fund balance restoration per City Commission direction.

GENERAL (101)

BUDGETED EXPENDITURES BY DEPARTMENT



MILL LEVY RATE increased 0.488 to 21.630 mills

REVENUES increased \$5,821,000 or 5.08% over FY2025 Revised

EXPENDITURES increased \$1,786,000 or 1.53% over FY2025 Revised

*Office of the City Manager includes Economic Development, Environmental Sustainability, and Homeless Solutions.

CAPITAL SALES TAX (201)

This special revenue fund is used to account for major capital improvements which are not funded by long-term debt. The Capital Sales Tax fund is tax supported and receives proceeds from its portion (0.3 cent) of dedicated sales tax.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--|----------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Sales Tax | \$ 7,291,033 | \$ 7,412,000 | \$ 7,437,000 | \$ 7,562,000 |
| Interest | 721,850 | 125,000 | 125,000 | 125,000 |
| Miscellaneous | - | 350,000 | 350,000 | 350,000 |
| Total | 8,012,883 | 7,887,000 | 7,912,000 | 8,037,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 2,583,877 | \$ 7,324,000 | \$ 7,324,000 | \$ 6,543,000 |
| Capital Expenses | 6,788,700 | 6,111,000 | 6,111,000 | 5,226,000 |
| Transfer Out | 25,968 | - | - | - |
| Total | 9,398,545 | 13,435,000 | 13,435,000 | 11,769,000 |
| Revenue Over / (Under) Expenditure | (1,385,662) | (5,548,000) | (5,523,000) | (3,732,000) |
| Beginning Balance | 19,095,282 | 17,709,620 | 17,709,620 | 12,186,620 |
| <i>Less: Reserve by Policy (60 days)</i> | <i>1,544,966</i> | <i>2,208,493</i> | <i>2,208,493</i> | <i>1,934,630</i> |
| Available for Use | 16,164,654 | 9,953,127 | 9,978,127 | 6,519,990 |
| Total Fund Balance | \$ 17,709,620 | \$ 12,161,620 | \$ 12,186,620 | \$ 8,454,620 |

REVENUES

increased \$125,000 or 1.58% over FY2025 Revised

EXPENDITURES

decreased -\$1,666,000 or -12.4% over FY2025 Revised

DEBT SERVICE (301)

This fund is used to account for the accumulation of resources and payment of general obligation bond principal, interest, and other related costs from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for this payment. This fund is a property tax supported fund.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|----------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Property | \$ 12,896,677 | \$ 13,414,000 | \$ 13,409,000 | \$ 14,425,000 |
| Intergovernmental | 84,345 | - | - | - |
| Interest | 1,427,679 | 880,000 | 880,000 | 625,000 |
| Miscellaneous | 11,957,349 | 14,000,000 | 14,000,000 | 56,401,000 |
| Transfer In | 17,552,200 | 32,937,000 | 32,937,000 | 398,000 |
| Total | 43,918,249 | 61,231,000 | 61,226,000 | 71,849,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 37,610 | \$ 33,000 | \$ 33,000 | \$ 33,000 |
| Debt Service | 41,388,194 | 60,079,000 | 60,079,000 | 71,660,000 |
| Total | 41,425,804 | 60,112,000 | 60,112,000 | 71,693,000 |
| Revenue Over / (Under) Expenditure | 2,492,445 | 1,119,000 | 1,114,000 | 156,000 |
| Beginning Balance | 32,395,427 | 34,887,872 | 34,887,872 | 36,001,872 |
| Policy Minimum Expenses | 6,809,721 | 9,881,425 | 9,881,425 | 11,785,151 |
| Less: Reserve by Policy | 6,809,721 | 9,881,425 | 9,881,425 | 11,785,151 |
| Available for Use | 28,078,150 | 26,125,447 | 26,120,447 | 24,372,721 |
| Total Fund Balance | \$ 34,887,872 | \$ 36,006,872 | \$ 36,001,872 | \$ 36,157,872 |

MILL LEVY RATE

maintained at 7.956 mills

REVENUES

increased \$10,623,000 or 17.35% over FY2025 Revised

EXPENDITURES

increased \$11,581,000 or 19.27% over FY2025 Revised

CAPITAL IMPROVEMENT (402)

This governmental fund is used to account for financial resources designated for the acquisition or construction of major capital projects other than those financed by proprietary funds. It records the cash proceeds from issuing General Obligation Bonds and Temporary Notes that are for general governmental purposes and to record the expenditures of those proceeds. This is not a state budgeted fund.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Interest | \$ 1,160,598 | \$ - | \$ - | \$ - |
| Miscellaneous | 30,672,542 | 81,449,000 | 81,449,000 | 57,241,000 |
| Total | 31,833,140 | 81,449,000 | 81,449,000 | 57,241,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 6,074,903 | \$ 640,000 | \$ 640,000 | \$ 2,140,000 |
| Debt Service | 65,597 | - | - | - |
| Capital Expenses* | 12,534,928 | 80,809,000 | 80,809,000 | 9,685,000 |
| Transfer Out | 17,154,200 | - | - | - |
| Total | 35,829,627 | 81,449,000 | 81,449,000 | 11,825,000 |
| Revenue Over / (Under) Expenditure | (3,996,487) | - | - | 45,416,000 |
| Beginning Balance | 10,875,808 | 6,879,321 | 6,879,321 | 6,879,321 |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Available for Use | 6,879,321 | 6,879,321 | 6,879,321 | 52,295,321 |
| Total Fund Balance | \$ 6,879,321 | \$ 6,879,321 | \$ 6,879,321 | \$ 52,295,321 |

REVENUES

decreased -\$24,208,000 or -29.72% over FY2025 Revised

EXPENDITURES

decreased -\$69,624,000 or -85.48% over FY2025 Revised

*Previous budgets aligned with the CIP which shows cashflow. The 2026 Proposed Budget has changed to show only new budget in the fiscal year for capital projects.

This fund reflects the anticipated 2026 issuance of temporary notes. The revenue shown will support both previous CIP projects and new projects/budget requested in 2026 as shown in the expenditures.

WATER & WASTEWATER (501)

This enterprise fund is used to account for the operation of the City's water and wastewater system. The water and wastewater fund is a fee supported fund.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|-----------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Charges for Services | \$ 69,170,509 | \$ 74,087,000 | \$ 74,087,000 | \$ 77,052,000 |
| Interest | 1,861,268 | 300,000 | 300,000 | 1,000,000 |
| Miscellaneous | 248,251 | 265,000 | 265,000 | 225,000 |
| Total | 71,280,028 | 74,652,000 | 74,652,000 | 78,277,000 |
| Expenditures | | | | |
| Personnel Services | \$ 13,170,385 | \$ 14,071,000 | \$ 14,071,000 | \$ 15,090,000 |
| Internal Service Charges | 5,987,999 | 6,589,000 | 6,589,000 | 6,371,000 |
| Operating Expenses | 29,200,137 | 18,189,000 | 18,189,000 | 19,098,000 |
| Debt Service | 7,529,247 | 23,251,000 | 23,251,000 | 21,019,000 |
| Capital Expenses* | - | 4,270,000 | 4,270,000 | 2,747,000 |
| Transfer Out | 6,824,000 | 7,257,000 | 7,257,000 | 5,657,000 |
| Total | 62,711,768 | 73,627,000 | 73,627,000 | 69,982,000 |
| Revenue Over / (Under) Expenditure | 8,568,260 | 1,025,000 | 1,025,000 | 8,295,000 |
| Beginning Net Position | 116,132,265 | 124,700,525 | 124,700,525 | 125,725,525 |
| Reserve by Policy (250 days) | 42,953,266 | 50,429,452 | 50,429,452 | 47,932,877 |
| Less: Restricted Net Position | 11,799,902 | 11,799,902 | 11,799,902 | 11,799,902 |
| Unrestricted Net Position | 112,900,623 | 113,925,623 | 113,925,623 | 122,220,623 |
| Total Net Position | \$ 124,700,525 | \$ 125,725,525 | \$ 125,725,525 | \$ 134,020,525 |

REVENUES

increased \$3,625,000 or 4.86% over FY2025 Revised

EXPENDITURES

decreased -\$3,645,000 or -4.95% over FY2025 Revised

*Previous budgets aligned with the CIP which shows cashflow. The 2026 Proposed Budget has changed to show only new budget in the fiscal year for capital projects.

While this fund budgets for capital expenses, actuals in this category are moved to assets once they are capitalized.

SOLID WASTE (502)

This enterprise fund is used to account for the operation of the City's trash collection service. The solid waste fund is a fee supported fund.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--------------------------------------|----------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 |
| Charges for Services | 18,536,090 | 20,000,000 | 20,000,000 | 19,507,000 |
| Interest | 462,244 | 200,000 | 200,000 | 400,000 |
| Miscellaneous | 464,956 | 1,010,000 | 1,010,000 | 1,514,000 |
| Total | 19,508,290 | 21,255,000 | 21,255,000 | 21,466,000 |
| Expenditures | | | | |
| Personnel Services | \$ 7,032,453 | \$ 7,598,000 | \$ 7,598,000 | \$ 8,140,000 |
| Internal Service Charges | 2,128,000 | 2,261,000 | 2,261,000 | 2,591,000 |
| Operating Expenses | 9,162,819 | 7,713,000 | 7,713,000 | 7,457,000 |
| Debt Service | - | - | - | 676,000 |
| Capital Expenses | - | 1,641,000 | 1,641,000 | 1,807,000 |
| Transfer Out | 874,000 | 919,000 | 919,000 | 919,000 |
| Total | 19,197,272 | 20,132,000 | 20,132,000 | 21,590,000 |
| Revenue Over / (Under) | | | | |
| Expenditure | 311,018 | 1,123,000 | 1,123,000 | (124,000) |
| Beginning Net Position | 15,114,121 | 15,425,139 | 15,425,139 | 16,548,139 |
| <i>Reserve by Policy (120 days)</i> | <i>6,311,432</i> | <i>6,618,740</i> | <i>6,618,740</i> | <i>7,098,082</i> |
| <i>Less: Restricted Net Position</i> | <i>6,590,267</i> | <i>6,590,267</i> | <i>6,590,267</i> | <i>6,590,267</i> |
| Unrestricted Net Position | 8,834,872 | 9,957,872 | 9,957,872 | 9,833,872 |
| Total Net Position | \$ 15,425,139 | \$ 16,548,139 | \$ 16,548,139 | \$ 16,424,139 |

REVENUES

increased \$211,000 or .99% over FY2025 Revised

EXPENDITURES

increased \$1,458,000 or 7.24% over FY2025 Revised

UTILITIES BONDED CONSTRUCTION (505)

This fund is used to account for the bonded construction projects for the City's water and wastewater system. This is not a state budgeted fund. This fund serves as a pass through for the City's revenue bonds. Revenue bond proceeds are moved to the Water/Wastewater fund at the end of the fiscal year and are recognized as liability per GAAP.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|----------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Interest | \$ 1,951,293 | \$ 1,674,000 | \$ 1,674,000 | \$ 1,674,000 |
| Miscellaneous | - | 37,000,000 | 37,000,000 | 42,401,000 |
| Total | 1,951,293 | 38,674,000 | 38,674,000 | 44,075,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 1,803,903 | \$ - | \$ - | \$ - |
| Debt Service | 132,210 | - | - | - |
| Capital Expenses* | - | 56,020,000 | 56,020,000 | 10,851,000 |
| Total | 1,936,113 | 56,020,000 | 56,020,000 | 10,851,000 |
| Revenue Over / (Under) Expenditure | 15,180 | (17,346,000) | (17,346,000) | 33,224,000 |
| Beginning Balance | 43,408,290 | 43,423,470 | 43,423,470 | 26,077,470 |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Available for Use | 43,423,470 | 26,077,470 | 26,077,470 | 59,301,470 |
| Total Fund Balance | \$ 43,423,470 | \$ 26,077,470 | \$ 26,077,470 | \$ 59,301,470 |

REVENUES

increased \$5,401,000 or 13.97% over FY2025 Revised

EXPENDITURES

decreased -\$45,169,000 or -80.63% over FY2025 Revised

*Previous budgets aligned with the CIP which shows cashflow. The 2026 Proposed Budget has changed to show only new budget in the fiscal year for capital projects. These expenses will not be shown at the end of the year in actuals as they will be capitalized as assets.

This fund reflects the anticipated 2026 issuance of revenue bonds. The revenue shown will support both previous CIP projects and new projects/budget requested in 2026 as shown in the expenditures.

ADMINISTRATIVE SERVICES (601)

This internal service fund is used to account for several internally focused departments, including: Human Resources, Finance, Information Technology, City Manager's Office, City Attorney's Office, City Clerk's Office, Communications, and City Commission.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Licenses and Permit Fees | \$ 58,984 | \$ 104,000 | \$ 104,000 | \$ 104,000 |
| Charges for Services | 21,851,984 | 24,137,000 | 24,137,000 | 17,492,000 |
| Interest | 375,915 | 2,000 | 2,000 | 2,000 |
| Miscellaneous | 109,857 | - | - | - |
| Total | 22,396,740 | 24,243,000 | 24,243,000 | 17,598,000 |
| Expenditures | | | | |
| Personnel Services | \$ 11,845,696 | \$ 12,665,000 | \$ 12,665,000 | \$ 11,586,000 |
| Operating Expenses | 9,457,654 | 10,238,000 | 10,238,000 | 5,903,000 |
| Debt Service | 117,303 | 515,000 | 515,000 | - |
| Total | 21,420,653 | 23,418,000 | 23,418,000 | 17,489,000 |
| Revenue Over / (Under) | | | | |
| Expenditure | 976,086 | 825,000 | 825,000 | 109,000 |
| Beginning Net Position | 1,281,289 | 2,257,375 | 2,257,375 | 3,082,375 |
| Less: Reserve by Policy | - | - | - | - |
| Available for Use | 2,257,375 | 3,082,375 | 3,082,375 | 3,191,375 |
| Total Net Position | \$ 2,257,375 | \$ 3,082,375 | \$ 3,082,375 | \$ 3,191,375 |

REVENUES

decreased -\$6,645,000 or -27.41% over FY2025 Revised

EXPENDITURES

decreased -\$5,929,000 or -25.32% over FY2025 Revised

This fund will be using its fund balance for paying off the temporary note that was used for purchasing the new ERP system. This payment is scheduled to occur in October 2025.

Previously, Fleet was included in this fund. Those expenses have been moved to its own fund which is the cause for the decrease.

HEALTH & WELLNESS (602)

This internal service fund is used to account for the payment of health insurance claims for City employees.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|----------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Charges for Services | \$ 12,746,547 | \$ 13,525,000 | \$ 13,225,000 | \$ 13,846,000 |
| Interest | 681,078 | 175,000 | 175,000 | 175,000 |
| Miscellaneous | 1,948,183 | 625,000 | 625,000 | 625,000 |
| Transfer In | 85,000 | 85,000 | 85,000 | 85,000 |
| Total | 15,460,809 | 14,410,000 | 14,110,000 | 14,731,000 |
| Expenditures | | | | |
| Personnel Services | \$ 99,995 | \$ 102,000 | \$ 102,000 | \$ 109,000 |
| Operating Expenses | 17,020,747 | 19,235,000 | 19,235,000 | 20,697,000 |
| Total | 17,120,742 | 19,337,000 | 19,337,000 | 20,806,000 |
| Revenue Over / (Under) Expenditure | (1,659,934) | (4,927,000) | (5,227,000) | (6,075,000) |
| Beginning Net Position | 14,925,571 | 13,265,637 | 13,265,637 | 8,038,637 |
| <i>Less: Reserve by Policy</i> Available for Use | - 13,265,637 | - 8,338,637 | - 8,038,637 | - 1,963,637 |
| Total Net Position | \$ 13,265,637 | \$ 8,338,637 | \$ 8,038,637 | \$ 1,963,637 |

REVENUES

increased \$321,000 or 2.23% over FY2025 Revised

EXPENDITURES

increased \$1,469,000 or 7.6% over FY2025 Revised

LIBRARY (202)

This fund is used to account for the tax receipts collected and disbursed to the local public library. The library fund serves as a pass through of the revenue received from the devoted Library mill.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--------------------------------|------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Property | \$ 6,175,237 | \$ 6,570,000 | \$ 6,567,000 | \$ 6,924,000 |
| Interest | 104 | - | - | - |
| Total | 6,175,341 | 6,570,000 | 6,567,000 | 6,924,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 6,180,000 | \$ 6,625,000 | \$ 6,625,000 | \$ 6,960,000 |
| Debt Service | - | - | - | - |
| Capital Expenses | - | - | - | - |
| Transfer Out | - | - | - | - |
| Total | 6,180,000 | 6,625,000 | 6,625,000 | 6,960,000 |
| Revenue Over / (Under) | | | | |
| Expenditure | (4,659) | (55,000) | (58,000) | (36,000) |
| Beginning Balance | 99,376 | 94,717 | 94,717 | 36,717 |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Total Fund Balance | \$ 94,717 | \$ 39,717 | \$ 36,717 | \$ 717 |

REVENUES

increased \$357,000 or 5.44% over FY2025 Revised

EXPENDITURES

increased \$335,000 or 5.06% over FY2025 Revised

TRANSIT SALES TAX (203)

This special revenue fund is used to account for revenues and expenditures associated with the fixed route bus system and para-transit services of the City. This fund is tax supported and receives proceeds from its portion (0.2 cent) of dedicated sales tax.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Sales Tax | \$ 4,860,689 | \$ 4,854,000 | \$ 4,953,000 | \$ 5,033,000 |
| Interest | 556,961 | 95,000 | 95,000 | 95,000 |
| Miscellaneous | 5,848 | - | - | - |
| Total | 5,423,498 | 4,949,000 | 5,048,000 | 5,128,000 |
| Expenditures | | | | |
| Personnel Services | \$ 78,158 | \$ 372,000 | \$ 372,000 | \$ 440,000 |
| Internal Service Charges | 115,000 | 128,000 | 128,000 | 86,000 |
| Operating Expenses | 4,989,581 | 4,929,000 | 5,264,000 | 4,995,000 |
| Debt Service | 10,570 | - | - | - |
| Capital Expenses | 886,951 | 406,000 | 406,000 | - |
| Total | 6,080,260 | 5,835,000 | 6,170,000 | 5,521,000 |
| Revenue Over / (Under) Expenditure | (656,762) | (886,000) | (1,122,000) | (393,000) |
| Beginning Balance | 10,110,031 | 9,453,269 | 9,453,269 | 8,331,269 |
| Less: Reserve by Policy (60 days) | 999,495 | 959,178 | 1,014,247 | 907,562 |
| Available for Use | 8,453,774 | 7,608,091 | 7,317,022 | 7,030,707 |
| Total Fund Balance | \$ 9,453,269 | \$ 8,567,269 | \$ 8,331,269 | \$ 7,938,269 |

REVENUES

increased \$80,000 or 1.58% over FY2025 Revised

EXPENDITURES

decreased -\$649,000 or -10.52% over FY2025 Revised

HOUSING TRUST (204)

This special revenue fund is used to support the acquisition, construction, and rehabilitation of affordable housing. This fund is tax supported and receives proceeds from its portion (0.1 cent) of dedicated sales tax.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Sales Tax | \$ 1,215,172 | \$ 2,502,000 | \$ 2,163,000 | \$ 2,521,000 |
| Intergovernmental | - | - | 750,000 | - |
| Interest | 90,826 | 15,000 | 15,000 | 15,000 |
| Total | 1,305,998 | 2,517,000 | 2,928,000 | 2,536,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 2,985,549 | \$ 2,404,000 | \$ 3,154,000 | \$ 2,522,000 |
| Total | 2,985,549 | 2,404,000 | 3,154,000 | 2,522,000 |
| Revenue Over / (Under) Expenditure | (1,679,551) | 113,000 | (226,000) | 14,000 |
| Beginning Balance | 2,567,776 | 888,225 | 888,225 | 662,225 |
| <i>Less: Reserve by Policy (60 days)</i> | <i>490,775</i> | <i>395,178</i> | <i>518,466</i> | <i>414,575</i> |
| Available for Use | 397,450 | 606,047 | 143,759 | 261,650 |
| Total Fund Balance | \$ 888,225 | \$ 1,001,225 | \$ 662,225 | \$ 676,225 |

REVENUES

decreased -\$392,000 or -13.39% over FY2025 Revised

EXPENDITURES

decreased -\$632,000 or -20.04% over FY2025 Revised

TRANSIENT GUEST TAX (221)

This special revenue fund is used to account for the transient guest tax received on the occupancy of hotels and motels in the city. This tax was increased to 8% starting in 2026.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 2,213,520 | \$ 2,500,000 | \$ 2,500,000 | \$ 2,801,000 |
| Interest | 72,408 | 5,000 | 5,000 | 5,000 |
| Total | 2,285,927 | 2,505,000 | 2,505,000 | 2,806,000 |
| Expenditures | | | | |
| Personnel Services | \$ 481,087 | \$ 526,000 | \$ 526,000 | \$ 554,000 |
| Internal Service Charges | 129,000 | 133,000 | 133,000 | 183,000 |
| Operating Expenses | 2,052,628 | 2,138,000 | 2,138,000 | 2,138,000 |
| Total | 2,662,715 | 2,797,000 | 2,797,000 | 2,875,000 |
| Revenue Over / (Under) Expenditure | (376,787) | (292,000) | (292,000) | (69,000) |
| Beginning Balance | 1,326,775 | 949,988 | 949,988 | 657,988 |
| <i>Less: Reserve by Policy (60 days)</i> | <i>437,707</i> | <i>459,781</i> | <i>459,781</i> | <i>472,603</i> |
| Available for Use | 512,281 | 198,207 | 198,207 | 116,385 |
| Total Fund Balance | \$ 949,988 | \$ 657,988 | \$ 657,988 | \$ 588,988 |

REVENUES

increased \$301,000 or 12.02% over FY2025 Revised

EXPENDITURES

increased \$78,000 or 2.79% over FY2025 Revised

SPECIAL ALCOHOL (222)

This special revenue fund is used to account for one-third of the liquor tax received by the City from the State of Kansas. The revenues are used to finance contractual programs for the prevention and treatment of drug and alcohol abuse.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 922,724 | \$ 980,000 | \$ 980,000 | \$ 928,000 |
| Interest | 329,131 | - | - | - |
| Miscellaneous | 38,883 | - | - | - |
| Transfer In | 146,000 | 146,000 | 146,000 | 146,000 |
| Total | 1,436,738 | 1,126,000 | 1,126,000 | 1,074,000 |
| Expenditures | | | | |
| Personnel Services | \$ 33,053 | \$ - | \$ - | \$ - |
| Operating Expenses | 758,847 | 884,000 | 935,000 | 1,074,000 |
| Total | 791,900 | 884,000 | 935,000 | 1,074,000 |
| Revenue Over / (Under) Expenditure | 644,838 | 242,000 | 191,000 | - |
| Beginning Balance | 344,209 | 989,047 | 989,047 | 1,180,047 |
| <i>Less: Reserve by Policy (60 days)</i> | <i>130,175</i> | <i>145,315</i> | <i>153,699</i> | <i>176,548</i> |
| Available for Use | 858,872 | 1,085,732 | 1,026,349 | 1,003,499 |
| Total Fund Balance | \$ 989,047 | \$ 1,231,047 | \$ 1,180,047 | \$ 1,180,047 |

REVENUES

decreased -\$52,000 or -4.62% over FY2025 Revised

EXPENDITURES

increased \$139,000 or 14.87% over FY2025 Revised

SPECIAL HIGHWAY (223)

This special revenue fund is used to account for the gasoline tax received from the State of Kansas and Douglas County. The expenditures are primarily for repairs and maintenance of streets and to provide new traffic signals

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 2,827,417 | \$ 2,866,000 | \$ 2,875,000 | \$ 2,875,000 |
| Interest | 274,562 | 10,000 | 10,000 | 10,000 |
| Total | 3,101,979 | 2,876,000 | 2,885,000 | 2,885,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 5,534,385 | \$ 2,759,000 | \$ 2,759,000 | \$ 3,007,000 |
| Capital Expenses | 10,339 | 720,000 | 720,000 | 1,126,000 |
| Total | 5,544,725 | 3,479,000 | 3,479,000 | 4,133,000 |
| Revenue Over / (Under) Expenditure | (2,442,745) | (603,000) | (594,000) | (1,248,000) |
| Beginning Balance | 5,559,939 | 3,117,194 | 3,117,194 | 2,523,194 |
| <i>Less: Reserve by Policy (60 days)</i> | <i>911,462</i> | <i>571,890</i> | <i>571,890</i> | <i>679,397</i> |
| Available for Use | 2,205,732 | 1,942,303 | 1,951,303 | 595,796 |
| Total Fund Balance | \$ 3,117,194 | \$ 2,514,194 | \$ 2,523,194 | \$ 1,275,194 |

REVENUES

maintained at FY2025 level

EXPENDITURES

increased \$654,000 or 18.8% over FY2025 Revised

SPECIAL RECREATION (224)

This special revenue fund is used to account for one-third of the liquor tax received from the State of Kansas. These funds are used to provide additional resources for recreational activities and historic tours.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 922,724 | \$ 980,000 | \$ 980,000 | \$ 928,000 |
| Interest | 79,042 | - | - | - |
| Miscellaneous | 1,300 | - | - | - |
| Total | 1,003,066 | 980,000 | 980,000 | 928,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 957,601 | \$ 1,089,000 | \$ 1,089,000 | \$ 1,089,000 |
| Capital Expenses | 23,953 | 185,000 | 185,000 | - |
| Total | 981,554 | 1,274,000 | 1,274,000 | 1,089,000 |
| Revenue Over / (Under) | | | | |
| Expenditure | 21,512 | (294,000) | (294,000) | (161,000) |
| Beginning Balance | 675,311 | 696,823 | 696,823 | 402,823 |
| <i>Less: Reserve by Policy (60 days)</i> | <i>161,351</i> | <i>209,425</i> | <i>209,425</i> | <i>179,014</i> |
| Available for Use | 535,472 | 193,399 | 193,399 | 62,810 |
| Total Fund Balance | \$ 696,823 | \$ 402,823 | \$ 402,823 | \$ 241,823 |

REVENUES

decreased -\$52,000 or -5.31% over FY2025 Revised

EXPENDITURES

decreased -\$185,000 or -14.52% over FY2025 Revised

LAW ENFORCEMENT TRUST (225)

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

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Interest | \$ 31,069 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Total | 31,069 | 5,000 | 5,000 | 5,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 2,958 | \$ 80,000 | \$ 80,000 | \$ 80,000 |
| Total | 2,958 | 80,000 | 80,000 | 80,000 |
| Revenue Over / (Under) Expenditure | 28,111 | (75,000) | (75,000) | (75,000) |
| Beginning Balance | 527,663 | 555,774 | 555,774 | 480,774 |
| <i>Less: Reserve by Policy</i> Available for Use | - 555,774 | - 480,774 | - 480,774 | - 405,774 |
| Total Fund Balance | \$ 555,774 | \$ 480,774 | \$ 480,774 | \$ 405,774 |

REVENUES

EXPENDITURES

maintained at FY2025 level

maintained at FY2025 level

KANSAS FIGHTS ADDICTION (226)

This fund was created to account for legal settlements received from the Opioid Multi-District Litigation claims by the Kansas Attorney General. The use of the funds are outlined for prevention, reduction, treatment, and mitigation of the effects of substance misuse and addiction.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 339,911 | \$ 95,000 | \$ 95,000 | \$ 100,000 |
| Interest | 28,416 | - | - | - |
| Total | 368,326 | 95,000 | 95,000 | 100,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 106,000 | \$ 95,000 | \$ 95,000 | \$ 100,000 |
| Total | 106,000 | 95,000 | 95,000 | 100,000 |
| Revenue Over / (Under) Expenditure | 262,326 | - | - | - |
| Beginning Balance | 310,732 | 573,058 | 573,058 | 573,058 |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Available for Use | 573,058 | 573,058 | 573,058 | 573,058 |
| Total Fund Balance | \$ 573,058 | \$ 573,058 | \$ 573,058 | \$ 573,058 |

REVENUES

increased \$5,000 or 5.26% over FY2025 Revised

EXPENDITURES

increased \$5,000 or 5.26% over FY2025 Revised

FEDERAL FUNDS EXCHANGE (227)

This fund accounts for monies received by the Kansas Department of Transportation’s federal fund exchange program, which allows local public agencies the ability to trade annual federal funds for state transportation dollars. This allows local public agencies to develop projects without additional federal requirements.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 1,182,108 | \$ 1,180,000 | \$ 1,180,000 | \$ 1,180,000 |
| Interest | 92,874 | - | - | - |
| Total | 1,274,982 | 1,180,000 | 1,180,000 | 1,180,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 80,678 | \$ 1,180,000 | \$ 1,180,000 | \$ 1,180,000 |
| Capital Expenses | 1,870,897 | - | - | - |
| Total | 1,951,575 | 1,180,000 | 1,180,000 | 1,180,000 |
| Revenue Over / (Under) Expenditure | (676,593) | - | - | - |
| Beginning Balance | 1,936,965 | 1,260,372 | 1,260,372 | 1,260,372 |
| <i>Less: Reserve by Policy</i> Available for Use | - 1,260,372 | - 1,260,372 | - 1,260,372 | - 1,260,372 |
| Total Fund Balance | \$ 1,260,372 | \$ 1,260,372 | \$ 1,260,372 | \$ 1,260,372 |

REVENUES

maintained at FY2025 level

EXPENDITURES

maintained at FY2025 level

AIRPORT (241)

This special revenue fund is used to account for grant proceeds received from the Federal Aviation Administration and the operations of the airport. Revenues are generated from the fixed based operator and farming income.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|-----------------------------------|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 11,311 | \$ - | \$ - | \$ - |
| Charges for Services | 29,885 | 25,000 | 25,000 | 264,000 |
| Interest | 20,127 | 18,000 | 18,000 | 18,000 |
| Miscellaneous | 228,844 | 145,000 | 145,000 | 231,000 |
| Transfer In | 155,000 | 405,000 | 405,000 | 255,000 |
| Total | 445,168 | 593,000 | 593,000 | 768,000 |
| Expenditures | | | | |
| Personnel Services | \$ 136,783 | \$ 107,000 | \$ 107,000 | \$ 163,000 |
| Internal Service Charges | 66,000 | 69,000 | 69,000 | 83,000 |
| Operating Expenses | 375,047 | 310,000 | 310,000 | 315,000 |
| Capital Expenses | 49,830 | 111,000 | 111,000 | 191,000 |
| Total | 627,659 | 597,000 | 597,000 | 752,000 |
| Revenue Over / (Under) | | | | |
| Expenditure | (182,490) | (4,000) | (4,000) | 16,000 |
| Beginning Balance | 351,765 | 169,275 | 169,275 | 165,275 |
| Less: Reserve by Policy (60 days) | 103,177 | 98,137 | 98,137 | 123,616 |
| Available for Use | 66,098 | 67,138 | 67,138 | 57,658 |
| Total Fund Balance | \$ 169,275 | \$ 165,275 | \$ 165,275 | \$ 181,275 |

REVENUES

increased \$175,000 or 29.51% over FY2025 Revised

EXPENDITURES

increased \$155,000 or 25.96% over FY2025 Revised

CITY PARKS MEMORIAL (243)

This special revenue fund is used to account for donations received from the public to fund special requests for landscaping and flower gardens.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Interest | \$ 14,405 | \$ - | \$ - | \$ - |
| Miscellaneous | 23,731 | 30,000 | 30,000 | 30,000 |
| Total | 38,137 | 30,000 | 30,000 | 30,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 24,391 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Total | 24,391 | 40,000 | 40,000 | 40,000 |
| Revenue Over / (Under) Expenditure | 13,745 | (10,000) | (10,000) | (10,000) |
| Beginning Balance | 141,760 | 155,505 | 155,505 | 145,505 |
| <i>Less: Reserve by Policy</i> Available for Use | - 155,505 | - 145,505 | - 145,505 | - 135,505 |
| Total Fund Balance | \$ 155,505 | \$ 145,505 | \$ 145,505 | \$ 135,505 |

REVENUES

maintained at FY2025 level

EXPENDITURES

maintained at FY2025 level

FARMLAND REMEDIATION (245)

This special revenue fund is used to account for escrow funds received and remediation costs for the former Farmland Industries property.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Interest | \$ 92,578 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Total | 92,578 | 1,000 | 1,000 | 1,000 |
| Expenditures | | | | |
| Personnel Services | \$ 151,861 | \$ 149,000 | \$ 149,000 | \$ 163,000 |
| Operating Expenses | 61,666 | 168,000 | 168,000 | 146,000 |
| Total | 213,527 | 317,000 | 317,000 | 309,000 |
| Revenue Over / (Under) Expenditure | (120,949) | (316,000) | (316,000) | (308,000) |
| Beginning Balance | 2,046,963 | 1,926,014 | 1,926,014 | 1,610,014 |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Available for Use | 1,926,014 | 1,610,014 | 1,610,014 | 1,302,014 |
| Total Fund Balance | \$ 1,926,014 | \$ 1,610,014 | \$ 1,610,014 | \$ 1,302,014 |

REVENUES

maintained at FY2025 level

EXPENDITURES

decreased -\$8,000 or -2.52% over FY2025 Revised

CEMETERY PERPETUAL CARE (246)

This special revenue fund is used to provide monies for the maintenance of the City Cemetery.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Charges for Services | \$ 47,425 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Interest | 17,011 | - | - | - |
| Total | 64,436 | 20,000 | 20,000 | 20,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 177 | \$ 12,000 | \$ 12,000 | \$ 20,000 |
| Total | 177 | 12,000 | 12,000 | 20,000 |
| Revenue Over / (Under) Expenditure | 64,259 | 8,000 | 8,000 | - |
| Beginning Balance | 144,618 | 208,877 | 208,877 | 216,877 |
| <i>Less: Reserve by Policy</i> Available for Use | - 208,877 | - 216,877 | - 216,877 | - 216,877 |
| Total Fund Balance | \$ 208,877 | \$ 216,877 | \$ 216,877 | \$ 216,877 |

REVENUES

maintained at FY2025 level

EXPENDITURES

increased \$8,000 or 66.67% over FY2025 Revised

WEE FOLKS SCHOLARSHIP (248)

This special revenue fund was started with a \$12,000 donation from the St. Patrick's Day Parade organization. The City is to seek matching donations. The fund is to be used to provide scholarships for Lawrence youth for recreational activities.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Interest | \$ 6,314 | \$ - | \$ - | \$ - |
| Miscellaneous | 5,484 | 30,000 | 30,000 | 50,000 |
| Total | 11,798 | 30,000 | 30,000 | 50,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 25,061 | \$ 35,000 | \$ 35,000 | \$ 50,000 |
| Total | 25,061 | 35,000 | 35,000 | 50,000 |
| Revenue Over / (Under) Expenditure | (13,263) | (5,000) | (5,000) | - |
| Beginning Balance | 65,158 | 51,895 | 51,895 | 46,895 |
| <i>Less: Reserve by Policy</i> Available for Use | - 51,895 | - 46,895 | - 46,895 | - 46,895 |
| Total Fund Balance | \$ 51,895 | \$ 46,895 | \$ 46,895 | \$ 46,895 |

REVENUES

increased \$20,000 or 66.67% over FY2025 Revised

EXPENDITURES

increased \$15,000 or 42.86% over FY2025 Revised

ECONOMIC DEVELOPMENT

The Economic Development Funds are used to account for proceeds from the individual economic development projects. These are all special revenue funds. The funds included are:

- NRA (271)
- Free State TDD (272)
- Oread TDD (273)
- 9th & New Hampshire South TDD (274)
- 9th & New Hampshire North TDD/TIF (275)
- 901 New Hampshire 720 LLC TIF (276)
- Crossing TIF (277)

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Property | \$ 1,774,560 | \$ 2,203,000 | \$ 2,203,000 | \$ 2,308,000 |
| Sales Tax | 849,077 | 939,000 | 939,000 | 911,000 |
| Intergovernmental | 53,882 | - | - | - |
| Interest | 442 | - | - | - |
| Total | 2,677,960 | 3,142,000 | 3,142,000 | 3,219,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 2,554,294 | \$ 3,186,000 | 3,186,000 | \$ 3,219,000 |
| Total | 2,554,294 | 3,186,000 | 3,186,000 | 3,219,000 |
| Revenue Over / (Under) Expenditure | 123,665 | (44,000) | (44,000) | - |
| Beginning Balance | 793,268 | 916,933 | 916,933 | 872,933 |
| <i>Less: Reserve by Policy</i> Available for Use | - 916,933 | - 872,933 | - 872,933 | - 872,933 |
| Total Fund Balance | \$ 916,933 | \$ 872,933 | \$ 872,933 | \$ 872,933 |

REVENUES

increased \$77,000 or 2.45% over FY2025 Revised

EXPENDITURES

increased \$33,000 or 1.04% over FY2025 Revised

EQUIPMENT RESERVE (401)

This special revenue fund is used to account for major equipment purchases which are not budgeted in the operating funds of the governmental fund types or financed with general obligation bonds.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Fines, Forfeitures and Penalties | \$ 33,978 | \$ 24,000 | \$ 24,000 | \$ - |
| Interest | 154,758 | 15,000 | 15,000 | 15,000 |
| Total | 188,736 | 39,000 | 39,000 | 15,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 128,444 | \$ 50,000 | \$ 50,000 | \$ 52,000 |
| Capital Expenses | 881,266 | 581,000 | 711,000 | 581,000 |
| Total | 1,009,710 | 631,000 | 761,000 | 633,000 |
| Revenue Over / (Under) Expenditure | (820,974) | (592,000) | (722,000) | (618,000) |
| Beginning Balance | 5,125,156 | 4,304,182 | 4,304,182 | 3,582,182 |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Available for Use | 4,304,182 | 3,712,182 | 3,582,182 | 2,964,182 |
| Total Fund Balance | \$ 4,304,182 | \$ 3,712,182 | \$ 3,582,182 | \$ 2,964,182 |

REVENUES

decreased -\$24,000 or -61.54% over FY2025 Revised

EXPENDITURES

decreased -\$128,000 or -16.82% over FY2025 Revised



PUBLIC PARKING (503)

This enterprise fund is used to account for the operations of all parking facilities owned by the City. The public parking fund is a fee supported fund.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Licenses and Permit Fees | \$ 285,304 | \$ 345,000 | \$ 345,000 | \$ 490,000 |
| Charges for Services | 918,349 | 944,000 | 944,000 | 1,116,000 |
| Fines, Forfeitures and Penalties | 748,611 | 930,000 | 930,000 | 1,010,000 |
| Interest | 132,751 | 20,000 | 20,000 | 20,000 |
| Miscellaneous | 219,654 | 200,000 | 200,000 | 357,000 |
| Total | 2,304,669 | 2,439,000 | 2,439,000 | 2,993,000 |
| Expenditures | | | | |
| Personnel Services | \$ 1,008,813 | \$ 1,029,000 | \$ 1,029,000 | \$ 1,013,000 |
| Internal Service Charges | 260,000 | 261,000 | 261,000 | 320,000 |
| Operating Expenses | 1,175,425 | 823,000 | 1,223,000 | 1,662,000 |
| Debt Service | 26,638 | 139,000 | 139,000 | 184,000 |
| Capital Expenses | - | 175,000 | 175,000 | 10,000 |
| Total | 2,470,876 | 2,427,000 | 2,827,000 | 3,189,000 |
| Revenue Over / (Under) Expenditure | (166,207) | 12,000 | (388,000) | (196,000) |
| Beginning Net Position | 1,897,938 | 1,731,731 | 1,731,731 | 1,343,731 |
| <i>Reserve by Policy (60 days)</i> | <i>406,171</i> | <i>398,959</i> | <i>464,712</i> | <i>524,219</i> |
| <i>Less: Restricted Net Position</i> | <i>(466,805)</i> | <i>(466,805)</i> | <i>(466,805)</i> | <i>(466,805)</i> |
| <i>Unrestricted Net Position</i> | <i>2,198,536</i> | <i>2,210,536</i> | <i>1,810,536</i> | <i>1,614,536</i> |
| Total Net Position | \$ 1,731,731 | \$ 1,743,731 | \$ 1,343,731 | \$ 1,147,731 |

REVENUES

increased \$554,000 or 22.71% over FY2025 Revised

EXPENDITURES

increased \$362,000 or 12.81% over FY2025 Revised

STORMWATER (504)

This enterprise fund is used to account for stormwater fees and expenses for repair and maintenance of the stormwater system. The stormwater utility fund is an fee supported fund.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--------------------------------------|----------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Charges for Services | \$ 6,704,981 | \$ 6,959,000 | \$ 6,959,000 | \$ 7,620,000 |
| Interest | 764,512 | 200,000 | 200,000 | 600,000 |
| Miscellaneous | 57,653 | - | - | 15,151,000 |
| Total | 7,527,146 | 7,159,000 | 7,159,000 | 23,371,000 |
| Expenditures | | | | |
| Personnel Services | \$ 1,747,482 | \$ 1,713,000 | \$ 1,713,000 | \$ 2,242,000 |
| Internal Service Charges | 371,000 | 492,000 | 492,000 | 651,000 |
| Operating Expenses | 2,979,289 | 1,594,000 | 1,594,000 | 1,598,000 |
| Debt Service | 631,699 | 765,000 | 765,000 | 16,222,000 |
| Capital Expenses | - | 1,595,000 | 1,595,000 | 1,396,000 |
| Transfer Out | 289,000 | 420,000 | 420,000 | 420,000 |
| Total | 6,018,470 | 6,579,000 | 6,579,000 | 22,529,000 |
| Revenue Over / (Under) | | | | |
| Expenditure | 1,508,676 | 580,000 | 580,000 | 842,000 |
| Beginning Net Position | 19,922,470 | 21,431,146 | 21,431,146 | 22,011,146 |
| <i>Reserve by Policy (60 days)</i> | <i>989,338</i> | <i>1,081,479</i> | <i>1,081,479</i> | <i>3,703,397</i> |
| <i>Less: Restricted Net Position</i> | <i>9,774,338</i> | <i>9,774,338</i> | <i>9,774,338</i> | <i>9,774,338</i> |
| <i>Available for Use</i> | <i>11,656,808</i> | <i>12,236,808</i> | <i>12,236,808</i> | <i>13,078,808</i> |
| Total Net Position | \$ 21,431,146 | \$ 22,011,146 | \$ 22,011,146 | \$ 22,853,146 |

REVENUES

increased \$16,212,000 or 226.46% over FY2025 Revised

EXPENDITURES

increased \$15,950,000 or 242.44% over FY2025 Revised

This fund is now showing both the debt proceeds and principal and interest payments made from this fund which is the reason for the increase from 2025. These revenues and expenses will not show up as actuals due to the capitalization of assets per GAAP.

UTILITIES NON-BONDED CONSTRUCTION (506)

This fund is used to account for the non-bonded (cash) construction projects for the City’s water and wastewater system. The water and wastewater non-bonded construction fund is a fee supported fund (revenue from water and wastewater fees).

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---------------------------------------|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Interest | \$ 343,840 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Transfer In | 2,600,000 | - | - | 1,000,000 |
| Total | 2,943,840 | 25,000 | 25,000 | 1,025,000 |
| Expenditures | | | | |
| Operating Expenses | \$ 1,054,919 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Capital Expenses | - | - | - | 1,000,000 |
| Total | 1,054,919 | 10,000 | 10,000 | 1,010,000 |
| Revenue Over / (Under) Expenditure | 1,888,921 | 15,000 | 15,000 | 15,000 |
| Beginning Balance | 7,912,735 | 9,801,656 | 9,801,656 | 9,816,656 |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Available for Use | 9,801,656 | 9,816,656 | 9,816,656 | 9,831,656 |
| Total Fund Balance | \$ 9,801,656 | \$ 9,816,656 | \$ 9,816,656 | \$ 9,831,656 |

REVENUES

increased \$1,000,000 or 4000.% over FY2025 Revised

EXPENDITURES

increased \$1,000,000 or 10000.% over FY2025 Revised

RISK MANAGEMENT (604)

This internal service fund is used to account for auto and general liability claims, as well as workers' compensation claims, insurance premiums and other administrative expenses.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Charges for Services | \$ 3,058,000 | \$ 3,837,000 | \$ 3,837,000 | \$ 4,377,000 |
| Interest | 148,345 | 25,000 | 25,000 | 25,000 |
| Miscellaneous | 27,915 | - | - | - |
| Total | 3,234,260 | 3,862,000 | 3,862,000 | 4,402,000 |
| Expenditures | | | | |
| Personnel Services | \$ 140,963 | \$ 131,000 | \$ 131,000 | \$ 157,000 |
| Operating Expenses | 1,984,415 | 3,706,000 | 3,706,000 | 4,220,000 |
| Total | 2,125,378 | 3,837,000 | 3,837,000 | 4,377,000 |
| Revenue Over / (Under) Expenditure | 1,108,881 | 25,000 | 25,000 | 25,000 |
| Beginning Net Position | 2,052,126 | 3,161,007 | 3,161,007 | 3,186,007 |
| <i>Less: Reserve by Policy</i> Available for Use | - 3,161,007 | - 3,186,007 | - 3,186,007 | - 3,211,007 |
| Total Net Position | \$ 3,161,007 | \$ 3,186,007 | \$ 3,186,007 | \$ 3,211,007 |

REVENUES

increased \$540,000 or 13.98% over FY2025 Revised

EXPENDITURES

increased \$540,000 or 14.07% over FY2025 Revised

FLEET (605)

This is an internal service fund that accounts for the City’s fleet operations and maintenance of vehicles and equipment.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|-----------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ 6,471,000 |
| Total | - | - | - | 6,471,000 |
| Expenditures | | | | |
| Personnel Services | \$ - | \$ - | \$ - | \$ 1,815,000 |
| Operating Expenses | - | - | - | 4,253,000 |
| Capital Expenses | - | - | - | 32,000 |
| Total | - | - | - | 6,100,000 |
| Revenue Over / (Under) Expenditure | - | - | - | 371,000 |
| Beginning Balance | - | - | - | - |
| <i>Less: Reserve by Policy</i> Available for Use | - | - | - | - 371,000 |
| Total Fund Balance | \$ - | \$ - | \$ - | \$ 371,000 |

REVENUES

This fund was previously part of Fund 601.

EXPENDITURES

This fund was previously part of Fund 601.

FEDERAL GRANTS (801)

This special revenue fund is used to account for federal grants passed through from outside agencies.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--------------------------------|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 8,405,752 | \$ 8,575,000 | \$ 8,575,000 | \$ 5,920,000 |
| Transfer In | 33,968 | - | - | - |
| Total | 8,439,720 | 8,575,000 | 8,575,000 | 5,920,000 |
| Expenditures | | | | |
| Personnel Services | \$ 705,217 | \$ 381,000 | \$ 381,000 | \$ 334,000 |
| Operating Expenses | 4,916,219 | 4,618,000 | 4,618,000 | 4,877,000 |
| Capital Expenses | 1,777,250 | 770,000 | 770,000 | 1,264,000 |
| Transfer Out | 11,311 | - | - | - |
| Total | 7,409,998 | 5,769,000 | 5,769,000 | 6,475,000 |
| Revenue Over / (Under) | | | | |
| Expenditure | 1,029,723 | 2,806,000 | 2,806,000 | (555,000) |
| Beginning Balance | (1,433,064) | (403,341) | (403,341) | 2,402,659 |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Available for Use | (403,341) | 2,402,659 | 2,402,659 | 1,847,659 |
| Total Fund Balance | \$ (403,341) | \$ 2,402,659 | \$ 2,402,659 | \$ 1,847,659 |

REVENUES

decreased -\$2,655,000 or -30.96% over FY2025 Revised

EXPENDITURES

increased \$706,000 or 12.24% over FY2025 Revised

FAIR HOUSING GRANT (803)

This special revenue fund is used to account for federal housing assistance grants received by the City. The monies are used to promote fair housing practices in the City and to assure compliance with federal regulations governing fair housing practices.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 20,300 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Interest | 142 | - | - | - |
| Total | 20,442 | 20,000 | 20,000 | 20,000 |
| Expenditures | | | | |
| Personnel Services | \$ 10,859 | \$ 13,000 | \$ 13,000 | \$ 12,000 |
| Operating Expenses | 18,281 | 9,000 | 9,000 | 9,000 |
| Total | 29,140 | 22,000 | 22,000 | 21,000 |
| Revenue Over / (Under) Expenditure | (8,698) | (2,000) | (2,000) | (1,000) |
| Beginning Balance | 233,042 | 224,344 | 224,344 | 222,344 |
| <i>Less: Reserve by Policy</i> Available for Use | - 224,344 | - 222,344 | - 222,344 | - 221,344 |
| Total Fund Balance | \$ 224,344 | \$ 222,344 | \$ 222,344 | \$ 221,344 |

REVENUES

maintained at FY 2025 level

EXPENDITURES

decreased -\$1,000 or -4.55% over FY2025 Revised

COMMUNITY DEVELOPMENT BLOCK GRANT (804)

This special revenue fund is used to account for federal block grants received and related program income. These funds are used to provide assistance to low and moderate income individuals and areas in the city.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|--------------------------------|------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 1,105,401 | \$ 740,000 | \$ 740,000 | \$ 752,000 |
| Charges for Services | - | - | - | 100,000 |
| Interest | 1 | - | - | - |
| Miscellaneous | 72,306 | 150,000 | 150,000 | 150,000 |
| Total | 1,177,708 | 890,000 | 890,000 | 1,002,000 |
| Expenditures | | | | |
| Personnel Services | \$ 257,154 | \$ 230,000 | \$ 230,000 | \$ 251,000 |
| Operating Expenses | 201,685 | 672,000 | 672,000 | 763,000 |
| Capital Expenses | 722,421 | - | - | - |
| Total | 1,181,260 | 902,000 | 902,000 | 1,014,000 |
| Revenue Over / (Under) | | | | |
| Expenditure | (3,552) | (12,000) | (12,000) | (12,000) |
| Beginning Balance | 5,372 | 1,820 | 1,820 | (10,180) |
| <i>Less: Reserve by Policy</i> | - | - | - | - |
| Available for Use | 1,820 | (10,180) | (10,180) | (22,180) |
| Total Fund Balance | \$ 1,820 | \$ (10,180) | \$ (10,180) | \$ (22,180) |

REVENUES

EXPENDITURES

increased \$112,000 or 12.58% over FY2025 Revised

increased \$112,000 or 12.42% over FY2025 Revised

HOME PROGRAM GRANT (805)

This special revenue fund is used to account for federal funds received to assist low income residents to purchase homes.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | 725,896 | 437,000 | 437,000 | 472,000 |
| Miscellaneous | 1,639 | 30,000 | 30,000 | 2,000 |
| Total | 727,535 | 467,000 | 467,000 | 474,000 |
| Expenditures | | | | |
| Personnel Services | \$ 44,255 | \$ 43,000 | \$ 43,000 | \$ 44,000 |
| Operating Expenses | 710,918 | 411,000 | 411,000 | 388,000 |
| Total | 755,173 | 454,000 | 454,000 | 432,000 |
| Revenue Over / (Under) Expenditure | (27,638) | 13,000 | 13,000 | 42,000 |
| Beginning Balance | 18,711 | (8,927) | (8,927) | 4,073 |
| <i>Less: Reserve by Policy</i> Available for Use | - (8,927) | - 4,073 | - 4,073 | - 46,073 |
| Total Fund Balance | \$ (8,927) | \$ 4,073 | \$ 4,073 | \$ 46,073 |

REVENUES

increased \$7,000 or 1.5% over FY2025 Revised

EXPENDITURES

decreased -\$22,000 or -4.85% over FY2025 Revised

TRANSPORTATION PLANNING GRANT (806)

This special revenue fund is used to account for federal grants received for urban transportation planning.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|-------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 230,649 | \$ 330,000 | \$ 330,000 | \$ 350,000 |
| Total | 230,649 | 330,000 | 330,000 | 350,000 |
| Expenditures | | | | |
| Personnel Services | \$ 206,310 | \$ 308,000 | \$ 308,000 | \$ 332,000 |
| Operating Expenses | 23,599 | 20,000 | 20,000 | 18,000 |
| Debt Service | 845 | - | - | - |
| Total | 230,754 | 328,000 | 328,000 | 350,000 |
| Revenue Over / (Under) Expenditure | (104) | 2,000 | 2,000 | - |
| Beginning Balance | (3,985) | (4,089) | (4,089) | (2,089) |
| <i>Less: Reserve by Policy</i> Available for Use | - (4,089) | - (2,089) | - (2,089) | - (2,089) |
| Total Fund Balance | \$ (4,089) | \$ (2,089) | \$ (2,089) | \$ (2,089) |

REVENUES

increased \$20,000 or 6.06% over FY2025 Revised

EXPENDITURES

increased \$22,000 or 6.71% over FY2025 Revised

STATE GRANT (851)

This special revenue fund is used to account for state grants passed through from outside agencies.

| | 2024 Actuals | 2025 Adopted Budget | 2025 Revised Budget | 2026 Adopted Budget |
|---|---------------------|------------------------|------------------------|------------------------|
| Revenues | | | | |
| Intergovernmental | \$ 2,394,395 | \$ 5,269,000 | \$ 5,269,000 | \$ 3,665,000 |
| Total | 2,394,395 | 5,269,000 | 5,269,000 | 3,665,000 |
| Expenditures | | | | |
| Personnel Services | \$ 232,182 | \$ 165,000 | \$ 165,000 | \$ 109,000 |
| Operating Expenses | 1,913,087 | 1,079,000 | 1,079,000 | 1,091,000 |
| Debt Service | 31,000 | - | - | - |
| Capital Expenses | 475,556 | 4,025,000 | 4,025,000 | 1,060,000 |
| Transfer Out | 34,475 | - | - | - |
| Total | 2,686,300 | 5,269,000 | 5,269,000 | 2,260,000 |
| Revenue Over / (Under) Expenditure | (291,906) | - | - | 1,405,000 |
| Beginning Balance | (597,962) | (889,868) | (889,868) | (889,868) |
| <i>Less: Reserve by Policy</i> Available for Use | - (889,868) | - (889,868) | - (889,868) | - 515,132 |
| Total Fund Balance | \$ (889,868) | \$ (889,868) | \$ (889,868) | 515,132 |

REVENUES

decreased -\$1,604,000 or -30.44% over FY2025 Revised

EXPENDITURES

decreased -\$3,009,000 or -57.11% over FY2025 Revised

The following indicates significant changes in fund balance as defined by an anticipated increase or decrease of more than 10% in fund balance for the budgeted year compared to the previous year Revised Budget. A brief explanation of the change in fund balance is provided below for each fund.

MAJOR FUNDS

GENERAL (101): Anticipated to increase approximately 12% in unassigned fund balance. This is due to the intentional appropriation of \$2 million for fund balance restoration.

CAPITAL SALES TAX (201): Anticipated to decrease by approximately 31% for planned expenditures related to the approved Capital Improvement Plan.

DEBT SERVICE (301): No significant change in fund balance.

WATER & WASTEWATER (501): No significant change in fund balance.

SOLID WASTE (502): No significant change in fund balance.

ADMINISTRATIVE SERVICES (601): No significant change in fund balance.

HEALTH & WELLNESS (602): Anticipated decrease by approximately 75% due to rising healthcare expenses. The ongoing increased expenses will require a scrutinized review going forward, including exploring plan changes, increased premiums for employees, and increased funding by the City.

MINOR FUNDS

The City has 34 minor funds with full details displayed on pages 84-111. Individual fund balance changes can be viewed on each fund's specific page.

In aggregate, there is an anticipated 2% decrease in fund balance in the 2026 Adopted Budget over the 2025 Revised Budget among the minor funds.

DEPARTMENT BUDGETS

BUDGET, STRATEGY, & PERFORMANCE

CITY CLERK

CITY COMMISSION

COMMUNICATIONS

ECONOMIC DEVELOPMENT

EQUITY & INCLUSION

FINANCE

FIRE MEDICAL

HOMELESS SOLUTIONS

HUMAN RESOURCES

INFORMATION TECHNOLOGY

MUNICIPAL SERVICES & OPERATIONS

OFFICE OF THE CITY ATTORNEY

OFFICE OF THE CITY MANAGER

PARKS, RECREATION & CULTURE

PLANNING & DEVELOPMENT SERVICES

POLICE

SUSTAINABILITY





















TRANSIT & PARKING

PUBLIC HEALTH

PUBLIC LIBRARY

MAJOR FUNDS WITH DEPARTMENTAL BUDGET IMPACTS

The below table shows the intersection of citywide departments and major funds. Further information can be viewed on the following department pages.

| DEPARTMENT | FUND | | | | | |
|---------------------------------|---|---|---|---|---|---|
| | Administrative Services | Capital Projects | Capital Sales Tax | General | Health & Wellness | Utilities Funds* |
| Finance |  | | | | | |
| Fire Medical | | | |  | | |
| Information Technology |  | | | | | |
| Municipal Services & Operations |  |  |  |  | |  |
| Office of the City Attorney |  | | |  | | |
| Office of the City Manager** |  | | |  |  | |
| Parks, Recreation, & Culture | |  |  |  | | |
| Planning & Development Services | | | |  | | |
| Police | |  | |  |  | |

*Includes Solid Waste, Utilities Bonded Construction, and Water & Wastewater funds.

**Office of the City Manager includes: Budget, Strategy, & Performance Office, City Clerk, Communications, Economic Development, Environmental Sustainability, Equity & Inclusion, Homeless Solutions, and Human Resources.

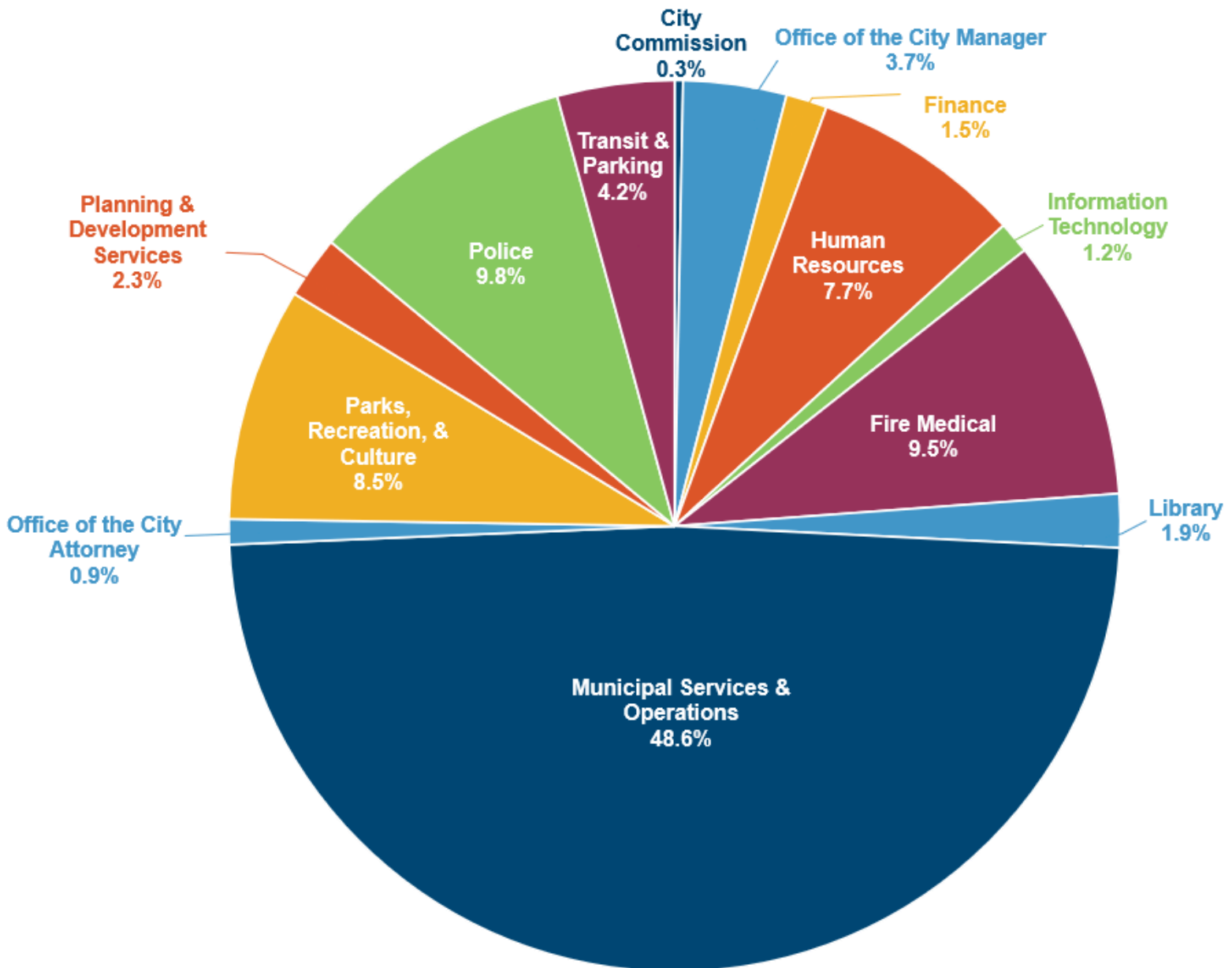
EXPENDITURE BY DEPARTMENT

BY ALL FUNDS

| DEPARTMENT | 2024 ACTUALS | 2025 ADOPTED BUDGET | 2026 ADOPTED BUDGET |
|---------------------------------|-----------------------|------------------------|------------------------|
| Budget, Strategy, & Performance | - | - | 1,064,000 |
| City Clerk | 497,046 | 493,000 | 490,000 |
| City Commission | 236,207 | 237,000 | 245,000 |
| Communications | 892,977 | 911,000 | 901,000 |
| Economic Development | 3,937,485 | 4,522,000 | 4,374,000 |
| Equity & Inclusion | 299,262 | 318,000 | 295,000 |
| Finance | 6,270,636 | 6,186,000 | 5,330,000 |
| Fire Medical | 33,706,557 | 37,772,000 | 33,863,000 |
| General Overhead | 60,824,415 | 62,805,000 | 74,530,000 |
| Homeless Solutions | 5,017,025 | 4,723,000 | 4,830,000 |
| Human Resources | 20,631,057 | 25,542,000 | 27,488,000 |
| Information Technology | 3,902,179 | 4,472,000 | 4,163,000 |
| Municipal Services & Operations | 144,384,134 | 273,006,000 | 173,810,000 |
| Office of the City Attorney | 3,239,335 | 3,331,000 | 3,271,000 |
| Office of the City Manager | 1,117,445 | 1,124,000 | 1,260,000 |
| Parks, Recreation, & Culture | 24,396,600 | 30,192,000 | 30,348,000 |
| Planning & Development Services | 11,807,122 | 8,225,000 | 8,120,000 |
| Police | 33,369,188 | 33,470,000 | 34,950,000 |
| Sustainability | 204,819 | 218,000 | 228,000 |
| Transit & Parking | 16,099,921 | 13,726,000 | 15,189,000 |
| Public Health | 835,750 | 880,000 | 841,000 |
| Library | 6,180,000 | 6,625,000 | 6,960,000 |
| TOTAL | \$ 377,849,160 | \$ 518,778,000 | \$ 432,550,000 |

EXPENDITURE BY DEPARTMENT

BY ALL FUNDS

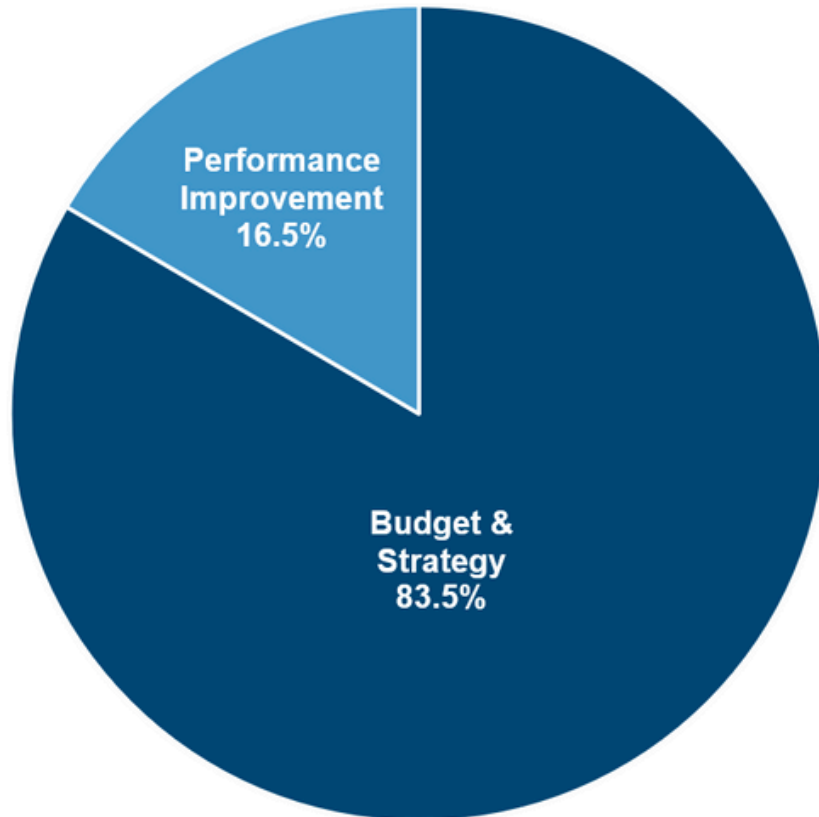


*Office of the City Manager includes: Budget, Strategy, & Performance, City Clerk, Communications, Economic Development, Environmental Sustainability, Equity & Inclusion, and Homeless Solutions.

**General Overhead is excluded from this chart for ease of viewing. It mainly consists of debt expenses and can be viewed on the Finance department page.

BUDGET, STRATEGY, & PERFORMANCE

The Budget, Strategy, & Performance Office is charged with overseeing the well-being of the City’s budget, collaborating with leaders of the organization to implement, modify, and execute the Strategic Plan, and facilitate strategic alignment. This includes functions of budget and financial analysis and planning, Strategic Plan implementation, process improvement, and project management.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-------------------------|--------------------|------------------|
| Budget & Strategy | 888,000 | |
| Performance Improvement | 176,000 | |
| | \$1,064,000 | 0.25% |

BUDGET, STRATEGY, & PERFORMANCE

ACCOMPLISHMENTS FROM 2025

- **New organizational structure for Budget, Strategy, & Performance** – which includes the centralization of several positions – to connect smart budgeting with the Strategic Plan and improve performance through effective project delivery and continuous improvement.
- **Development of the 2026 Budget and overcoming a \$6.5M General Fund deficit** through an extended process, which included the formation of two new budget committees for the public and employees, hosting two in-person town hall sessions to complete Balancing Act (the city’s public engagement tool), and other internal process improvements.
- **Partnered with departments to identify priority performance indicators**, develop strategies and work plans, and launch Achieve It as our data-driven platform for transparency and collaboration across the organization.

GOALS FOR 2026

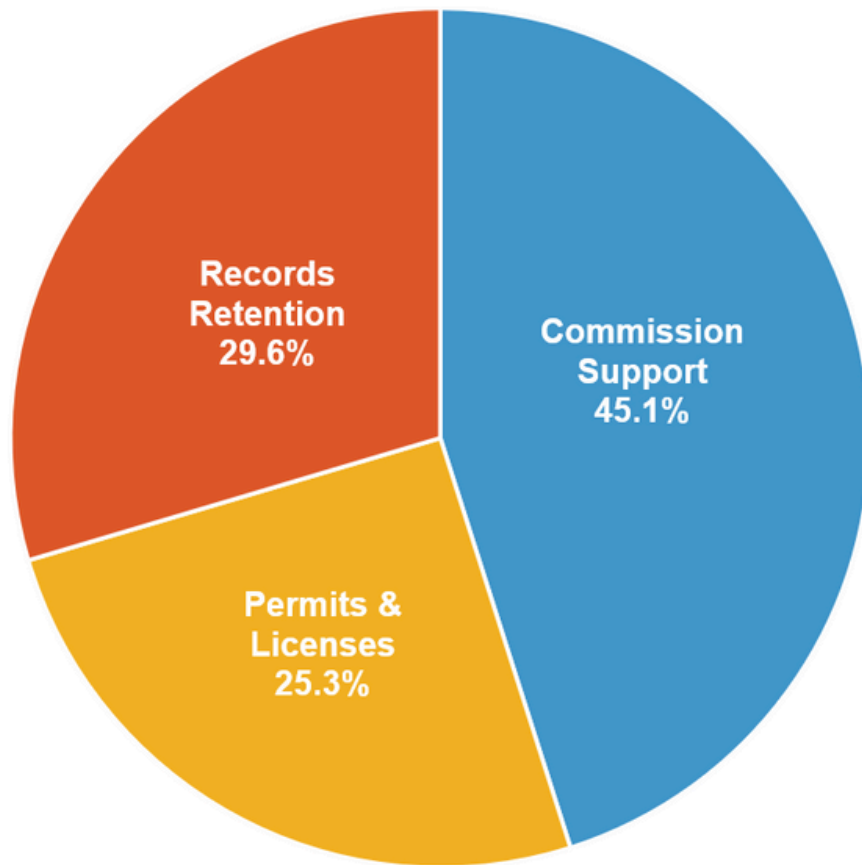
- **Facilitate the update of the Strategic Plan** to align with current community and organization priorities, recognizing the progress that has been achieved.
- **Collaborate with departments for accurate and timely updates** to the City’s 25 priority performance indicators, ensuring progress is being made towards our goals.
- **Continue to explore ways to foster civic and community engagement** in the budget, capital improvement planning, and strategic plan processes through informational materials, town hall sessions, and responsiveness to inquiries.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-------------------------|--------------|--------------|--------------------|
| Administrative Services | - | - | 1,064,000 |
| TOTAL | - | - | \$1,064,000 |

CITY CLERK

The City Clerk’s office serves as the liaison between the City Commission and the public. Additionally, the City Clerk’s Office manages city records, issues certain licenses and permits, and a variety of other services to the public and city departments.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-------------------------------|------------------|------------------|
| Commission Support | 221,000 | |
| Permits & Licenses | 124,000 | |
| Records Retention | 145,000 | |
| | \$490,000 | 0.11% |

CITY CLERK

ACCOMPLISHMENTS FROM 2025

- **Launched Codification and Online Code Hosting Software** to enable positive civic experiences and build trust by providing a platform where residents and staff can easily navigate our Code of Ordinances.
- **Continued implementation of Laserfiche records management system** to ensure compliance with all legal requirements. Initiated project to move the contract routing and management process to Laserfiche to support our commitment to efficient and effective processes.
- **Coordinated the city’s responses to over 250 requests** for public records and ensured the city’s compliance with the Kansas Open Records Act.

GOALS FOR 2026

- **Expand training and support for advisory boards** to strengthen their alignment with the Strategic Plan.
- **Initiate review and updates to the city’s customer services standards** to ensure consistent delivery of services city-wide.
- **Review business licensing codes** and make recommendations to modernize codes to align with current business practices and standards.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|--------------------------------|------------------|------------------|------------------|
| Administrative Services | 497,046 | 493,000 | 490,000 |
| TOTAL | \$497,046 | \$493,000 | \$490,000 |

CITY COMMISSION

The City Commission is a five-member body which performs the legislative and policymaking functions of the City. As representatives of the people, the Commission determines goals and objectives and policies to attain these. The Commission appoints a City Manager responsible for carrying out established policies and the efficient administration of City services and programs.



| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|------------------------|--------------|------------------|
| City Commission | 245,000 | 0.06% |

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|--------------------------------|------------------|------------------|------------------|
| Administrative Services | 236,207 | 237,000 | 245,000 |
| TOTAL | \$236,207 | \$237,000 | \$245,000 |

*Part of the City Commission’s budget is also outside agency support to the Public Health department. This expense is displayed on the Public Health page. Please view the Public Health page for full details.

COMMUNICATIONS

The Communications & Community Relations department serves as the central hub for City communications and community engagement efforts. In alignment with the City’s Strategic Plan and our commitment to fostering community engagement, we ensure that residents are well-informed and actively involved in City initiatives. Our team facilitates transparency, encourages collaboration, and drives innovation by promoting city services, programs, and events. We continuously welcome public feedback and work to enhance the clarity, accessibility, and effectiveness of our communications. In the area of community engagement, we collaborate with City staff and residents to develop and implement intentional, inclusive engagement strategies. These efforts aim to inform, consult, involve, and partner with the community to ensure their voices shape our City’s future.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|----------|------------------|------------------|
| Outreach | 901,000 | |
| | \$901,000 | 0.21% |

COMMUNICATIONS

ACCOMPLISHMENTS FROM 2025

- **Advanced engagement best practices** in service to City-wide projects. We deployed strategic and project design meetings with various departments to support improved public participation outcomes.
- **Initiated the Website Redesign Project** to improve the user experience, accessibility, responsiveness to community priorities, and resident satisfaction with online services.
- **Led the 2025 Community Satisfaction Survey** transition to a new vendor, preserving benchmarking continuity while adding new measures of belonging and trust.
- **Built internal communication capacity.** Focused on regular and org-wide communication and community engagement support and professional development. Expanded the professional development program to include all staff in community relations and media relations trainings.

GOALS FOR 2026

- **Launch redesigned City website:** Deliver a more intuitive, accessible, and service-centered online experience with improved navigation, search, and performance metrics.
- **Increase satisfaction and engagement:** Improve community satisfaction with City communications and engagement by focusing on collaboration, data-gathering, and trust-building. Leverage experimentation and a new online platform aimed at keeping more community members “in the loop” of projects that benefit from their participation.
- **Expand community engagement partnerships:** Strengthen collaboration with neighborhood associations and civic groups through a new Community Engagement Partnership Framework, supporting at least 5 neighborhood-level initiatives.
- **Elevate internal communications and leadership development:** Launch a Citywide communications toolkit with supportive trainings to improve employee alignment with organizational values and community care/service standards.

COMMUNICATIONS

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-------------------------|------------------|------------------|------------------|
| Administrative Services | 892,977 | 911,000 | 901,000 |
| TOTAL | \$892,977 | \$911,000 | \$901,000 |



ECONOMIC DEVELOPMENT

The Economic Development division coordinates economic development activities within the community such as property tax abatements and other related programs supported by the City. It also provides reports on current recipients of incentives and works with prospective developers on potential projects.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-----------------------------|--------------------|------------------|
| Economic Development | 4,374,000 | |
| | \$4,374,000 | 1.01% |

ECONOMIC DEVELOPMENT

ACCOMPLISHMENTS FROM 2025

- **The first STAR Bond project** was brought to Lawrence.
- **Continued to support downtown redevelopment** with multiple residential and commercial projects in downtown particularly along the New Hampshire street corridor.
- **Provided assistance to various organizations and businesses** in Lawrence through our project service agreements.

GOALS FOR 2026

- **Support strategic coordination** of organizations leading economic development in Lawrence through our project service agreements.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|------------------|--------------------|--------------------|--------------------|
| General | 1,383,191 | 1,336,000 | 1,155,000 |
| NRA | 758,993 | 921,000 | 967,000 |
| Free State TDD | 393,326 | 451,000 | 432,000 |
| Oread | 675,378 | 810,000 | 733,000 |
| 9th and NH South | 468,775 | 602,000 | 630,000 |
| 9th and NH North | 257,823 | 302,000 | 357,000 |
| Crossing TIF | - | 100,000 | 100,000 |
| TOTAL | \$3,937,486 | \$4,522,000 | \$4,374,000 |

EQUITY & INCLUSION

The Equity and Inclusion Department seeks to foster a diverse and inclusive organization through employee relations and educational programming.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-------------------------------|------------------|------------------|
| Equity & Inclusion | 295,000 | |
| | \$295,000 | 0.07% |

EQUITY & INCLUSION

ACCOMPLISHMENTS FROM 2025

- **Earned a perfect score (100 points)** on the Human Rights Campaign’s Municipal Equality Index Scorecard for the fourth consecutive year—making Kansas history.
- **Empowered the Moxie Employee Resource Group** to be successful in achieving key 2025 milestones, including a fundraiser for Just Food; a wellness-focused Wildlife and Wilderness Walk in partnership with Prairie Park Nature Center; and the celebration of its 3rd anniversary.
- **Conducted Merit-Based Workforce Analysis** to ensure equal access to employment opportunities, regardless of race, gender, disability, or other protected characteristics.

GOALS FOR 2026

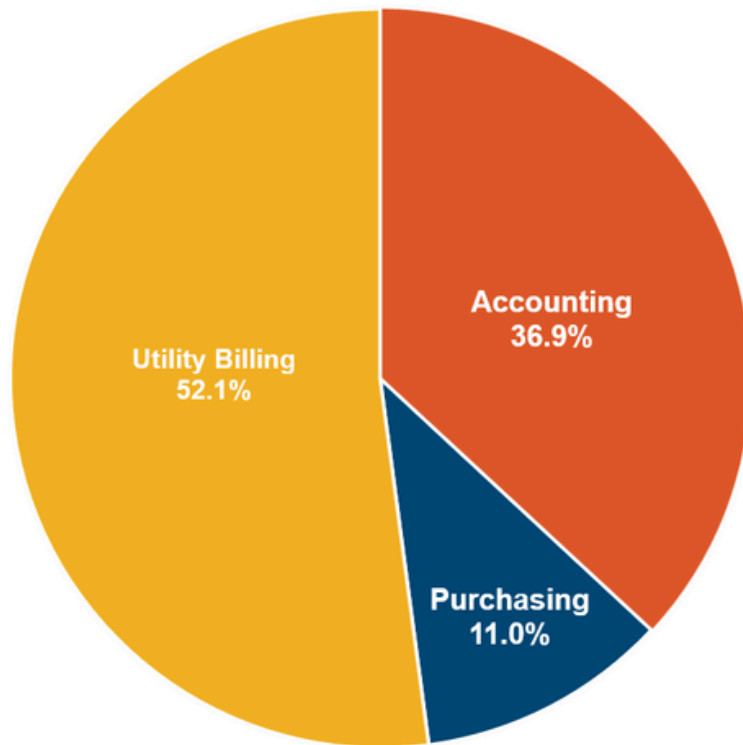
- **Launch a public-facing Equity & Inclusion Data Dashboard** to improve transparency and accessibility.
- **Conduct a robust city-wide DEI inventory project** to assess legal compliance of all City programs and policies with federal equity standards and interpretation of law.
- **Redesign and enhance the Equity & Inclusion website** to promote engagement and transparency.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-------------------------|------------------|------------------|------------------|
| Administrative Services | 299,262 | 318,000 | 295,000 |
| TOTAL | \$299,262 | \$318,000 | \$295,000 |

FINANCE

The Finance department is responsible for purchasing & bids, accounting, customer billing & collections, payment processing, cash management, miscellaneous receivables, investments, debt issuance, financial reporting, and financial forecast & analysis.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-------------------------|---------------------|------------------|
| Accounting | 1,967,000 | |
| Purchasing | 586,000 | |
| Utility Billing | 2,777,000 | |
| General Overhead | 74,530,000 | |
| | \$79,860,000 | 1.23% |

*General Overhead includes the City’s debt costs of principal, interest, temporary notes, and any issuance expenses. It is not included in the above chart but it is outlined in the table above. General Overhead is approximately 17.23% of the City budget while the Finance department operations are approximately 1.23%.

FINANCE

ACCOMPLISHMENTS FROM 2025

- **Successful and timely completion of the 2024 Annual Comprehensive Annual Financial Report** in accordance with the GFOA deadline and with no material audit findings.
- **Launched new bidding platform** for the Purchasing Division moving us to a single bidding website for vendors and also improving internal routing and efficient contract processing.
- **Maintained the City's Aa1 Moody's bond rating** for the City's General Obligation credit and the Aa2 Moody's bond rating for the City's Revenue Bond credit.
- **Implemented MyMeter software** in our Utility Billing division, offering an improved online platform for accessing information and managing City utility accounts.

GOALS FOR 2026

- **Continued timely creation and submission** of the 2025 Annual Comprehensive Annual Report by the June 30 deadline that is free material audit findings.
- **Apply for and be awarded the Certificate of Excellence for Financial Reporting** for the ACFR and the Popular Annual Financial Report Award for fiscal year 2025.

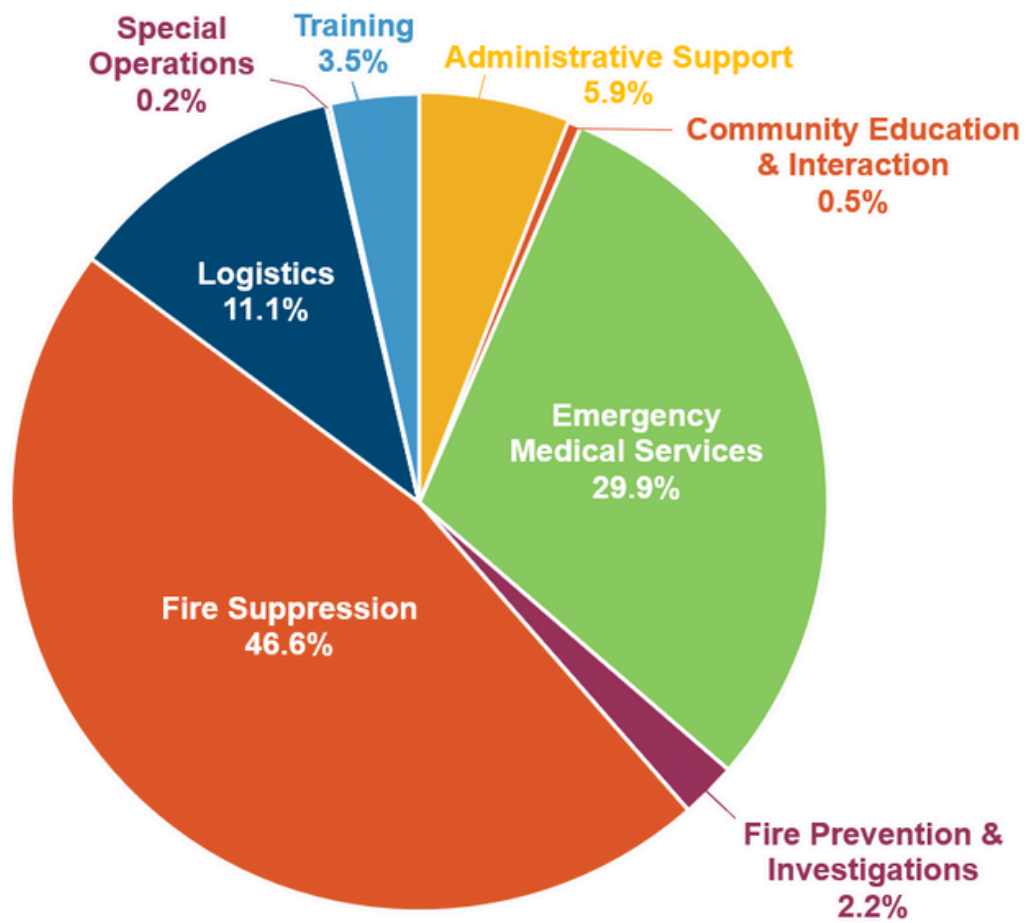
DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|--------------------------------|--------------------|--------------------|--------------------|
| Administrative Services | 6,270,636 | 6,186,000 | 5,330,000 |
| TOTAL | \$6,270,636 | \$6,186,000 | \$5,330,000 |

*The new Budget, Strategy, & Performance Office was previously part of the Finance department and largely accounts for the decrease in budget.

FIRE MEDICAL

Lawrence-Douglas County Fire Medical (LDCFM) provides emergency and non-emergency services through a joint agreement between the City and Douglas County for the provision of fire and medical services. All-hazard response services are provided by the department for all City of Lawrence and Grant Township residents while EMS, hazardous materials, and technical rescue responses are provided for all Douglas County residents. LDCFM is partially funded by Douglas County using an agreed upon formula.



FIRE MEDICAL

DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-----------------------------------|--------------|------------------|
| Administrative Support | 2,009,000 | |
| Community Education & Interaction | 180,000 | |
| Emergency Medical Services | 10,118,000 | |
| Fire Prevention & Investigations | 751,000 | |
| Fire Suppression | 15,786,000 | |
| Logistics | 3,773,000 | |
| Special Operations | 55,000 | |
| Training | 1,191,000 | |
| | \$33,863,000 | 7.83% |

ACCOMPLISHMENTS FROM 2025

- **Expanded officer development** through the Relief Officer Program, a labor-management initiative supporting leadership growth and strategic workforce goals.
- **Enhanced the department’s water rescue capabilities** by certifying personnel in Swiftwater Rescue and Rescue Boat Operations through specialized training in Kansas and Oklahoma, supported by the FEMA Assistance to Firefighters Grant program award.
- **Proactively managed overtime expenses** in accordance with key performance indicator SaS-10.
- **Successfully reduced fire alarm responses requiring emergency resources at Downs and Stauffer residence halls by 178%** through collaboration with KU Housing, KU Facilities, and KU Police. LDCFM continues to work with KU to implement these new procedures at residence halls, campus wide.
- **Adjusted occupancy inspection goals to 50% annually** in mid 2025, improving operational balance of crew workload while preserving ISO compliance.

FIRE MEDICAL

GOALS FOR 2026

- **Strengthen operational effectiveness** by evaluating and refining response models, dispatching practices (EFD/EMD), staffing strategies, and resource deployment to enhance service delivery and community risk reduction efforts.
- **Update key organizational guiding documents** including the department’s Strategic Plan and Community Risk Assessment Standards of Cover, to guide continuous improvement and align with accreditation and ISO objectives.
- **Support the launch and consistent staffing of a new medic unit** through the hiring and onboarding new firefighters, enhancing operational capacity and service reliability.
- **Create and recommend a fire apparatus replacement cycle** in conjunction with the Central Maintenance Garage.
- **Collaborate with Douglas County** leadership to research and develop an updated funding methodology and strategic decision-making process related to the EMS Cooperative Agreement.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|--------------------------------|---------------------|---------------------|---------------------|
| Capital Sales Tax | 3,960,000 | 1,650,000 | - |
| Capital Projects | - | 2,930,000 | - |
| Equipment Reserve | 91,040 | - | - |
| Federal Grants | 118,192 | - | - |
| General | 29,501,325 | 33,097,000 | 33,763,000 |
| Kansas Fights Addiction | 36,000 | 95,000 | 100,000 |
| TOTAL | \$33,706,557 | \$37,772,000 | \$33,863,000 |

HOMELESS SOLUTIONS

The Homeless Solutions Department supports community homeless projects, including a focus of City resources on homeless outreach, emergency sheltering, and community engagement.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|--------------------|--------------------|------------------|
| Homeless Solutions | 4,830,000 | |
| | \$4,830,000 | 1.12% |

HOMELESS SOLUTIONS

ACCOMPLISHMENTS FROM 2025

- **Reduced unsheltered homelessness by 63%** through the City's multidisciplinary Homeless Response Team model, integrating behavioral health, peer support, and substance use services in the field.
- **Reduced overall homelessness in Douglas County by 30%** through data-driven outreach, coordinated entry, and housing-focused case management.
- **Implemented eight Narcan vending machines** across the community, expanding access to life-saving overdose prevention resources.
- **Awarded a \$200,000 Kansas Fights Addiction Grant**, strengthening the City's harm reduction and addiction treatment partnerships.
- **Closed all major encampments** and successfully transitioned residents into safer shelter or housing options through individualized engagement.
- **Achieved the first year with zero weather-related deaths** among unsheltered individuals through coordinated outreach and expanded shelter operations.

GOALS FOR 2026

- **Completely end unsheltered homelessness** in Lawrence through targeted housing placements, intensive outreach, and coordinated case management.
- **Eradicate veteran homelessness** by ensuring every veteran experiencing homelessness is identified, engaged, and offered permanent housing within 30 days.
- **Bolster the Aftercare Program** to ensure at least one year of sustained housing stability through structured follow-up support and resource coordination.
- **Strengthen landlord relations** by expanding the City's landlord engagement strategy and offering support to increase successful housing placements.
- **Launch a regional homelessness collaboration** with neighboring counties to align resources, data, and policies for cross-jurisdictional impact.
- **Help develop additional affordable housing units** by supporting partnerships that expand low-income and supportive housing options in Douglas County.

HOMELESS SOLUTIONS

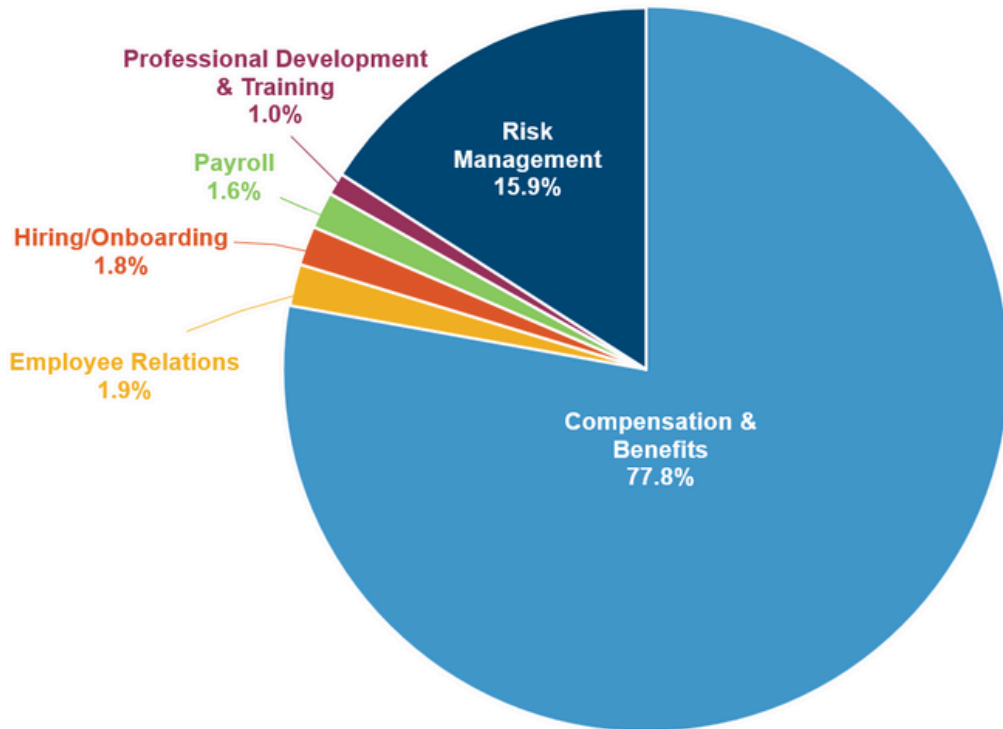
DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-------------------------|--------------------|--------------------|--------------------|
| ARPA | 2,077,508 | - | - |
| General | 1,977,630 | 2,572,000 | 2,496,000 |
| Housing Trust | - | 1,202,000 | 1,260,000 |
| Kansas Fights Addiction | 70,000 | - | - |
| Special Alcohol | 758,847 | 884,000 | 1,074,000 |
| State Grants | 133,040 | 65,000 | - |
| TOTAL | \$5,017,025 | \$4,723,000 | \$4,830,000 |



HUMAN RESOURCES

The Human Resources Department fosters organizational trust, stability, and growth by providing comprehensive guidance, solutions, and support to members of Team Lawrence. With collaboration across our organization, we are building a workplace where people throughout the organization are trusted, supported, and cared for as we build community.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|--------------------------|---------------------|------------------|
| Compensation & Benefits | 21,392,000 | |
| Employee Relations | 514,000 | |
| Hiring/Onboarding | 482,000 | |
| Payroll | 450,000 | |
| Professional Development | 273,000 | |
| Risk Management | 4,377,000 | |
| | \$27,488,000 | 6.35% |

HUMAN RESOURCES

ACCOMPLISHMENTS FROM 2025

- **Enhanced and implemented employee benefits and wellness programs** by introducing new insurance offerings, including vision and life insurance, identity theft protection, an improved Employee Assistance Program, and critical illness coverage.
- **Continued development of Leadership Exploration and Development program**, resulting in increased participation and a higher volume of applications.
- **Revamped the Engaged and Empowered Teams Committee** to strengthen team collaboration, accountability, and ownership by celebrating service milestones, employee lunch, and recognition awards in order to create collaboration and highlight the impactful work of city employees.
- **Implemented a Voluntary Employee Retirement Program** to support budget reduction efforts.

GOALS FOR 2026

- **Update Employee Handbook** aligned with the City's organizational values.
- **Develop competitive pay plan** based on comprehensive compensation studies for pay equity and alignment.
- **Continue to enhance customer service and employee payroll experience** through clear and consistent FMLA support, accurate payroll tax reporting, and withholding for remote, multi-state employees.
- **Enhance skills, knowledge, and engagement** by supporting participation in conferences and providing ongoing training and professional development opportunities for internal HR staff.
- **Identify and implement effective strategies to reduce overall health care costs** while maintaining or improving employee health and satisfaction.



HUMAN RESOURCES

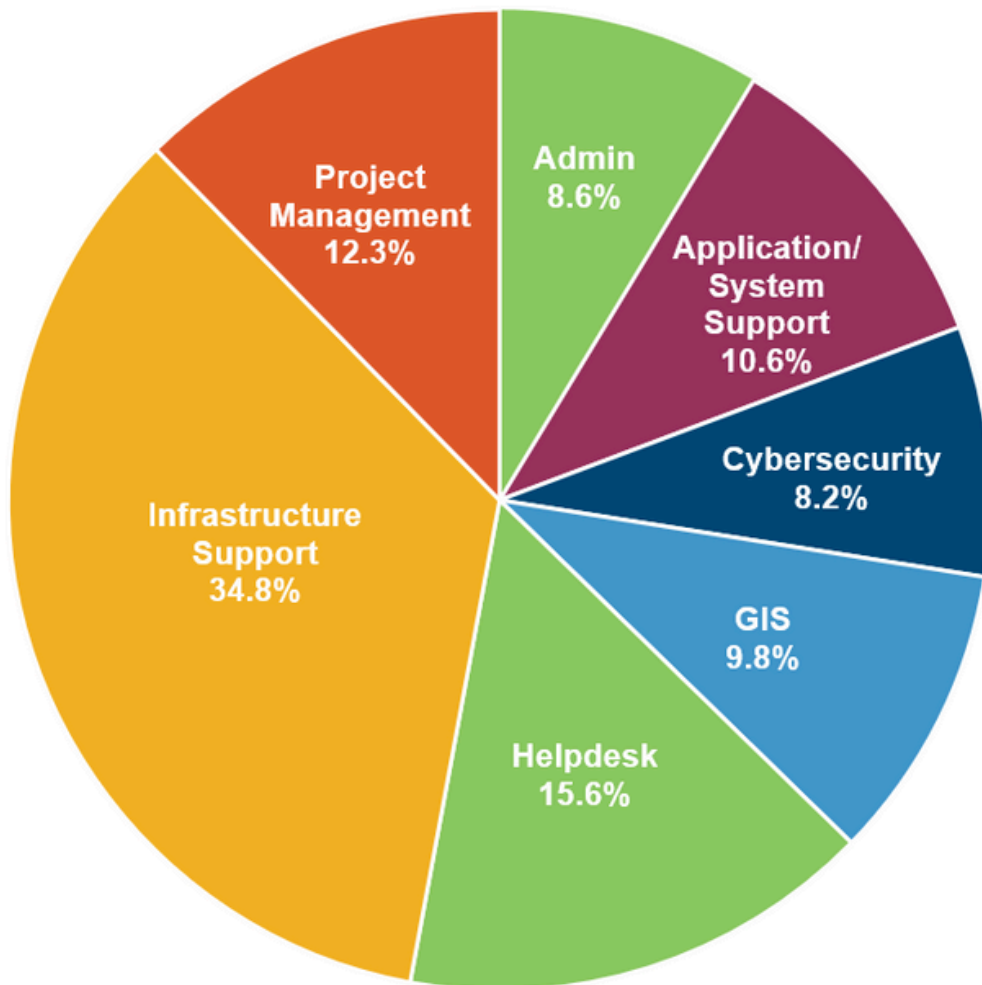
DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-------------------------|---------------------|---------------------|---------------------|
| Administrative Services | 1,395,987 | 2,453,000 | 2,390,000 |
| Health & Wellness | 17,109,692 | 19,252,000 | 20,721,000 |
| Risk Management | 2,125,378 | 3,837,000 | 4,377,000 |
| TOTAL | \$20,631,057 | \$25,542,000 | \$27,488,000 |



INFORMATION TECHNOLOGY

The Information Technology Department promotes and optimizes the delivery of information technology services to City departments in support of Lawrence citizens. The department's employees provide technological support in: infrastructure management, cybersecurity, desktop and server management, database management, geographic information systems (GIS), ERP, and Business applications support, document imaging, telecommunications, and the City's fiber projects.



INFORMATION TECHNOLOGY

DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-----------------------------------|--------------|------------------|
| Administration | 360,000 | |
| Application/System Support | 442,000 | |
| Cybersecurity | 343,000 | |
| GIS | 408,000 | |
| Helpdesk | 650,000 | |
| Infrastructure Support | 1,447,000 | |
| Project Management | 513,000 | |
| | \$4,163,000 | 0.96% |

ACCOMPLISHMENTS FROM 2025

- **Enterprise Conversational AI Agent Platform:** Approved first-ever enterprise conversational AI platform to augment front-line staff and to provide faster response times to our community and enhancing customer service.
- **Fiber Optic Lease Resolution:** Replaced 10-year old resolution on Fiber Optic Leases; exchanging a subsidy model to a revenue-generating model.
- **CISA Cybersecurity and Risk Assessment:** The Cybersecurity and Infrastructure Security Agency performed a two-week assessment of our IT and network infrastructure. This was one of the toughest and most invasive process to test our cyber-resiliency and identify any vulnerabilities. This assessment provided us with invaluable information and helped us improve our security even more.
- **Citywide Windows 11 Deployment:** Upgraded approximately 930 Windows devices from Windows 10 to Windows 11. This is part of Microsoft’s end of life support for Windows 10, but also improved functionality and security enhancements with Windows 11.
- **Transition from .ORG to .GOV:** Successfully transitioned our official domain from a .org to .gov. Switching from a .org to a .gov domain strengthens public confidence, cybersecurity, search visibility, and brand consistency for qualified public-sector organizations.

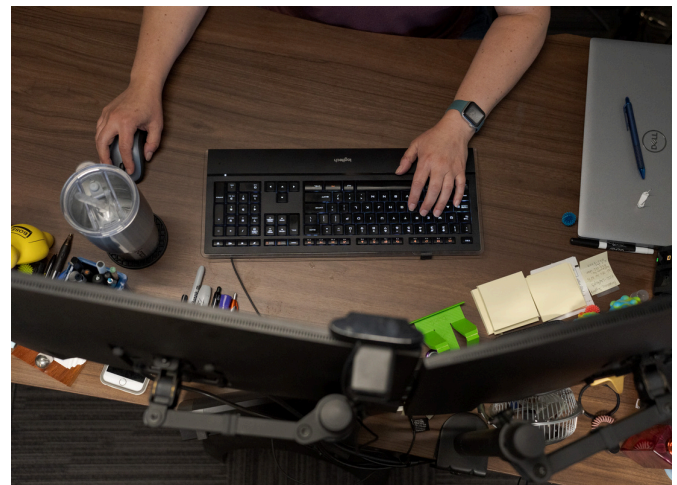
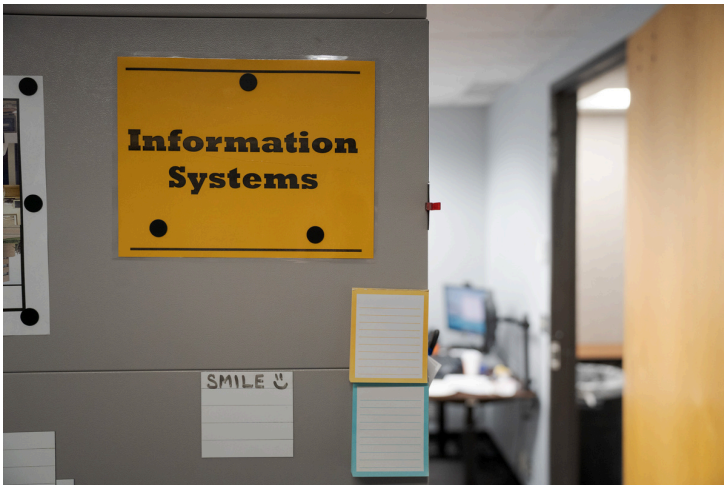
INFORMATION TECHNOLOGY

GOALS FOR 2026

- **AI and Technology Automation:** Explore and deploy more integration of AI and related interfaces to our existing systems to produce more readily available information for decision making, enabling higher productivity across the organization.
- **Automated PC Inventory and Refresh Application:** New automated, streamlined tool and dashboard for departments to review, schedule, and approve staff’s PC replacements. The interactive, real-time dashboard allows departments to see when to budget and deploy their desktop devices.
- **Finalize Office 365 deployment and OneDrive Migration:** Continue to migrate from older versions of Office to O365; upskill employees, and migrate City Data user drives to OneDrive.
- **Unified Communications at the Desktop (Teams):** Explore Microsoft Teams integration into our phone system infrastructure, proving more efficiency with a unified communication system.

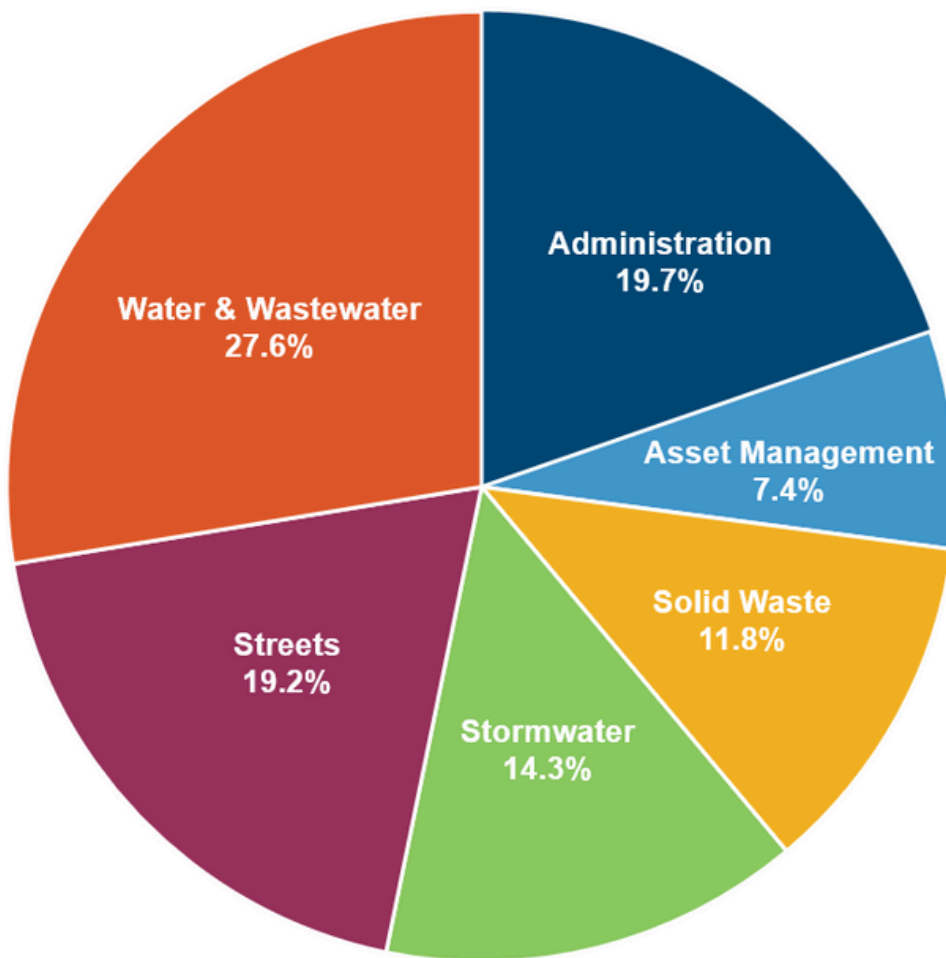
DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|--------------------------------|--------------------|--------------------|--------------------|
| Administrative Services | 3,902,179 | 4,472,000 | 4,163,000 |
| TOTAL | \$3,902,179 | \$4,472,000 | \$4,163,000 |



MUNICIPAL SERVICES & OPERATIONS

Municipal Services & Operations is the combined function of the former Public Works Department and Utilities Department. MSO provides community services in infrastructure, maintenance, engineering, water, wastewater, solid waste, stormwater management, and fleet management.



*The Municipal Services & Operations department has a large number of programs that have been grouped into larger sections in the graph shown. The following page breaks down all the programs within MSO

MUNICIPAL SERVICES & OPERATIONS

DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-------------------------------------|-----------------------|------------------|
| ADA Compliance | 3,020,000 | |
| Administrative Support | 28,155,000 | |
| Airport | 1,412,000 | |
| Facilities Maintenance | 4,638,000 | |
| Farmland Remediation | 309,000 | |
| Fleet Maintenance | 6,100,000 | |
| Levee Maintenance | 486,000 | |
| Project Inspections | 1,992,000 | |
| Project Management | 3,429,000 | |
| Regulatory & Environmental Services | 3,892,000 | |
| Right of Way & Fiber Management | 468,000 | |
| Solid Waste Operations | 20,488,000 | |
| Stormwater Operations & Quality | 24,904,000 | |
| Street Maintenance | 21,421,000 | |
| Technology & Assets | 1,646,000 | |
| Traffic Maintenance | 2,987,000 | |
| Transportation Planning | 498,000 | |
| Wastewater Collections | 8,899,000 | |
| Wastewater Treatment | 11,062,000 | |
| Water Distribution | 12,226,000 | |
| Water Meters | 915,000 | |
| Water Treatment | 14,863,000 | |
| TOTAL | \$ 173,810,000 | 40.18% |

MUNICIPAL SERVICES & OPERATIONS

ACCOMPLISHMENTS FROM 2025

- **Led the implementation of a \$171 million Capital Improvement Plan** including significant improvements to Bob Billings Parkway, Iowa Street, Maple Lane, Jayhawk Watershed as well as sidewalks through the ADA Transition Plan.
- **Made significant progress on an additional \$4.5 million in rehab work** to the Kaw Water Treatment Plant and \$74 million in upgrades to the Kansas River Wastewater Treatment Plant to achieve regulatory compliance and improve discharge water quality to the Kansas River.
- **Began the Solid Waste Master Plan** to reduce the amount of waste sent to the landfill and improve operational efficiency.
- **Completed a substantial update to the stormwater rate structure** to accurately measure impervious surfaces associated with each service parcel and the Equivalent Residential Unit size.
- **Made significant progress on construction of the MSO Campus Field Operations facility** set to open in 2026 and began design work Phase II for Solid Waste and Fleet.

GOALS FOR 2026

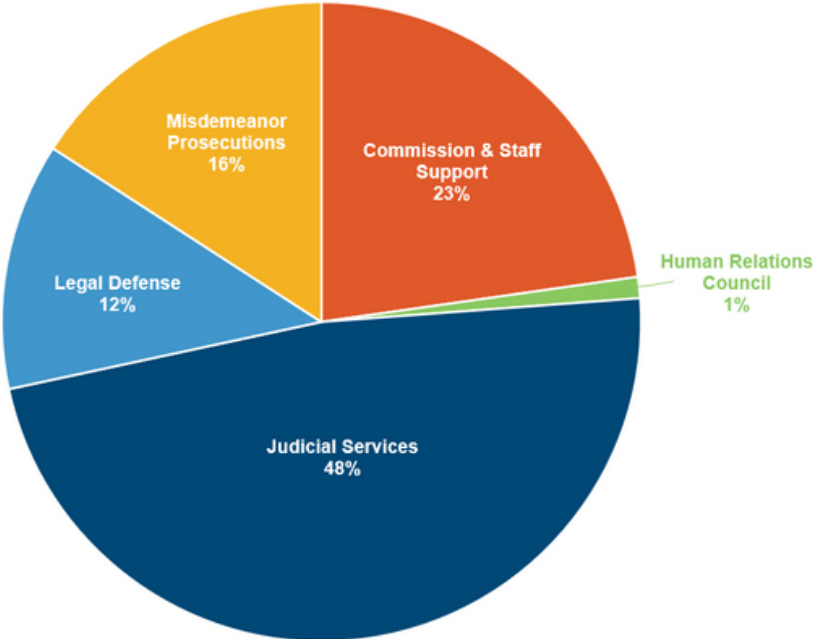
- **Implement a \$157 million Capital Improvement Plan** including significant improvements to Jayhawk Watershed, Mississippi Street, Massachusetts Street, Bob Billings, Iowa Street, Southwest Lawrence Conveyance Corridor, and sidewalks through the ADA Transition Plan.
- **Deploy Smart Truck Technology in the Solid Waste fleet** to enhance efficiency, lower operational costs, and reduce contamination. Finalize the Solid Waste Master Plan to streamline operations and divert more waste from the landfill.
- **Complete construction of the MSO Campus Phase I** and make significant progress on construction of Phase II for Solid Waste and Fleet set to open in 2027.
- **Complete the Stormwater System Id Assessment and Model Creation Program** to improve the accuracy of stormwater mapping, assess system condition and hydraulic capacity data, improve infrastructure management, and prioritize future Capital Improvement Plan projects.
- **Extend water and sanitary sewer service crossings west of K-10** to support the City's future growth and development outlined in Plan 2040.
- **Hire a full-time Airport Manager** to oversee the implementation of the new Airport Master Plan, implement Airport Rules and Regulations, ensure compliance with established Minimum Standards, and maintain full compliance with all applicable FAA Regulations.

MUNICIPAL SERVICES & OPERATIONS**DEPARTMENT BUDGET BY FUND**

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|---------------------------------------|----------------------|----------------------|----------------------|
| Administrative Services | 5,319,149 | 5,884,000 | - |
| Airport | 627,659 | 597,000 | 752,000 |
| Capital Sales Tax | 4,785,658 | 10,621,000 | 10,605,000 |
| Capital Projects | 18,089,667 | 72,304,000 | 5,610,000 |
| Equipment Reserve | 244,666 | - | - |
| Farmland Remediation | 213,527 | 317,000 | 309,000 |
| Federal Funds Exchange | 851,575 | 1,180,000 | 1,180,000 |
| Federal Grants | 304,134 | 206,000 | - |
| Fleet | - | - | 6,100,000 |
| General | 16,237,880 | 17,253,000 | 17,367,000 |
| Parking | 572,187 | 454,000 | 422,000 |
| Solid Waste | 19,197,272 | 20,132,000 | 21,560,000 |
| State Grants | 806,255 | 4,025,000 | 1,060,000 |
| Special Highway | 5,544,725 | 3,479,000 | 4,133,000 |
| Stormwater | 6,018,470 | 6,579,000 | 22,529,000 |
| Transportation Planning Grants | 722 | 328,000 | 350,000 |
| Util. Bonded Construction | 1,803,903 | 56,020,000 | 10,851,000 |
| Util. Non-Bonded Construction | 1,054,919 | 10,000 | 1,000,000 |
| Water & Wastewater | 62,711,768 | 73,627,000 | 69,982,000 |
| TOTAL | \$144,384,136 | \$273,016,000 | \$173,810,000 |

OFFICE OF THE CITY ATTORNEY

The Office of the City Attorney (CAO) provides counsel, legal advice, and support to the City of Lawrence organization. The CAO represents and defends the City in court and administrative proceedings and initiates lawsuits brought on behalf of the City. The CAO oversees the Municipal Court and Prosecutor’s Office. The Municipal Court handles hearings and administration of criminal, traffic, and parking violation cases from initiation through adjudication. The Prosecutor’s Office prosecutes municipal ordinance violations, manages diversion agreements, and represents the City in Municipal Court appeals. The Human Relations Division enforces Chapter X of the City Code and oversight of the Fair Housing Assistance Program grant funds.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|----------------------------|--------------------|------------------|
| Commission & Staff Support | 744,000 | |
| Human Relations Commission | 35,000 | |
| Judicial Services | 1,564,000 | |
| Legal Defense | 409,000 | |
| Misdemeanor Prosecutions | 519,000 | |
| | \$3,271,000 | 0.76% |

OFFICE OF THE CITY ATTORNEY

ACCOMPLISHMENTS FROM 2025

- **Successfully completed negotiations** with all four employee groups.
- **Provided strategic guidance and drafted documentation** for multiple Economic Development and Affordable Housing initiatives.
- **Achieved favorable legal outcomes in multiple cases**, including the Source of Income and First Presbyterian lawsuits.
- **Advised City leadership** navigating complex and often conflicting Federal, State, and local laws, regulations, and policies.

GOALS FOR 2026

- **Finalize updates to the City Employee Handbook** and conduct staff training, as needed.
- **Support and assist in City-wide preparations** for large-scale events.
- **Deliver timely and effective support to City departments** to help the organization achieve Strategic Plan outcomes.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-------------------------|--------------------|--------------------|--------------------|
| Administrative Services | 1,250,629 | 1,129,000 | 1,153,000 |
| Equipment Reserve | 1,483 | 50,000 | 52,000 |
| Fair Housing Grant | 29,140 | 22,000 | 21,000 |
| General | 1,767,171 | 1,943,000 | 1,935,000 |
| Parking | 190,912 | 187,000 | 110,000 |
| TOTAL | \$3,239,335 | \$3,331,000 | \$3,271,000 |

OFFICE OF THE CITY MANAGER

The Office of the City Manager is responsible for the oversight of departmental operations, personnel functions, preparation of the recommended annual budget, and communication with citizens, employees, and the media.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-----------------------------|--------------------|------------------|
| Executive Leadership | 1,260,000 | |
| | \$1,260,000 | 0.29% |

OFFICE OF THE CITY MANAGER

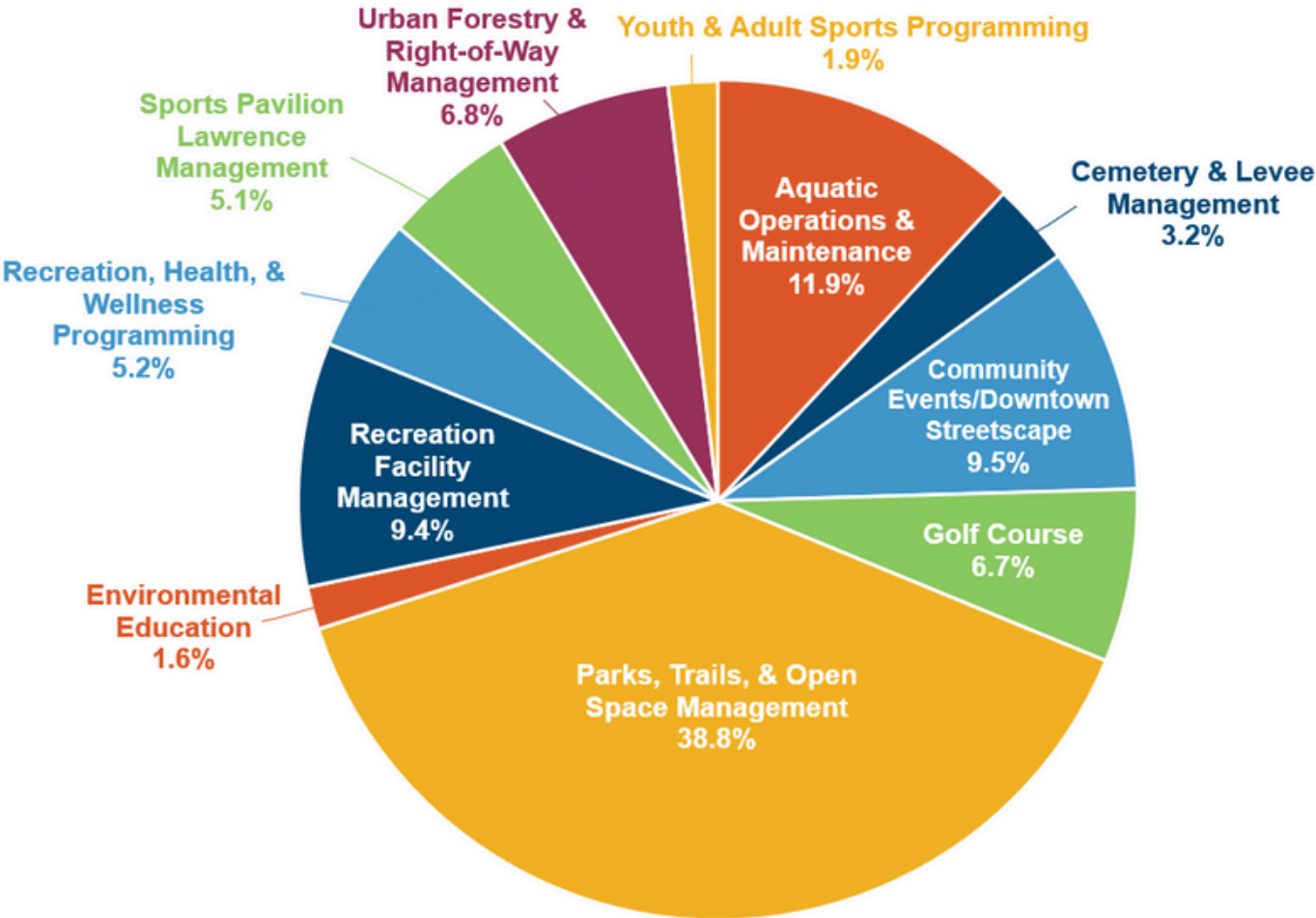
DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-------------------------|--------------------|--------------------|--------------------|
| Administrative Services | 1,117,445 | 1,124,000 | 1,260,000 |
| TOTAL | \$1,117,445 | \$1,124,000 | \$1,260,000 |



PARKS, RECREATION & CULTURE

The Parks, Recreation & Culture Department (PRC) enhances the quality of life for residents and visitors through diverse parks, recreational, and cultural offerings. Managing two aquatic centers, a nature center, a golf course, four recreation centers, scenic trails, and 71 parks across nearly 4,500 acres, PRC beautifies the city with its renowned tree canopy and downtown landscaping. Through programs like multi-generational recreation, arts initiatives, public art, and inclusive community events, PRC fosters connection, creativity, and well-being, making Lawrence a vibrant place to live, work, and play.



PARKS, RECREATION & CULTURE

DEPARTMENT BUDGET BY **PROGRAM**

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|--|---------------------|------------------|
| Aquatic Operations & Maintenance | 3,616,000 | |
| Cemetery & Levee Maintenance | 958,000 | |
| Community Events/Downtown Streetscape | 2,875,000 | |
| Golf Course | 2,027,000 | |
| Parks, Trails, & Open Space Management | 11,785,000 | |
| Environmental Education | 499,000 | |
| Recreation Facility Management | 2,855,000 | |
| Recreation, Health, & Wellness Programming | 1,570,000 | |
| Sports Pavilion Lawrence Management | 1,535,000 | |
| Urban Forestry & Right-of-Way Mangement | 2,050,000 | |
| Youth & Adult Sports Programming | 578,000 | |
| | \$30,348,000 | 7.02% |



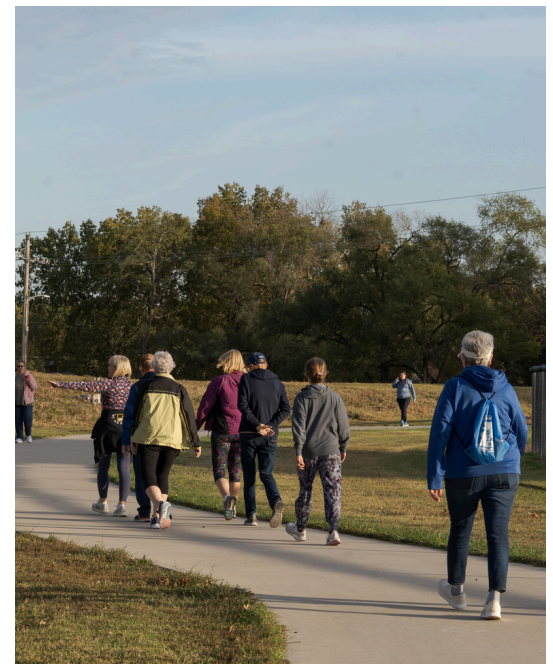
PARKS, RECREATION & CULTURE

ACCOMPLISHMENTS FROM 2025

- **Developed the Parks, Recreation and Culture Master Plan.**
- **Installed two new turf fields** at the Youth Sports Complex.
- **Completed concept design and bidding** for the Outdoor Aquatic Center renovation project.
- **Successful oversight and management by Arts and Culture/Event staff** of two grant programs and 44 grants, 112 Special Use Permits, 131 Right-of-Way events, 33 community events, and 16 Parks, Recreation and Culture events.
- **Hosted 58 sports tournaments** in the Sports Pavilion Lawrence.
- **Acquired 85 acres** of new park and open space property.

GOALS FOR 2026

- **Complete construction on Phase 1** of the Outdoor Aquatics Center renovation project by spring of 2026. Begin construction of Phase II in the fall of 2026.
- **Implement membership fees** to Recreation Centers to help support 2026 revenue goals.
- **Assist with World Cup visitor engagement and activities** if selected as a host site.
- **Continue work on proposed recommendations** in the Parks, Recreation and Culture Master Plan.



PARKS, RECREATION & CULTURE

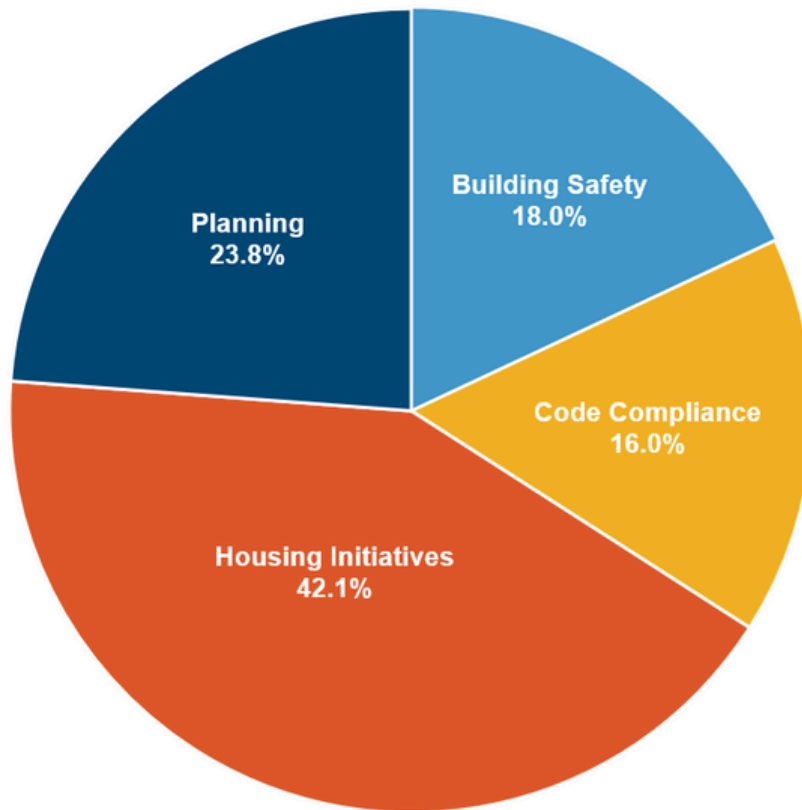
DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-------------------------|---------------------|---------------------|---------------------|
| Capital Sales Tax | 637,483 | 1,150,000 | 1,150,000 |
| Capital Projects | 520,164 | 5,940,000 | 5,940,000 |
| Cemetery Perpetual Care | 177 | 12,000 | 20,000 |
| City Parks Memorial | 24,391 | 40,000 | 40,000 |
| Equipment Reserve | 40,782 | - | - |
| Federal Funds Exchange | 1,100,000 | - | - |
| Federal Grants | 32,559 | 564,000 | 564,000 |
| General | 18,352,000 | 18,380,000 | 18,620,000 |
| Transient Guest Tax | 2,662,715 | 2,797,000 | 2,875,000 |
| Special Recreation | 981,554 | 1,274,000 | 1,089,000 |
| State Grants | 19,714 | - | - |
| Wee Folks Scholarship | 25,061 | 35,000 | 50,000 |
| TOTAL | \$24,396,600 | \$30,192,000 | \$30,348,000 |



PLANNING & DEVELOPMENT SERVICES

The Planning & Development Services department is responsible for implementing the community’s comprehensive plan and processing city and county planning applications, code enforcement cases, building permits, contractor licenses, rental licenses and various inquiries related to development in the community.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|----------------------------|--------------------|------------------|
| Building Safety | 1,464,000 | |
| Code Compliance | 1,302,000 | |
| Housing Initiatives | 3,420,000 | |
| Planning | 1,934,000 | |
| | \$8,120,000 | 1.88% |

PLANNING & DEVELOPMENT SERVICES

ACCOMPLISHMENTS FROM 2025

- **Implemented the new Land Development Code** and User's Guide.
- **Launched the new Citizen Connect** interactive tool which displays information and the locations of development related functions such as Plans, Permits, Inspections, as well as Rental Licenses, Code Compliance cases, and Business and Professional Licenses as well as the EPL Executive Insights software.
- **Expanded the Remote Virtual Inspection** program in the Building Safety division.
- **Prepared the Affordable Housing Incentive Policy** and vacant structure ordinance for City Commission consideration.

GOALS FOR 2026

- **Prepare 2024 International Codes** for consideration and adoption.
- **Complete the updated housing study** and begin to inform a longer-term affordable housing plan.
- **Continue reviewing and improving building permit processes and times**, such as expediated permit process options and customer service improvements (e.g. SelectTXT, and expanding Remote Virtual Inspection).
- **Improve Planning & Development Services guides and handouts** to be more customer-focused design/information.
- **Develop and pilot a neighborhood clean-up event** in the Code Compliance division.



PLANNING & DEVELOPMENT SERVICES

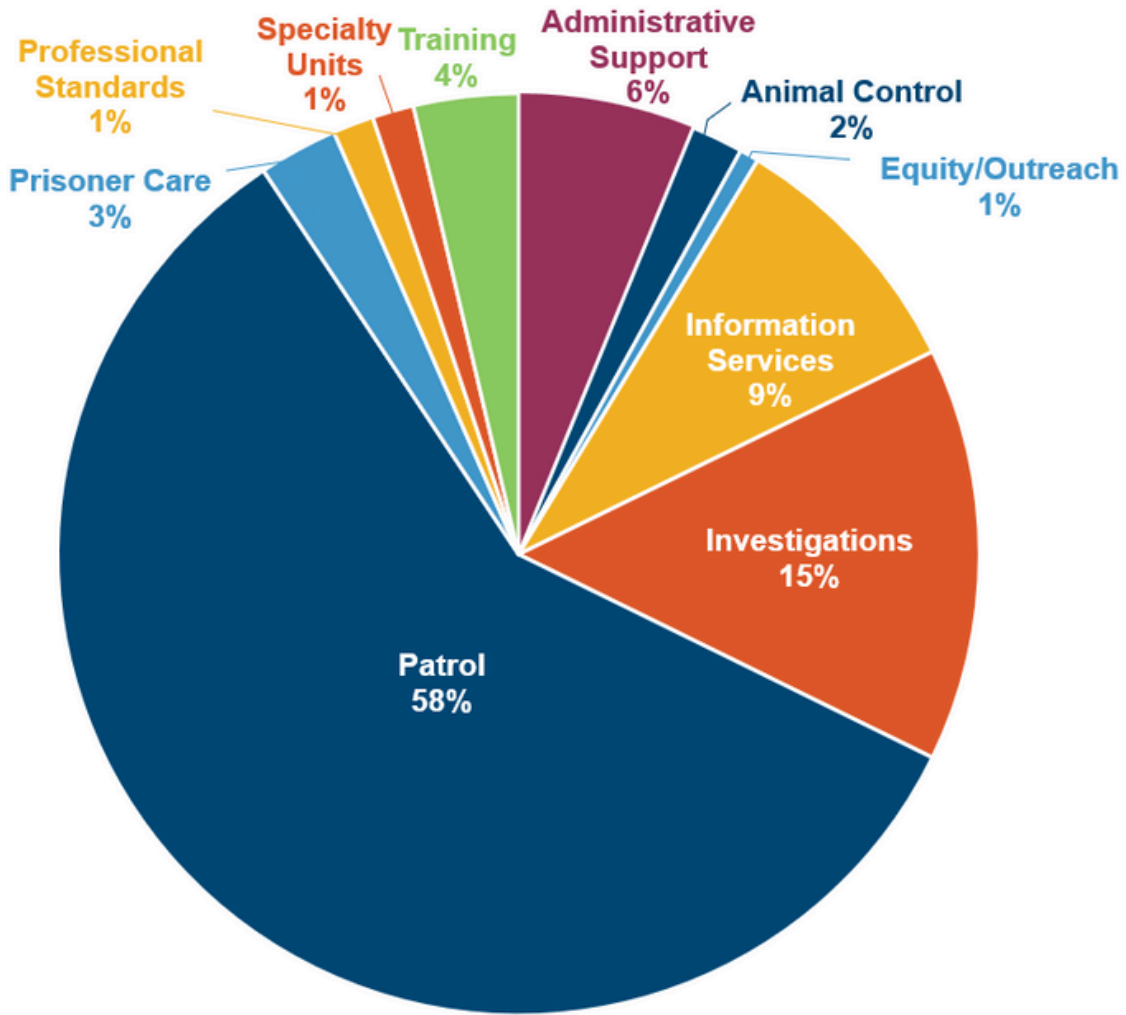
DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|--------------------------------|---------------------|--------------------|--------------------|
| ARPA | 62,625 | - | - |
| CDBG | 1,181,260 | 902,000 | 1,014,000 |
| Equipment Reserve | - | 48,000 | 48,000 |
| Federal Grants | 168,654 | 175,000 | 150,000 |
| General | 6,286,786 | 5,444,000 | 5,214,000 |
| HOME Program | 755,173 | 454,000 | 432,000 |
| Housing Trust | 2,985,549 | 1,202,000 | 1,262,000 |
| Special Alcohol | 33,053 | - | - |
| State Grants | 103,990 | - | - |
| Transportation Planning | 230,032 | - | - |
| TOTAL | \$11,807,122 | \$8,225,000 | \$8,120,000 |



POLICE

The Lawrence Police Department will strive to provide the citizens of Lawrence with the most community focused, efficient, and effective police service available within the confines of existing resources.



POLICE

DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|------------------------|---------------------|------------------|
| Administrative Support | 2,161,000 | |
| Animal Control | 637,000 | |
| Equity/Outreach | 236,000 | |
| Information Services | 3,170,000 | |
| Investigations | 5,073,000 | |
| Patrol | 20,409,000 | |
| Prisoner Care | 970,000 | |
| Professional Standards | 502,000 | |
| Specialty Units | 509,000 | |
| Training | 1,283,000 | |
| | \$34,950,000 | 8.08% |

ACCOMPLISHMENTS FROM 2025

- **Developed and implemented strategic policing initiatives like TRACE** to focus on persistent criminal activity with the goal to reduce crime and calls for service.
- **Partnered with a local news outlet to communicate and engage with the public** in a new way that has been well received. The City Beat newspaper insert was produced quarterly and shares information in a timely way that was typically not seen until the annual report was published.
- **Utilized the department Monthly Performance Report** to focus on strategies impacting our Key Performance Indicators.

POLICE

GOALS FOR 2026

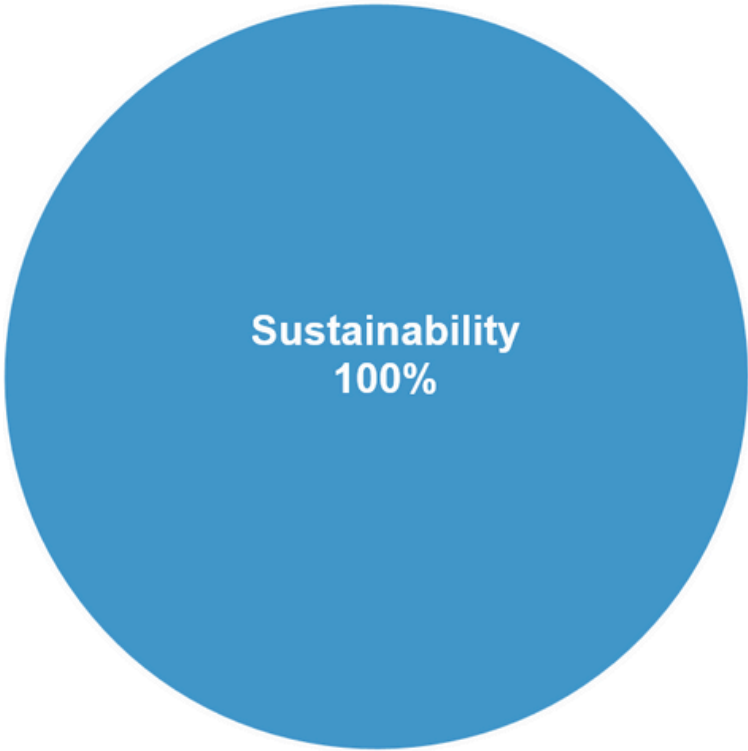
- **Continued focus on Purpose Driven Policing** by applying resources on emergency response, problem solving, and building relationships. We will be looking into new partnerships to strengthen and expand our ability to respond to community members experiencing domestic violence.
- **Find new ways to work interact and partner with the community** in the absence of funding for a community relations program. The department will also attempt to identify grant opportunities where possible to facilitate these opportunities.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|-----------------------|---------------------|---------------------|---------------------|
| Capital Projects | - | 275,000 | 275,000 |
| Equipment Reserve | 627,679 | 533,000 | 533,000 |
| Federal Grants | 186,979 | 55,000 | 55,000 |
| General | 32,540,522 | 32,442,000 | 33,922,000 |
| Health & Wellness | 11,050 | 85,000 | 85,000 |
| Law Enforcement Trust | 2,958 | 80,000 | 80,000 |
| TOTAL | \$33,369,188 | \$33,470,000 | \$34,950,000 |

SUSTAINABILITY

The Sustainability Department represents the City's environmental sustainability commitment and, through key performance indicators, it aims to illustrate our progress and inspire collective action toward a more sustainable future for the citizens of Lawrence. The department is dedicated to creating and facilitating programs, projects, and policies that promote sustainability and resilience within the City government and across the community.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-----------------------|------------------|------------------|
| Sustainability | 228,000 | |
| | \$228,000 | 0.05% |

SUSTAINABILITY

ACCOMPLISHMENTS FROM 2025

- **Prioritized three Environmental Sustainability key performance indicators** and drafted short-term and long-term strategies and goals for each. In collaboration, began working through these strategies and goals including starting the Solid Waste Master Plan process with MSO.
- **Began implementation of Adapt Douglas County: A Climate Action and Adaptation Plan** with the implementation team partners: the County and all the cities in Douglas County.
- **Hosted a Lawrence Energy Conservation Fair** bringing together local businesses, organizations, and residents to explore practical ways to reduce energy costs and promote sustainable living.
- **Worked in partnership with local organizations on several large community events** that celebrate environmental sustainability: Lawrence Earth Day Celebration (Watkins Museum of History), Kansas River Cleanup (Friends of the Kaw), and Lawrence Electric Vehicle Showcase (Sustainability Action Network).

GOALS FOR 2026

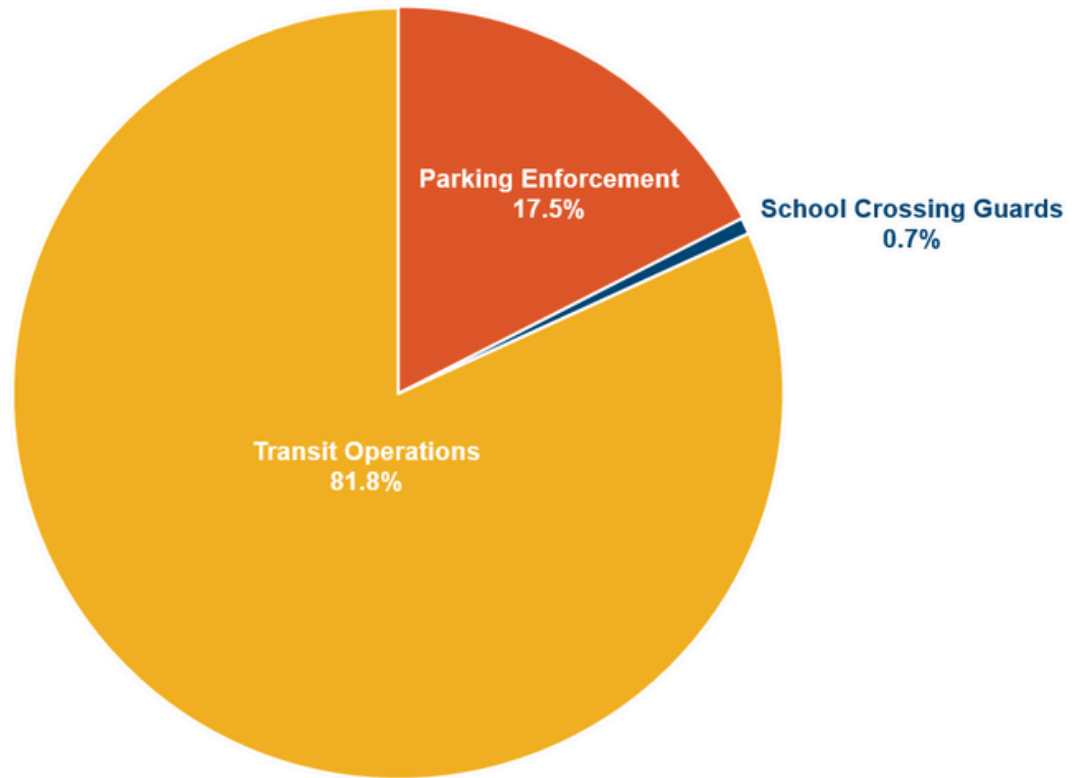
- **Completion of the certification process of the US Green Building Council's LEED** for Cities program.
- **Continuation of the implementation of Adapt Douglas County: A Climate Action and Adaptation Plan** with the implementation team partners: the County and all the cities in Douglas County.
- **Completion of the strategies and goals for the three key performance indicators** to move the needle on reducing amount of trash, reducing GHG emissions, and increasing on-site renewable energy at City facilities.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|--------------------------------|------------------|------------------|------------------|
| Administrative Services | 198,145 | 211,000 | 198,000 |
| General | 6,674 | 7,000 | - |
| Solid Waste | - | - | 30,000 |
| TOTAL | \$204,819 | \$218,000 | \$228,000 |

TRANSIT & PARKING

The Transit Department operates fixed route, paratransit, and on demand public transportation in Lawrence. The department also manages capital assets at over 400 bus stops, a maintenance facility, and Central Station. The Parking Division conducts parking enforcement operations in the Downtown business district, the Ambassador program which delivers downtown beautification improvements and customer service, and oversees the School Crossing Guard program.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-------------------------------|---------------------|------------------|
| Parking Enforcement | 2,657,000 | |
| School Crossing Guards | 105,000 | |
| Transit Operations | 12,427,000 | |
| | \$15,189,000 | 3.51% |

TRANSIT & PARKING

ACCOMPLISHMENTS FROM 2025

- **Implemented Vehicle Immobilization Program** following the transition of parking citations to a civil offense, improving citation compliance and collection rates.
- **Held Parking Amnesty Program**, resolving outstanding citations and donating proceeds to local food bank nonprofits.
- **Enhanced Downtown Beautification through the Ambassador Program**, including the “Welcome to Lawrence” mural at the New Hampshire Garage and planning a 2026 art installation in the Vermont Garage.
- **Selected final site for Downtown Station** and initiated environmental review process.
- **Completed Zero Emission Transition Plan** and introduced two new electric buses.
- **Introduced new real time bus tracking** software and rider app.

GOALS FOR 2026

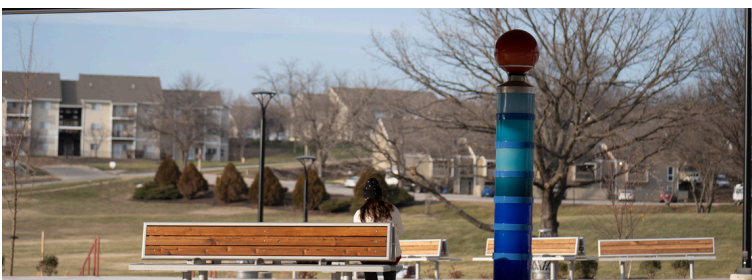
- **Launch Neighborhood Parking Permit Pilot Program** to address residential parking concerns and improve permit management.
- **Evaluate Parking Rate Adjustments** to fund smart meter technology and infrastructure upgrades.
- **Expand Ambassador Program Beautification Projects** and complete the Vermont Garage art installation.
- **Complete Downtown Station NEPA process** and initiate the design process.
- **Continue 4th year of fare free service** on fixed route and paratransit.
- **Support citywide and Transit operations** for a successful World Cup experience.



TRANSIT & PARKING

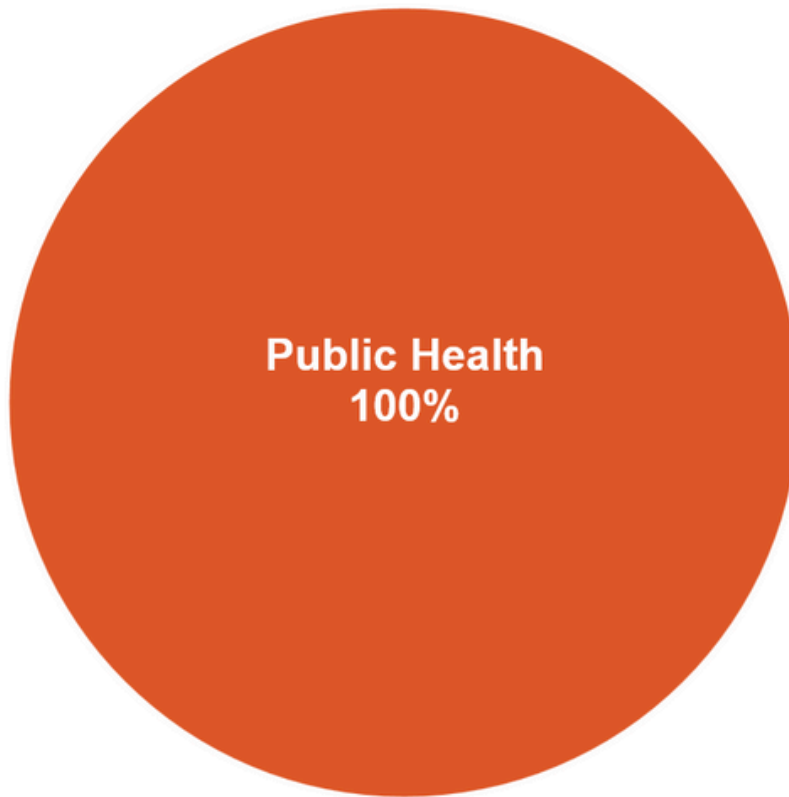
DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|--------------------------|---------------------|---------------------|---------------------|
| Federal Grants | 6,599,480 | 4,769,000 | 5,706,000 |
| General | 89,103 | 157,000 | 105,000 |
| Parking | 1,707,776 | 1,786,000 | 2,657,000 |
| State Grants | 1,623,302 | 1,179,000 | 1,200,000 |
| Transit Sales Tax | 6,080,260 | 5,835,000 | 5,521,000 |
| TOTAL | \$16,099,921 | \$13,726,000 | \$15,189,000 |



PUBLIC HEALTH

The mission of Lawrence–Douglas County Public Health (LDCPH) is to create abundant and equitable opportunities for good health. The Lawrence–Douglas County Health Department is jointly funded by the City and the County. This budget represents the costs associated with the City portion of operations and maintenance of the facility.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|----------------------|------------------|------------------|
| Public Health | 841,000 | |
| | \$841,000 | 0.19% |

PUBLIC HEALTH

ACCOMPLISHMENTS FROM 2025

- **Launched a Designated Collaborating Organization agreement** with Bert Nash to integrate physical and mental health needs under one roof. LDCPH now does maternal depression screenings, health risk assessments, health and behavioral assessments, chronic care management, and physicals for Bert Nash clients
- **Implemented a street medicine program** in collaboration with the City of Lawrence’s Homeless Response and LDCFM’s Mobile Integrated Health teams. LDCPH added a nurse practitioner to provide care in the field with each team and a community health worker to address social needs.
- **Launched a Suicide Fatality Review Board** to develop new/innovative community-based prevention strategies. The board consists of a variety of agencies across Douglas County.
- **Provided over 600 personal visits to perinatal families** with our Family Support team as of October 31st, 2025.

GOALS FOR 2026

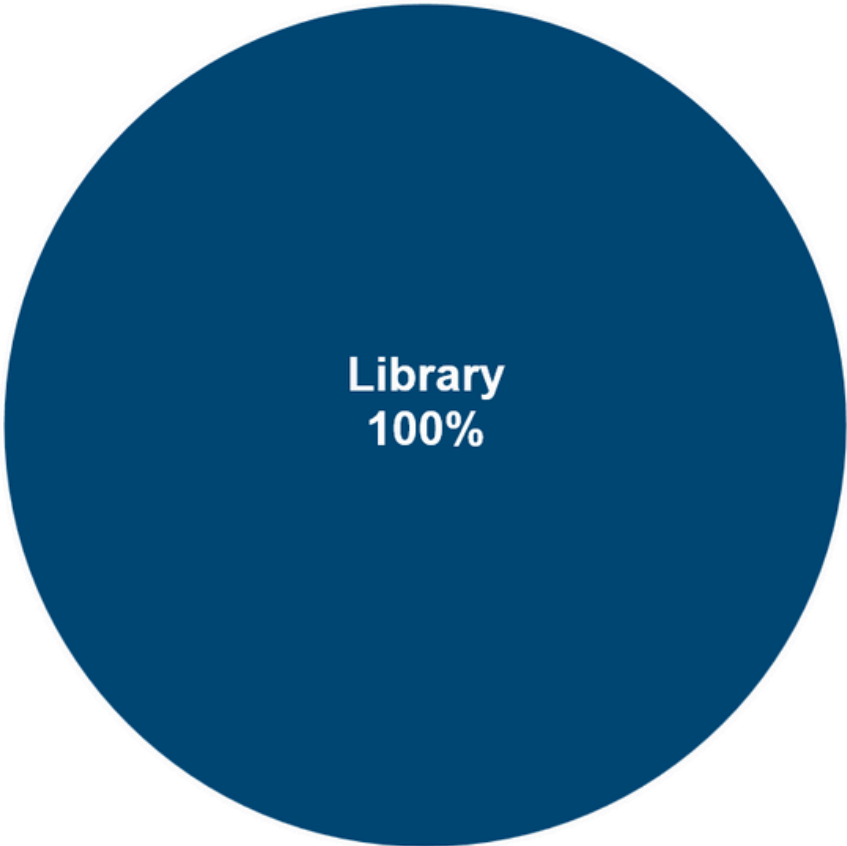
- **Establish annual reporting of public health interventions** (Wellness Wednesdays, Street Medicine, Community Health Improvement Plan) that aid in connecting individuals experiencing homelessness to housing through community partnerships.
- **Create an action plan to increase walking, biking, and rolling to and from schools** by June 30th, 2026 with one elementary school affected by elementary school closures.
- **Establish a 2025 baseline for the number of street medicine visits** that effectively resolve non-emergent cases prior to EMS transport, with the goal of reducing avoidable EMS deployments by 10% over the next two years.
- **Increase the number of licensed childcare providers & facilities** by at least 5% within the next year.

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|----------------|------------------|------------------|------------------|
| General | 835,750 | 880,000 | 841,000 |
| TOTAL | \$835,750 | \$880,000 | \$841,000 |

PUBLIC LIBRARY

The mission of Lawrence Public Library is Imagine more: a place to learn, connect, create, and grow. City Charter Ordinance No. 16 authorizes the City to levy a portion of property taxes to support the operation and maintenance of the Public Library.



DEPARTMENT BUDGET BY PROGRAM

| PROGRAM | 2026 ADOPTED | % OF CITY BUDGET |
|-----------------------|--------------------|------------------|
| Public Library | 6,960,000 | |
| | \$6,960,000 | 1.61% |

PUBLIC LIBRARY

ACCOMPLISHMENTS FROM 2025

- **Expanded remote holds pickup locations** from one to three improving our geographical reach and increasing locker capacity for pickup of physical library materials by 300%.
- **Launched a new digital library card initiative** removing the barrier of having to come to the library to get a library card to use the library’s digital collections.
- **Opened a new DIY Memory Lab to increase access to digitization tools** for our community. This resource allows people to digitize analog information like audio tapes, film, slides, and much more.

GOALS FOR 2026

- **Finalize a library master plan** working with Margaret Sullivan Studio to chart the library’s future direction.
- **Replace worn out furnishings** with new, updated chairs and workstations.
- **Increase youth outreach.**

DEPARTMENT BUDGET BY FUND

| FUND | 2024 ACTUALS | 2025 ADOPTED | 2026 ADOPTED |
|----------------|--------------------|--------------------|--------------------|
| Library | 6,180,000 | 6,625,000 | 6,960,000 |
| TOTAL | \$6,180,000 | \$6,625,000 | \$6,960,000 |



The 2026 Budget includes funding to a number of outside agencies covering economic development agencies, social service agencies, and other governmental agencies that help the City meet established goals outlined in the Strategic Plan.

Economic Development Agencies

All Economic Development funding to agencies comes from the General Fund. The distributions approved in the 2025 Adopted Budget are listed below. The 2026 Budget has earmarked \$727,000 for agencies that will be awarded through a request for proposals process.

| AGENCY | 2025 ADOPTED |
|--|------------------|
| Bioscience and Technology Business Center, Inc. | 300,000 |
| Lawrence Chamber of Commerce | 206,000 |
| Dwayne Peaslee Technical Training Center, Inc. | 211,000 |
| CORE | 95,000 |
| Lawrence Music Alliance | 51,000 |
| Small Business Development Center | 40,000 |
| TOTAL | \$903,000 |

Agencies Awarded Funds from Transient Guest Tax

The list below outlines the funding provided to agencies that receive Transient Guest Tax funds.

| AGENCY | 2025 ADOPTED | 2026 ADOPTED |
|--|--------------------|--------------------|
| Downtown Lawrence, Inc. | 75,000 | 75,000 |
| Douglas County Historical Society | 51,000 | 51,000 |
| eXplore Lawrence | 1,490,000 | 1,490,000 |
| Sister Cities | 8,000 | 8,000 |
| Lawrence Cultural Arts Commission | 97,000 | 97,000 |
| City Band | | 14,000 |
| TOTAL | \$1,721,000 | \$1,735,000 |

2026-2030 CAPITAL IMPROVEMENT PLAN

OVERVIEW

GUIDELINES

PROJECTS

CAPITAL IMPROVEMENT PLAN

INTRODUCTION

The Capital Improvement Plan (CIP) is a long-term planning tool that identifies capital needs according to the City's policy and prioritizes projects based on the Citywide Strategic Plan. The CIP helps the City look beyond year-to-year budgeting to determine what, when, where, and how future public improvements will take place over the next five years. The CIP looks at every funding source to help maximize public benefits and link plans for future improvements with available financial resources.

CAPITAL PROJECTS

A capital project is defined as a project with a minimum total cost of \$100,000 resulting in either the creation of a new fixed asset or results in the enhancement to an existing fixed asset with a life expectancy of at least 2 years. Some 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.

GOAL

The goal of a 5-year CIP is to establish a plan that outlines the projected infrastructure improvement needs of the City to assist in the planning and budgeting process. This plan will include a summary of the improvements, an estimated cost, a schedule for the improvements, and the source of funding for the project as outlined in the CIP Policy.

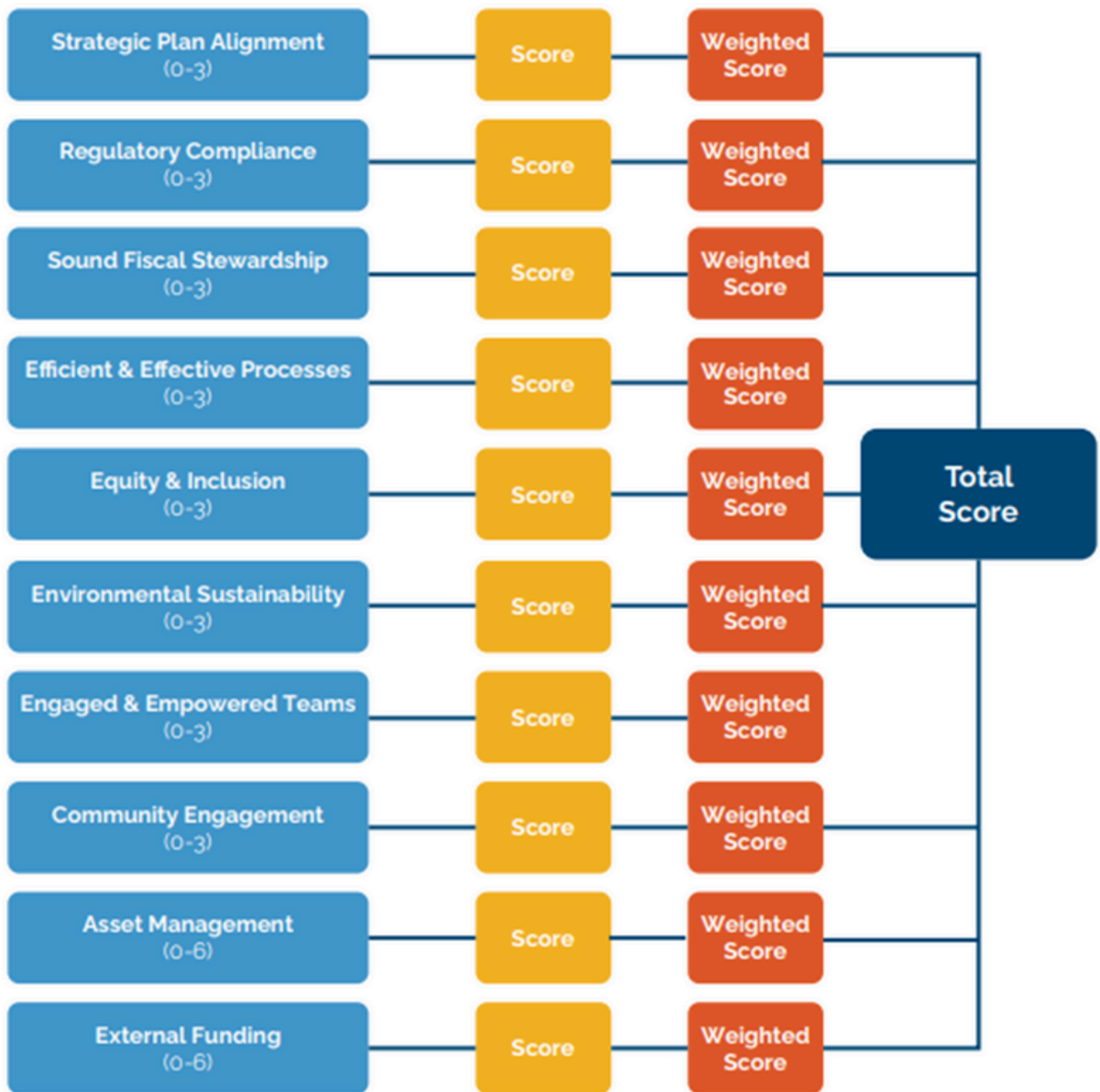
The CIP will prioritize the identified projects into yearly plans based on areas of emphasis and project rankings. The annual prioritization process will be guided by the City's Strategic Plan. Projects will be re-prioritized if the project has changed in scope or one there has been a shift in one of the variables (i.e., received a grant for the project, change in regulations, etc.). If no changes from the prior year have been made to a project, it will retain the same score from the prior year.

Projects will be scheduled based on priority, funding availability, and how it correlates with other projects included in and out of the CIP.

The final plan will be produced based on the evaluation of the CIP score, project type, funding, and schedule. The CIP will be re-evaluated on an annual basis to align growth, needs, and budgeting.

PRIORITIZATION

The prioritization of eligible projects is completed by staff through use of the guidelines outlined below. Each potential project must first be classified as a CIP project according to the definition above. If the above criteria are met, the project will be given a score and project ranking. Based on this, the recommended CIP will be established and presented to the City Commission for consideration as outlined in the CIP Policy



| | 2026 | 2027 | 2028 | 2029 | 2030 | TOTAL |
|--|---------------|---------------|--------------|------------|--------------|----------------|
| Airport | \$ 726,000 | \$ 150,000 | \$ 2,500,000 | \$ 150,000 | \$ 1,350,000 | \$ 4,876,000 |
| MS-220050 - Rehabilitate Taxiway A | - | 150,000 | 2,500,000 | - | - | 2,650,000 |
| <i>Airport Fund</i> | - | 15,000 | 250,000 | - | - | 265,000 |
| <i>Federal Grant</i> | - | 135,000 | 2,250,000 | - | - | 2,385,000 |
| MS4-A0002 - Rehabilitate Runway 01/19 | 726,000 | - | - | - | - | 726,000 |
| <i>Airport Fund</i> | 66,000 | - | - | - | - | 66,000 |
| <i>State Grant</i> | 660,000 | - | - | - | - | 660,000 |
| MS4-A0007 - Taxiway D Extension | - | - | - | 150,000 | 1,350,000 | 1,500,000 |
| <i>Airport Fund</i> | - | - | - | 15,000 | - | 15,000 |
| <i>Federal Grant</i> | - | - | - | - | 1,350,000 | 1,350,000 |
| <i>State Grant</i> | - | - | - | 135,000 | - | 135,000 |
| Facilities | \$ 81,875,000 | \$ 32,263,000 | \$ 6,625,000 | \$ 700,000 | \$ - | \$ 121,463,000 |
| CM1-00001 - City Hall Reconfiguration | 8,000,000 | 500,000 | - | - | - | 8,500,000 |
| <i>General Obligation Mill Levy Debt</i> | 8,000,000 | 500,000 | - | - | - | 8,500,000 |
| FM1-00011 - Expansion Fire Medical Station Number 6 | 1,540,000 | 5,420,000 | 5,700,000 | - | - | 12,660,000 |
| <i>General Obligation Mill Levy Debt</i> | 1,540,000 | 5,420,000 | 5,700,000 | - | - | 12,660,000 |
| MS1-00002 - Electric Vehicle Infrastructure | 250,000 | 150,000 | - | - | - | 400,000 |
| <i>General Fund</i> | 250,000 | 150,000 | - | - | - | 400,000 |
| MS1-00014 - 1820 Kasold Drive Tower Maintenance/Coatings | 500,000 | - | - | - | - | 500,000 |
| <i>Water/Wastewater Fund</i> | 500,000 | - | - | - | - | 500,000 |
| MS1-00015 - Stoneridge Tower Maintenance/Coatings | 300,000 | - | - | - | - | 300,000 |
| <i>Water/Wastewater Fund</i> | 300,000 | - | - | - | - | 300,000 |
| MS1-00018 - Kaw Washwater Tower Maintenance/Coatings | - | 400,000 | 850,000 | - | - | 1,250,000 |
| <i>Revenue Bond</i> | - | 400,000 | 850,000 | - | - | 1,250,000 |
| MS1-00023A - MSO Campus - Phase 1 MSO | 18,900,000 | - | - | - | - | 18,900,000 |
| <i>General Obligation Mill Levy Debt</i> | 3,700,000 | - | - | - | - | 3,700,000 |
| <i>Revenue Bond</i> | 14,200,000 | - | - | - | - | 14,200,000 |
| <i>Stormwater Debt</i> | 1,000,000 | - | - | - | - | 1,000,000 |
| MS1-00023B - MSO Campus - Phase 2 SWD/CMG | 40,700,000 | 20,400,000 | - | - | - | 61,100,000 |
| <i>General Obligation Mill Levy Debt</i> | 15,700,000 | 8,600,000 | - | - | - | 24,300,000 |
| <i>Solid Waste Debt</i> | 25,000,000 | 11,800,000 | - | - | - | 36,800,000 |
| MS1-00038 - 6th and Kasold Water Tower Maintenance/Coatings | 410,000 | 1,720,000 | - | - | - | 2,130,000 |
| <i>Revenue Bond</i> | 410,000 | 1,720,000 | - | - | - | 2,130,000 |
| MS-200013 - Kansas River WWTP Improvements and NR | 4,500,000 | - | - | - | - | 4,500,000 |
| <i>Revenue Bond</i> | 4,500,000 | - | - | - | - | 4,500,000 |
| MS4-P24000 - New Hampshire Parking Garage Stairway Enclosures | - | - | - | 250,000 | - | 250,000 |
| <i>Parking Fund</i> | - | - | - | 250,000 | - | 250,000 |
| MS4-P25000 - Riverfront Parking Garage | - | - | 75,000 | 450,000 | - | 525,000 |
| <i>Parking Fund</i> | - | - | 75,000 | 450,000 | - | 525,000 |
| MS7-A23000 - Farmland Remedial Alternatives | 6,525,000 | 1,063,000 | - | - | - | 7,588,000 |
| <i>General Obligation Mill Levy Debt</i> | 6,525,000 | 1,063,000 | - | - | - | 7,588,000 |
| PD1-00001 - Police Department Parking Expansion & EV/Solar Canopy | 250,000 | 150,000 | - | - | - | 400,000 |
| <i>General Obligation Mill Levy Debt</i> | 250,000 | 150,000 | - | - | - | 400,000 |
| PR1-00021 - Cemetery Maintenance Shop - Replacement | - | 430,000 | - | - | - | 430,000 |
| <i>General Obligation Mill Levy Debt</i> | - | 430,000 | - | - | - | 430,000 |
| TR1-00003 - Downtown Station | - | 2,030,000 | - | - | - | 2,030,000 |
| <i>Public Transit Sales Tax Fund</i> | - | 406,000 | - | - | - | 406,000 |
| <i>State Grant</i> | - | 1,624,000 | - | - | - | 1,624,000 |

| | 2026 | 2027 | 2028 | 2029 | 2030 | TOTAL |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Parks and Amenities | \$ 5,914,000 | \$ 2,230,000 | \$ 1,914,000 | \$ 1,375,000 | \$ 890,000 | \$ 12,323,000 |
| MS5-A26000 - Sidewalk/Bike/Ped Improvements | 750,000 | 780,000 | 810,000 | 850,000 | 890,000 | 4,080,000 |
| <i>Capital Sales Tax Fund</i> | 750,000 | 780,000 | 810,000 | 850,000 | 890,000 | 4,080,000 |
| PR1-00020 - Outdoor Aquatic Center - Major Renovation | 4,600,000 | - | - | - | - | 4,600,000 |
| <i>General Obligation Mill Levy Debt</i> | 4,600,000 | - | - | - | - | 4,600,000 |
| PR1-00025 - Sports Pavilion Lawrence - Turf Replacement | - | 850,000 | - | - | - | 850,000 |
| <i>General Fund</i> | - | 850,000 | - | - | - | 850,000 |
| PR1-00026 - Replace Forestry Bucket Truck | - | - | 220,000 | - | - | 220,000 |
| <i>General Fund</i> | - | - | 220,000 | - | - | 220,000 |
| PR1-00030 - Grapple Truck Replacement - Forestry | - | - | - | 180,000 | - | 180,000 |
| <i>General Fund</i> | - | - | - | 180,000 | - | 180,000 |
| PR1-00031 - Replace Recreation Trip / Camp Bus | - | - | - | 125,000 | - | 125,000 |
| <i>General Fund</i> | - | - | - | 125,000 | - | 125,000 |
| PR1-00032 - Replace Parks & Rec water trucks (2) | - | - | - | 220,000 | - | 220,000 |
| <i>General Fund</i> | - | - | - | 220,000 | - | 220,000 |
| PR-239000 - Lawrence Loop - Michigan to Sandra Shaw Park | 564,000 | - | - | - | - | 564,000 |
| <i>Federal Grant</i> | 564,000 | - | - | - | - | 564,000 |
| PR4-P27000 - Downtown Parking Lot Amenity Improvements | - | 300,000 | - | - | - | 300,000 |
| <i>Transient Guest Tax Fund</i> | - | 300,000 | - | - | - | 300,000 |
| PR4-P27001 - Downtown - Replace Mass Street Planters | - | 300,000 | - | - | - | 300,000 |
| <i>Transient Guest Tax Fund</i> | - | 300,000 | - | - | - | 300,000 |
| PR5-B28000 - Lawrence Loop Extension | - | - | 884,000 | - | - | 884,000 |
| <i>Capital Sales Tax Fund</i> | - | - | 884,000 | - | - | 884,000 |
| Roads and Bridges | \$ 27,864,000 | \$ 17,436,000 | \$ 19,104,000 | \$ 18,329,000 | \$ 19,404,000 | \$ 102,137,000 |
| MS1-00005 - Mass. St. - 14th to 23rd St Multimodal Improvement | 6,100,000 | - | - | - | - | 6,100,000 |
| <i>Capital Sales Tax Fund</i> | 2,724,000 | - | - | - | - | 2,724,000 |
| <i>Federal Grant</i> | 3,376,000 | - | - | - | - | 3,376,000 |
| MS1-00017 - Bob Billings - Kasold to Monterey Way | 3,500,000 | - | - | - | - | 3,500,000 |
| <i>General Obligation Mill Levy Debt</i> | 3,500,000 | - | - | - | - | 3,500,000 |
| MS1-00033 - 27th St Bridge | - | 570,000 | 600,000 | - | - | 1,170,000 |
| <i>General Obligation Mill Levy Debt</i> | - | 570,000 | 600,000 | - | - | 1,170,000 |
| MS1-00035 - Bob Billings Pkwy - K10 to E 800 Rd | 2,300,000 | - | - | - | - | 2,300,000 |
| <i>General Obligation Mill Levy Debt</i> | 2,300,000 | - | - | - | - | 2,300,000 |
| MS1-00045 - Harvard Rd - Kasold to Monterey Way Reconstruction | - | 250,000 | 2,700,000 | - | - | 2,950,000 |
| <i>Capital Sales Tax Fund</i> | - | 150,000 | 1,500,000 | - | - | 1,650,000 |
| <i>Revenue Bond</i> | - | 100,000 | 1,200,000 | - | - | 1,300,000 |
| MS1-00049 - Iowa - 6th St to Harvard Improvements | 1,600,000 | - | - | - | - | 1,600,000 |
| <i>Capital Sales Tax Fund</i> | 1,200,000 | - | - | - | - | 1,200,000 |
| <i>State Grant</i> | 400,000 | - | - | - | - | 400,000 |
| MS1-00050 - North Lawrence Comprehensive Corridor Plan | 275,000 | - | - | - | - | 275,000 |
| <i>General Fund</i> | 275,000 | - | - | - | - | 275,000 |
| MS5-D25000 - ADA Right-of-Way Transition Program | 2,636,000 | 3,491,000 | 3,886,000 | 4,116,000 | 5,174,000 | 19,303,000 |
| <i>Capital Sales Tax Fund</i> | 2,636,000 | 3,491,000 | 3,886,000 | 4,116,000 | 5,174,000 | 19,303,000 |
| MS6-M26000 - Street Maintenance Program | 11,453,000 | 13,125,000 | 11,918,000 | 14,213,000 | 14,230,000 | 64,939,000 |
| <i>Capital Sales Tax Fund</i> | 5,519,000 | 5,591,000 | 4,203,000 | 5,283,000 | 5,000,000 | 25,596,000 |

| | 2026 | 2027 | 2028 | 2029 | 2030 | TOTAL |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| <i>Federal Funds Exchange</i> | 1,180,000 | 1,180,000 | 1,180,000 | 1,180,000 | 1,180,000 | 5,900,000 |
| <i>General Obligation Mill Levy Debt</i> | 1,500,000 | 2,930,000 | 3,215,000 | 4,000,000 | 4,300,000 | 15,945,000 |
| <i>Special Gas Tax Fund</i> | 3,004,000 | 2,924,000 | 2,570,000 | 2,750,000 | 2,750,000 | 13,998,000 |
| <i>Stormwater Fund</i> | 250,000 | 500,000 | 750,000 | 1,000,000 | 1,000,000 | 3,500,000 |
| Stormwater Control | \$ 12,090,000 | \$ 3,870,000 | \$ 4,965,000 | \$ 1,920,000 | \$ 6,880,000 | \$ 29,725,000 |
| MS1-00051 - Depression Repair east of Levee at N1800 Rd | 130,000 | - | - | - | - | 130,000 |
| <i>Stormwater Fund</i> | 130,000 | - | - | - | - | 130,000 |
| MS1-00052 - Storm Rehab at Crestline and Bob Billings | 150,000 | 1,950,000 | - | - | - | 2,100,000 |
| <i>Stormwater Debt</i> | 150,000 | 1,850,000 | - | - | - | 2,000,000 |
| <i>Water/Wastewater Fund</i> | - | 100,000 | - | - | - | 100,000 |
| MS1-00053 - Clinton Parkway Metal Pipe Rehab | - | 600,000 | 2,200,000 | - | - | 2,800,000 |
| <i>Stormwater Debt</i> | - | 600,000 | 2,200,000 | - | - | 2,800,000 |
| MS1-00054 - Downtown Stormwater Improvements | - | 150,000 | 1,050,000 | - | - | 1,200,000 |
| <i>Stormwater Fund</i> | - | 150,000 | 1,050,000 | - | - | 1,200,000 |
| MS1-00055 - Edinburgh Rd Stormwater Improvements | - | 200,000 | 700,000 | - | - | 900,000 |
| <i>Stormwater Fund</i> | - | 200,000 | 700,000 | - | - | 900,000 |
| MS1-00056 - N. Yorkshire Dr. Street Flooding | - | - | - | 160,000 | 400,000 | 560,000 |
| <i>Stormwater Fund</i> | - | - | - | 160,000 | 400,000 | 560,000 |
| MS1-00057 - Quail Creek South Channel Improvements | - | - | - | 200,000 | 1,400,000 | 1,600,000 |
| <i>Stormwater Debt</i> | - | - | - | 200,000 | 1,200,000 | 1,400,000 |
| <i>Water/Wastewater Fund</i> | - | - | - | - | 200,000 | 200,000 |
| MS1-00058 - 11th St and Haskell Ave Street Improvements | - | - | - | 450,000 | 4,000,000 | 4,450,000 |
| <i>Stormwater Debt</i> | - | - | - | 450,000 | 4,000,000 | 4,450,000 |
| MS-210030 - Jayhawk Watershed Middle Reach | 6,750,000 | - | - | - | - | 6,750,000 |
| <i>Stormwater Debt</i> | 6,700,000 | - | - | - | - | 6,700,000 |
| <i>Stormwater Fund</i> | 50,000 | - | - | - | - | 50,000 |
| MS-219804 - Stormwater System Id, Assessment & Model Creation | 300,000 | - | - | - | - | 300,000 |
| <i>Stormwater Debt</i> | 150,000 | - | - | - | - | 150,000 |
| <i>Stormwater Fund</i> | 150,000 | - | - | - | - | 150,000 |
| MS-230027 - Maple Lane Storm, Sanitary and Watermain Improvements | 3,700,000 | - | - | - | - | 3,700,000 |
| <i>Revenue Bond</i> | 1,200,000 | - | - | - | - | 1,200,000 |
| <i>Stormwater Debt</i> | 2,500,000 | - | - | - | - | 2,500,000 |
| MS8-A26000 - Stormwater Replacement, Rehab and Construction | 1,060,000 | 970,000 | 1,015,000 | 1,110,000 | 1,080,000 | 5,235,000 |
| <i>Stormwater Debt</i> | 660,000 | 550,000 | 575,000 | 650,000 | 600,000 | 3,035,000 |
| <i>Stormwater Fund</i> | 400,000 | 420,000 | 440,000 | 460,000 | 480,000 | 2,200,000 |
| Traffic Control | \$ 160,000 | \$ - | \$ - | \$ - | \$ - | \$ 160,000 |
| MS1-00010 - 23rd Street/Clinton Parkway Traffic Signal Equipment Improvement | 160,000 | - | - | - | - | 160,000 |
| <i>General Fund</i> | 160,000 | - | - | - | - | 160,000 |
| Vehicles and Equipment | \$ 5,195,000 | \$ 5,135,000 | \$ 5,084,000 | \$ 5,585,000 | \$ 4,707,000 | \$ 25,706,000 |
| FM3-A25000 - Annual Ambulance Replacement Program | 1,230,000 | 1,370,000 | 1,530,000 | 1,700,000 | - | 5,830,000 |
| <i>General Fund</i> | 1,230,000 | 1,370,000 | 1,530,000 | 1,700,000 | - | 5,830,000 |
| MS3-G26000 - Vehicle replacement supported by gas tax | 876,000 | 930,000 | 851,000 | 635,000 | 750,000 | 4,042,000 |
| <i>Special Gas Tax Fund</i> | 876,000 | 930,000 | 851,000 | 635,000 | 750,000 | 4,042,000 |
| MS3-S26000 - Solid Waste Vehicle Replacement | 1,807,000 | 1,670,000 | 1,683,000 | 1,978,000 | 2,388,000 | 9,526,000 |
| <i>Solid Waste Fund</i> | 1,807,000 | 1,670,000 | 1,683,000 | 1,978,000 | 2,388,000 | 9,526,000 |

| | 2026 | 2027 | 2028 | 2029 | 2030 | TOTAL |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| MS3-T26000 - Vehicle replacement supported by storm water | 565,000 | 790,000 | 621,000 | 810,000 | 1,119,000 | 3,905,000 |
| <i>Stormwater Fund</i> | <i>565,000</i> | <i>790,000</i> | <i>621,000</i> | <i>810,000</i> | <i>1,119,000</i> | <i>3,905,000</i> |
| MS3-U26000 - Utilities Vehicle Replacement | 552,000 | 375,000 | 399,000 | 462,000 | 450,000 | 2,238,000 |
| <i>Water/Wastewater Fund</i> | <i>552,000</i> | <i>375,000</i> | <i>399,000</i> | <i>462,000</i> | <i>450,000</i> | <i>2,238,000</i> |
| PR1-000025 - Kansas River Levee Mowing Equipment | 165,000 | - | - | - | - | 165,000 |
| <i>General Fund</i> | <i>165,000</i> | - | - | - | - | <i>165,000</i> |
| Water/Wastewater | \$ 23,801,000 | \$ 22,272,000 | \$ 35,150,000 | \$ 36,928,000 | \$ 60,186,000 | \$ 178,337,000 |
| MS1-00001 - K-10 West Leg Expansion - Utility Relocations | 6,000,000 | - | - | - | - | 6,000,000 |
| <i>Revenue Bond</i> | <i>6,000,000</i> | - | - | - | - | <i>6,000,000</i> |
| MS1-00013 - West of K-10 Water Tower | - | - | - | 3,610,000 | 15,140,000 | 18,750,000 |
| <i>Revenue Bond</i> | - | - | - | <i>3,610,000</i> | <i>15,140,000</i> | <i>18,750,000</i> |
| MS1-00019 - SE Lawrence Wastewater Conveyance Improvements (Phase 1) | - | - | 300,000 | 300,000 | 5,000,000 | 5,600,000 |
| <i>Revenue Bond</i> | - | - | <i>300,000</i> | <i>300,000</i> | <i>5,000,000</i> | <i>5,600,000</i> |
| MS1-00020 - Kaw Low Service 2 - Piping and Valve Replacement | 1,080,000 | - | - | - | - | 1,080,000 |
| <i>Revenue Bond</i> | <i>1,080,000</i> | - | - | - | - | <i>1,080,000</i> |
| MS1-00022 - Kaw Pipe Gallery Replacement | 600,000 | 3,500,000 | - | - | - | 4,100,000 |
| <i>Revenue Bond</i> | <i>600,000</i> | <i>3,500,000</i> | - | - | - | <i>4,100,000</i> |
| MS1-00028 - Marina Watershed Regional Sanitary Sewer Pump Station | - | 900,000 | 7,000,000 | - | - | 7,900,000 |
| <i>Revenue Bond</i> | - | <i>900,000</i> | <i>7,000,000</i> | - | - | <i>7,900,000</i> |
| MS1-00037 - Wakarusa WWTP Expansion | - | - | - | 1,000,000 | 21,300,000 | 22,300,000 |
| <i>Revenue Bond</i> | - | - | - | <i>1,000,000</i> | <i>21,300,000</i> | <i>22,300,000</i> |
| MS1-00040 - Maple St PS Conveyance Improvements | - | - | 225,000 | 2,000,000 | - | 2,225,000 |
| <i>Stormwater Debt</i> | - | - | <i>225,000</i> | <i>2,000,000</i> | - | <i>2,225,000</i> |
| MS1-00041 - N 8th and N 9th Street Stormwater Improvements | - | 200,000 | 50,000 | 1,500,000 | - | 1,750,000 |
| <i>Stormwater Debt</i> | - | <i>200,000</i> | <i>50,000</i> | <i>1,500,000</i> | - | <i>1,750,000</i> |
| MS1-00043 - Airport Land Acquisition for Sewer Improvements | 50,000 | - | - | - | - | 50,000 |
| <i>Water/Wastewater Fund</i> | <i>50,000</i> | - | - | - | - | <i>50,000</i> |
| MS1-00046 - 6th & New Hampshire Sanitary Sewer Relocation | 250,000 | - | - | - | - | 250,000 |
| <i>Revenue Bond</i> | <i>250,000</i> | - | - | - | - | <i>250,000</i> |
| MS1-00048 - Kaw WTP Clearwell Repairs | 500,000 | - | - | - | - | 500,000 |
| <i>Water/Wastewater Fund</i> | <i>500,000</i> | - | - | - | - | <i>500,000</i> |
| MS1-00065 - Kaw WTP Structural Repairs and Protective Coatings | - | 700,000 | 2,300,000 | - | - | 3,000,000 |
| <i>Revenue Bond</i> | - | <i>700,000</i> | <i>2,300,000</i> | - | - | <i>3,000,000</i> |
| MS1-00066 - NWCC Pre-Design Study | - | 500,000 | 500,000 | - | - | 1,000,000 |
| <i>Water/Wastewater Fund</i> | - | <i>500,000</i> | <i>500,000</i> | - | - | <i>1,000,000</i> |
| MS1-00070 - Wakarusa Biosolids Management | - | 1,500,000 | 10,500,000 | - | - | 12,000,000 |
| <i>Revenue Bond</i> | - | <i>1,500,000</i> | <i>10,500,000</i> | - | - | <i>12,000,000</i> |
| MS1-00071 - Kansas River WWTP Clarifier Improvements | - | - | 3,000,000 | 2,000,000 | - | 5,000,000 |
| <i>Revenue Bond</i> | - | - | <i>3,000,000</i> | <i>2,000,000</i> | - | <i>5,000,000</i> |
| MS1-00072 - Clinton WTP Redundant West Hills Water Transmission Main | - | - | - | - | 800,000 | 800,000 |
| <i>Revenue Bond</i> | - | - | - | - | <i>800,000</i> | <i>800,000</i> |
| MS1-00081 - Lake Alvarmar West Interceptor Improvement | - | - | 300,000 | 350,000 | 5,600,000 | 6,250,000 |
| <i>Revenue Bond</i> | - | - | <i>300,000</i> | <i>350,000</i> | <i>5,600,000</i> | <i>6,250,000</i> |

| | 2026 | 2027 | 2028 | 2029 | 2030 | TOTAL |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| MS1-00082 - Pump Station 9 Storage Expansion | - | - | - | 14,300,000 | - | 14,300,000 |
| <i>Revenue Bond</i> | - | - | - | 14,300,000 | - | 14,300,000 |
| MS-200012 - Eagle Bend and YSC Irrigation Water Supply Project | 400,000 | - | - | - | - | 400,000 |
| <i>Revenue Bond</i> | 400,000 | - | - | - | - | 400,000 |
| MS-220015 - Southwest Lawrence Conveyance Corridor Improvements | 4,650,000 | 5,400,000 | - | - | - | 10,050,000 |
| <i>Revenue Bond</i> | 4,650,000 | 5,400,000 | - | - | - | 10,050,000 |
| MS9-L26000 - Private Lateral & Sewer Extension Cost Sharing | 550,000 | 550,000 | 550,000 | 600,000 | 600,000 | 2,850,000 |
| <i>Revenue Bond</i> | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,500,000 |
| <i>Water/Wastewater Fund</i> | 50,000 | 50,000 | 50,000 | 100,000 | 100,000 | 350,000 |
| MS9-N26000 - Sanitary Sewer Rehab & Rapid I/I Reduction | 3,990,000 | 3,065,000 | 4,170,000 | 4,700,000 | 4,850,000 | 20,775,000 |
| <i>Revenue Bond</i> | 3,380,000 | 425,000 | 1,000,000 | 1,000,000 | - | 5,805,000 |
| <i>Water/Wastewater Fund</i> | 610,000 | 2,640,000 | 3,170,000 | 3,700,000 | 4,850,000 | 14,970,000 |
| MS9-W26000 - Watermain Replacement/Relocation Program | 5,731,000 | 5,957,000 | 6,255,000 | 6,568,000 | 6,896,000 | 31,407,000 |
| <i>Revenue Bond</i> | 5,231,000 | 1,457,000 | 255,000 | - | - | 6,943,000 |
| <i>Water/Wastewater Fund</i> | 500,000 | 4,500,000 | 6,000,000 | 6,568,000 | 6,896,000 | 24,464,000 |
| Grand Total | \$ 157,625,000 | \$ 83,356,000 | \$ 75,342,000 | \$ 64,987,000 | \$ 93,417,000 | \$ 474,727,000 |

For more information about the Adopted 2026-2030 CIP, including project descriptions, expenditure breakdown, and operating budget impact, please view [the Adopted CIP](#).

BUDGET POLICIES

OVERVIEW

INVESTMENT & CASH MANAGEMENT

CAPITAL IMPROVEMENT PLAN

GOVERNMENT ACCOUNTING

MID-YEAR FUNDING REQUEST

DEBT MANAGEMENT

FUND BALANCE

BUDGETARY POLICIES & PROCEDURES

BUDGET DEVELOPMENT PROCESS

Early each year, every department submits a budget request that is reviewed by Budget staff and the Executive Team.

Work sessions are held throughout the year with city staff and the City Commissioners to discuss the budget, including annual operations and the Capital Improvement Plan. The Strategic Plan is used to align resources with the priorities of the community. Staff in the various departments put together budget recommendations that work toward accomplishing these priorities through their daily operations.

The first opportunity for public comment on the budget is typically in May when general policy guidance is requested. In July, the City Manager 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. Another opportunity for public comment is held in September during public hearings per state statute. A final budget is then adopted by the City Commission and filed per state statute with the County Clerk by October 1.

BUDGET CALENDAR

State statute provides for the following sequence and timetable in the adoption of the legal annual operating budget:

- Publication of the notice to exceed the Revenue Neutral Rate on or before July 20
- Revenue Neutral Rate hearing and public hearing held between August 20 and September 20 of each year, but at least ten days after public notice.
- Adoption of final budget between August 20 and October 1 of each year.

In addition to state statutes, an annual budget calendar is developed according to an administrative policy. The 2026 budget calendar can be found on page 29 of this document.

The state statutes allow for the Governing Body to increase the originally adopted budget for previously unbudgeted increases in revenue and expenditures, 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.

BUDGETARY POLICIES & PROCEDURES

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 estimate of the anticipated revenue and the proposed expenditures necessary to meet the City's financial needs, detailed by program and expenditure category. 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 COMMUNITY DEVELOPMENT EQUIPMENT RESERVE FAIR HOUSING GRANT
FEDERAL GRANTS HOME GRANT STATE GRANTS
TRANSPORTATION PLANNING WATER & WASTEWATER BONDED CONSTRUCTION
WATER & WASTEWATER NON-BONDED CONSTRUCTION

BUDGET POLICIES

The City has a number of budget related policies that help direct budget development. These policies can be found on the following pages.

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.

BUDGETARY POLICIES & PROCEDURES

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.

PLANS USED TO DEVELOP THE BUDGET

Plan 2040 is the City's Long Range Comprehensive Plan. It is used, along with the City's **Strategic Plan** and other departmental strategic plans 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**, adopted in 2013, 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 **Stormwater 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. The **Fire Medical Department** developed a department-level strategic plan in 2021. This plan provides the goals that the department uses to decide how to allocate their resources each year. Additionally, **Parks, Recreation and Culture** adopted a Master Plan in 2025 which helps guide the department with future development.

BUDGETARY POLICIES & PROCEDURES

BASIS OF BUDGETING

The City budgets for **governmental funds**, which include the General Fund, Special Revenue Funds, and Debt Service 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 **enterprise 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.

- 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. 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. Formal amendment of the adopted budget requires a public hearing to be held and to be voted on by the City Commission. 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.

INVESTMENT & CASH MANAGEMENT

SCOPE

This policy applies to the cash management and investment activities of the City of Lawrence, 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.

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.

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.

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.

INVESTMENT & CASH MANAGEMENT

LEGAL AUTHORITY & LIMITATIONS

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:

- **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.
- **Repurchases Agreements** – Contractual agreements between the City and commercial banks, trust companies, state or federally chartered savings and loan associations or federally chartered savings banks. The repurchase agreement 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.
- **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.
- Temporary notes of the City of Lawrence.
- Commercial bank savings accounts.

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

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.

INVESTMENT & CASH MANAGEMENT

CONTRACTS WITH FINANCIAL INSTITUTIONS

- **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.
- **Collateralization** - The City requires full collateralization of all City investments other than obligations of the United States 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. 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.

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.

- **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.
- **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.
- **Debt Service Fund** - No investment shall have a maturity exceeding the next principal and/or interest payment date unless the obligation is fully funded.

INVESTMENT & CASH MANAGEMENT

INVESTMENT RETURN OBJECTIVES

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

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.

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 doesn't 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 don't require collateral. 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%.

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 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.

INVESTMENT & CASH MANAGEMENT

DAILY CASH MANAGEMENT PRACTICES & 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 Finance Department. 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.

PROVISIONS & 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.

CAPITAL IMPROVEMENT PLAN POLICY

PURPOSE

The purpose of this policy is to establish the criteria and guidelines to be used in developing long-range (five-year) capital improvement plan (CIP) for Governing Body consideration. The CIP will be funded and undertaken in accordance with the terms of this policy.

DEFINITIONS

- **Capital Improvement Plan (CIP):** A CIP is a tool used in the annual budgeting process to identify capital projects that will be undertaken within a five-year period.
- **Capital Improvement Plan Amendment:** A change of the adopted CIP that adds or deletes a project, modifies the total adopted budget of a project, or alters the approved scope of a project.
- **Capital Improvement Plan Committee:** A body comprised of the Finance Director, City Engineer, Assistant City Manager, Metropolitan Planning Organization Representative, City Capital Projects Coordinator, Information Technology Governance Body or Information Technology Department Representative, Departmental Capital Project Coordinators, and any individuals appointed by the City Manager, which prioritizes capital projects in accordance with the CIP Prioritization Guidelines and makes recommendations related to CIP amendments to the City Manager.
- **Capital Project:** A CIP project with a minimum total cost of \$100,000 resulting in either the creation of a new fixed asset or results in the enhancement to an existing fixed asset with a life expectancy of at least 2 years. Examples of a CIP project include, but are not limited to: 1) acquisition of land for public use; 2) construction or expansion of public buildings; 3) new and rehabilitation of storm and sanitary sewers; 4) water line upgrades and/or extensions; 5) water treatment and distribution upgrades; 6) trails, parks, or recreational amenities; 7) street construction; and 8) soft costs related to the above items will be capitalized, including legal, planning, design, and engineering costs upon completion of the project.
- **City Capital Projects Coordinator:** Person appointed by the City Manager to guide the preparation of the CIP and manage amendments throughout the year.
- **Departmental Capital Projects Coordinator:** One or more people appointed by the City Manager to guide the departmental preparation of the CIP and manage departmental amendments throughout the year.
- **Project Manager:** The person, designated by the head of the department that is fiscally responsible for the project, who is responsible for the planning, organization, resource management, and discipline pertaining to the successful completion of a project.
- **Retainage:** A percentage of a contract price withheld from a contractor until the work is substantially complete to assure that all subcontractors will satisfy its obligations and complete a construction project.

CAPITAL IMPROVEMENT PLAN POLICY

OBJECTIVES

A five-year CIP shall be adopted by the Governing Body on an annual basis to accomplish the following objectives:

- To reflect the priorities identified in the City's strategic plan in alignment with the Comprehensive Plan.
- To identify all CIP requests in the five-year period covered by the CIP.
- To link plans for future improvements with available financial resources.
- To calculate the estimated financial impact of the five-year CIP on the City's debt capacity and multi-year budget projection, including the estimated annual operating costs for each project.
- To illustrate and communicate the City's proactive control over the management and issuance of new debt.
- To facilitate intergovernmental coordination of capital planning with community partners.
- To encourage community engagement in the annual CIP process and public understanding of the City's capital improvement needs.

PROCESS DEVELOPMENT



The City Capital Projects Coordinator will solicit project proposals from project managers and members of the public. All requests shall be submitted using the instructions and forms provided by the City Capital Projects Coordinator.

All submitted projects will be reviewed by the Information Technology Governance Body or Information Technology Department for possible technology impacts as well as the Construction Management, Engineering, and Design (CMED) group to review the accuracy of project estimates and asset management review. During this review the CMED group will also review all publicly submitted projects to determine if it aligns with currently planned projects and complete the scoring in accordance with the CIP Prioritization Guidelines.

The CIP Committee will evaluate each submitted project proposal and assess its scoring using the CIP Prioritization Guidelines. This review will include alignment of the project with existing plans.

The Finance Director will review and modify, as needed, funding sources and expenditures for each project proposal and may propose adjustments based on funding availability. The Finance Director will coordinate with the appropriate department.

The CIP Committee will submit a recommended five-year CIP to the City Manager.

CAPITAL IMPROVEMENT PLAN POLICY

APPROVAL

Annually, the City Manager will submit a recommended five-year CIP for review by the Governing Body pursuant to the timeline established in the annual budget preparation calendar.

The recommended CIP will include the following elements:

- Project name, project number, and description;
- Justification of need for the identified project and alignment to the Strategic Plan;
- Estimated annual operating cost or savings;
- Anticipated funding sources;
- Total estimated budget including a contingency and using an escalation factor, if appropriate.

The recommended CIP will be presented to the Planning Commission, which will assess if the recommended CIP is consistent with the adopted Comprehensive Plan.

The Governing Body will revise the recommended CIP as appropriate before adopting the five year CIP each year. Once the CIP is adopted by the Governing Body, the project budget is entered into the financial system and the Finance Director (or designee) will prepare a bond authorizing resolution for the projects that were identified to be debt financed for the Governing Body's consideration.

Departments will be responsible for adding the ongoing operating costs related to the approved capital projects to future budget requests to ensure projects are appropriately maintained.

RETAINAGE

In all contracts for CIP projects, retainage of at least 5% shall be used and paid out once the project is substantially completed.

CHANGE ORDERS

During the planning, design, and construction of capital projects, change orders may be necessary to account for unforeseen issues. These changes are identified by staff and cost is negotiated with the vendor. All change orders will comply with the City's Purchasing Policy.

CAPITAL IMPROVEMENT PLAN POLICY

AMENDMENTS

The adopted five-year CIP includes a list of projects with an identified scope and budget that may be revised by amendment. Departmental requests to undertake a new project in the current year will also be considered an amendment.

During each phase of the project, the project budget shall be reviewed for accuracy. At the time of bid award, an amendment may be considered to incorporate project contingency if needed.

All CIP amendments will need to be reviewed by the CIP Committee. The CIP Committee will review the request and make a recommendation, by majority vote, to the City Manager for approval, denial, or revision.

The City Manager will review the recommendation and approve or deny the recommended action. If approved, the CIP amendment will be brought forward to the City Commission for consideration.

The City Manager's Office or City Commission may waive the review of the CIP Committee for projects that require immediate action.

If a project is scheduled to be a one-year project, but is incomplete within the identified year, the Departmental Capital Projects Coordinator will work with the City Capital Projects Coordinator to roll forward the appropriate project budget and take it to the City Commission for consideration and re-allocation.

PROJECT CLOSEOUT & REPORTING

Upon completion of a project, the Project Manager will close out all open contracts and notify the Finance Director (or designee) of the project completion. The Finance Director (or designee) will transfer the remaining budget authority out of the project. Those unspent proceeds may be reallocated to other projects, with prior Governing Body approval, or reprioritized in the following year's CIP.

All projects shall be closed out within one (1) year from the date that retainage is paid unless authorized to be extended by the appropriate department head. The department shall notify the Finance Director (or designee) of the extension.

If open purchase orders exist after retainage is paid, they will be reviewed semi-annually to determine if encumbrances can be released and project may be closed. The City Capital Projects Coordinator will provide the Governing Body an annual report on the proceeds spent by project.

GOVERNMENT ACCOUNTING

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.

FUND ACCOUNTING SYSTEM

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:

GOVERNMENTAL FUNDS

General Fund Special Revenue Funds

Debt Service Fund

PROPRIETARY FUNDS

Enterprise Funds

Internal Service Funds

GOVERNMENT ACCOUNTING

GOVERNMENTAL FUNDS

- **General Fund** - to account for all unrestricted resources except those required to be accounted for in another fund.
- **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.
- **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.

PROPRIETARY FUNDS

- **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.
- **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.

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.

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.

MID-YEAR FUNDING REQUEST POLICY

PURPOSE

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.

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.

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.)?

DEBT MANAGEMENT POLICY

PURPOSE

The Debt Management Policy Statement sets forth comprehensive guidelines for the financing of capital expenditures.

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.

PROCEDURE

RESPONSIBILITY FOR DEBT MANAGEMENT:

The primary responsibility for making debt-financing recommendations rests with the Finance Director. 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.

DEBT MANAGEMENT POLICY

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

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.

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.

DEBT MANAGEMENT POLICY

- *General Obligation Bonds:*
 - 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 1) costs and benefits, 2) the current conditions of the municipal bond market, and 3) 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 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.
- *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.

DEBT MANAGEMENT POLICY

- *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.

DEBT ADMINISTRATION & 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 Funds*
 - Generally, payment of general obligation bonds and special assessment bonds shall be from the City's Debt Service 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 Debt Service 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*
 - Adequate operating reserves are important to ensure 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.

DEBT MANAGEMENT POLICY

- *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 Finance Department 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 Finance Director 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.

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.

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.

CONDUIT FINANCING:

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.

DEBT MANAGEMENT POLICY

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 noncompliance penalties, the City will engage outside consultants to calculate potential arbitrage liability.

CREDIT RATINGS:

- *Rating Agency Relationship*
 - The Finance Director 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.
- *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 Presentation*
 - 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.

STANDARDS:

Official statements accompanying debt issues, Annual Comprehensive 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.

FUND BALANCY POLICY

PURPOSE

The City of Lawrence is committed to wise stewardship of all public funds entrusted to its care. The City's Fund Balance is the accumulated difference between assets and liabilities within governmental funds. The City's net position is the accumulated difference between assets and liabilities within business-type activity (Enterprise) funds. This responsibility includes the establishment and maintenance of adequate cash balances and reserves. A sufficient fund balance/net position allows the City to:

- Meet its contractual obligations.
- Provide funds for new and existing programs established by the Governing Body.
- Mitigate negative revenue implications of federal or state budget actions.
- Mitigate economic downturns or fund disaster or emergency costs.
- Provide funds for cash flow timing discrepancies.
- Fund non-recurring expenses identified as necessary by the Governing Body; and,
- Maintain its creditworthiness.

GOVERNMENTAL FUND BALANCE DEFINITIONS

The following classifications, defined by governmental accounting standards, serve to enhance the usefulness of fund balance information:

- **Non-spendable** – Assets legally or contractually required to be maintained, or assets not in spendable form, such as inventory or prepaid items. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- **Restricted** – Assets with externally imposed constraints, such as those mandated by creditors, grantors or contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, law, or regulations. All Special Revenue Funds are considered Restricted because the source revenues can only be used for one purpose.
- **Committed** – Assets with a purpose formally imposed by resolution or Ordinance of the Governing Body of the City, binding unless modified or rescinded by the Governing Body.
- **Assigned** – Assets constrained by the express intent of the Governing Body or City Manager. Encumbrances shall be assigned, unless they specifically meet the requirements to be committed or restricted. From time to time, the Commission may deem it appropriate to assign a portion of fund balance for a future capital project as identified in the Capital Improvement Plan.
- **Unassigned** – All amounts not included in other fund balance classifications. The unassigned fund balance serves as a measure of expendable available financial resources. This category is only in the General Fund.

FUND BALANCY POLICY

FUND BALANCE MINIMUMS

The City's policy is to accumulate adequate reserves to protect the City during economic downturns or large-scale emergencies. The City also maintains reserves that are required by law or contract and that serve a specific purpose. These types of reserves are considered restricted and are not available for other uses. Within specific funds, additional reserves may be maintained according to adopted policies. The Government Finance Officers Association (GFOA) is a professional association of global finance officers whose members are dedicated to the sound management of government financial resources. The GFOA recommends that each government determine the appropriate level of unassigned fund balance while considering several factors:

- The predictability of revenues and the volatility of expenditures
- Perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts)
- Potential drain upon general fund resources from other funds, as well as the availability of resources in other funds
- Potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds

For purposes of this policy, "operational expenditures" shall be defined as all expenditure categories used to pay for personnel services, contractual services, commodities, debt service, capital expenditures, operating transfers, and internal services. For Enterprise Funds, transfers to reserve funds and depreciation expenses shall be excluded. For General Fund unassigned fund balance, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, incorporate in its financial policies that unrestricted fund balance in their General Fund be no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures (16.6%). The City receives much of its General Fund revenue through taxes which provides it with a moderate risk of instability in the collection of those revenues. Sales tax revenues are more prone to fluctuations with the economy. Property taxes are levied in one fiscal year to fund the operations of the following fiscal year.

Were a natural disaster or other extreme event to strike, the City would likely require a large draw on its reserves. In addition, the level of reserves available to the City plays a part in the credit rating of the City. The rating agencies assign higher ratings in part for those communities that show ability to access funds in emergency situations. The way a community shows ability to do so is to have a history and forecast of liquidity and fund balances for unforeseen events. A higher credit rating often translates to lower interest rates, which impacts the taxpayer directly, particularly in the case of debt supported tax levies.

FUND BALANCY POLICY

POLICY:

It is the policy of the City to achieve and maintain an unassigned fund balance in the General Fund equal to 90 days of operating expenditures. Proposed budgets, or budget revisions, will maintain this level of reserve. However, if the unassigned fund balance falls below 60 days of operating expenditures due to unforeseen revenue or expenditure fluctuations, the City will develop a restoration plan in accordance with this policy.

SPECIAL REVENUE FUND BALANCE

For purposes of this policy, Major Funds are defined as any Special Revenue Fund, excluding grant funds, economic development funds, Library Fund, and the Farmland Trust Fund with total expenditures of \$500,000 or more. The City receives much of its Major Special Revenue Fund revenue through taxes, which provides it with a risk of instability in the collection of those revenues. Sales tax revenues are more prone to fluctuations with the economy. Property taxes are levied in one fiscal year to fund the operations of the following fiscal year.

POLICY:

It is the policy of the City to achieve and maintain restricted fund balance in each of the major special revenue funds equal to 60 days of operating expenditures. Proposed budgets, or budget revisions, will maintain this level of reserve. However, if the balance in any of the major special revenue funds fall below 30 days of operating expenditures due to unforeseen revenue or expenditure fluctuations, the City will develop a restoration plan in accordance with this policy.

UNRESTRICTED NET POSITION

Enterprise Funds do not use the term "Fund Balance". They use the term "Net Position". The following classifications, defined by governmental accounting standards, serve to enhance the usefulness of net position information:

- **Net Investment in Capital Assets** – represents the net amount invested in capital assets (original costs, net of accumulated depreciation and net of capital-related debt).
- **Restricted** – represents the amount of net position for which limitations have been placed by creditors, grantors, contributors, laws, and regulations. Internal actions through enabling legislation (which is legally enforceable) and constitutional provisions may also lead to restricted net position. From time to time, the Commission may deem it appropriate to restrict a portion of net position for a future capital project as identified in the Capital Improvement Plan.
- **Unrestricted** – represents the amount of net position that is not restricted or invested in capital assets, net of related debt.

FUND BALANCY POLICY

ENTERPRISE FUND - UNRESTRICTED NET POSITION

The City receives much of its enterprise fund revenues through user fees tied to monthly fixed charges and consumption-based fees. The fixed fees are static and have little predictability risk. However, the consumption-based charges have a high risk of fluctuation based on weather or other factors. In addition, the solid waste operations rely heavily on trucks that must be replaced immediately. Because of this, it is prudent to have larger unrestricted net position for unknown equipment failures.

The level of reserves available to the City plays a part in the credit rating of the City. The rating agencies assign higher ratings in part for those communities that show ability to access funds in emergency situations. The way a community shows ability to do so is to have a history and forecast of liquidity and fund balances for unforeseen events. A higher credit rating often translates to lower interest rates, which impacts the user directly, particularly in the case of debt supported by user fees.

POLICY:

It is the policy of the City to achieve and maintain an unrestricted net position in the [Water & Wastewater Fund](#) equal to 250 days of operating expenditures. Proposed budgets, or budget revisions, will maintain this level of reserve. Reserves in excess of 250 days shall be transferred to the cash funded capital project fund. However, if the unrestricted net position falls below 220 days of operating expenditures due to unforeseen revenue or expenditure fluctuations, the City will develop a restoration plan in accordance with this policy.

It is the policy of the City to achieve and maintain an unrestricted net position in the [Solid Waste Fund](#) equal to 120 days of operating expenditures. Proposed budgets, or budget revisions, will maintain this level of reserve. However, if the unrestricted net position falls below 90 days of operating expenditures due to unforeseen revenue or expenditure fluctuations, the City will develop a restoration plan in accordance with this policy.

It is the policy of the City to achieve and maintain an unrestricted net position in the [Stormwater Fund](#), and the [Parking Fund](#) equal to 60 days of operating expenditures. Proposed budgets, or budget revisions, will maintain this level of reserve. However, if the unrestricted net position falls below 30 days of operating expenditures in either Fund due to unforeseen revenue or expenditure fluctuations, the City will develop a restoration plan in accordance with this policy.

FUND BALANCY POLICY

RESTORATION PLAN

If it is anticipated at the completion of any fiscal year that the projected amount of Unrestricted Fund Balance (or Net Position) will be less than the minimum established target, the City shall develop a restoration plan as soon as practical to restore the balance within a five-year period. The plan should be designed to restore the minimum established target as quickly as possible.

ORDER OF EXPENDITURE OF FUNDS

When multiple categories of fund balance (or net position) are available for an expenditure, the City will start with the most restricted category and spend those funds first before moving to the next category with available funds. The order in the use of funds would therefore be Restricted, Committed, Assigned, and Unassigned (or Unrestricted) to the extent each category is available and eligible for that expenditure.

APPENDIX A: REVENUE SUMMARY



APPENDIX A: REVENUE SUMMARY

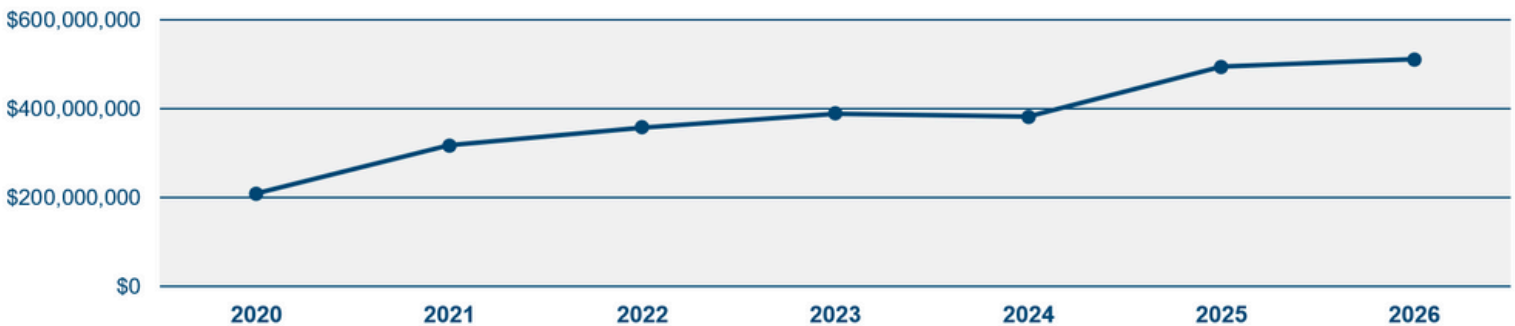
The purpose of this section is to describe the major revenue sources for the City, and to explain the trend and projections for each. Lawrence has approximately 140 different types of revenue sources ranging from as large as General Obligation Bond Proceeds (\$72,031,000) which comprises 14% of all revenues collected to Tire Collection (\$1,000) which accounts for less than 0.00020%. Summary information is provided for major remaining revenues. Revenues are budgeted conservatively to help with the budgeting process.

ALL REVENUES BY CATEGORY

The following table provides a breakdown of all of the revenues projected for this budget year (excluding carry over funds). The largest category, Miscellaneous, accounts for approximately 35% of all revenues collected. This category includes proceeds from general obligation bonds, temporary notes, and revenue bonds. Revenues are projected to be \$511 million, which is 3% above the FY 2025 Revised Budget.

| Revenue Category | 2024 Actuals | 2025 Adopted | 2025 Revised | 2026 Adopted |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxes | 115,168,958 | 121,796,000 | 121,423,000 | 126,298,000 |
| Licenses & Permits | 1,763,062 | 1,969,000 | 1,969,000 | 2,250,000 |
| Intergovernmental | 24,078,663 | 25,127,000 | 25,981,000 | 21,094,000 |
| Charges for Services | 149,160,958 | 161,710,000 | 161,410,000 | 168,402,000 |
| Fines | 1,756,473 | 1,804,000 | 1,804,000 | 1,960,000 |
| Interest | 13,568,024 | 4,590,000 | 4,590,000 | 5,635,000 |
| Miscellaneous | 49,850,483 | 137,572,000 | 137,572,000 | 177,525,000 |
| Transfers In | 25,959,168 | 39,569,000 | 39,569,000 | 7,880,000 |
| TOTAL | \$381,305,790 | \$494,137,000 | \$494,318,000 | \$511,044,000 |

All Revenues by Year



REVENUE CATEGORIES

Revenues described in this section are those types which the City has budgeted to collect in Fiscal Year 2026. These revenues exclude the use of any carryover funds. The revenues are categorized as follows:

CHARGES FOR SERVICES

This group includes all fees charged for a specific service provided by the City and not primarily supported by taxes. Examples of these fees include: utility fees, parking fees, recreation fees, cemetery fees, airport fees, etc. The revenue received from Douglas County for shared services, per agreements, is recorded here. This includes the shared costs for the Fire Medical and the Planning departments. Internal service charges are also captured here.

FINES & PENALTIES

This group includes all fines and charges levied by the Municipal Court.

INTERFUND TRANSFERS

This group includes all revenues received by our various utilities that pay a Payment-in-Lieu-of-Taxes (PILOT) equal to a franchise fee for use of the City's right of way, and all other transfers from one fund to another (transfers in).

INTERGOVERNMENTAL

The City receives several grants to assist with operations. Some of the major grants are Federal Transit Administration, Community Development Block Grant, and HOME grants. State shared revenue such as the Transient Guest Tax, the state liquor and fuel taxes, and federal fund exchange dollars are all recorded here.

LICENSES & PERMITS

This group is where professional license fees, as well as animal permit fees, building permit fees, and parking permit fees are recorded.

MISCELLANEOUS

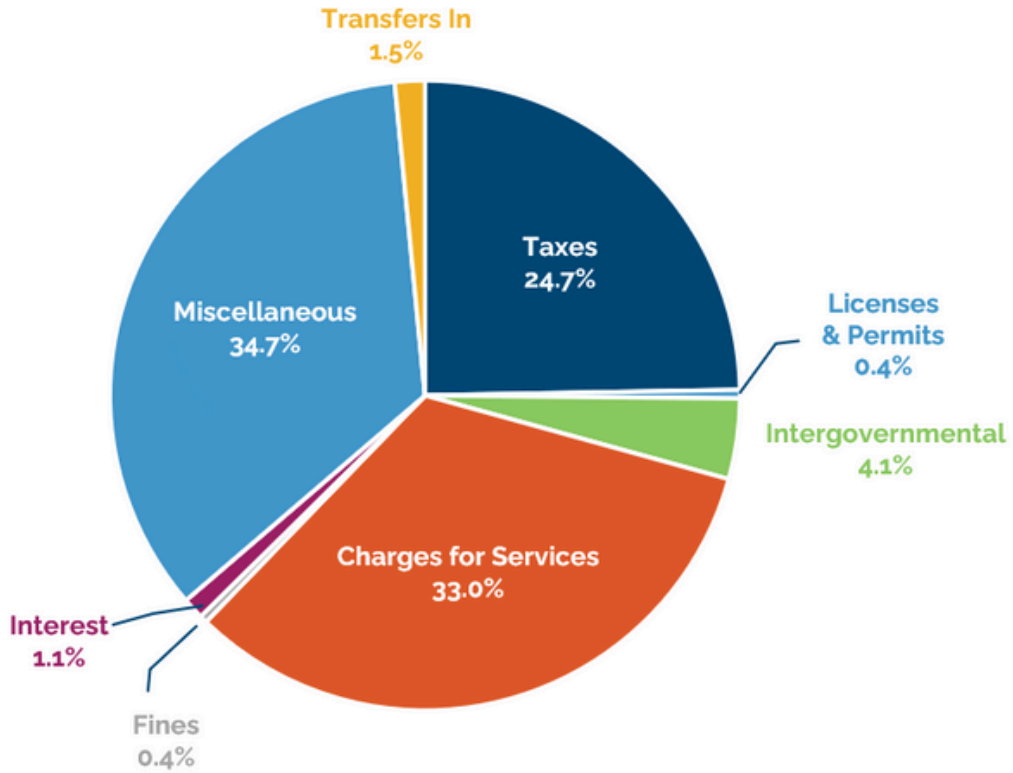
This group is comprised of all other revenues not identified in another category. Examples of these are: general obligation, temporary note, or revenue bond proceeds, interest earned, reimbursements, rentals, sales of assets, donations, and recycling fees.

TAXES

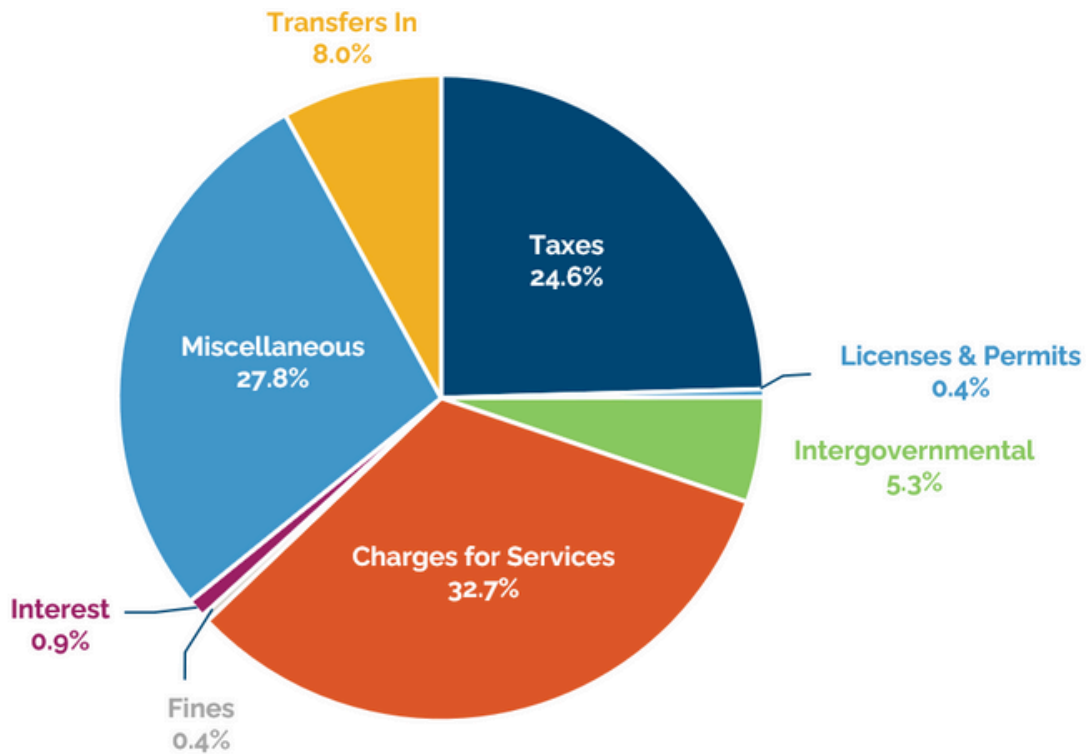
This group is comprised of property taxes, sales taxes, and franchise fees.

- **Property taxes** contain both real and personal property as well as motor vehicle taxes, and special assessments.
- The City has multiple special **sales taxes**: 1% general purpose; 0.3% for streets, infrastructure, and equipment; 0.2% for public transportation; and 0.10% for affordable housing and homelessness.
- The **franchise fees** paid to the City are from electric, natural gas, and telecommunications utilities. The City also charges a franchise fee on the utilities it provides by way of a PILOT.

2026 REVENUE DISTRIBUTION



2025 REVENUE DISTRIBUTION



APPENDIX A: REVENUE SUMMARY

The following table provides a summary for the 32 largest revenue sources. These revenues represent all in excess of \$2.0 million and equate to approximately 93% of all revenues projected.

| REVENUE ACCOUNTS | 2026 BUDGET |
|--------------------------------|--------------------|
| G.O. BOND PROCEEDS | \$ 72,031,000 |
| TEMPORARY NOTE PROCEEDS | \$ 57,241,000 |
| AD VALOREM/CURRENT | \$ 53,074,000 |
| REVENUE BONDS | \$ 42,401,000 |
| WATER CHARGES BILLED | \$ 38,520,000 |
| WASTE WATER CHARGES BILLED | \$ 37,236,000 |
| LOCAL SALES TAX | \$ 33,328,000 |
| SANITATION CHARGES | \$ 16,200,000 |
| COUNTY-WIDE SALES TAX | \$ 12,932,000 |
| EMS COUNTY CHARGES | \$ 11,130,000 |
| PREMIUMS/CITY FUNDS | \$ 11,100,000 |
| GRANTS | \$ 8,759,000 |
| STORM WATER CHARGES | \$ 7,600,000 |
| COMPENSATING USE | \$ 6,919,000 |
| MAINTENANCE GARAGE CHARGE | \$ 6,471,000 |
| ELECTRIC FRANCHISE FEES | \$ 6,195,000 |
| WATER & SEWER FUND | \$ 5,657,000 |
| RISK MANAGEMENT ADMIN CHARGES | \$ 4,377,000 |
| IT ADMINISTRATION CHARGES | \$ 4,163,000 |
| INTEREST UNRESTRICTED FUNDS | \$ 3,961,000 |
| FINANCE ADMINISTRATION CHARGES | \$ 3,617,000 |
| MOTOR VEHICLE TAX | \$ 3,478,000 |
| AMBULANCE SERVICE | \$ 3,300,000 |
| COMPENSATING USE / COUNTY | \$ 3,113,000 |
| GUEST TAX | \$ 2,801,000 |
| ROLL-OFF DISPOSAL | \$ 2,800,000 |
| LIQUOR TAX | \$ 2,784,000 |
| CUSTOMER SERVICE ADMIN CHARGE | \$ 2,777,000 |
| GASOLINE TAX STATE SHARE | \$ 2,666,000 |
| STATE GRANTS | \$ 2,465,000 |
| REIMB. EXPENSES | \$ 2,410,000 |
| HR ADMINISTRATION CHARGES | \$ 2,390,000 |



APPENDIX A: REVENUE SUMMARY

REVENUE BOND PROCEEDS

Revenue Bonds are debt issuances that provide long-term capital financing for capital projects for Enterprise Funds. The maturity usually ranges from 15-30 years. The revenue is budgeted for \$42.4 million, which represents an approximately 15% increase over the prior year. This revenue is projected based upon the needs outlined in the City’s 2026-2030 Capital Improvement Plan.

AD VALOREM TAXES

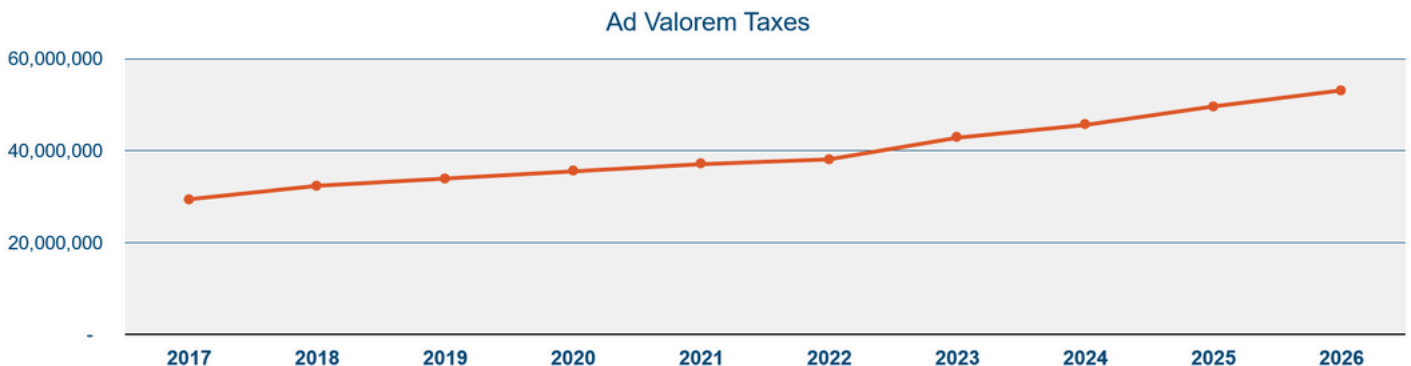
These revenues are derived from current property taxes levied on real property, personal property, and state assessed utilities. The County Appraiser values real and personal properties, while the State of Kansas assigns value to state assessed utilities.

This revenue generates approximately \$53 million, which represents an increase of 7% over the prior year. This increase is primarily attributable to a projected increase to the City’s Assessed Valuation, which is projected to be \$1.6 billion for the FY 2026 budget year, an increase of 5.47% from the prior year.

Below is a table of changes in Assessed Valuation from 2018 to 2025.

| Assessed Value as of: | Real Estate | Personal Property | State Assessed | Total Assessed Valuation | % Change |
|-----------------------|---------------|-------------------|----------------|--------------------------|----------|
| November, 2018 | 995,458,493 | 13,545,997 | 28,331,792 | \$ 1,037,336,282 | 5.26% |
| November, 2019 | 1,048,693,640 | 12,084,119 | 29,755,745 | \$ 1,090,533,504 | 5.13% |
| November, 2020 | 1,094,145,852 | 11,849,042 | 31,483,731 | \$ 1,137,478,625 | 4.30% |
| November, 2021 | 1,118,725,664 | 13,609,923 | 34,245,599 | \$ 1,166,581,186 | 2.56% |
| November, 2022 | 1,265,923,407 | 10,238,870 | 34,512,586 | \$ 1,310,674,863 | 12.35% |
| November, 2023 | 1,373,456,191 | 9,806,733 | 33,936,415 | \$ 1,417,199,339 | 8.13% |
| November, 2024 | 1,479,839,597 | 9,570,260 | 34,915,740 | \$ 1,524,325,597 | 7.56% |
| November, 2025 | 1,561,425,319 | 9,112,148 | 37,093,989 | \$ 1,607,631,456 | 5.47% |

The chart below provides a ten year history of property tax collections.



TEMPORARY NOTE PROCEEDS

Temporary Notes are debt issuances that provide short-term financing for capital projects. The maturity usually ranges from 1-3 years and only interest is owed on the note until it fully matures. At which time, the City can either issue long-term debt, generally General Obligation Bonds, or pay the notes off with cash.

This revenue is budgeted for \$57.2 million, which represents an approximately 30% increase from the prior year. This revenue is projected based upon the needs outlined in the City’s 2026-2030 Capital Improvement Plan.

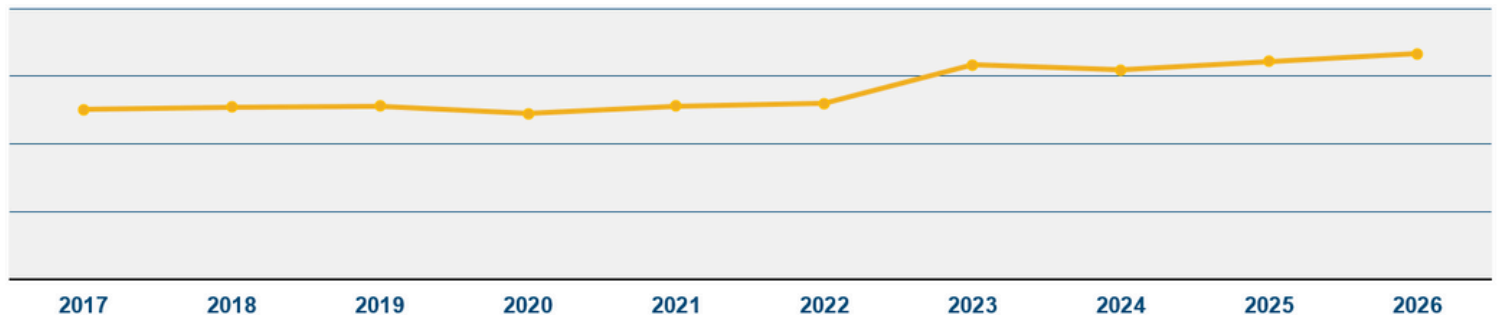
LOCAL SALES TAX

The City has a 1% general sales tax. The City also has several special sales taxes: 0.3% for streets, infrastructure, and equipment; 0.2% for public transportation, and 0.10% for affordable housing and homelessness. The affordable housing and homelessness sales tax increased from 0.05% to 0.10% after a voter referendum passed in the fall of 2025.

This revenue is budgeted for \$33.3 million, which represents a 3.5% increase over the prior year. The City is expecting sales tax collections to normalize after rebounding from the Covid-19 pandemic.

The chart below provides a ten year history.

Local Sales Tax

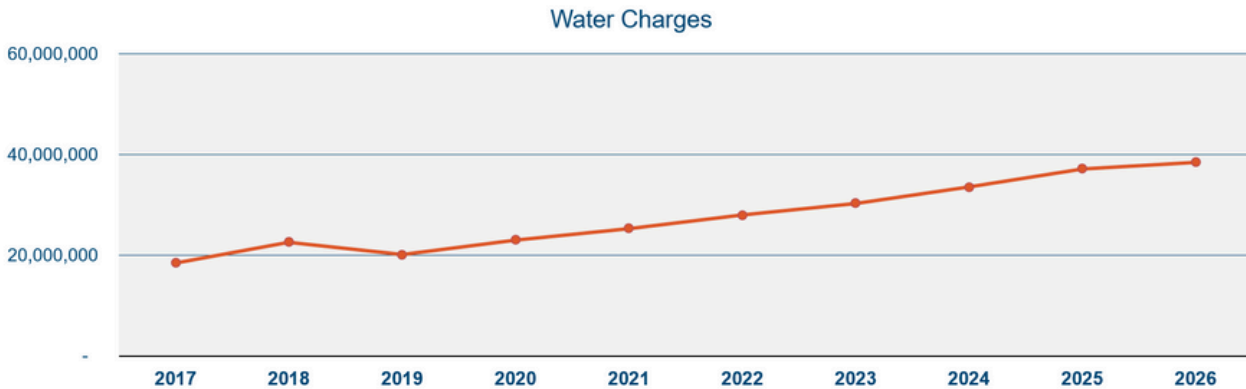




WATER CHARGES

These revenues are derived from the sale of water. The rates are set by the City Commission and can be found here: <https://lawrenceks.gov/utility-billing/rates/>.

This revenue is budgeted for \$38.5 million, which represents a 3.5% increase over the prior year. These revenues are tied to gallons sold. Weather fluctuations are the greatest variable in water sales as it can effect consumer behavior. The budget reflects a rate increase based upon the rate model which takes into account current cashflow needs, capital needs, and operating expenses.



WASTEWATER CHARGES

These revenues are derived from the usage of water. The rates are set by the City Commission and can be found here: <https://lawrenceks.gov/utility-billing/rates/>.

For residential customers, the water used during the months of December, January, February, and March are averaged and used for consumption based billing. For commercial customers, the actual water used each month is used.

This revenue is budgeted for approximately \$35.0 million, which represents a 7.3% increase over the prior year. The rates are based on a model which takes into account current cashflow needs, capital needs, and operating expenses.





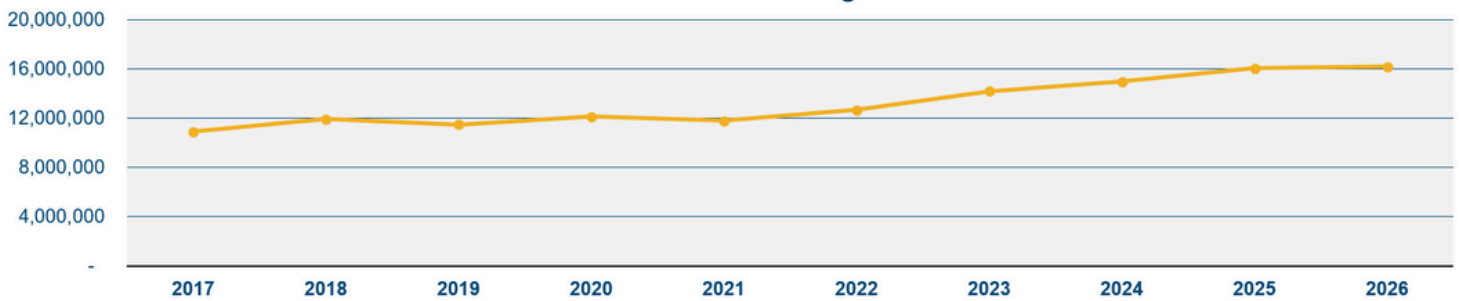
APPENDIX A: REVENUE SUMMARY

SOLID WASTE CHARGES

These revenues are derived from the fees charged for the collection of solid waste and recycling. The rates are set by the City Commission and can be found here: <https://lawrenceks.gov/utility-billing/rates/>.

This revenue is budgeted for \$16.2 million, which represents a 1% increase over the prior year. The increase is projected based on the rate model used to project current cashflow needs, and ongoing capital and operating expenses.

Solid Waste Charges



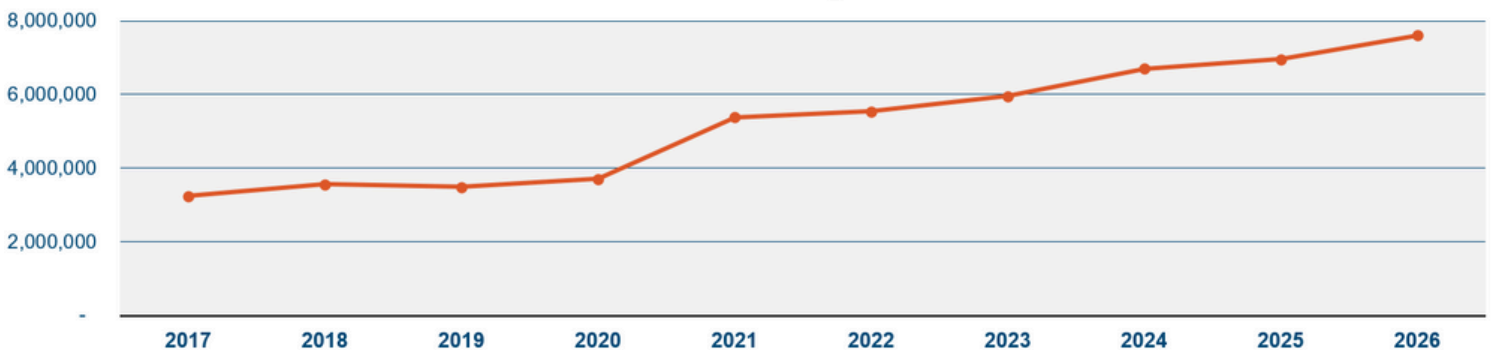
STORMWATER CHARGES

These revenues are based on the area of impervious surface on the property. The amount charged is determined by multiplying the number of Equivalent Residential Unit (ERU's) by the current rate. An ERU is 2,800 square feet.

The rates are set by the City Commission and can be found here: <https://lawrenceks.gov/utility-billing/rates/>.

This revenue is budgeted for \$7.6 million, which represents a 9.2% increase from the prior year. The budget reflects a rate increased based upon the rate model which considers current cashflow needs, and ongoing capital and operating expenses.

Stormwater Charges

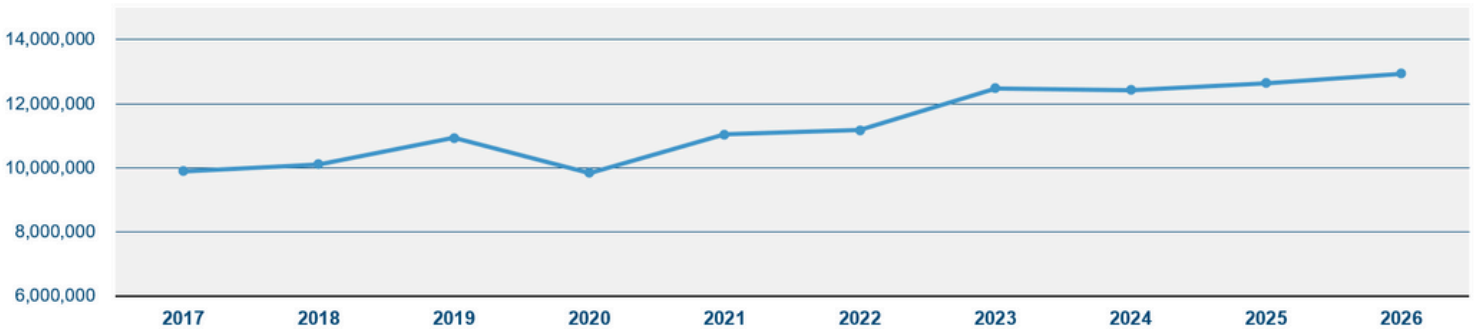


DOUGLAS COUNTY SALES TAX

Douglas County has a 1% general sales tax. Based on State Law, half of the revenue is distributed among the county and incorporated cities in the county based on the total tangible property tax levies in each jurisdiction for the previous year. The other half of the revenue is distributed among the county and incorporated cities in the county based on the population in each jurisdiction.

This revenue is budgeted for \$12.9 million, which represents a 2.3% increase over the prior year.

Douglas County Sales Tax (Lawrence Portion)

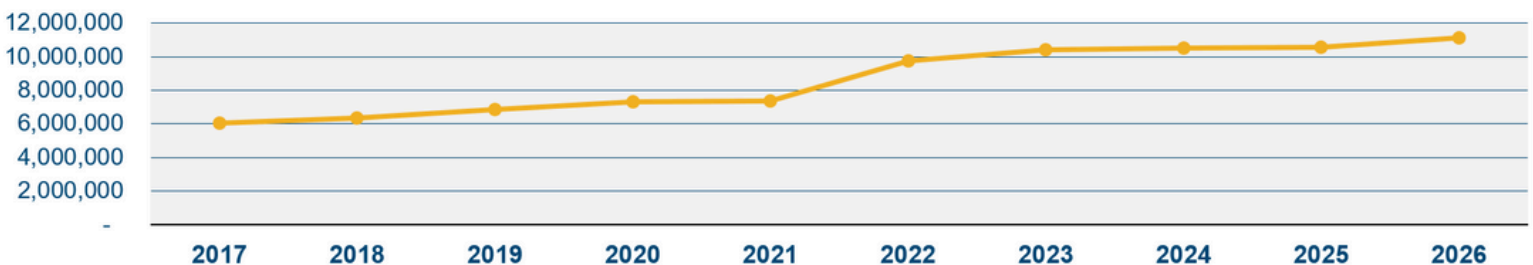


DOUGLAS COUNTY EMS CONTRIBUTION

In 1996, the County emergency medical services and the City fire department were combined with an agreement of how each entity would fund the operating costs of the combined operations. In 2021, this agreement was modified to more accurately capture the costs of providing both Fire and Emergency Medical response. The funding percentages for 2026 is approximately 59.5% City and 40.5% County. This percentage is only in effect for 2026.

This revenue is budgeted for \$11.1 million, which represents a 5.3% increase over the prior year.

Douglas County Emergency Medical Contribution

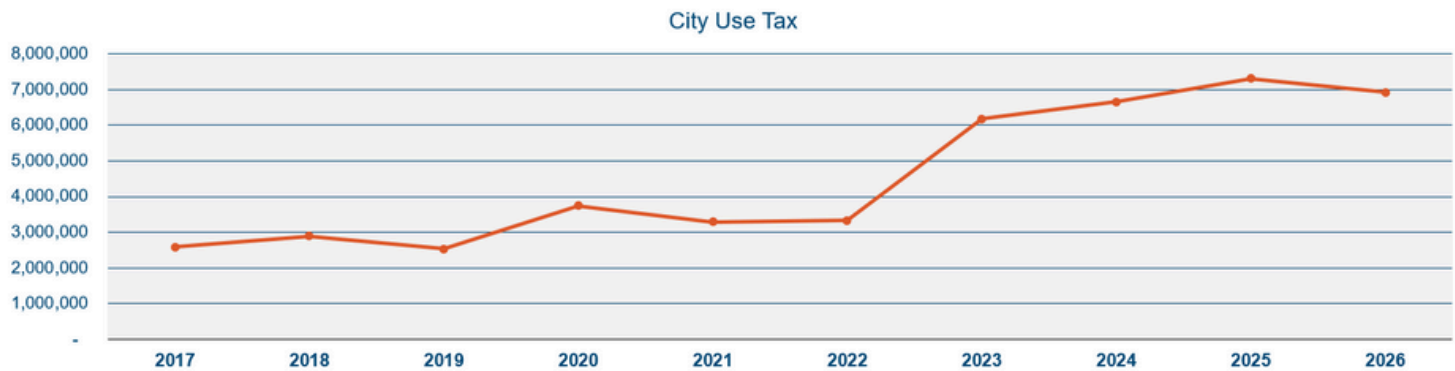


COMPENSATING USE TAX

Compensating use tax is a tax paid to out-of-state retailers on goods and merchandise purchased from other states and used, stored, or consumed in Kansas on which no sales tax was paid. The rate is equivalent to the sales tax rates.

The City has a 1% general sales tax. The City also has special sales taxes: 0.3% for streets, infrastructure, and equipment; 0.2% for public transportation, and 0.10% for affordable housing and homelessness.

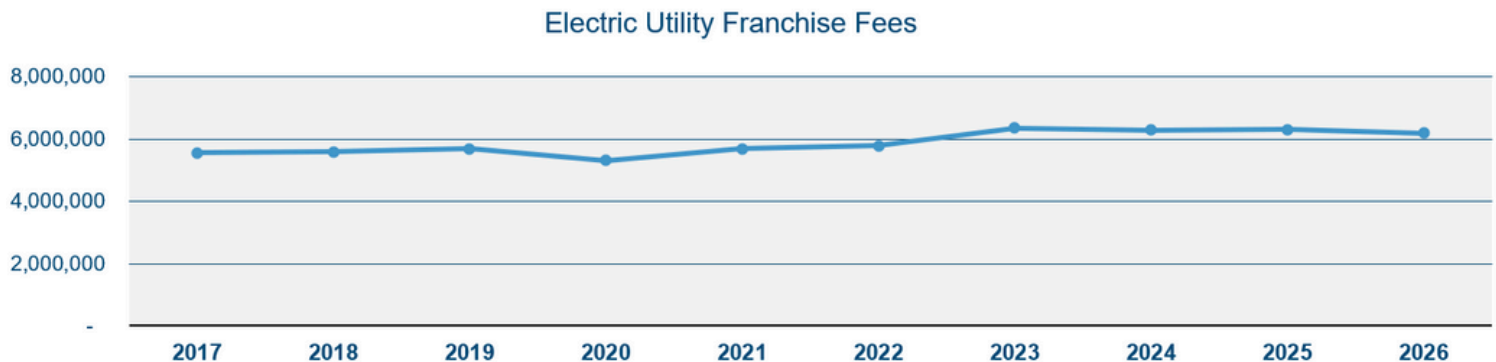
This revenue is budgeted for \$6.9 million, which represents a 5.3% decrease over the prior year.



ELECTRICAL FRANCHISE FEES

The City charges a license fee of five percent on the gross receipts derived from the sale of electricity for domestic and commercial consumption in the City. The tax is collected by the utility company and remitted to the City the following month.

This revenue is budgeted for \$6.2 million, which represents a 1.7% decrease over the prior year. This revenue is projected based upon historical trend analysis.



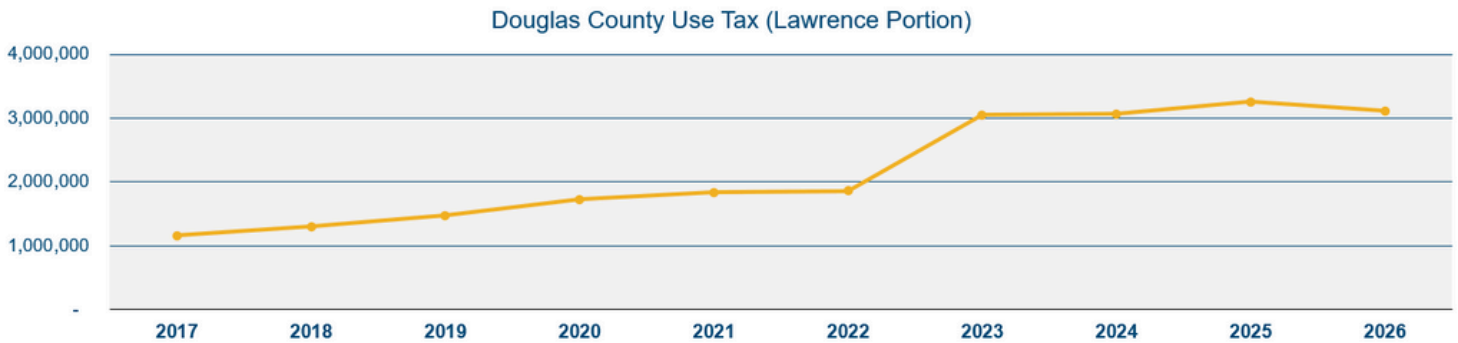


DOUGLAS COUNTY COMPENSATING USE TAX

Compensating use tax is a tax paid to out-of-state retailers on goods and merchandise purchased from other states and used, stored, or consumed in Kansas on which no sales tax was paid. The rate is equivalent to the sales tax rates.

Douglas County has a 1% general sales tax. Based on State Law, half of the revenue is distributed among the county and incorporated cities in the county based on the total tangible property tax levies in each jurisdiction for the previous year. The other half of the revenue is distributed among the county and incorporated cities in the county based on the population in each jurisdiction.

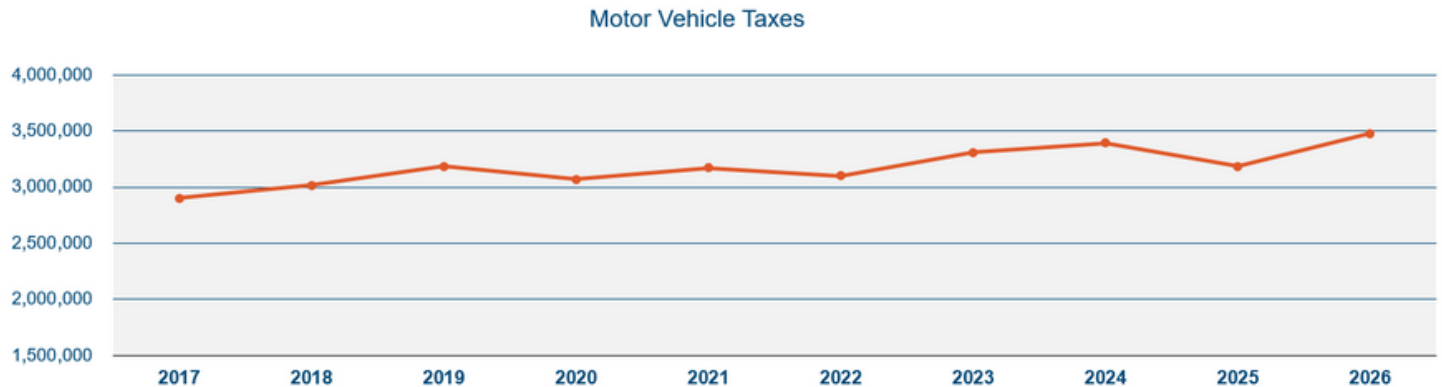
This revenue is budgeted for \$3.1 million, which represents a 4.3% decrease over the prior year.



MOTOR VEHICLE TAXES

This tax is applied to all vehicles registered in the City of Lawrence. The County Treasurer collects and distributes this tax to all taxing jurisdictions according to a state-mandated formula.

This revenue is budgeted for \$3.5 million, which represents a 9.2% increase over the prior year. The revenue is projected based on the State’s formula.





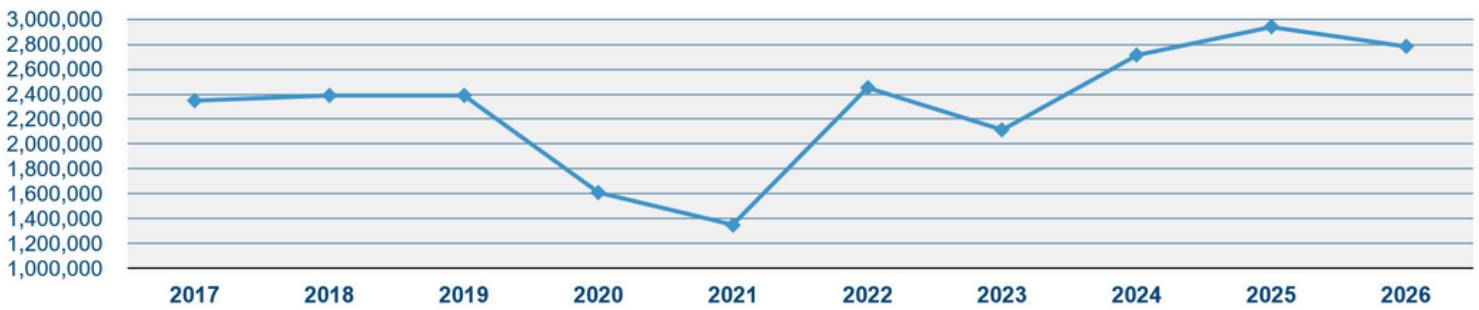
STATE LIQUOR TAX

Kansas imposes a 10% liquor drink tax on the sale of drinks containing alcoholic liquor by clubs, caterers, or drinking establishments. The 10% liquor drink tax is also imposed on the acquisition cost of alcoholic liquor used in free samples offered by clubs and drinking establishments.

The City receives 70% of these funds and is required to distribute 1/3 to the General Fund, 1/3 to the Special Recreation Fund, and 1/3 to the Special Alcohol fund.

This revenue is budgeted for \$2.8 million, which represents a 5.3% decrease from the prior year. This is based on the State formula of distributions.

City Portion of State Liquor Tax

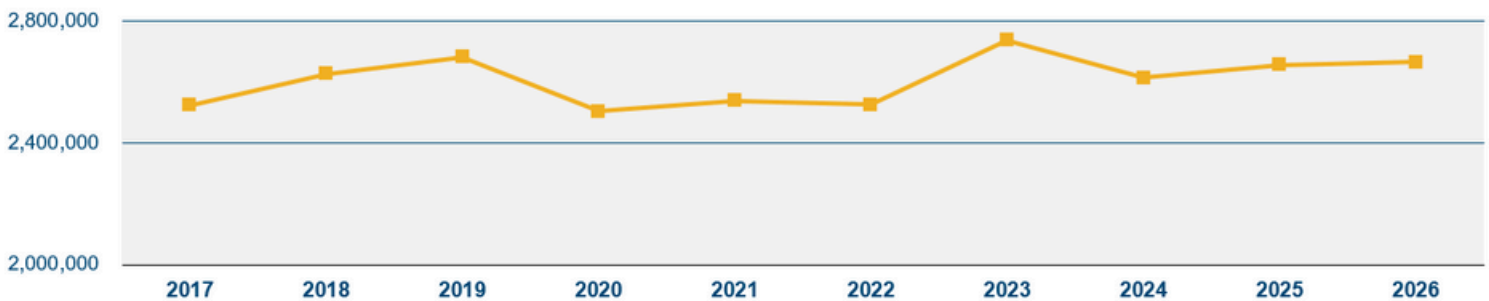


STATE GASOLINE TAX

The City receives funds from the state gasoline tax for use on our public roadway network. These funds are allocated to the City based upon our percentage of the State population.

This revenue is budgeted for \$2.7 million, which is a 0.34% increase over the prior year

City Portion of State Gasoline Tax



FEDERAL GRANTS

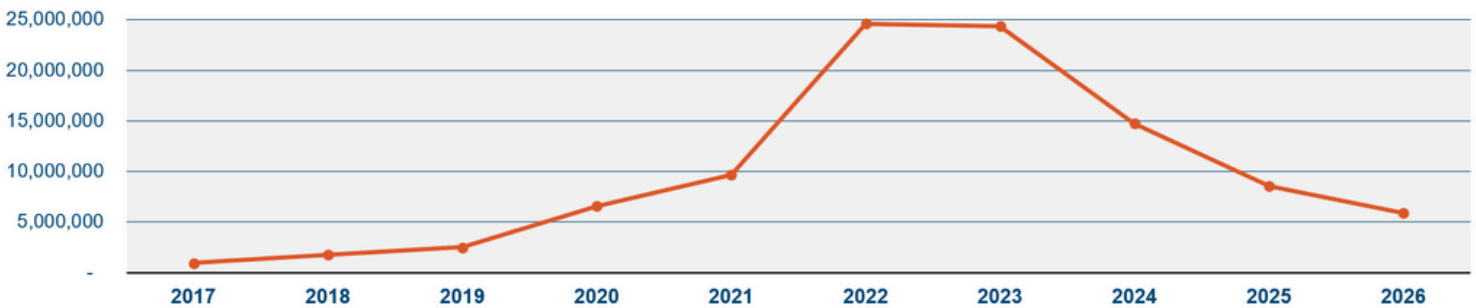
The City applies for and receives money from the Federal government for several different programs. These funds are not guaranteed, so the City is very conservative in our estimation of grants. Some projects are funded with the understanding that if the grant is not awarded, the project will not be completed.

Examples of some federal grants:

- Federal Aviation Administration (FAA) Airport Improvement Program awarded to assist with maintenance of the airport.
- Department of Housing and Urban Development (HUD) to assist with housing discrimination complaints.
- Community Development Block Grants (CDBG) awarded to assist low income residents with the purchase of a home.

This revenue is budgeted for \$5.9 million which represents a decrease of approximately 31% over the prior

Federal Grants

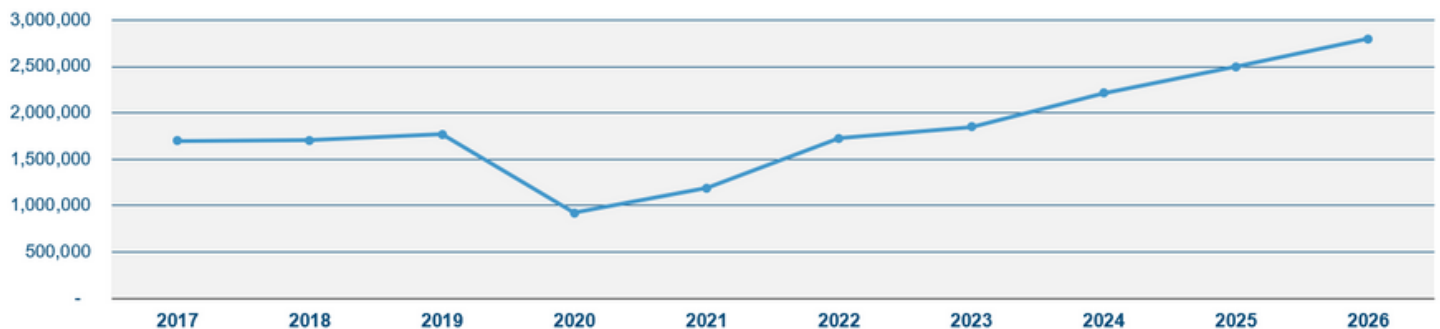


TRANSIENT GUEST TAX

The Transient Guest Tax is a tax imposed on guests of hotels or other lodging facilities. This tax is commonly referred to as a "bed tax," "hotel occupancy tax," or "motel tax." The rate is set by the City Commission and was increased from 6% to 8%, effective in 2026.

This revenue is budgeted for \$2.8 million, which is a 12% increase over the prior year.

Transient Guest Tax



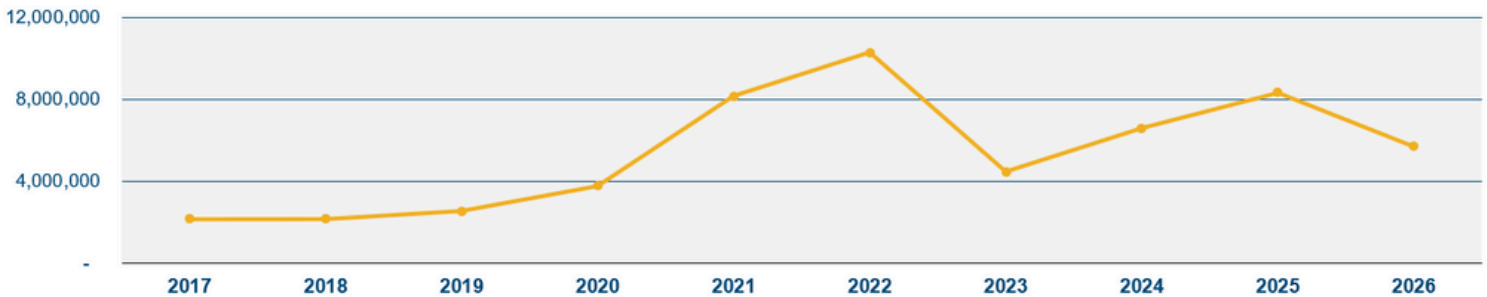


FEDERAL TRANSIT ADMINISTRATION GRANT

The City applies for and receives money through the FTA for the Urbanized Area Formula Funding program. This program makes federal resources available to urbanized areas for transit capital and operating assistance in urbanized areas and for transportation-related planning. An urbanized area is an incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census.

This revenue is budgeted for \$5.7 million, which represents a decrease of 31.6% from the prior year. The revenue is projected based on the transit department’s grant requests.

FTA Grants



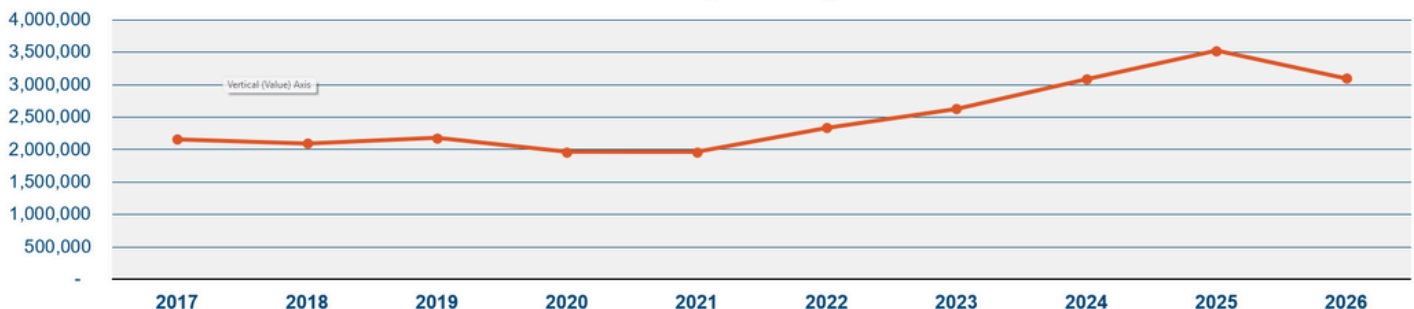
ROLL-OFF DUMPSTER CHARGES

Roll-off services are available for high volume waste generators. Roll-off containers are ideal for commercial, industrial, and construction-demolition sites, and for peak volume generation events (such as move-in and move-out for residential complexes).

The rates are set by the City Commission and can be found here: <https://lawrenceks.gov/swm/rolloffservices/>.

This revenue is budgeted for \$3.1 million which is an approximately 12% decrease from the prior year.

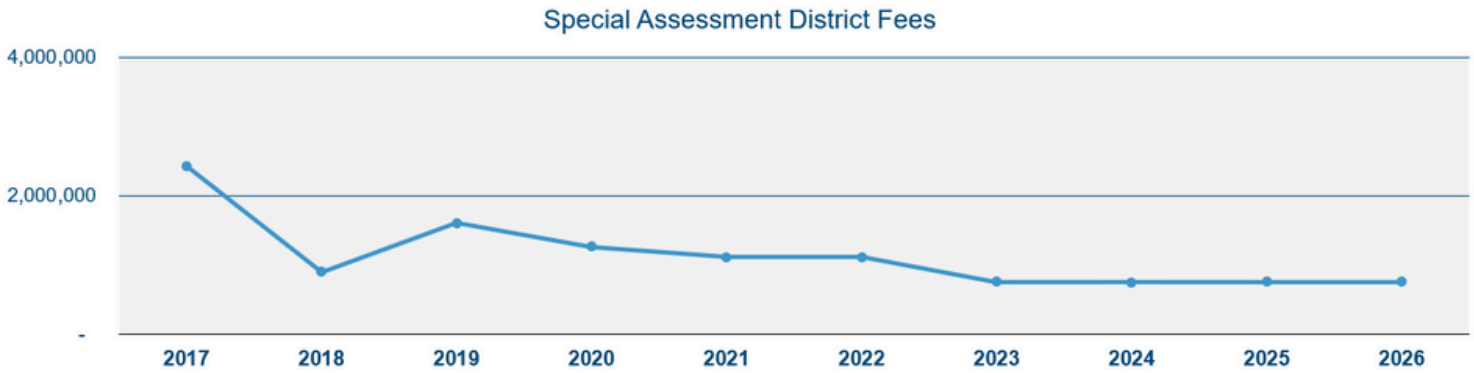
Roll-Off Dumpster Charges



SPECIAL ASSESSMENT DISTRICT FEES

Whenever a development, or neighborhood goes through the process to develop a Special Assessment District, those revenues are recorded here. Most Special Assessment Districts are developed for neighborhoods to share in the development expenses of improved infrastructure such as road/sidewalk improvements, traffic signalization improvements, etc.

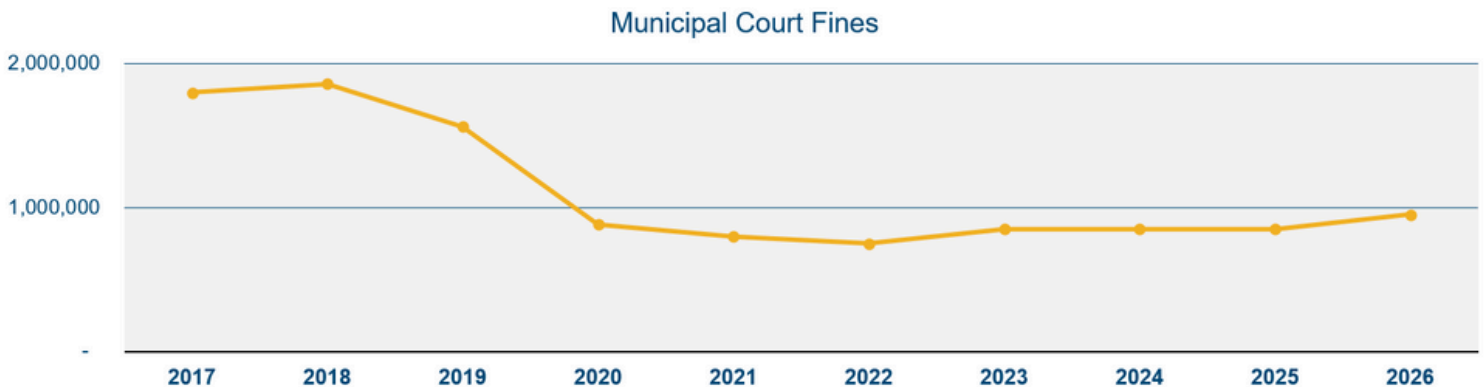
This revenue is budgeted for \$763,000, which is flat from the prior year. This revenue is projected based on current debt service requirements for the Special Assessment Districts.



MUNICIPAL COURT FINES

These revenues derive from the fines assessed by the municipal court judge for violation of City Ordinances.

This revenue is budgeted for \$950,000, which is an approximately 12% increase over the prior year.



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REVENUE TRANSFERS

Below outlines a summary of all transfers that are included in the Fiscal Year 2026 Budget with an explanation of the purpose of those transfers.

TRANSFERS TO THE GENERAL FUND (101)

| TRANSFERS FROM | AMOUNT | REASON |
|--------------------|--------------------|--------|
| Water & Wastewater | \$4,657,000 | PILOTs |
| Stormwater | \$420,000 | PILOTs |
| Solid Waste | \$919,000 | PILOTs |
| TOTAL | \$5,996,000 | |

TRANSFERS TO THE SPECIAL ALCOHOL FUND (222)

| TRANSFERS FROM | AMOUNT | REASON |
|----------------|------------------|---------------------------------|
| General | \$146,000 | Support for Housing Initiatives |
| TOTAL | \$146,000 | |

TRANSFERS TO THE AIRPORT FUND (241)

| TRANSFERS FROM | AMOUNT | REASON |
|----------------|------------------|--------------------------------|
| General | \$255,000 | Support for Airport Operations |
| TOTAL | \$255,000 | |

TRANSFERS TO THE DEBT SERVICE FUND (301)

| TRANSFERS FROM | AMOUNT | REASON |
|----------------|------------------|--------------------------------------|
| General | \$398,000 | Support for Green Bond debt payments |
| TOTAL | \$398,000 | |

TRANSFERS TO THE UTILITIES NON-BONDED CONSTRUCTION FUND (506)

| TRANSFERS FROM | AMOUNT | REASON |
|--------------------|--------------------|----------------------------------|
| Water & Wastewater | \$1,000,000 | Support for cash-funded projects |
| TOTAL | \$1,000,000 | |

TRANSFERS TO THE HEALTH & WELLNESS FUND (602)

| TRANSFERS FROM | AMOUNT | REASON |
|----------------|-----------------|---------------------|
| General | \$85,000 | Transfer for Police |
| TOTAL | \$85,000 | |

APPENDIX B: LEGAL DEBT MARGIN



APPENDIX B: LEGAL DEBT MARGIN

The Debt Service 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 property taxes, special assessments, interest earnings, and transfers of surplus funds from capital projects. The City’s general obligation debt rating is Aa1. The City’s revenue bond rating is Aa2.

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 December 2024 is computed as follows:

| | |
|--|-------------------------|
| 2025/2026 Total Assessed Tangible Valuation | \$ 1,607,631,456 |
| Debt Limit Ratio | 30% |
| Debt Limit | 482,289,437 |
| Outstanding Debt Subject to Debt Limit | \$ 187,622,289 |
| Legal Debt Margin | \$ 294,667,148 |

NOTE: Outstanding debt subject to limit includes General Obligation bonds, temporary notes, and associated bond premiums applicable to the general government that are outstanding at year end. General Obligation bonds and temporary notes issued to finance utility improvements, revenue bonds, and certain refunding bonds are not subject to the debt limit pursuant to K.S.A. 10-301 et seq.

CURRENT GENERAL OBLIGATION DEBT

| YEAR ENDING | PRINCIPAL | INTEREST | TOTAL DUE |
|------------------|-----------------------|----------------------|-----------------------|
| 2025 | 7,661,142 | 3,695,541 | \$ 11,356,683 |
| 2026 | 7,693,507 | 3,247,321 | \$ 10,940,828 |
| 2027 | 7,699,762 | 2,968,570 | \$ 10,668,332 |
| 2028 | 6,904,711 | 2,669,853 | \$ 9,574,564 |
| 2029 | 7,039,391 | 2,407,721 | \$ 9,447,112 |
| 2030-2034 | 34,468,626 | 8,352,649 | \$ 42,821,275 |
| 2035-2039 | 18,864,704 | 3,674,431 | \$ 22,539,135 |
| 2040-2044 | 9,248,094 | 1,282,631 | \$ 10,530,725 |
| 2045-2049 | 3,725,000 | 410,294 | \$ 4,135,294 |
| 2050-2051 | 1,605,000 | 51,319 | \$ 1,656,319 |
| | \$ 104,909,937 | \$ 28,760,330 | \$ 133,670,267 |

APPENDIX C: DEFINITIONS

ACRONYMS

GLOSSARY

ACRONYMS

| | | |
|----------|-------|--|
| CIP | ----- | Capital Improvement Plan |
| DOT | ----- | Department of Transportation |
| ERU | ----- | Equivalent Residential Unit |
| FAA | ----- | Federal Airport Administration |
| FTE | ----- | Full Time Equivalent |
| GASB | ----- | Government Accounting Standards Board |
| GFOA | ----- | Government Finance Officers Association |
| GIS | ----- | Geographic Information System |
| GO Bonds | ----- | General Obligation Bonds |
| HHW | ----- | Household Hazardous Waste |
| HUD | ----- | Housing and Urban Development |
| IAFF | ----- | International Association of Fire Fighters |
| KDOT | ----- | Kansas Department of Transportation |
| KU | ----- | University of Kansas |
| LEC | ----- | Lawrence Douglas County Law Enforcement Center |
| LKPD | ----- | Lawrence, Kansas Police Department |
| LPOA | ----- | Lawrence Police Officers Association |
| PBB | ----- | Priority Based Budgeting |
| PILOT | ----- | Payment In Lieu of Taxes |
| ROW | ----- | Right of Way |
| SCADA | ----- | Supervisory Control and Data Acquisition |
| TDD | ----- | Transportation Development District |
| TIF | ----- | Tax Increment Financing |
| USD 497 | ----- | Unified School District 497 |
| WWTP | ----- | Waste Water Treatment Plan |

GLOSSARY

Ad Valorem: Latin term meaning “from the value”. It is used to refer to property taxes.

Accrual: Accounting for the expenditure at the time in which the transaction occurred rather than when the payment is made.

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.

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.

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.

Capital Improvement Plan (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 \$20,000 and having a useful life of more than one year.

Commodities: Consumable goods, such as office supplies, that are used by the City.

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.

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. An example are the City's various Utility funds.

Expenditures: Current cash operating expenses and encumbrances.

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 a fund's assets over its liabilities and reserves.

General Obligation Bond: Long-term debt payable from the full faith and credit of the City. Typically such bonds are payable from property taxes.

Governmental Fund: A fund used to account for the acquisition, use, and balances of expendable financial resources and the related current liabilities (except those that account for proprietary or fiduciary funds). The types of governmental funds are general, special revenue, and debt service.

Grant: 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.

Internal Service Fund: Accounts for activities that provide goods and services to other departments or agencies on a cost-reimbursement basis. Some examples include: financial services, human resources, information technology, risk management, etc.

Interfund Transfer: Transfer of resources between funds that are not recorded as revenues to the fund receiving or expenditure to the fund providing.

Major Operating Funds: Funds with appropriation greater than \$10 million.

Minor Operating Funds: Funds with appropriation less than or equal to \$10 million.

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 \$1,000 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.)

Operating Budget: The budget that applies to all expenditures except capital improvement projects.

Personnel Services: Cost of wages, salaries, retirement, and other fringe benefits for City employees.

Priority Based Budgeting: A budgeting tool to review the budget by program or service area and determine a prioritization.

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 forfeitures.

Revenue Bonds: Long-term debt payable from a designated revenue source such as water and wastewater revenue.

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.

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 Wastewater 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.



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