

## MEMORANDUM

To: Mike Wildgen  
City Manager

From: Debbie Van Saun  
Asst. City Manager

Re: 2004 budget

Date: July 18, 2003

Following City Commission direction, the 2004 City Manager's Recommended Operating and Capital Improvement Budget has been adjusted as follows:

- City's share of health insurance coverage for employees is increased from \$5853/employee to \$6,475/employee. The impact to the General Fund is an increase from \$2,650,577 for employees and retirees to \$2,913,805, a \$263,228 increase. The impact to all City funds is an increase from \$4,504,672 to \$4,978,850, an increase of \$474,178.
- Increase funding to Humane Society in the General Overhead section of the Finance Department budget from \$237,500 to \$242,000, a \$4,500 increase; 2004 funding for this organization will be the same as 2003.
- Increase funding to the Lawrence/Douglas County Health Department from \$496,397 to \$515,229, an \$18,832 increase; 2004 funding for this organization will be the same as 2003.
- Reduce the Library mill levy revenue requirements by \$100,000; staff proposes that the \$200,000 transfer that is scheduled to be made to the Library in 2003 be allocated as follows: \$100,000 to Library Satellite reserve fund; \$100,000 to Library for 2004 operating expenses; balance of reserve fund after this transaction: \$300,000 with no transfers to the reserve fund to be made in 2004.
- Reduce the Public Transit mill levy revenue requirements by \$50,000.
- Reduce salaries in the General Fund by \$100,000; staff will accomplish this by not filling non-critical positions in various departments as vacancies occur.
- Reduce funding for mill and overlay program by \$150,000.
- Reduce funding for asphalt by \$50,000.
- Reduce funding for curb repair program by \$50,000
- Reduce funding for building repairs by \$10,000
- Transfer funding of one full-time and some part time staff from General Fund to Parking fund. These positions are associated with work that directly impacts the downtown area and parking facilities. Total funding transfer is \$36,870.

- Eliminate funding of landscaping efforts for Utilities Department facilities (\$4,400); Utilities Department will take over funding for the part-time positions associated with this program.
- Eliminate overtime in General Fund for Parks and Rec Department (\$2,500).
- Reduce transfer to Sales Tax Reserve Fund by \$250,000.
- Close Carl Knox Natatorium in the summer for a \$13,000 savings for the Recreation Fund budget, lowering the mill levy requirements for that fund.
- Utilize \$200,000 currently in the "West Recreation Center" reserve fund for operating revenue for the Recreation Fund budget in 2004, lowering the mill levy requirements for that fund.
- Increase revenue projections for the Parking Fund by \$100,000 and provide (in addition to \$36,870 funding for previously mentioned Parks & Rec staff) \$40,000 in additional funding for downtown-related improvement projects. (Note: remaining \$23,000 allotted to increase in employee health care coverage as noted in first bullet)

The first attachment to this memo is an accounting of the mill levy calculation utilizing the aforementioned City Commission direction. Please note that the adjustments resulted in a mill levy of 28.065 for the 2004 budget, an increase of 2.49 mills over the mill levy for the 2003 budget.

In an attempt to memorialize and summarize the reductions that have been made to date in this budget process, please note that with the 2004 City Manager's Recommended Budget, \$1,557,830 in reductions or funding transfers had already been made to the budget requests submitted by the Department Directors earlier in this process (see attached *Summary of "Moderate Expenditure Reduction" proposals by Department*).

A few other attachments are provided for your review reflecting the aforementioned adjustments. Please let me know if you have any questions.

c: Dave Corliss, Asst. City Manager  
 Department Heads  
 City Commission  
 Scott Wagner, ERC Chair

att: Computation of 2003 Ad Valorem Tax Requirements and Mill Levy  
 Summary of "Moderate Expenditure Reduction" proposals by Department  
 2004 Budget Fund Summary of Expenditures by Category and Revenues  
 by Classification  
 Proposed General Operating Fund Expenditures – 2004  
 Proposed General Operating Fund Resources – 2004  
 Fund Expenditure Summary 2002-2004