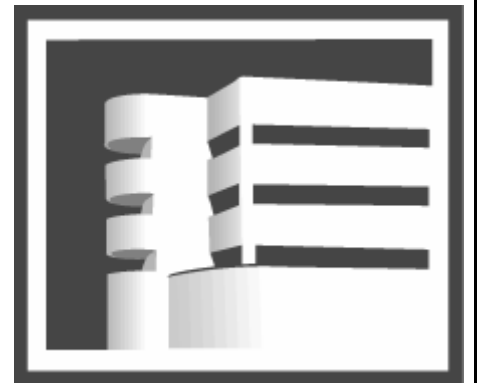


2007

Operating and Capital Improvement Budget



**City of
Lawrence, Kansas**





www.lawrenceks.org

City of Lawrence

Mission Statement

Our Mission

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

Our Principles

We are committed to these basic values:

Integrity
Courtesy
Fairness
Honesty

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

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

We will promote teamwork, employee satisfaction, and professional development in order to provide innovative,

Our Vision

We will provide leadership in preparing for the future.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lawrence
Kansas**

For the Fiscal Year Beginning

January 1, 2006

President

Executive Director

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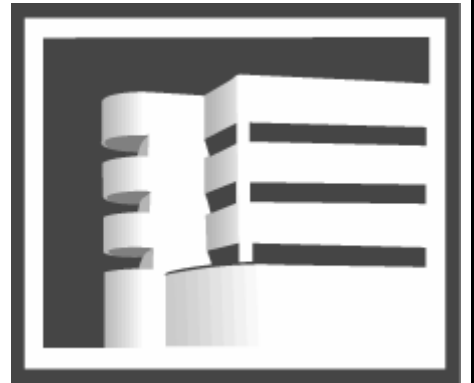
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Introduction



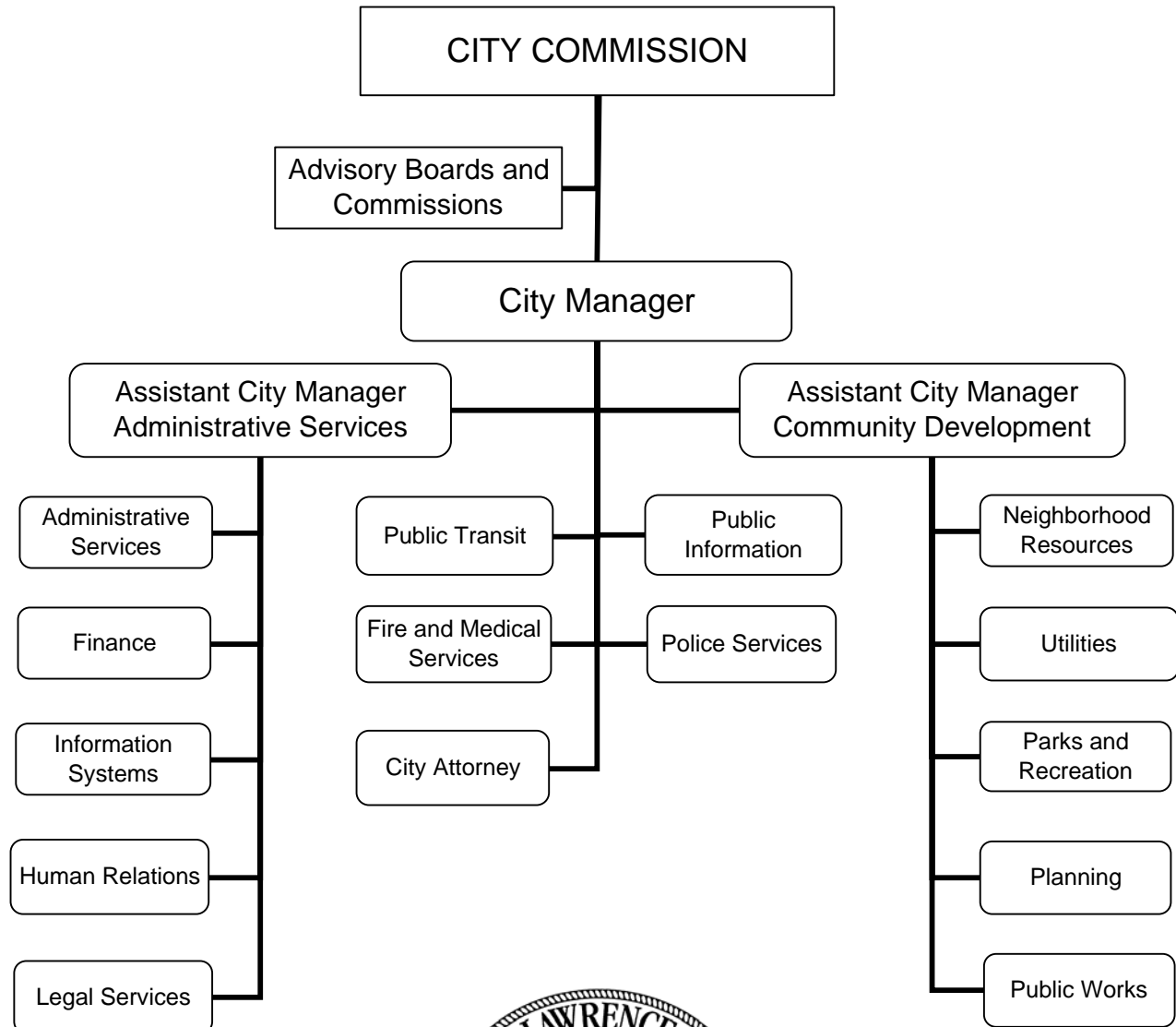
**City of
Lawrence, Kansas**





www.lawrenceks.org

City of Lawrence Organizational Chart



City of Lawrence Elected Officials

MIKE AMYX, Mayor

SUE HACK, Vice Mayor

DENNIS "BOOG" HIGHBERGER, Commissioner

MIKE RUNDLE, Commissioner

DAVID SCHAUNER, Commissioner

City of Lawrence Executive Staff

DAVID CORLISS, Interim City Manager

DEBBIE VAN SAUN, Assistant City Manager/Airport Manager

MARK BRADFORD, Fire/Medical Chief

FRED DeVICTOR, Parks and Recreation Director

RON HALL, Information Systems Director

ED MULLINS, Finance Director

RON OLIN, Chief of Police

FRANK REEB, Administrative Services Director

REHELIO SAMUEL, Human Relations Director

CHUCK SOULES, Public Works Director

CHRIS STEWART, Interim Utilities Director

SHEILA STOGSDILL, Interim Planning Director

VICTOR TORRES, Neighborhood Resources Director

LAWRENCE AT A GLANCE*

Demographics

Population

1970	45,698
1980	52,738
1990	65,657
2000	80,098
2005 (est.)	88,664

Population by Gender

Male	39,803	49.7%
Female	40,295	50.3%

Median Age

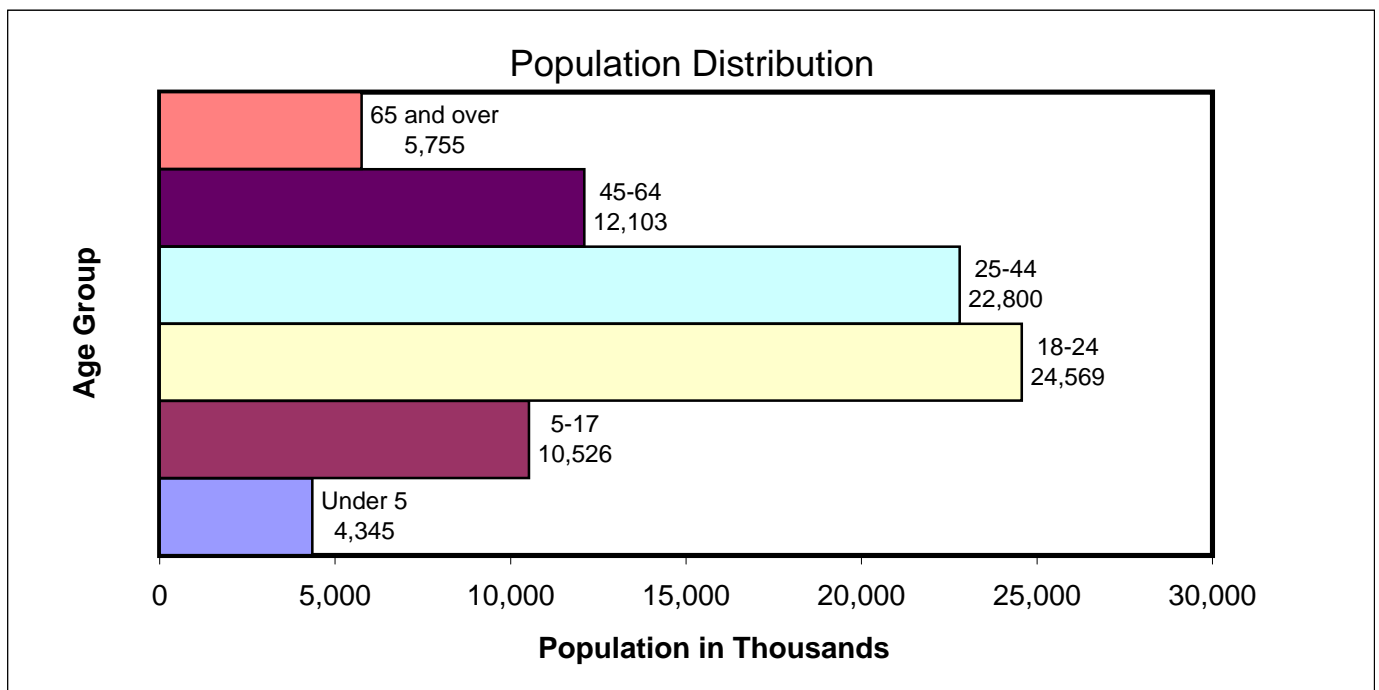
25.3 years

Ethnic Composition

African American	4,078	5.1%
American Indian	2,344	2.9%
Asian	3,030	3.8%
Hispanic or Latino	2,921	3.6%
Other	1,086	1.4%
Two or more races	2,382	3.0%
White	67,122	83.8%

Population Distribution

65 and over	5,755	7.2%
45-64	12,103	15.1%
25-44	22,800	28.5%
18-24	24,569	30.7%
5-17	10,526	13.1%
Under 5	4,345	5.4%
Total Population	80,098	100%



Educational Attainment (over age 25)

9-12, No Diploma	5.1%
High School Diploma	18.5%
Some College	21.9%
Associates Degree	4.8%
Bachelor's Degree	26.9%
Graduate Degree	20.8%

Other Census Information

Average Household size	2.3
Average Family Size	2.9
# of Owner-Occupied Units	14,393
# of Renter-Occupied Units	16,995
# of Vacant Units	1,373

*Information from Lawrence Chamber of Commerce, 2000 U.S. Census, Kansas Dept. of Labor, and U.S. Dept. of Labor

LAWRENCE AT A GLANCE

Form of Government

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

City Services (2006 Estimates)

Building Permits

Single Family	250
Duplex	100
Multi-Family	50

Fire / Medical

Stations	6
Numbers of Calls	8,925
Staff	145
Number of Inspections	6356
Fire Insurance Rating	2

Parks & Recreation

Recreation Centers	6
Parks	52
Park Acreage	3,494
Public Pools	4
Public Tennis Courts	18
Sport Complexes	3
Trails (miles)	60

Police

Stations	3
Police Officers	139
Patrol Units	27
Calls for Service	97,000

Sanitary Sewer

Plants	1
Miles of sewers	406
Service connections	30,970
Avg daily treatment	12.5 MGD
Pump stations	36

Water System

Plants	2
Miles of water mains	381
Service connections	31,770
Fire hydrants	3,136
Avg. daily consmpt	13 MGD
Max daily capacity	32.5 MGD

Services Provided By Other Governmental Units

Education

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

Hospital

Lawrence Memorial Hospital

Library Services

Lawrence Public Library

Public Employment Agency

Kansas Job Service Center

Public Housing

Lawrence-Douglas County Housing Authority

Transportation

Location

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

Lawrence also maintains a Municipal Airport, and is 45 miles southeast of Kansas City Int'l Airport.

Transportation:

Lawrence Transit System
Greyhound Trailways
Lawrence Bus Company
Bus 62

Mean Travel Time to Work

18.4 minutes

Tax Information

2005 Mill Levies

City of Lawrence	26.375
Douglas County	30.099
School District	52.083
State Levy	1.500
Total	110.057

Tax Assessment Rates

Industrial/Commercial	25.0%
Machinery & Equipment	25.0%
Residential Property	11.5%

2006 City

Assessed Valuation

Real Property	\$ 750,379,180
Personal Property	53,579,845
State Assessed	20,406,899
Total	\$ 824,365,924

Sales Tax

State of Kansas	5.3%
City of Lawrence	1.0%
Douglas County	1.0%
Total	7.3%

Crime

Crime Indices (per 1000)

Violent Crime Index	4
Property Crime Index	47.5
Total Crime Index	51.5

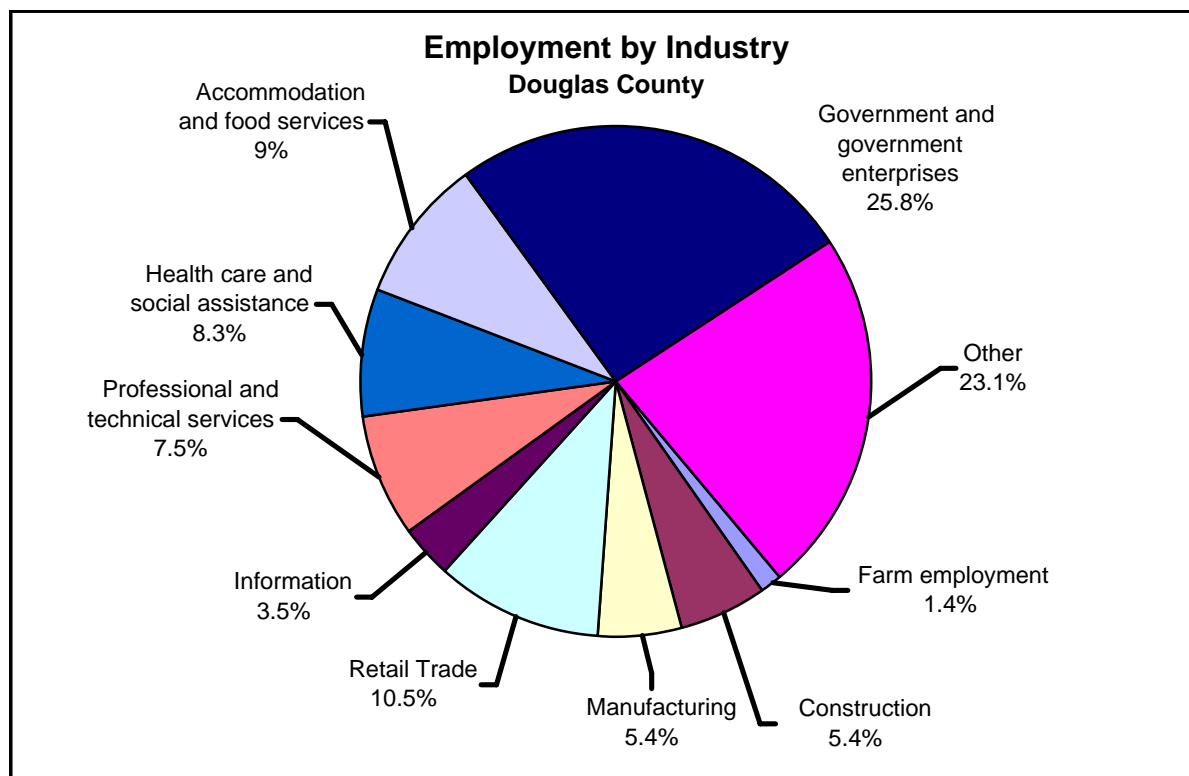
LAWRENCE AT A GLANCE

Employment Statistics

<u>Unemployment Rate</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
City of Lawrence	3.1%	3.5%	4.2%	5.1%	4.4%	4.3%
State of Kansas	3.7%	4.3%	5.6%	5.4%	5.5%	5.1%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%

Sources: Kansas Department of Labor and U.S. Bureau of Labor Statistics

<u>Top 10 Largest Employers</u>	<u>Product</u>	<u>Employees</u>
The University of Kansas	Education	9,396
Pearson Governmental Solutions	Information Services	1,800
Lawrence Public Schools	Education	1,710
City of Lawrence	City Government Services	1,250
Lawrence Memorial Hospital	Health Services	1,200
Hallmark Cards, Inc.	Social Expression Products	760
The World Company	Information Services	600
Amarr Garage Doors	Manufacturing	588
K-Mart Distribution Center	Distribution	452
DCCCA Center	Health Services	425



Income Statistics (2000 Census)

<u>Personal Income per Capita</u>	<u>Median Household Income</u>	<u>Median Family Income</u>
\$19,378	\$34,669	\$51,545

Budgetary Policies and Procedures

THE BUDGET DEVELOPMENT PROCESS

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

A number of study sessions are held throughout the year with city staff and the City Commissioners to discuss various elements of the budget. A goal setting session is held, giving the Commissioners an opportunity to determine priorities for the budget year. Staff in the various departments can then work toward accomplish of those goals through their daily operations. The City Commission goals can be found beginning on page ix of this document.

Other sessions are held to discuss the multi-year Capital Improvement Plan, to review Debt, and to provide the City Manager and staff with direction for allocation to contractual agencies [see pages B- 48 (general overhead), C-1 through C-3 (Guest Tax), G-1 through G-3 (Special Alcohol)].

The City Commissioners holds budget conferences with each department. The conferences provide the Commissioners the opportunity to review the requests with department staff, learn more about program improvement packages, and ask questions about the issues presented by department staff in their budget proposals.

The first opportunity for public comment is in June. Another study session is held to review the Multi-year CIP Budget (see pages P-1 through P-12 for the Capital Improvement Budget) and to allow the Commissioners to provide additional direction to staff.

The City Manager then prepares a recommended budget that is reviewed and revised by the Commissioners before being published in the Journal World. The recommended budget is available on the City's website.

A second opportunity for public comment is held in early August. A final budget is then adopted by the City Commission and filed with the County Clerk in late August.

The budget is then formatted into this printed document, reproduced and made available for the public. In addition to dollar amounts, this documents contains narrative information on the purpose and mission, the accomplishments, goals and objectives, and performance indicators of each department and division.

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

ANNUAL OPERATING BUDGETS REQUIRED FOR CERTAIN FUNDS

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

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

Airport Improvement Fund

Capital Improvement Reserve Fund

Equipment Reserve Fund

Outside Agency Fund

Wee Folks Scholarship Fund

Fair Housing Assistance Fund

Budgetary Policies and Procedures

Guest Tax Reserve Fund

Liability Reserve Fund

Sales Tax Reserve Fund

Law Enforcement Grant Fund

Worker's Compensation Reserve Fund

Summer Youth Fund

Community Development Fund

Rehabilitation Escrow Fund

Home Program Fund

Transportation Planning Fund

Law Enforcement Trust Fund

BUDGET CALENDAR

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

- Preparation of budget for the succeeding calendar year on or before August 1 of each year.
- Publication of proposed budget and notice of public hearing on or before August 5 of each year.
- Public hearing on or before August 15 of each year, but at least ten days after public notice.
- Adoption of final budget on or before August 25 of each year.

In addition to state statutes, an annual budget calendar is developed according to an administrative policy. The 2007 Budget Calendar can be found below.

2007 Operating Budget Process Calendar

Friday, March 3

Budget materials and forms mailed to Contractual Agencies (non-alcohol funds)

Wednesday, March 9

RFP forms mailed to Contractual Agencies (alcohol fund)

Thursday, April 6

City Commission Study Session

Friday, April 7

Budget materials available on-line to Department Directors

Friday, April 21

Requests Due from Contractual Agencies (alcohol fund)

Wednesday, April 27

City Commission Study Session

Wednesday, May 3

Requests Due from Contractual Agencies (non-alcohol fund)

Friday, May 5

Department Budget Information Submitted to Assistant City Mgrs.

May 16-18

Commissioners meet with Department Heads re: Major Issues:

Library	Tuesday	5/16	2:00 p.m.
Administrative Services	Tuesday	5/16	2:20 p.m.
Planning	Tuesday	5/16	2:40 p.m.
Neighborhood Resources	Tuesday	5/16	3:00 p.m.
Legal Services	Tuesday	5/16	3:20 p.m.
Public Transit	Wednesday	5/17	2:00 p.m.
Fire/Medical	Wednesday	5/17	2:20 p.m.
Human Relations	Wednesday	5/17	2:40 p.m.
Finance	Wednesday	5/17	3:00 p.m.
Public Works	Wednesday	5/17	3:20 p.m.
Public Health	Wednesday	5/17	3:40 p.m.
Police	Thursday	5/18	9:00 a.m.
Information Systems	Thursday	5/18	9:20 a.m.
Parks & Recreation	Thursday	5/18	9:40 a.m.
Utilities	Thursday	5/18	10:00 a.m.
City Manager's Office	Thursday	5/18	10:20 a.m.

Thursday, May 18

City Commission Study Session (10:30 a.m. to noon)

Tuesday, May 30

Receive recommendations from Alcohol Advisory Board re: agency awards

Tuesday, June 6

2006 Budget – Public comment item on CC Regular Agenda

Monday, June 1

Submittals Due for City Commission Initiated Program Improvements

Budgetary Policies and Procedures

Thursday, June 15

City Commission Study Session (9:00 a.m. to noon)

- Receive CC committee recommendations on outside agencies
- Provide Direction on Operating Budget
- Review 2007 CIP Budget

Friday, July 7

Budget Distributed to City Commission and posted on website

Thursday, July 13

City Commission Study Session (9:00 a.m. – 11:00 a.m.)

- City Manager's Recommended Budget

Monday, July 17

City Commission Study Session (7:00 p.m. – 9:00 p.m.)

Tuesday, July 25

City Commission authorizes publication of Budget

Wednesday, July 26 – Noon

Budget material provided to Journal World for publication 07/25/05

Tuesday, August 8

Public Hearing on Budget – Budget Ordinance first reading

Tuesday, August 15

Budget adopted by City Commission – Budget Ordinance second reading

Wednesday, August 16

Budget filed with County Clerk

Friday, October 27

Budget published in book format

Monday, November 6

Budget submitted to GFOA for review

MAKING CHANGES TO THE BUDGET

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

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

BASIS OF ACCOUNTING

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

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

BASIS OF BUDGETING

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

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

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

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

Budgetary Policies and Procedures

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

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

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

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

City Commission Goals

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

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

- | | |
|--------------------------|--|
| Key Objectives: | Identify industrial sites and a process to develop them.
Use the Southeast Area Plan to create an employment zone.
Move toward acquisition of the Farmland property. |
| Other Objectives: | Expand the tax base through growth of existing and new businesses.
Develop incentives in addition to tax abatements (add to our “tool box”).
Identify sources of funding for a dedicated economic development fund.
Develop a common understanding of what economic development is.
Have a city staff person focused solely on economic development. |

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

- | | |
|--------------------------|--|
| Key Objectives: | Conclude the successful adoption of rural development standards.
Resolve the public improvement financing method.
Agree to stay within service area 1 in the urban growth area; be proactive about where growth will be and avoid spot zoning.
Amend codes to allow for traditional neighborhood development (TND). |
| Other Objectives: | Initiate a community visioning process to encourage community building.
Ensure that the city leads the development process; create a new model for this.
Expand meetings with the county, the school district, and KU.
Work on more cooperative projects with the county; develop a model for growth.
Initiate a discussion within the community about a new model of growth and its comprehensive plans. Educate the community about the differences. |
-

Budgetary Policies and Procedures

COMMUNITY BUILDING: Creating social capital and celebrating our heritage.

- Key Objectives:** Get the Carnegie Library building active.
Encourage the viability of the Farmers Market, including improving the facilities.
- Other Objectives:** Have more events downtown.
Ensure the accountability of the police department.
Determine what we want to do about the Library expansion and how much it will cost.
Encourage KU and Haskell to be more a part of the community and the community more a part of KU and Haskell (e.g., Homecoming Parade downtown, more partnerships).
Develop a comprehensive plan for services to the homeless.
Secure adequate funding for after-school programs.
Keep the focus on Lawrence for the Heritage Area.
-

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

- Key Objectives:** Move toward a watershed storm water policy.
- Other Objectives:** Evaluate and adopt an energy code.
Adopt an environmental chapter for Horizon 2020.
Require LEED standards for public buildings.
Continue community connectivity through bike paths, trails, and rail to trails.
Encourage
Transition to pesticide-free parks and buildings.

NEIGHBORHOOD QUALITY: Improving the livability of all Lawrence neighborhoods.

- Key Objectives:** Develop affordable housing through the Land Trust.
Institutionalize area planning.
- Other Objectives:** Coordinate with the school district regarding school sites and future uses of schools.
Find ways to lessen the impact of student housing on neighborhoods.
Explore private/public partnerships to provide affordable housing.
Identify key pedestrian routes and enforce snow removal of them.
Bring in the Neighborhood Re-investment Corporation (NRC).
Inventory sidewalks in neighborhoods and bring them up to standard.
-

TRANSPORTATION: Improving access for all citizens.

- Key Objectives:** Build community consensus for a regional transportation plan that includes resolution of the SLT, Highway 59, and Eastern By-pass.
- Other Objectives:** Continue work on street development standards, including alternatives to street widths.
Bring the "T" and KU on Wheels into better alignment.
Initiate a commuter bus service to Johnson County.
Investigate the possibility of a pedestrian bridge across the Kansas River.
Create a plan to increase funding for KDOT projects that benefit community.
Continue to educate the community about access management. Develop consensus and policies.
Model bio-diesel and other renewable sources in city's transportation equipment.
Integrate the bike plan into the Capital Improvements Plan (CIP).
Work toward the central coordination of all street lights.

Budgetary Policies and Procedures

DOWNTOWN DEVELOPMENT: Protecting the integrity of downtown while maintaining it as a unique community resource.

- Key Objectives:** Ensure that the downtown is clean and inviting (e.g., identify trees that will keep downtown Redevelop the library as an anchor for multi-use development for downtown.
Study the topic of alcohol issues and sidewalk dining.
- Other Objectives:** Implement “adopt a planter” program.
Work with a KU class to develop a new downtown design in order to freshen the look of downtown.
Consider creative responses to barriers related to the Harris project.
-

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

- Key Objectives:** Streamline the process of working with the Business Retention Task Force, so that there is coordination among departments and the process is clear and consistent.
Adopt a performance management system.
Implement new building codes.
- Other Objectives:** Purchase project management software for the planning department.
Improve the CIP process – set priorities and integrate the plan with goals.
Integrate fire station operations into the budget.
Explore the possibility of increased staff support or salary for city commissioners.

Administrative Policies and Department Policies

The Administrative Policies of the City that guide the development of the budget are mentioned below. The policies in their entirety are provided on the following pages.

Investment and Cash Management	Midyear Fund Request
Governmental Accounting	Debt Management
General Fund Balance	Debt Issuance Guidelines
Allocation of Transient Guest Tax	

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.

Other Plans

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

Departments or Divisions with Long Range Plans, Master Plans, or other strategic plans include Water and Wastewater, Parks and Recreation, Fire Medical, and Stormwater.



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BUDGET POLICIES

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

1.0 Scope

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

2.0 Authority

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

3.0 Objectives

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

4.0 Prudence

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

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

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

5.0 Legal Authority and Limitations on Investment Instruments

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

1. Collateralized Public Deposits (Negotiable Certificates of Deposit) -- Instruments issued by banks or savings & loans that state specified sums have been deposited for specified periods of time and at specified rates of interest. Certificates of deposit are required to be backed by acceptable collateral securities as dictated by Kansas Statutes.
2. Repurchases Agreements--Contractual agreements between the City and commercial banks, trust companies, state or federally chartered savings and loan associations of federally chartered savings banks. The repurchase agreement (repo) issuer received 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.
3. U. S. Treasury bills or notes--These obligations must mature within six months from date of purchase and are guaranteed as to principal by the United States government.
4. Temporary notes of the City of Lawrence.
5. Commercial bank savings accounts.

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

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

6.0 Contracts with Financial Institutions

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

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

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

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

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

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

7.0 Investment Liquidity

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

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

1. Repurchase agreements--The maximum maturity for repurchase agreements shall be 91 days. Repurchase agreements will normally be used when Certificates of Deposits for less than 91 days are not used, or when the rates offered on the repurchase agreements are greater than those offered on 91 day CDs.
2. General City Funds--The maximum maturity for City investments shall be one year. The Investment Review Committee will monitor the maturity level and recommend changes as appropriate.
3. Bond & Interest Fund--No investment shall have a maturity exceeding the next principal and /or interest payment date unless the obligation is fully funded.

8.0 Investment Return Objectives

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

9.0 Bidding Procedures

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

10.0 Investment Limitation Per Institution

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

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

11.0 Investment Review Committee

The City Manager shall appoint an investment review committee. The Committee shall consist of one person from the City Manager's Office, one person from the Finance Department not directly involved with the day to day investing of public funds, and the City Clerk. This Committee shall meet at least quarterly to review the investment reports from the Finance Department and to review earnings of idle funds. The Committee shall make a report to the City Manager within fourteen days after each meeting. Any irresponsible or illegal acts shall be reported immediately and confidentially to the City Manager.

12.0 Daily Cash Management Practices and Policies

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

13.0 Separate Provisions of Policy and Conflicts with Kansas Laws

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

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

1.0 **Policy**

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

Accounting and Reporting Capabilities:

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

2.0 **Fund Accounting Systems**

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

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

1. Governmental Funds

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

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

2. Proprietary Funds

- A. Enterprise Funds - to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- B. Internal Service Funds - to account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis.

3.0 **Basis of Accounting**

All governmental and fiduciary funds are reported on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is current (the encumbrance method of accounting). Interest on unmatured general long-term debt is recognized when due.

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

3.1 **Budgetary Accounting**

The accounting principles employed by the City in its budgetary accounting and reporting differ from those used to present financial statements in accordance with generally accepted accounting principles due to the inclusion of encumbrances and reimbursements with expenditures in the budgetary basis statement. For enterprise funds, depreciation and bad debt is not budgeted, while debt principal payments are budgeted.

4.0 **General Long-Term Account Group**

This account, which is not a fund, provides a place to record long-term debt of the City. Long-term debt for proprietary funds are recorded in those funds and not in the general long-term debt account group.

5.0 **General Fixed Assets Account Group**

This account group is not a fund. It is an account where all fixed assets of the City except those belonging to the proprietary funds are recorded. Proprietary fund fixed assets are recorded in those funds.

CITY OF LAWRENCE

Mid-Year Funding Request Policy

1.0 **Policy:**

To establish policy and guidelines for the consideration of funding requests from outside agencies during the year after the completion of the annual budget process.

2.0 **Guidelines:**

Once the budget process is completed for each fiscal year, non-budgeted funding requests shall be handled as follows. Outside agencies requesting funding from the City of Lawrence (that falls outside the schedule established for the annual budget process) shall describe in their application for funding how the project, program, etc. accomplishes the following:

- ❑ Fills an existing gap in City services.
- ❑ Meets a City Commission or community goal.
- ❑ Provides for a need in the community that is otherwise unmet.
- ❑ Helps leverage outside funds.

3.0 **Assessment Methods:**

In considering funding requests outside the annual budget process, the City Commission will utilize the following guidelines in the decision-making process:

- ❑ Is the request a high enough priority to justify the allocation of contingency funds?
- ❑ What are the long-range implications (annual request? related costs? etc.)

CITY OF LAWRENCE

Debt Management Policy

General Policy

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

RESPONSIBILITY FOR DEBT MANAGEMENT

The primary responsibility for making debt-financing recommendations rests with the Director of Finance. In developing such recommendations, the Finance Director shall be assisted by other City staff. The responsibilities of City staff shall be to:

- Consider the need for debt financing and assess progress on the current Capital Improvement Budget and any other program/improvement deemed necessary by the City Manager;
- Test adherence to this policy statement and to review applicable debt ratios listed in the Debt Issuance Guidelines,
- Review changes in federal and state legislation that affect the City's ability to issue debt and report such findings to the City Manager as appropriate;
- Review annually the provisions of ordinances authorizing issuance of general obligation bonds of the City;
- Review the opportunities for refinancing current debt; and,
- Recommend services by a financial advisor, bond trustees, bond counsel, paying agents and other debt financing service providers when appropriate.

In developing financing recommendations, the City staff shall consider:

- Options for interim financing including short term and inter-fund borrowing, taking into consideration federal and state reimbursements;
- Effects of proposed actions on the tax rate and user charges;
- Trends in bond markets structures;
- Trends in interest rates; and,
- Other factors as deemed appropriate.

CITY OF LAWRENCE

Debt Management Policy

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.

These ratios shall include, at a minimum, debt per capita, debt as a percent of statutory debt limit, debt as a percent of appraised valuation, debt service payments as a percent of governmental expenditures, and the level of overlapping net debt of all local taxing jurisdictions. A set of ratios shall be adopted and itemized in the City's Debt Issuance Guidelines.

The decision on whether or not to issue new general obligation bonds shall, in part, be based on (a) costs and benefits, (b) the current conditions of the municipal bond market, and (c) the City's ability to issue new general obligation bonds as determined by the aforementioned benchmarks.

CITY OF LAWRENCE

Debt Management Policy

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.

Debt Issuance With Intergovernmental Agencies

The City will typically not use of its debt capacity for projects by entities or other special purpose units of government that have the ability to issue tax exempt debt. The City's issuance of debt will be made only (1) after the prior commitment of the full assets and resources of the authority to debt service; (2) if project revenues, or development authority revenues pledged to debt service, are at least 115% of debt service; (3) if debt service reserves provided by the authority's own resources are equal to at least six months debt service; and, (4) if all other viable means financing have been examined. The City will also enter into arrangements with other governmental entities where a portion of the project costs will be reimbursed by the other government. An agreement as to how the project costs will be allocated and reimbursements made must be approved by the governing bodies.

Structure of Debt Obligations

The City normally shall issue bonds with an average life of 10 years or less for general obligation and special assessment bonds and 10-20 years for revenue bonds. The typical structure of general obligation bonds will result in even principal and interest payments over the term of the debt. There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the first fiscal year after a bond sale. In cases where related revenues may not occur for several years, it may be desirable to capitalize the interest by increasing the size of the issue and deferring the principal payments so that only interest is paid on the debt for the first few years.

Call Provisions

Call provisions for bond issues will be evaluated based upon current market conditions. All bonds shall be callable only at par.

CITY OF LAWRENCE

Debt Management Policy

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 AND FINANCING

Capital Improvement Budget

A Capital Improvement Budget shall be prepared and submitted to the City Commission annually. The budget shall provide a list of projects and the means of financing. The budget should cover a five-year period of time. The projects included in the budget should be part of the City's Capital Improvement Plan. Projects must be in either the Capital Improvement Budget or Plan to be authorized.

Bond Fund

Generally, payment of general obligation bonds and special assessment bonds shall be from the City's Bond & Interest Fund. However, in situations where General Obligation bonds are to be paid from user fees or sales taxes, bond payments should be made from the fund that receives the revenue. The minimum fund balance in the Bond & Interest Fund will be maintained at a level equal to or greater than 50% of the total principal and interest payable from that Fund for the upcoming year.

Reserve Funds

Adequate operating reserves are important to insure the functions of the City during economic downturns. The City shall budget a contingency reserve in the General Fund of no less than \$150,000. The City will maintain working capital in an enterprise fund sufficient to finance 120 days of operations, if the fund supports debt payments. In addition, all reserves specified by bond indentures must be maintained. The Equipment Reserve Fund will be funded sufficiently to ensure that adequate funds are available to purchase replacement equipment on a timely basis.

Finance Department

It shall be the responsibility of the Finance Department to prepare the Preliminary and final Official Statements. The City Clerk is responsible for collecting and maintaining all supporting documentation such as minutes of the City Commission meetings and relevant resolutions and ordinances. In the case of general obligation bonds, an estimate of the mill levy required to pay off the debt should be provided to the City Commission. The department will also be responsible following applicable secondary disclosure requirements.

Investments

The bond proceeds will be invested in accordance with the City's investment policy. Adherence to the guidelines on arbitrage shall be followed, which at times, may require that the investment yield be restricted. In most cases, the investment will be selected to maximize interest with the assumption that the City will meet the IRS spend down requirement that allows for an exemption from arbitrage calculations.

CITY OF LAWRENCE

Debt Management Policy

Bond Counsel

The City will utilize external bond counsel for all debt issues. All debt issued by the City will include a written opinion by Bond Counsel affirming that the City is authorized to issue the debt, stating that the City has met all Federal and State constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status. The City's Bond Counsel will be selected on a competitive basis.

Underwriter's Counsel

City payments for Underwriters Counsel will be authorized for negotiated sales by the Department of Finance on a case-by-case basis depending on the nature and complexity of the transaction and the needs expressed by the underwriters.

Financial Advisor

The City may utilize an external financial advisor. The utilization of the financial advisor for debt issuance will be at the discretion of the Director of Finance on a case-by-case basis. For each City bond sale, the financial advisor will provide the City with information on structure, pricing and underwriting fees for comparable sales by other issuers. The Financial Advisor will be selected on a competitive basis for a period not to exceed five years.

Temporary Notes

Use of short-term borrowing, such as temporary notes, will be undertaken until the final cost of the project is known or can be accurately projected. In some cases, projects might be funded with internal funds that will be reimbursed with bond funds at a future date.

Credit Enhancements

Credit enhancement (letters of credit, bond insurance, etc.) may be used if the costs of such enhancements will reduce the debt service payments on the bonds or if such an enhancement is necessary to market the bonds.

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 OF LAWRENCE

Debt Management Policy

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 FINANCINGS

The City may sponsor conduit financings in the form of Industrial Revenue Bonds for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the City Commission.

All conduit financings must insulate the City completely from any credit risk or exposure and must first be approved by the City Manager before being submitted to the City Commission for consideration. The City should review the selection of the underwriter and bond counsel, require compliance with disclosure and arbitrage requirements, and establish minimum credit ratings acceptable for the conduit debt. Credit enhancement, such as insurance, may be required for certain issues.

ARBITRAGE LIABILITY MANAGEMENT

Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the City will not issue obligations except for identifiable projects with good prospects of timely initiation. Temporary notes and subsequent general obligation bonds will be issued timely so that debt proceeds will be spent quickly.

Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the City will engage outside consultants to calculate potential arbitrage liability.

CREDIT RATINGS

Rating Agency Relationships

The Director of Finance shall be responsible for maintaining relationships with the rating agencies that assign ratings to the City's debt. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

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.

CITY OF LAWRENCE

Debt Management Policy

Rating Agency Presentations

Full disclosure of operations and open lines of communication shall be made to rating agencies used by the City. The Finance Director, with assistance of City staff, shall prepare the necessary materials and presentation to the rating agencies.

Financial Disclosure

The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting secondary disclosure requirements on a timely and comprehensive basis.

Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuous disclosure statements will meet (at a minimum), the standards articulated by the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, and Generally Accepted Accounting Principles (GAAP). The Finance Director shall be responsible for ongoing disclosure to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

Appendix

TERMINOLOGY

Arbitrage. Arbitrage refers to the rebate amount due to the Internal Revenue Service where funds received from the issuance of tax-exempt debt have been invested and excess interest earnings have occurred.

General Obligation Bonds. Bonds backed by the full faith and credit of the City. The taxing power may be an unlimited ad valorem tax or a limited tax, usually on real estate and personal property. A special tax rate levied for the Bond & Interest Fund annually to pay for general obligation LTO service. Because it is secured by an unlimited tax levy, this structure has strong marketability and lower interest costs.

Revenue Bonds. Bonds secured by revenues generated by the facility from dedicated user fees. Planning for such issues generally are more complex because future costs and revenues directly affect each other. Credit enhancements (e.g., insurance or letter of credit) may be needed because of the limited source of LTO service payments that may be available in outlying years.

Special Assessment Bonds. Bonds issued to develop facilities and basic infrastructure for the benefit of properties within the assessment district. Assessments are levied on properties benefited by the project. The issuer's recourse for nonpayment is foreclosure and the remaining LTO becomes the City's direct obligation.

Temporary Notes. Notes are issued to provide temporary financing, to be repaid by long-term financing. This type of bridge financing has a maximum maturity of four years under Kansas law.

CITY OF LAWRENCE

Debt Issuance Guidelines

The City of Lawrence adopts the following guidelines for the issuance of debt:

- Ratio of General Obligation Bonds Outstanding to Appraised Valuation will not exceed 2.2%
- Ratio of General Obligation Bonds and Temporary Notes Outstanding to the Statutory Debt Limit will not exceed 60%
- Ratio of Debt Service payments from the Bond and interest Fund will not exceed 15% of governmental expenditures
- Amount of General Obligation Bonds Outstanding per population will not exceed \$1100
- Amount of overlapping General Obligation Bonds Outstanding per population will not exceed \$2500
- Bond and Interest mill levy will not exceed 10 mills

The City will review and consider the following before any debt is issued:

- Adherence to the Capital Improvement Budget
- Adherence to the Capital Improvement Plan
- Impact on the mill levy
- Potential impact on other revenue sources such as increased property taxes and sales taxes

CITY OF LAWRENCE

General Fund Balance Policy

1.0 Purpose

The purpose of establishing a policy on the unrestricted balance in the General Fund is to provide a guideline for budgeting decisions and to insure that adequate reserves are established to fund operations by providing sufficient working capital, protection against uncollected taxes, shortfalls from municipal revenue sources, and cutbacks in distributions from the state or federal government. The General Fund is the primary operating fund of the City for its non-utility related operations. In addition, the City of Lawrence desires to maintain its current debt rating. Rating agencies are concerned about a government's creditworthiness and the level of unreserved General Fund balance is part of their evaluation.

There is no formula for determining an appropriate fund balance. Items to consider include the timing of revenue collections, the local and national economic environment, the volatility of the major revenue sources, and the degree of protection desired to mitigate current and future financial risks. The City of Lawrence obtains a substantial portion of its revenue from sales taxes and franchise fees. Sales tax collections are derived from local retail sales. In Lawrence, these collections are very dependent upon both the local and national economies. The collection of franchise fees, particularly those based upon sales of electricity and natural gas, vary widely depending upon local weather conditions. As a result, the desired level of unreserved General Fund balance is higher than the minimum level designated by the Government Finance Officers Association recommended practice on the Appropriate Level of Unreserved Balance in the General Fund.

2.0 Policy

The City should budget for current year General Fund revenues to be sufficient to finance current year expenditures.

Due to the volatility of some of the major revenue sources, a minimum unreserved General Fund balance of 15% of actual expenditures is recommended.

To avoid a balance in excess of the level deemed sufficient for prudent fiscal management, a maximum unreserved General Fund balance of 30% of actual expenditures is recommended.

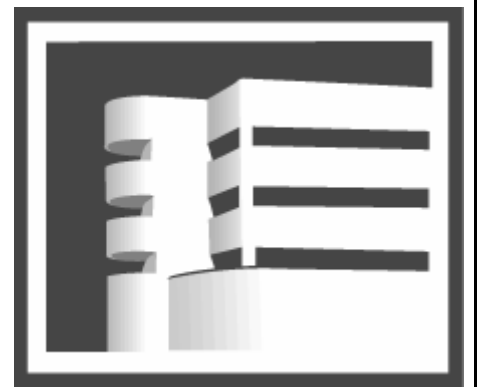
The unreserved General Fund balance does not include reservations of fund balance for the payment of encumbrances nor designations for purposes that are allowed under generally accepted accounting principles.

If the General Fund balance falls outside of the above parameters, budgeted revenues will be either greater or less than budgeted expenditures in subsequent years to bring the General Fund balance into compliance with this policy.

Budget Message and Overview



City of
Lawrence, Kansas





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INTERIM CITY MANAGER

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CITY COMMISSION

MAYOR
MIKE AMYX

COMMISSIONERS
SUE HACK
DAVID M. SCHAUER
MIKE RUNDLE
DENNIS "BOOG" HIGHBERGER

August 16, 2006

The Honorable Mayor Mike Amyx and
Lawrence City Commissioners
City Hall
Lawrence, Kansas

Dear Mayor Amyx and Commissioners,

Budgets reflect priorities. It is my privilege to present the 2007 City of Lawrence budget which seeks to reflect the priorities and goals of the City Commission for the coming year.

A Note on Budget Format and Preparation

One of your staff's top goals in the preparation of the 2007 budget was to make the budget easier to understand and more transparent to all readers. To this end, we are budgeting the revenues that we believe we will actually receive, not underestimating them to achieve statutory fund balance requirements. To achieve these budget fund balance requirements we are budgeting transfers to reserve funds and other operating funds which will only occur if we exceed our revenue projections. These transfers and reserve fund practices are clearly identified in the budget document. Memos providing more a detailed explanation can also be found in the appendix of this document. The 2007 budget allows for an ending balance (12/31/2007) for the general fund of \$10,478,873, which will represent 19.00% of 2007 expenditures (within the Commission's general fund ending balance policy goal of 15% to 30%.) If we include our estimate for the 12/31/2007 balances of the equipment reserve fund and the capital improvement reserve fund our general fund ending balance will equal 26% of general fund expenditures.

We have enjoyed the benefit of discussing budget and financial issues with Springsted, our financial advisors. Budgeted revenue estimates for growth in the sales tax of 4% are confirmed with best practices for this estimate. A sales tax revenue summary can be found in the appendix. Improving our "budget literacy" is neither easy nor complete. We will continue to strive to improve the budget process and the decision-making which attends it.



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

Street Maintenance

A clear priority for funding in 2007 is continued work on street maintenance. At our April 27, 2006 study session, the Public Works Department presented an ambitious, multi-year plan to begin returning more of our streets to an acceptable pavement condition. The City did not get behind in one year – and we will not catch up to our desired standards within one year. Instead, it will take re-directed resources and additional resources to begin implementation of this funding plan in 2007 and in future years. This budget responds to street maintenance priorities by:

- Providing general fund support for street maintenance activities totaling \$1,780,000.
- Continuing funding through the Special Gas Tax and Stormwater funds at levels similar to the 2006 budget – for a total of \$1,400,000
- Adding a 3-person Street Maintenance Division crew (with truck), a program improvement request from the Public Works Department, which will allow us to do additional preventative maintenance and repair work on our streets (\$140,852 from the general fund).
- Adding \$500,000 in additional funds (cash) for street maintenance activities. This will include \$867,000 in sales tax funds received from the County-wide sales tax, \$233,000 in funds supported by property taxes and franchise fees (from the capital improvement reserve fund), and \$400,000 in additional funds from the stormwater utility fund for curb and gutter repair work as part of our stormwater efforts.
- Budgeting \$450,000 in debt activity for street maintenance work related to the KLINK project overlay of Iowa Street, Harvard to 6th Street/Irving Hill to 23rd Street.

The goal of the street maintenance plan in 2007 is to expend \$5.3 million on street maintenance work (mill, overlay and micro-surfacing). That goal is achieved with the following resources:

\$1,780,000	general fund resources (2006 commitment was \$ 2,365,000)
1,400,000	special gas tax and stormwater fund resources
867,000	portion of City share of County-wide sales tax
233,000	capital improvement reserve fund
400,000	storm water utility resources for curb and gutter improvements
450,000	debt finance for main trafficway street maintenance (KLINK)
<u>200,000</u>	KDOT funding (KLINK)
\$5,330,000	Total

The only one-time expenditure in this 2007 plan is from the capital improvement reserve fund. We would seek to duplicate the funding effort in 2008 – pursuant to the street maintenance plan – with the substitution of additional general fund resources coming

from the phase-in of franchise fee revenue increases and other increases in general fund resources. I agree with the Commission's desire to eliminate debt service for mill and overlay projects – debt financing overlay work which does not last the length of the bond issuance is not preferred financial stewardship. However, in order to achieve our program goals, we are not able to go “cold turkey” in 2007. I would point out that \$450,000 of debt in the \$5,330,000 program represents 8.44% of the total program.

The \$5.3 million street maintenance program, along with the new 3 person crew for street maintenance, represents a significant commitment to placing public resources on community priorities. We are proceeding this year to hire an Assistant Director of Public Works, a position to ensure that we have adequate managerial resources to focus on street maintenance activities. Our investment in preventative maintenance and street repair in this important infrastructure will pay substantial dividends for years to come and will be a major step in catching up to our desired level of service. Additionally, by providing adequate resources for this basic City infrastructure we can move with greater confidence to consider funding for other requests.

Sidewalks and Traffic Calming Devices

The 2007 capital improvement debt service budget, found in Section P of this document, includes \$250,000 in planned debt service for sidewalk gap projects (new sidewalks identified as a priority from our sidewalk inventory primarily along collector and arterial streets) and neighborhood priority traffic calming devices. Improvements to our sidewalk network is an important Commission priority, and this budget allocates some resources to allow the City to “bridge the gap” that our sidewalk inventory will document. We also continue to see the benefit to neighborhoods from appropriately designed and installed traffic calming devices. We have been accumulating neighborhood requests for traffic calming devices and we need to devote resources to these projects on an annual basis.

Improving our Development and Planning Process

The 2007 budget includes resources in the general fund (\$112,000) for positions in the Neighborhood Resources Department and the Planning Department to enhance our development and planning efforts in anticipation of staff resource needs (inspectors, plan examiner, planners, etc.) identified by the Development Review process currently being conducted by Matrix Consultants. I believe that one of the recommendations will likely focus on the needs to provide additional staff resources for our historic preservation efforts – since 2000 we have grown from two historic districts to 10 historic districts – a commitment to our wonderful historic heritage which needs to be matched with a resource commitment to ensure adequate staff resources.

The 2007 budget includes funding for the development and implementation of a “parallel” development code. Requests for proposals are currently out for this project. New urbanism development and redevelopment represents an exciting opportunity for the community, and your staff will seek to ensure timely consideration and adoption of any recommended code changes.

These improvements – along with process and other improvements as part of our review, plus the additional staff attorney and planner added during 2006 – will provide your staff with the resources to meet our development and planning goals.

Additionally, this year we are progressing with a number of development and planning related processes which I have initiated beginning in March. This includes transferring sanitary sewer functions (plan review, approval, and inspection) from the Public Works Department to the Utilities Department. We have hired an Infrastructure and Development Coordinator to improve our efforts in this area as well.

Enhancing our Neighborhoods and our Downtown

In addition to the planning and development initiatives and corresponding resources, the budget includes efforts which seek to improve the quality of life in our neighborhoods. Efforts already mentioned include sidewalk improvements, street maintenance, traffic calming, and historic preservation planning resources. Additionally, two sergeants will be added to the police department management staff in 2007 to enhance the patrol resources. This will allow a program in the Police Department to be initiated with the concurrent designation of two “Neighborhood Resource Officers” who will enhance our law enforcement efforts with a focus on neighborhood livability efforts. The enforcement of our misdemeanor ordinances for noise, party and nuisance houses, and similar “un-neighborly” conduct requires special time-intensive law enforcement efforts, and much like our successful “school resource officer” program we need to have a focused multi-department effort in this area. (Funding for an additional County dispatcher position is also included in the budget provided an additional position is funded by the County. More on the City-County funding relationship later.)

Additionally, we will be devoting staff time this year to establish Neighborhood Revitalization Districts in selected neighborhoods and downtown pursuant to the Kansas Neighborhood Revitalization Act (KNRA). The budget will provide adequate staff resources to implement this program in 2007 utilizing a multi-department approach.

The 2007 budget includes \$250,000 of funding for a downtown fire sprinkler incentive program, funded through the water account in the Utility Department. The program will allow qualifying Massachusetts Street businesses (6th Street to South Park) to receive up to a 75% rebate on qualifying expenditures to install fire sprinkler systems in the businesses, provided the system complies with applicable Code requirements, the business is current in tax and other obligations, and the property owner agrees to maintain the new fire sprinkler system. Our downtown is at risk – and an incentive for downtown property owners to install a fire sprinkler system will go a long way to reduce this risk. I believe I have adequately briefed the Commission on the nature of this risk and how we are responding with our downtown waterline project. This program allows us to do more.

Improving the Efficiency and Effectiveness of City Services

Your City staff is committed to the wise expenditure of every tax and rate dollar provided by the community we serve. Removing inefficiency and waste is not as simple as “zeroing-out an inefficiency and waste line item” – instead our City organization must

continuously strive to improve our operations, seek the implementation of best practices which maximize our resources, never shy from constructive criticism which challenges the way we have done things in the past, and finally – and perhaps most important – embrace an attitude that spends the public’s dollar as if it were their own.

The 2007 budget includes funding for a City auditor position. This position will bring an independent review that will improve program outcomes, better policy decisions, and enhance the efficiency of program delivery. I view funding for this position as an investment which, if properly implemented, will pay for itself. The decision as to whether the position reports to the City Manager or the City Commission can be determined this fall. My initial recommendation based on my study to date is to have a position which reports to the City Manager and whose work plan and schedule of audits is approved by the City Commission after a recommendation from the auditor. All of the audits will be received by the City Commission and shall be accessible to the public. The final authority and scope of this position, including whether non-City staff should be retained to conduct or assist with the audits (e.g. a third party vendor providing a portion of the audit services) will be determined by the City Commission.

As the Commission knows, we are well into the development of performance measures for the City organization. The final report from Management Partners will be received in early fall 2006, and will be the first comprehensive measures of the inputs, efficiency and effectiveness of the many services and programs we provide. We will not let these performance measures gather dust – instead we will implement this new management system and use the Balanced Scorecard as an important tool in the evaluation of personnel, the review of existing and future programs, and in the determination of budget recommendations to ensure that resources are placed where they will deliver the best value for citizens. As part of the performance measurement activities we will conduct a citizen survey to learn citizen views on various city services and programs.

As was indicated in a recent memorandum, City staff does devote time and effort in seeking grant opportunities. We should do more, and perform it in a coordinated, comprehensive manner. With existing staff, I have created a Grant Team which will meet periodically to review grant opportunities, seek training opportunities in “Grantsmanship” and work with all impacted departments. Mindful that not every grant opportunity is beneficial and many grants contain City financial commitments, we have room to improve our grant seeking efforts. The Commission will receive reports on the work of the Grant Team as the work begins and continues.

The 2007 budget also includes adequate resources to allow for twice-a-year travel to Washington, D.C. on behalf of our efforts to build relationships with our federal legislators and their staff. Strong relationships built on a better understanding of Lawrence’s needs can translate into better funding opportunities.

An important element of improving the efficiency of the City organization is improving the energy efficiency of City operations. The 2007 budget includes funds for an energy audit of major City facilities and vehicles. As indicated in a recent staff report, we can

point to a number of energy conservation improvements within the City. What we can not answer is whether we have implemented all of the recognized best practices City-wide and where we can be a leader in providing City services and programs in a sustainable, environmentally-friendly manner. The City of Lawrence should be an example and leader on this topic to inspire others in the community to do the same. Staff is currently exploring the Zephyr energy green tag program and will have a recommendation on City of Lawrence participation in the coming weeks.

Examples of improving the efficiency and effectiveness of City operations which will be funded by the 2007 budget, include: a “grease ordinance” to place additional responsibility for grease contaminants entering the City’s sanitary sewer system on the businesses generating the grease, thereby freeing up valuable crew time to concentrate on other portions of the City’s sewer system; the purchase of a backhoe by the Utility Department with the used backhoe going to the Parks and Recreation Department for their use; an interactive voice response system for utility billing operations to improve customer service and reduce administrative demands; and the increased utilization of staff for necessary in-house design work for City projects.

Lawrence and Douglas County have a recognized, strong history of partnership and cooperation. Lawrence and Douglas County residents have benefited from this cooperation over the years in a number of service areas. I believe it is important for both the City and the County to re-examine the agreements establishing the funding requirements for certain jointly funded services: emergency communications, planning, health department, and fire and emergency medical services. A report, included in the appendix of this document, further highlights this issue. We should approach this examination without preconceived notions as to the final outcome, except with the commitment of both the County and the City to continue to provide excellent services within the limited public resources our constituents provide.

A final note on improving the efficiency and effectiveness of City operations should highlight the daily work of the City staff providing excellent and efficient City services. We should continuously seek to make the City efficient and effective because that is what a good organization does – it seeks to continuously improve and never rest on its past accomplishments, but always strive to accomplish its mission in better ways.

Economic Development

To put it bluntly, the Lawrence community must do more to achieve our economic development aspirations and increase our non-residential tax base. As was noted in an earlier report, we significantly lag behind area communities in non-residential tax base. Without quality growth in our tax base we risk reduced resources and the inability to maintain desired service levels. This is not a plea for growth solely for the sake of growth. This is a call to refresh our vision toward quality growth which retains our community values while providing better and higher paying employment opportunities and an enhanced tax base for the community. Quality economic development will not occur overnight – it is an investment, which will create a better future.

The 2007 budget includes funding the 2nd year of the biosciences program (\$200,000) and funding of the City/County/Chamber partnership. This will continue our existing efforts and provide the Chamber with additional marketing assistance in 2007.

I believe it is necessary to enlarge our “economic development toolbox.” We have traditionally relied upon tax abatements as the sole inducement to attract qualifying employers to our community. The 2007 budget calls for creation of a \$250,000 infrastructure account, funded from the Water and Sewer Fund, will allow us to provide an inducement for qualifying employers that meet our economic development objectives and seek to have City infrastructure installed as part of their expansion or attraction to Lawrence. Expenditure of any of these funds will be dependent upon the adoption of a Commission policy and specific Commission approval. Other communities have successfully used incentives in addition to tax abatements to attract the employers they desire for their city - Lawrence should do the same.

Finally, the 2007 budget funds an Economic Development Coordinator position. This position is not a substitute for our partner economic development efforts through the Chamber. Those efforts should continue and grow. Instead this position will concentrate on providing economic analysis and coordination for a number of City programs and projects: downtown revitalization proposals – including the attraction and retention of businesses to our downtown; tax increment financing proposals; Kansas neighborhood revitalization efforts; retail market analysis; public incentive proposals and monitoring; and economic development proposals. This position will assist the Planning Department, Neighborhood Resources Department and the Finance Department – along with the City Manager and the City Commission on important economic development efforts, coordinated with our partners, and focused on our goals and values.

Improving the Lives of Lawrence Residents through Social Services

The 2007 budget includes a separate accounting in the appendix which illustrates recommended expenditures on social services programs. There has been Commission interest in a dedicated revenue source or mill levy amount for social service funding, as well as the establishment of a funding board to review requests and provide the Commission with a recommendation. Commission direction on this is desired – hopefully the budget narrative will assist in this decision. The 2007 budget includes \$100,000 from alcohol funds and \$250,000 from general funds for the WRAP program administered by Bert Nash. There is clearly great value in this mental health program, conducted in our schools, for the youth of our community. It is important for the Commission to appreciate as the City takes on additional partial funding for the WRAP program, that this funding is likely to be permanent (it is unlikely that federal or state funding will return or become available) and is likely to grow in future years.

In addition to the 2007 funding and the interest in an oversight board and dedicated funding sources, I believe it is appropriate to recommend that the City and the Lawrence community undertake a social service needs assessment to better calibrate funding from the public and private sector, prioritize un-met needs in the community, establish a multi-year plan for responding to needs, and seek to coordinate/consolidate existing social

service programs which are dependent upon local tax resources. The City is not the only entity which should be involved, however, it may be necessary for the City to take the lead in convening a task force or work group to launch this effort. The retreat from federal and state funding is likely to continue and the needs will likely grow. We should also explore opportunities to modernize social service delivery, including 211 / 311 customer service technology which has application for City operations and social service systems. The City does not have inexhaustible resources and should plan its funding to maximize its expenditures.

Enterprise Funds: Water/Sewer; Storm water and Sanitation

The 2007 budget includes program improvements in the water/sewer fund. As noted above, we have made the important transition of moving sanitary sewer projects from the Public Works Department to the Utilities Department. We are moving forward on a number of sanitary sewer projects in the community to address needs in the north and west portions of the system. We are proceeding with the siting and design of the new Water Reclamation Facility along the Wakarusa River. As part of the approval of the 2007 budget, the Commission approved new water and sewer rates.

Transfers from all enterprise funds to the general fund have been adjusted to reflect a number of policy goals: correlation to franchise fees, administrative overhead, and impact on other infrastructure.

With the 10 year anniversary of our stormwater utility we continue to see the benefits of this investment in our community. During the next year we should examine our unfinished list of projects from the original master plan, as now supplemented by the North Lawrence drainage study, and chart a course for reaching our desired standard for stormwater service.

The 2007 budget includes funding in the Solid Waste Fund for a hazardous waste technician. The Commission approved a rate ordinance concurrent with approval of the budget for this fund as well.

Transit

The community's investment in public transit continues to see growing returns. As the City – University of Kansas study is completed later this year we will learn more about opportunities to continue growing our ridership and possible coordination opportunities with KU. We will also begin planning efforts in response to federal earmarks for improvements to our transit system.

Capital Debt Budget Summary

A summary of capital debt projects for 2007, including the proposed \$900,000 in debt for parks and recreation projects funded through the City's share of the County sales tax, can be found in Section P of this document. We are able to add property tax supported debt obligations which total no greater than \$5 million without increasing the 2007 mill levy. The City has previously committed to a number of debt projects with State or Turnpike partners: 23rd Street access management, Kasold, north of Peterson, N. 2nd Street and

Locust Street improvements, Turnpike bridge improvements at North Michigan and North Iowa to allow for sidewalks. We also will debt the mill and overlay on the State KLINK project for Iowa. We will complete our debt projects in 2007 with the following projects: sidewalk connectivity and traffic calming projects; modernization of selected traffic signal locations; replacement of Quint 4 in our Fire and Medical Department, improvement of Runway 15-33 at our airport, and a limited share (no greater than \$200,000 of City participation) of necessary improvements at 6th and George Williams Way as this area develops.

Additionally, we will proceed with debt financing for certain Parks and Recreation projects totaling \$900,000 which can be financed pursuant to our recommended allocation of sales tax funding. These projects are located at: Clinton Park, Sesquicentennial Point, the unnamed park at Harvard and George Williams Way, the Burroughs Creek trail project, and the skateboard park at Centennial Park.

We remain challenged to meet our capital needs without raising property taxes or seeking other revenue sources. A partial list of projects which we will face in future years includes: City office space to include a “one-stop” development center; refurbishment of Fire Station No. 1 to match improvements in other stations; homeless shelter needs; additional park and open space improvements; public works facility along Wakarusa Drive; North Lawrence improvements for the Train Whistle rule; recommendations from the ECO2 Commission and Economic Development Board; the City share of a transit maintenance facility, and North Lawrence drainage improvements and other stormwater projects. These projects are also coupled with traffic capacity and intersection improvement issues which face our growing community. Additionally, the Commission may choose to pursue funding and/or election approval of a library proposal; any City involvement in proposals coming from the PLAY initiative; or any capital initiatives which may come from our review of housing needs in the community.

While a list may appear daunting, I am optimistic that we can meet the challenge. By stepping up to the challenge of street maintenance we can have confidence that this basic infrastructure is receiving necessary resources. In planning future capital budgets we will need to closely examine alternative revenue sources (e.g. impact fees), seek other partners and grant opportunities for projects, and prioritize our spending. Long-range transportation planning needs to be focus of the Lawrence community and we must devote resources to ensure necessary planning is conducted and resources are available to implement planned improvements in a timely manner. Additionally, we should maximize “in-house” design and engineering work. We are already proceeding with our Parks and Recreation staff for design work at the Harvard/George Williams Way park site; and the addition of Public Works managerial staff will likewise assist in this ability.

The capital debt budget can be summarized as attention to basic infrastructure first; followed with seeking additional resources for appropriate infrastructure components (e.g. impact fees, annexations, etc.) while we map out a multi-year plan for our future capital needs.

Resources Needed to Achieve the 2007 Budget

This 2007 budget does not require a mill levy increase, however, most property owners will see a growth in their assessed valuation, averaging 4.8 %. For the owner of a home in Lawrence with a market value of \$160,000, this assessed value increase means a City property tax increase of \$23.29 over 2006, or about \$1.94 a month.

Without minimizing the impact of the increase (along with the increase in franchise fees), it should be placed in the context of recently approved program improvements or enhancements, plus those funded in this budget. The City mill levy for the 2005 budget was decreased to 27.86, and several service enhancements were added to the budget (Employee Assistance Program, staff attorney position for the public safety departments, enhancement of the street crack sealing program, Municipal Court software replacement, and clerical assistance for the Master Street Tree Program). The City mill levy for the 2006 budget was decreased from 27.86 to 26.36 (1.5 mill decrease) in the context of continued funding for initiatives from earlier Commission decisions, including absorbing the traffic unit grant positions, fire station construction and corresponding personnel, support for Biosciences, enhanced street maintenance funding, case management for homeless services, enhanced downtown beautification, Memorial Park Cemetery operations and maintenance, and additional staffing for code enforcement and building maintenance. Additionally, we have committed to major capital projects such as the reconstruction of Kasold Drive – the largest City-only funded road project in our history.

The 2007 budget requires the increase of electric franchise fees to 5%, and the phased increase of telephone and cable franchise fees to the 5% level. The Commission adopted ordinances to accomplish this along with adoption of the budget. Additionally, we will be presenting ordinances and resolutions for other fee increases, including development related fees and cemetery fees. This budget does not include an increase in fees for our public swimming pools, although such an increase may be necessary in future years. As already noted, we are making additional transfers from enterprise funds to the general fund as well.

Future Budgets

Right-sizing the level of City participation in new infrastructure needs to be a priority for future budgets. This has the opportunity to positively impact future City budgets as development pays for the installation of certain improvements. Neighborhood interests, the development community and others should convene in the fall of 2006 to consider draft impact fee ordinances for park improvements and arterial street corridor improvements. Implementation of these ordinances, if enacted, can allow for additional park and infrastructure improvements in future years as these impact fee ordinances come on line. The Commission should also favorably consider initiation of key annexations which will enhance the City's tax base in future budget years. We should also benefit in future budgets from the addition of a City auditor who can point to efficiency and effectiveness opportunities. Additionally, discussions with the County may yield funding changes for our partnership programs.

Conclusion

The 2007 City budget seeks to maximize public resources to achieve the most public good for our community based on the Commission's goals and priorities. This is accomplished with bricks and mortar (and some crack sealing); but our greatest asset is our personnel. The budget includes a 3% wage adjustment for City personnel in 2007. We remain fortunate to attract and retain dedicated, hard-working staff. I challenged our department heads to not shy away from budget proposals which would advance the mission of their departments – but also recognize that we were not going to be able to fund every worthy program improvement. A commentary on the requested program improvements can be found in the appendix of this document. There is a great deal of merit in many of these programs, however, not all of them will be funded in 2007. The program improvement requests generally do identify issues which I respond to in the commentary with plans for attention to these items in the future.

I want to thank Debbie Van Saun, Casey Liebst, Ed Mullins and Jonathan Douglass for their work in the preparation of this budget. We remain eager to respond to Commission input on the clarity of the information provided within this budget document.

Budgets reflect priorities. I look forward to discussion and direction throughout 2007 to ensure that this budget reflects the priorities of the Commission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Corliss". The signature is fluid and cursive, with the first name "David" being the most prominent.

David L. Corliss
Interim City Manager

See Appendix for the following attachments

Budget Transfer Explanation and Attachment
Reserve Fund Practices Document and Table
Sales Tax Revenue Summary and Tables
City-County Funding Relationships
Social Service Accounting
Program Improvement Commentary

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Fund Overview

CITY OF LAWRENCE, KANSAS

FUND OVERVIEW

PROPERTY TAX SUPPORTED FUNDS

General Fund

The proposed 2007 budget includes a 3% general wage adjustment for all full-time regular employees. Additionally, some new positions were added to the General Fund in response to increased service levels, e.g new auditor and economic development positions in the City Manager's Office, staffing for the Planning and Neighborhood Resources Department in response to recommendations from a review of the development process, additional public safety officers in the Police Department to enhance neighborhood responsiveness, and additional street maintenance workers for the enhanced street maintenance program, following previous direction from the City Commission to commit additional resources to this area of the City's infrastructure. The City's share of employee health benefits will rise in 2007, from \$7,132/employee to \$7,211/employee. Increased requests for support for social service agencies are reflected in this budget, reflecting both the community's desire to be responsive to these needs as well as the diminishing support from State and Federal entities.

Library

Non-tax fund revenues are anticipated to be relatively flat for the Library Fund, including interest income, state aid, and ongoing grant commitments. The Commission provided direction to adjust the budget as requested by the Library Director for 2007, utilizing the increased assessed property valuations and keeping the mill levy relatively flat.

Public Transportation

There is a slight increase in the mill levy for 2007 for this fund. The increase covers costs for bus shelter maintenance and anticipated increases in areas of the service provider contract.

Recreation

This fund benefits from the increased assessed valuation and a slight increase in the mill levy. Other revenue sources (costs for services and program, sales tax support) are anticipated to remain relatively flat for 2007. A recommended increase in cemetery fees will provide additional revenue for the operation of the City's cemeteries.

Bond and Interest

Multi-year capital improvement plans have been submitted to the City Commission for the Water and Wastewater, Storm water, Sales Tax Program, and non-enterprise capital projects. These plans are important tools for fiscal planning along with the debt policy approved in 2002 by the Commission. Maintenance of existing facilities is as important as expansion, and these plans reflect a number of projects related to restoring or replacing present facilities. The Bond and Interest mill levy remains stable, taking into consideration the increase in assessed property valuation, but is expected to rise in the next few years due to several City-at-large projects approved recently. A new system of reviewing project requests was implemented in 2006 allowing for a more balanced review of evaluation criteria.

SPECIAL REVENUE FUNDS

Guest Tax

According to information provided by the Lawrence Convention and Visitors Bureau in their 2007 Budget Request proposal, continued growth in sleeping rooms as well as meeting facilities in competing markets will have an effect on the Lawrence market. The guest tax rate was increased from 4% to 5% in 2004. 2007 will be the third full budget year of funds collected at the higher rate and will have a positive impact on the revenue available for this fund.

CITY OF LAWRENCE, KANSAS

FUND OVERVIEW

Special Alcohol

Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. The 2007 budget conservatively estimates a revenue level that is slightly higher than actual 2005 revenue. It was clear during the deliberations by the Advisory Board that agencies request funds were feeling the pinch from revenue shortfalls from other sources, particularly at the state level. The decrease in federal funding (grants) was discussed as a trend affecting the philanthropic habits of the community.

Special Gas

Revenue continues to increase modestly for this fund although the tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) has not increased since 2003. Projections for 2007 are conservative due to the continued fluctuation in fuel costs and the potential effect on sales statewide.

Special Recreation

This fund continues to see annual increases in the total receipts collected by the state via the liquor tax. On the expenditure side, this fund provides contractual services to cover the City's share of the operation of the Lawrence Arts Center, the Lawrence Arts Commission, concert performances of the Lawrence City Band, and the Pedal Plan. In 2007, conservative revenue projections and other contractual service demands for parks facilities resulted in only slight increases for the Arts Commission.

ENTERPRISE FUNDS

Water and Wastewater Fund

Following recommendations in the 2004 Black & Veatch rate study, staff is recommending revenue increases of 4% for water and 9% for wastewater for 2007. This proposed increase will continue to provide revenue for the operating and capital costs of the Utilities Department and address the various bond and State Revolving Loan payment commitments. As a note, in 2003, Black and Veatch completed Water and Wastewater Master Plans through 2025. The aforementioned rate study determined future revenue requirements for the adjusted capital improvement plan for these two utilities.

Solid Waste

A 2% increase in both residential and commercial solid waste fees is recommended for 2007. This increase in rates will provide revenue for operating the residential, commercial, and recycling divisions of this fund.

Public Parking

The Downtown 2000 parking garage has been a popular addition to the downtown area, serving the new Lawrence Arts Center and the central downtown area. The completion of the planned retail and residential projects associated with this Tax Increment Financing (TIF) project will undoubtedly result in increased use of the downtown parking system and result in appropriate revenue strength for this fund. Following City Commission direction, an increase in overtime parking fines was implemented in 2004 to increase revenue.

Storm Water

Following the master plan for this utility, and a previously approved rate plan, the rate charged for storm water fees will not increase and remain at \$4.00 per equivalent residential unit (ERU). The initial rate of \$2.00 per ERU was established in April, 1997. In the fall of 2000, a rate study was completed, and the City Commission adopted an ordinance establishing subsequent rate increases of \$1.00 per ERU in 2002 and \$1.00 per ERU in 2003. With these rate increases, two (2) priority storm water projects began the construction process in 2004 and were completed in 2005. Maintenance of the storm water system is a priority, including meeting the NPDES permit requirements.

Public Golf

Following staff recommendation and City Commission direction, the debt for the construction of Eagle Bend Public Golf Course has been transferred to the Sales Tax Reserve Fund in an attempt to match more closely the revenue and expenditure projections for this fund.

2007 Budget Fund Summary of Resources by

	Property Tax Supported Funds				Special Revenue Funds		
Fund Number	General 001	Library 209	Pub Tran 210	Rec 211	Guest Tax 206	Spec Alchl 213	Spec Gas 214
RESOURCES							
Ad Valorem Taxes	12,064,000	2,620,000	625,000	399,000	0	0	0
Other Taxes	29,206,607	239,714	46,633	29,954	750,000	550,000	2,629,770
Licenses/Permits	1,080,000	0	0	0	0	0	0
Intergov. Revenue	4,360,950	0	0	0	0	0	0
Charges for Serv.	418,000	0	165,000	1,319,350	0	0	0
Fines /Forfeitures	2,750,000	0	0	0	0	0	0
Use of Money/Prop	1,000,000	0	0	118,000	0	0	0
Miscellaneous	335,000	0	0	5,000	0	0	0
Spec. Assessment	0	0	0	0	0	0	0
Transfers In	3,025,600	0	0	1,400,000	0	0	0
Fund Bal. Fwd.	6,665,806	96,429	941,665	203,550	134,127	132,726	315,786
	60,905,963	2,956,143	1,778,298	3,474,854	884,127	682,726	2,945,556
EXPENDITURES							
Personal Services	36,936,231		90,028	2,788,926			1,645,945
Contractual Services	9,912,337	2,950,000	1,654,095	444,580	850,000	641,899	480
Commodities	3,966,082		7,300	240,092			1,125,000
Capital Outlay	945,203		3,000	-			144,000
Debt Service	19,376						
Transfers Out	6,006,000	-	-		-		
Contingency	285,000					10,000	
	58,070,229	2,950,000	1,754,423	3,473,598	850,000	651,899	2,915,425
further details available on pages	B-1 to B-61	D-1 to D-5	E-1 to E-5	F-1 to F-5	C-1 to C-3	G-1 to G-3	H-1 to H-5

Under state law, cities are required to adopted a budget for their General Fund, Special Revenue Funds, Debt Service Funds and certain Enterprise Funds. The table above summarizes the budgets for the fourteen funds the City of Lawrence is required to adopt according to state law.

The General Operating Fund is used to account for all unrestricted resources except those required to be accounted for in another fund. A breakdown of expenditures from this fund by department can be found on pages B-1 through B-61.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes. In Lawrence, the Special Revenue Funds are Fund 213 - Special Alcohol Fund, a description and explanation for which can be found on pages G-1 through G-3; Fund 214 - Special Gas Tax Fund, found on pages H-1 through H-5; and Fund 216 - Special Recreation Fund, found on pages I-1 through I-4.

Debt Service Funds are used to account for the accumulation of resources and the payment of interest and principal as well as related costs on general long-term debt, and the financing of special assessments which are general obligations of a city. Fund 301 - Bond and Interest, is the debt service fund in Lawrence. Additional information is available on pages J-1 through J-8.

Enterprise Funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises where the stated intent is the costs (expenses, including depreciation) of providing goods and 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. In Lawrence, the Enterprise Funds are Fund 501 - Water and Wastewater, a description and explanation for which can be found on pages K-1 through K-24; Fund 502 - Solid Waste, found on pages L - 1 through L - 9; Fund 503 - Public Parking, found on pages M - 1 through M-5; Fund 505 - Stormwater Utility, on pages N-1 through N-5; and Fund 506 - Public Golf Course, found on pages O-1 through O-5.

Classification and Expenditures by Category

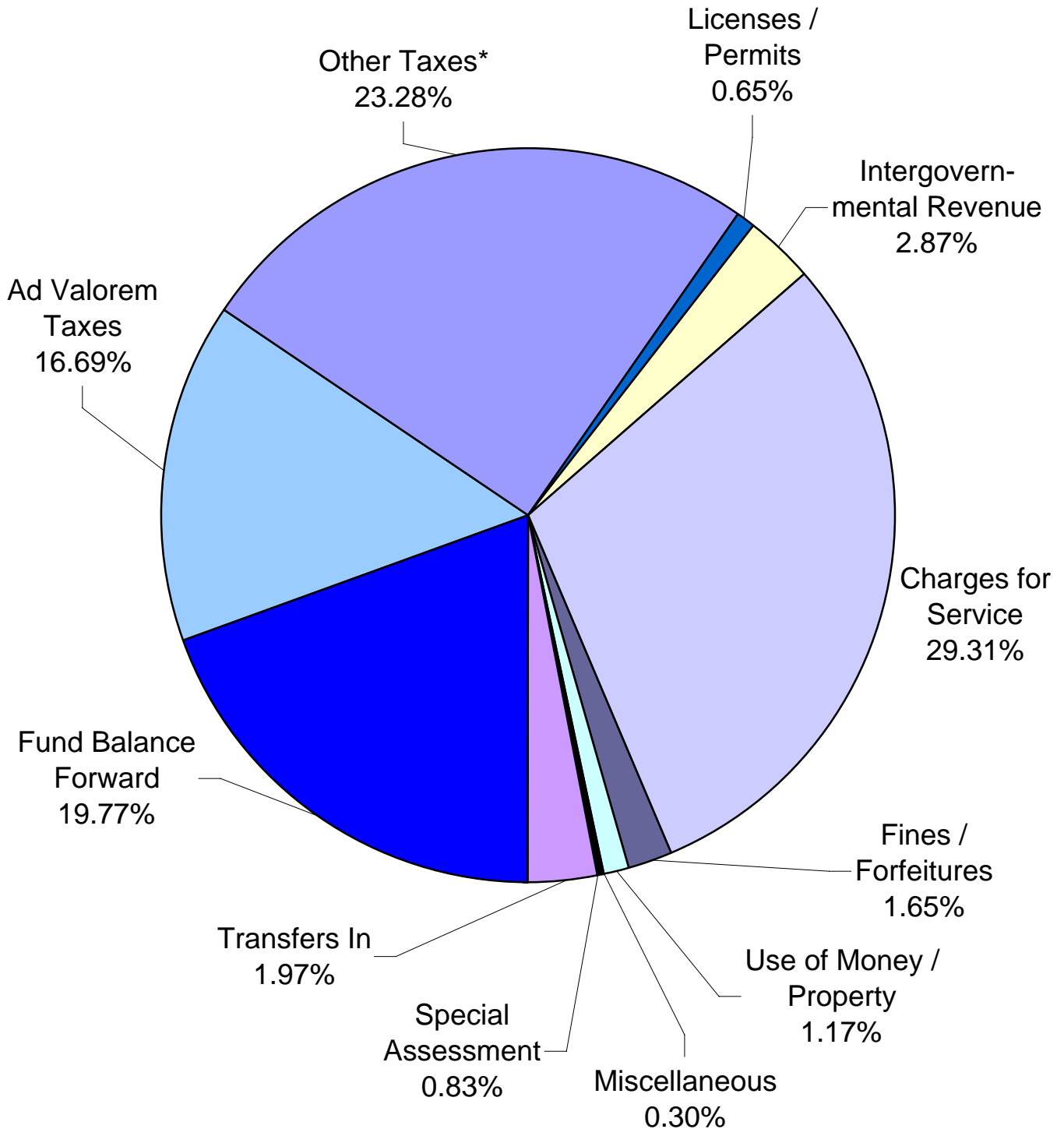
	Debt Service Fund	Enterprise Funds					
Spec Rec 216	Bond/Int 301	Wtr/ Wstewtr 501	Solid Wst 502	Parking 503	StrmWater 505	Pub Golf 506	TOTAL
0	5,660,000	0	0	0	0	0	21,368,000
550,000	2,017,509	0	0	0	0	0	36,020,187
0	0	0	0	0	0	0	1,080,000
0	0	0	0	0	0	0	4,360,950
0	0	27,330,000	8,973,000	870,000	2,800,000	1,000,000	42,875,350
0	0	0	0	0	0	0	2,750,000
0	150,000	0	110,000	10,000	50,000	0	1,438,000
0	85,000	0	0	0	0	0	425,000
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	4,425,600
40,894	4,002,108	11,668,556	1,909,708	318,264	1,259,604	30,560	27,719,783
590,894	11,914,617	38,998,556	10,992,708	1,198,264	4,109,604	1,030,560	\$ 142,462,870
47,900		8,036,565	5,851,013	686,879	697,129	453,303	57,233,919
292,400		4,600,900	2,759,328	123,925	118,740	148,500	24,497,184
85,500	-	3,220,306	849,340	186,370	270,450	179,500	10,129,940
140,000		957,000	884,000	30,000	520,000	73,000	3,696,203
	11,609,099	9,100,000			1,391,745	-	22,120,220
		10,839,050	403,300	75,000	843,250	150,000	18,316,600
20,000	-	893,500	105,000	50,000	179,000	-	1,542,500
585,800	11,609,099	37,647,321	10,851,981	1,152,174	4,020,314	1,004,303	\$ 137,536,566
I-1 to I-4	J-1 to J-8	K-1 to K-24	L-1 to L-9	M-1 to M-5	N-1 to N-5	O-1 to O-5	

Resources by Classification and Expenditures by Category for All Budgeted Funds 2005 - 2007

	2005	2006	2006	2007
RESOURCES	Actual	Adopted	Estimated	Budget
Ad Valorem Taxes	19,931,493	20,165,000	20,165,000	21,368,000
Other Taxes	33,356,666	33,163,893	33,163,893	36,020,187
Licenses/Permits	1,082,191	820,000	820,000	1,080,000
Intergov. Revenue	3,573,588	3,923,894	3,923,894	4,360,950
Charges for Serv.	40,427,358	36,208,100	36,208,100	42,875,350
Fines /Forfeitures	2,637,520	2,175,000	2,175,000	2,750,000
Use of Money/Prop	1,580,772	704,500	704,500	1,438,000
Miscellaneous	5,867,638	378,000	378,000	425,000
Transfers In	3,755,033	3,028,662	3,028,662	4,425,600
Fund Bal. Fwd.	54,504,239	29,692,581	52,875,123	27,719,783
TOTAL RESOURCES	166,716,498	130,259,630	153,442,172	142,462,870

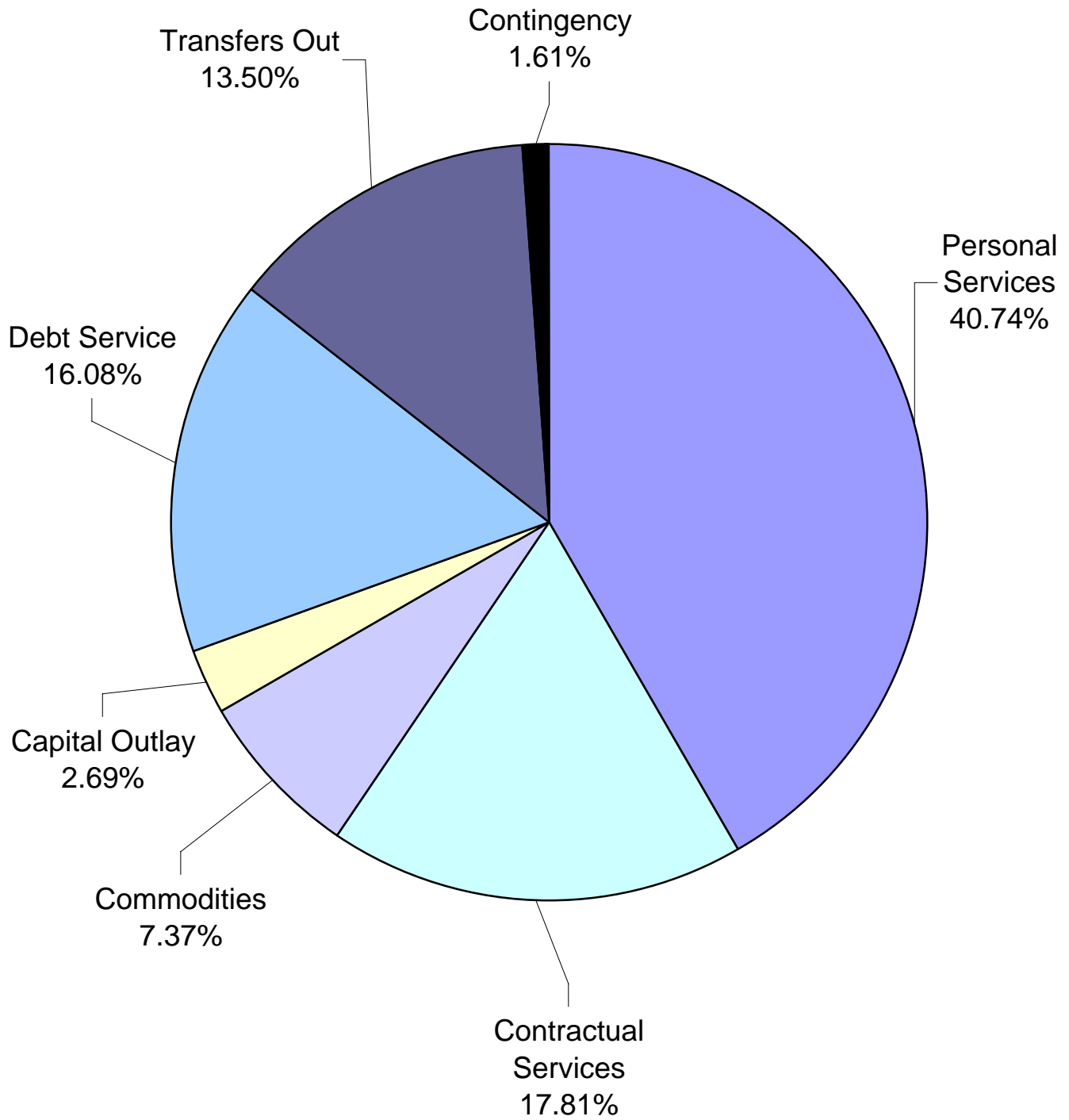
EXPENDITURES				
Personal Services	47,016,734	52,930,360	52,930,360	57,233,919
Contractual Services	19,814,869	22,899,920	22,495,820	23,887,184
Commodities	8,364,334	10,900,743	10,900,743	10,739,940
Capital Outlay	2,470,805	3,717,800	3,717,800	3,696,203
Debt Service	18,942,023	20,259,254	20,259,254	22,120,220
Transfers Out	17,112,525	13,897,412	13,897,412	18,316,600
Contingency	120,085	1,521,000	1,521,000	1,542,500
TOTAL EXPENDITURES	113,841,375	126,126,489	125,722,389	137,536,566

**City of Lawrence - 2007 Budget
Resources by Classification:
Total - \$142,462,870**

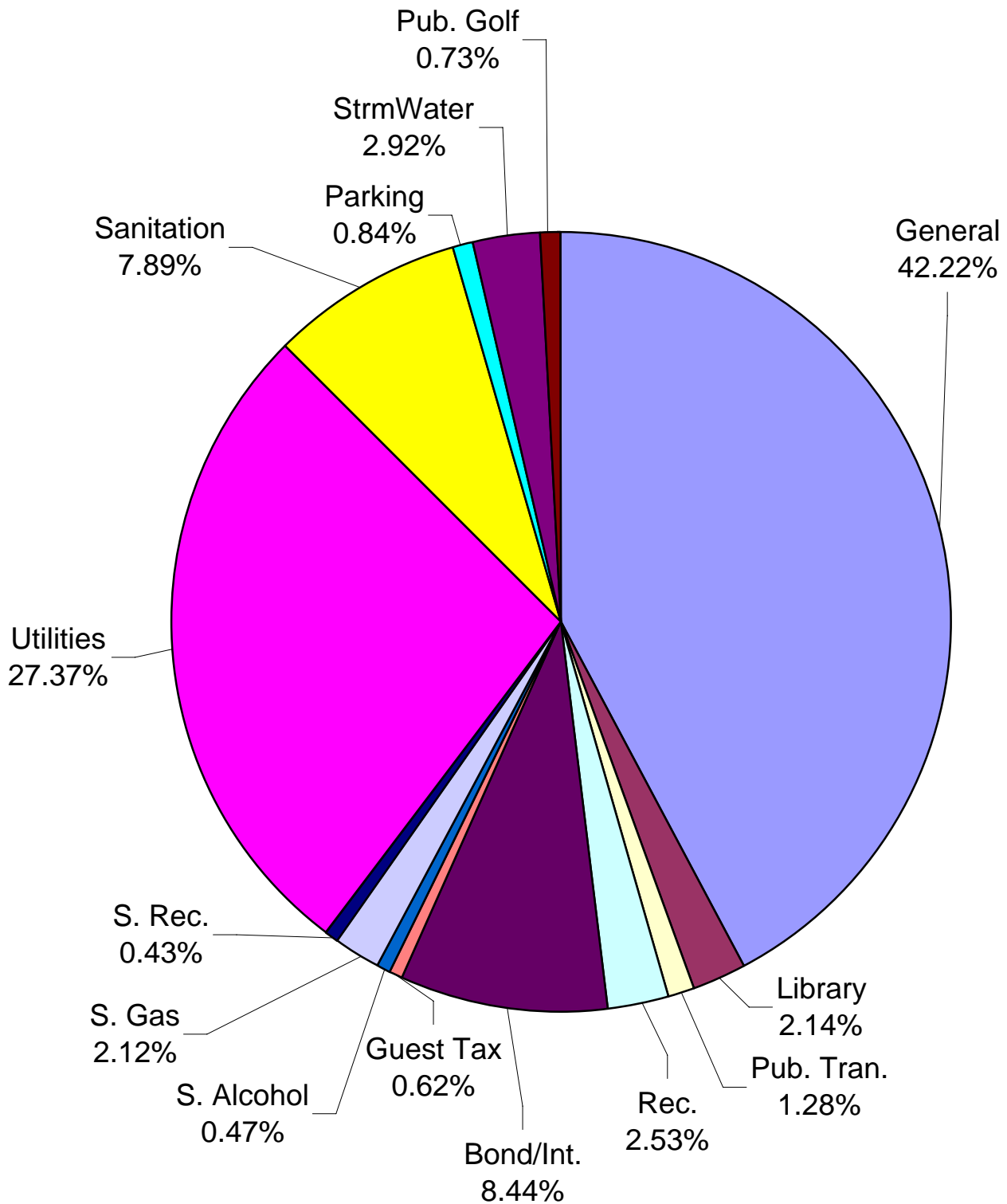


* "Other Taxes" includes local and county-wide sales tax, liquor tax, fuel tax, transient guest tax, motor vehicle tax, etc.

**City of Lawrence - 2007 Budget
Expenditures by Category:
Total - \$137,536,566**



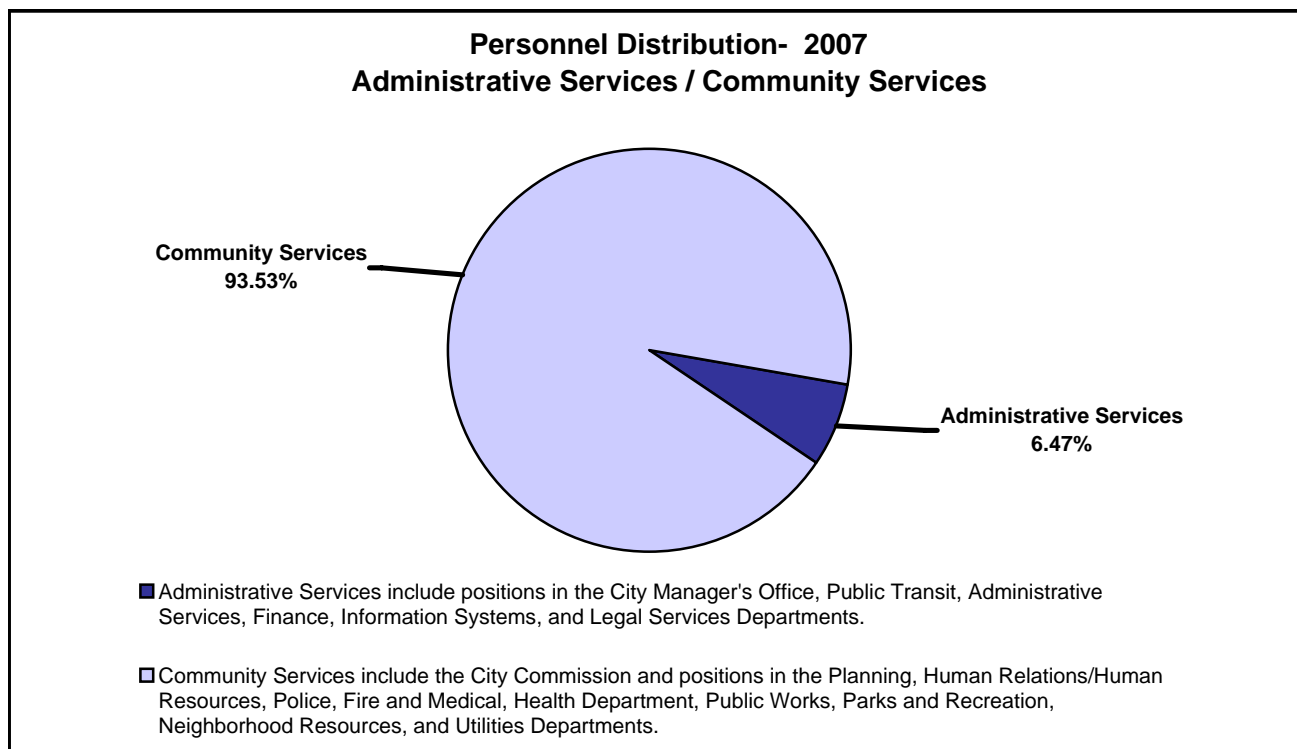
**City of Lawrence - 2007 Budget
Expenditures by Fund:
Total - \$137,536,566**



CITY OF LAWRENCE PERSONNEL SUMMARY

<u>DEPARTMENT</u>	<u>AUTHORIZED POSITIONS (FTEs)*</u>		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
City Commission	5.00	5.00	5.00
City Manager's Office	4.50	8.00	9.50
Planning	13.20	15.20	16.20
Human Relations	4.00	3.50	3.50
Administrative Services	8.50	10.13	10.13
Finance	5.13	5.13	5.13
Information Systems	9.00	9.00	9.00
Legal Services	20.50	20.50	20.50
Police	164.40	174.00	176.00
Fire and Medical	136.50	148.00	148.00
Health	1.00	1.00	1.00
Public Works	161.75	167.75	173.75
Parks and Recreation	75.50	76.28	76.28
Neighborhood Resources	13.00	14.00	15.00
Public Transit	1.00	1.40	1.40
Utilities	112.76	120.26	127.76
TOTAL	735.74	779.15	798.15

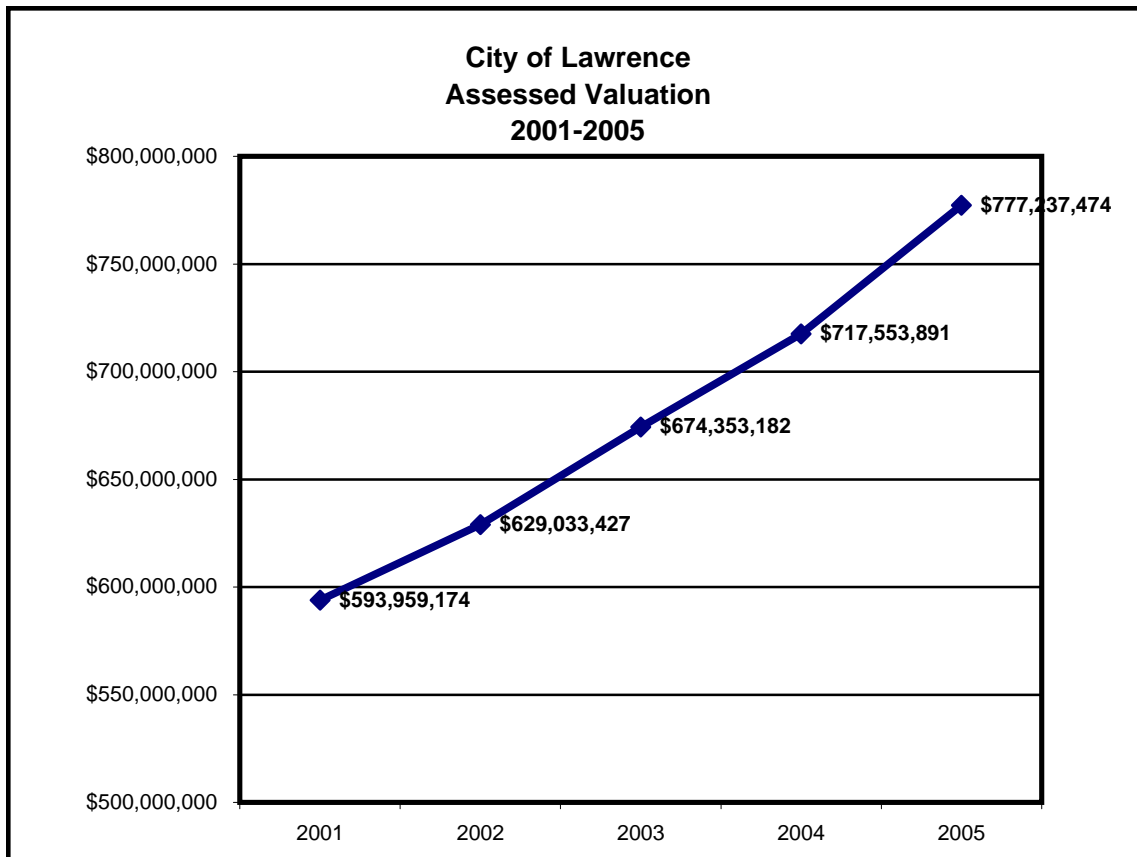
*Authorized positions do not include seasonal employees or interns



COMPUTATION OF AD VALOREM TAX REQUIREMENTS AND MILL LEVY

2006 ESTIMATED ASSESSED VALUATION: \$ 824,213,461

FUND NUMBER	FUND	2007 REQUIREMENTS	ADD 3.3% DELIN- QUENT TAXES	AD VALOREM TAX REQUIREMENT	MILL RATE
	Property Tax Levy Funds				
001	General Operating	11,864,000	391,512	12,255,512	14.869
209	Library	2,600,000	85,800	2,685,800	3.259
210	Public Transportation	595,000	19,635	614,635	0.746
211	Recreation	385,000	12,705	397,705	0.483
	<i>Sub Total Property Tax Levy Funds</i>	15,444,000	509,652	15,953,652	19.357
	Supplemental Tax Levy Funds				
301	Bond and Interest	5,590,000	184,470	5,774,470	7.006
	<i>Sub Total Supplemental Tax Levy Funds</i>	5,590,000	184,470	5,774,470	7.006
	GRAND TOTAL	21,034,000	694,122	21,728,122	26.363



FUND EXPENDITURE SUMMARY

2005-2007

Fund Number	Fund Description	2004 Mill Levy	Actual 2005 Expenditures	2005 Mill Levy	Budget 2006 Expenditures	2006 Mill Levy	Proposed 2007 Expenditures
	Property Tax Levy Funds						
001	General Operating	15.777	\$ 47,205,987	15.018	\$ 55,205,487	14.869	\$ 58,070,229
209	Library	3.256	2,502,000	3.263	2,759,000	3.259	2,950,000
210	Public Transportation	1.363	1,587,864	0.631	1,642,055	0.746	1,754,423
211	Recreation	0.394	3,084,902	0.405	3,378,792	0.483	3,473,598
	<i>Sub Total Property Tax Levy Funds</i>	20.790	\$ 54,380,753	19.318	\$ 62,985,334	19.357	\$ 66,248,250
	Supplemental Tax Levy Funds						
301	Bond and Interest	7.069	\$ 8,666,095	7.044	\$ 11,310,000	7.006	11,609,099
	<i>Sub Total Supplemental Tax Levy Funds</i>	7.069	\$ 8,666,095	7.044	\$ 11,310,000	7.006	\$ 11,609,099
	Non-Property Tax Levy Funds						
206	Guest Tax		\$ 715,595		\$ 800,000		\$ 850,000
213	Special Alcohol		569,136		645,000		651,899
214	Special Gas Tax		2,386,554		2,866,371		2,915,425
216	Special Recreation		5,733,685		606,000		585,800
501	Water and Sewer		27,884,119		30,831,598		37,647,321
502	Sanitation		8,718,833		10,377,372		10,851,981
503	Public Parking		841,210		943,670		1,152,174
505	Storm Water Utility		8,160,849		3,738,358		4,020,314
506	Public Golf Course		944,546		1,022,786		1,004,303
	<i>Sub Total Non-Property Tax Levy Funds</i>		\$ 55,954,527		\$ 51,831,155		\$ 59,679,217
	GRAND TOTAL	27.859	\$ 119,001,375	26.362	\$ 126,126,489	26.363	\$ 137,536,566
	Taxes per \$1000 Valuation	27.86		26.36		26.36	

VALUE OF YOUR CITY OF LAWRENCE PROPERTY TAX DOLLARS

To estimate your City Property Tax bill for 2007:

First, determine the assessed valuation for your residential property by multiplying the market value of home by 11.5%:

$$\begin{array}{rcl} \text{Market value of home} & = & \$125,000 \\ & \times & 11.50\% \\ \hline \text{assessed valuation} & = & \$14,375 \end{array}$$

Second, multiple your assessed valuation by the 2007 mill rate levied by the City and divide by \$1,000:

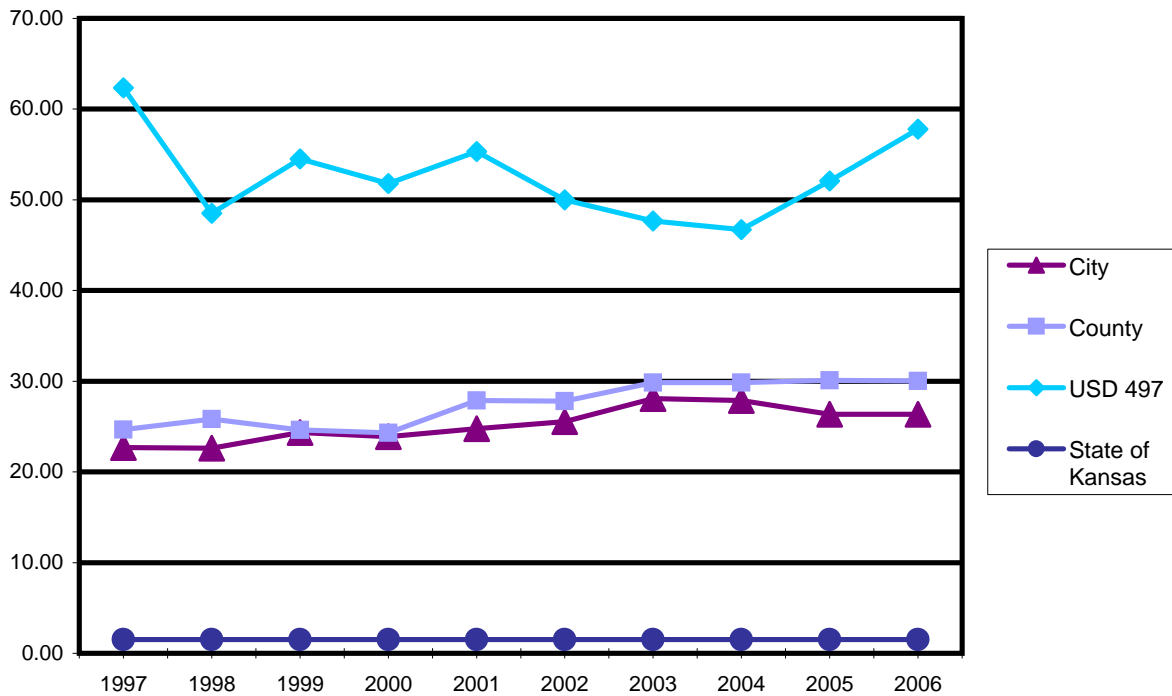
$$\begin{array}{rcl} \text{assessed valuation} & \$ & 14,375 \\ \times \text{ 2007 City mill rate} & & 26.363 \\ \hline & \$ & 378,971.73 / 1,000 = \end{array}$$

$$\text{Estimated 2006 City Tax liability} = \$ 378.97$$

For residential property, the City tax bill equates to approximately \$3.03 for each \$1,000 of the fair market value.

Fair Market Value of Home	Assessed Valuation	Approx. City Tax Bill	
		Mill Rate =	26.363
100,000	\$ 11,500.00	\$	303.16
125,000	\$ 14,375.00	\$	378.95
150,000	\$ 17,250.00	\$	454.74
175,000	\$ 20,125.00	\$	530.54
200,000	\$ 23,000.00	\$	606.33
225,000	\$ 25,875.00	\$	682.12
250,000	\$ 28,750.00	\$	757.91
275,000	\$ 31,625.00	\$	833.70
300,000	\$ 34,500.00	\$	909.49
350,000	\$ 40,250.00	\$	1,061.07
400,000	\$ 46,000.00	\$	1,212.65
450,000	\$ 51,750.00	\$	1,364.23
500,000	\$ 57,500.00	\$	1,515.82

Comparison of Local Levies - City, County, School District, and State: 1997 - 2006



Year	City	County	USD 497	State of Kansas	Total
1997	22.67	24.66	62.36	1.50	111.19
1998	22.60	25.84	48.5	1.50	98.44
1999	24.35	24.62	54.52	1.50	104.99
2000	23.90	24.32	51.78	1.50	101.50
2001	24.77	27.86	55.34	1.50	109.47
2002	25.56	27.82	49.98	1.50	104.86
2003	28.09	29.84	47.65	1.50	107.08
2004	27.86	29.85	46.71	1.50	105.92
2005	26.36	30.10	52.08	1.50	110.04
2006	26.36	30.01	57.80	1.50	115.68

CITY OF LAWRENCE, KANSAS

SIGNIFICANT CHANGES IN FUND BALANCE

According to state statutes, the fund balance for any budgeted fund cannot exceed 5% of the fund's total budgeted expenditures. As shown on the next page, the 2007 budget complies with this requirement.

A change in fund balance of more than five percent is considered significant. A brief explanation is provided below for each significant change in fund balance.

General Operating Fund - Increased personal services costs resulting from the addition of new positions and an increase in fuel and utilities, along with continued emphasis on infrastructure maintenance translate into a 4.88% fund balance.

Public Transportation - The fund balance is affected by increased contractual services in 2007. The budgeted fund balance will be significantly lower than in 2005, at 1.36% of the budgeted expenditures for 2007.

Bond/Interest - The need for several City-at-large capital improvement projects will require spending some of the accumulated fund balance. However, the projected fund balance will be 2.63% of the budgeted expenditures.

Guest Tax - Revenues are expected to increase over 2005 receipts, however, projected expenses related to the City's contract with the Lawrence Convention and Visitor's Bureau, the City's two sister cities, and the budgeted increase to the Visit 2020 Reserve exceed that increase. Therefore, a portion of the fund balance will be used to fund expenditures in 2007, leaving the balance at 4.01% of the budgeted expenditures in the fund.

Special Alcohol - The fund balance, while lower than the 2006 level, remains at almost 5% of the budgeted expenditures allowing the Alcohol Advisory Board to fulfill the increasing requests from agencies related to Alcohol and drug prevention, treatment, and intervention.

Special Recreation - Increases in contractual services and commodities, along with conservative estimates of alcohol tax revenue, mean the budgeted fund balance will be just under 1% of the budgeted expenditures for this fund.

Water and Wastewater - A number of water and wastewater capital projects will be financed with cash, resulting in a decrease in projected fund balance from 2006, but at a level of nearly 3.6% of the budgeted expenditures.

Solid Waste - Expansion of the service area along with significant increases in personal services and transfers will result in a fund balance of 1.3% of the budgeted expenditures in this fund.

Public Parking - Added emphasis in downtown appearance and costs associated with operating and maintaining the public parking system result in a projected fund balance of 4.0%.

Storm Water Utility - A slight increase in revenues is projected for 2007, therefore, the projected fund balance will be 4.00% of the budgeted expenditures in this fund.

CITY OF LAWRENCE, KANSAS

PROJECTION OF FINANCIAL CONDITION

FUND	1/1/06 Balance	2006 Revenue	2006 Expenditures	12/31/06 Balance	Percent Fund Balance
General	\$14,472,880	\$47,398,413	\$55,205,487	\$6,665,806	12.07%
Library	155,974	2,699,455	2,759,000	96,429	3.50%
Public Transportation	1,404,674	774,946	1,237,955	941,665	76.07%
Recreation	488,560	3,093,782	3,378,792	203,550	6.02%
Bond/Interest	7,770,205	7,541,903	11,310,000	4,002,108	35.39%
Guest Tax	224,127	710,000	800,000	134,127	16.77%
Special Alcohol	252,726	525,000	645,000	132,726	20.58%
Special Gas Tax	547,857	2,634,300	2,866,371	315,786	11.02%
Special Recreation	121,894	525,000	606,000	40,894	6.75%
Water / Wastewater	20,930,154	21,570,000	30,831,598	11,668,556	37.85%
Solid Waste	3,762,580	8,524,500	10,377,372	1,909,708	18.40%
Public Parking	456,934	805,000	943,670	318,264	33.73%
Storm Water Utility	2,324,462	2,673,500	3,738,358	1,259,604	33.69%
Public Golf	-37,904	1,091,250	1,022,786	30,560	2.99%
TOTAL	\$52,875,123	\$100,567,049	\$125,722,389	\$27,719,783	22.05%

FUND	1/1/07 Balance	2007 Revenue	2007 Expenditures	12/31/07 Balance	Percent Fund Balance
General	\$6,665,806	\$54,240,157	58,070,229	\$2,835,734	4.88%
Library	96,429	2,859,714	2,950,000	6,143	0.21%
Public Transportation	941,665	836,633	1,754,423	23,875	1.36%
Recreation	203,550	3,271,304	3,473,598	1,256	0.04%
Bond/Interest	4,002,108	7,912,509	11,609,099	305,518	2.63%
Guest Tax	134,127	750,000	850,000	34,127	4.01%
Special Alcohol	132,726	550,000	651,899	30,827	4.73%
Special Gas Tax	315,786	2,629,770	2,915,425	30,131	1.03%
Special Recreation	40,894	550,000	585,800	5,094	0.87%
Water / Wastewater	11,668,556	27,330,000	37,647,321	1,351,235	3.59%
Solid Waste	1,909,708	9,083,000	10,851,981	140,727	1.30%
Public Parking	318,264	880,000	1,152,174	46,090	4.00%
Storm Water Utility	1,259,604	2,850,000	4,020,314	89,290	2.22%
Public Golf	30,560	1,000,000	1,004,303	26,257	2.61%
TOTAL	\$27,719,783	\$114,743,087	\$137,536,566	\$4,926,304	3.58%

**CITY OF LAWRENCE
SUMMARY OF 2007 OUTSIDE/OTHER
AGENCY FUNDING ALLOCATIONS**

GENERAL OPERATING FUND	Request 2007	Req. vs. 06 Budget	Cmsnr. Rec. 07	Approved Budget
Lawrence Humane Society	267,500	2.88%	\$267,000	267,000
Jayhawk Area Agency on Aging	7,830	1.03%	7,830	7,830
Lawrence Chamber of Commerce	195,000	56.88%	124,300	145,000
The Shelter, Inc.	34,737	0.00%	34,737	34,737
Warm Hearts	6,000	0.00%	6,000	6,000
Douglas County Legal Aid	40,000	6.67%	40,000	40,000
Douglas County CASA, Inc.	20,000	0.00%	20,000	20,000
Women's Transitional Care Serv.	6,000	0.00%	6,000	6,000
Douglas County Visitation Center	7,500	0.00%	7,500	7,500
Housing & Credit Counseling	30,582	239.80%	9,000	19,000
Ballard Community Center	10,000	33.33%	7,500	7,500
Partnership for Children/Youth	-	na	0	-
Salvation Army	30,000	0.00%	30,000	30,000
Lawrence Arts Center	156,200	64.42%	95,000	95,000
Downtown Lawrence	60,000	26.32%	47,500	47,500
Health Care Access-Pharmacy	28,000	64.71%	17,000	28,000
Boys & Girls Club of Lawrence	148,722	3.48%	143,722	143,722
Ecumenical Minister's Fellowship	10,000	100.00%	5,000	5,000
Juneteenth Celebration	5,000	0.00%	5,000	5,000
Bert Nash Homeless Outreach		na	0	-
Van Go Mobile Arts	69,246	117.75%	35,000	35,000
Biosciences Initiatives	200,000	0.00%	200,000	200,000
Homeless Task Force Rc.	230,000	10.05%	209,000	209,000
Lawrence Birthday Celebration	-	-100.00%	0	-
ECO2 Operations	10,000	-33.33%	5,000	10,000
Bert Nash (WRAP)	250,000	na	250,000	250,000
Success by Six Workforce Development	25,000	na	0	-
Lawrence Alliance	6,000	na	0	-
Total	\$1,853,317	40.05%	1,572,089	1,618,789

*The General Fund is supported by property tax, sales tax, franchise fees, user fees, fines and misc. sources.
See Section B for more information.*

GUEST TAX FUND	Request 2007	Req. vs. 06 Budget	Cmsnr. Rec. 07	Approved Budget
Convention & Visitors Bureau	\$789,250	6.30%	\$789,250	\$789,250
Visit 2020 Reserve Fund*	48,750	5.63%	48,750	48,750
Sister Cities Advisory Board	12,000	5.63%	12,000	12,000
Total	\$850,000	6.25%	\$850,000	\$850,000

The Guest Tax Fund is supported by the 5% Guest Tax. See Section C for more information.

LIBRARY FUND	Request 2007	Req. vs. 06 Budget	Cmsnr. Rec. 07	Approved Budget
Lawrence Public Library	\$3,172,000	14.97%	\$2,950,000	\$2,950,000

The Library Fund is supported by property tax and motor vehicle taxes. See Section D for more information.

CITY OF LAWRENCE

SUMMARY OF 2007 OUTSIDE/OTHER AGENCY FUNDING ALLOCATIONS

SPECIAL RECREATION FUND	Request 2007	Req. vs. 06 Budget	Cmsnr. Rec. 07	Approved Budget
Lawrence Arts Center Scholarship	\$30,000	20.00%	\$25,000	\$25,000
Arts Commission	30,000	38.25%	23,400	23,400
Lawrence City Band	12,317	53.96%	8,000	8,000
Total	\$72,317	32.21%	\$56,400	\$56,400

The Special Recreation Fund is supported by the Liquor Tax. See Section I for more information.

SPECIAL ALCOHOL FUND	Request 2007	Req. vs. 06 Budget	Adv Bd Rec 2007	Approved Budget	
DCCCA	\$79,819	0.00%	\$79,819	\$79,819	T
DCCCA d/b/a First Step House	29,150	0.00%	29,150	29,150	T
DCCCA Com. Coord.	19,380	0.00%	19,380	19,380	C
Headquarters, Inc - First Call	23,750	0.00%	23,750	23,750	I
Hearthstone	10,000	53.85%	7,500	7,500	T
Lawrence Parntership/Coordination	44,958	na	0	0	C
Douglas County Visitation Center	7,500	na	0	0	P
KU-Organizations and Activities	30,000	50.00%	25,000	25,000	P
KU-Center for Research	8,000	na	0	0	P
Lawrence Public Schools	165,788	205.07%	60,000	60,000	P
Van Go Mobile Arts, Inc.	50,346	24.93%	40,300	40,300	P
Haskell Indian Nations University	0	na	0	0	P
Bert Nash (WRAP)	121,478	5.63%	100,000	100,000	P
Big Brothers/Big Sisters CORE	40,366	34.55%	30,000	30,000	P
Lawrence Memorial Hospital	50,000	233.33%	40,000	40,000	T
Lawrence Memorial Hospital	20,000	0.00%	0	0	I
Lawrence Memorial Hospital	20,000	na	0	0	C
Boys & Girls Club of Lawrence	106,278	4.94%	100,000	100,000	P
Heartland Regional Alcohol/Drug Ctr	40,000	31.15%	0	0	I
Lawrence Community Shelter	30,000	100.00%	30,000	30,000	I
Lawrence Community Shelter	20,000	na	0	0	C
Women's Transitional Care Services	19,885	na	17,000	17,000	P
Pelathe Community Resource Center	27,780	na	25,000	25,000	P
Ballard Community Center	17,440	na	15,000	15,000	P
Total	\$981,918	63.65%	\$641,899	\$641,899	

The Special Alcohol Fund is supported by the Liquor Tax. See Section G for more information.

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PROJECTIONS BY FUND

CITY OF LAWRENCE GENERAL FUND PROJECTION

Revenues	2004	2005	2006	2007	2008
Property Taxes	\$11,890,949	\$12,517,532	\$12,850,000	\$13,170,607	\$13,960,843
Franchise Fees	\$3,684,941	3,754,184	3,900,000	4,500,000	4,860,000
Sales Taxes	\$20,640,305	21,318,108	22,200,000	23,050,000	23,972,000
State Transfers	\$716,688	710,932	680,000	692,000	715,000
Licenses & Permits	\$1,121,828	1,082,191	1,100,000	1,080,000	1,112,400
Fines	\$2,321,690	2,637,320	2,600,000	2,750,000	2,832,500
User Fees	\$402,637	683,000	650,000	698,184	719,130
Interest	\$369,078	1,087,618	1,400,000	1,000,000	1,000,000
Other	\$3,259,492	3,369,533	3,470,619	4,273,766	4,401,979
Transfers	1,195,000	1,595,525	1,628,662	3,025,600	3,176,880
TOTAL REVENUES	\$45,602,608	\$48,755,943	\$50,479,281	\$54,240,157	\$56,750,732

Expenditures	2004	2005	2006	2007	2008
City Commission	63,720	68,674			
City Manager	297,670	309,803			
Public Information	80,116	77,141			
Planning	721,791	863,892			
Human Relations	298,141	247,031			
City Clerk	134,600	152,370			
Personnel	344,684	449,767			
Risk Management	1,042,755	1,074,744			
Finance	306,470	320,599			
Overhead	2,385,557	2,465,094			
Transfers	6,396,011	7,629,766			
Information Systems	800,430	884,680			
Legal	559,054	628,170			
Court	576,728	607,577			
Police	10,057,898	11,503,849			
Fire	9,495,572	10,670,263			
Health	834,673	847,499			
Streets	1,549,079	1,963,040			
Engineering	643,688	704,205			
Traffic	558,172	550,794			
Airport	78,762	72,300			
Building	702,319	711,309			
Street Lights	492,262	497,148			
Levee	101,051	116,903			
Parks & Rec Facilities	2,551,677	2,950,122			
Building Inspection	785,761	839,247			
Other Operating	0	0			
TOTAL EXPENDITURES	40,844,267	47,205,987	53,549,322	55,164,123	57,922,329

Revenue over Expenditures	4,758,341	1,549,956	(3,070,041)	(923,966)	(1,171,597)
Beginning Balance	\$ 8,164,583	12,922,924	14,472,880	11,402,839	10,478,873
End Balance	<u>12,922,924</u>	<u>14,472,880</u>	<u>11,402,839</u>	<u>10,478,873</u>	<u>9,307,275</u>

Assumptions

19.00% 16.07%

Revenues: no mill levy increase and 6% growth in A.V. in 2007, electrical franchise fee increase to 5% of revenue 4% increase in sales tax, 3% growth in ambulance reimbursement, and 5% increase in other franchise fees

Expenditures: 97% of budget in 2006 and 2007, 5% annual operating increase in 2008

CITY OF LAWRENCE BOND AND INTEREST FUND PROJECTION

Revenues	2004	2005	2006	2007
Property Taxes	4,779,766	5,061,191	5,375,000	5,660,000
Motor Vehicle Taxes	500,063	500,226	530,240	505,101
In Lieu Taxes	21,459	19,580	20,000	12,408
Special Assessments	1,261,948	1,283,187	1,400,000	1,500,000
Reimbursements	444,520	37,500	-	
Interest	116,562	180,509	200,000	150,000
Rents	84,787	206,011	85,000	85,000
Transfers	700,749	855,508	-	-
TOTAL REVENUE	7,909,854	8,143,712	7,610,240	7,912,509

Expenditures	2004	2005	2006	2007
Principal	5,067,600	6,596,111	6,900,000	7,500,000
Interest	2,074,786	2,069,983	2,055,000	2,650,000
TOTAL EXPENDITURES	7,142,386	8,666,094	8,955,000	10,150,000

Revenue over Expenditures	767,468	(522,382)	(1,344,760)	(2,237,491)
Beginning Balance	7,525,119	8,292,587	7,770,205	6,425,445
End Balance	<u>8,292,587</u>	<u>7,770,205</u>	<u>6,425,445</u>	<u>4,187,954</u>

Assumptions

No levy incr, 6% incr in 2007 AV

CITY OF LAWRENCE TRANSPORTATION FUND PROJECTION

Revenues	2004	2005	2006	2007
Property Taxes	1,195,329	981,041	505,000	625,000
Motor Vehicle	84,185	123,681	96,000	45,343
In-lieu	5,317	3,775	5,000	1,290
Service Charges	167,996	164,721	170,000	165,000
TOTAL REVENUES	1,452,827	1,273,218	776,000	836,633

Expenditures	2004	2005	2006	2007
Transportation	1,355,366	1,587,865	1,250,000	1,701,380
TOTAL EXPENDITURES	1,355,366	1,587,865	1,250,000	1,701,380

Revenue over Expenditures	97,461	(314,647)	(474,000)	(864,747)
Beginning Balance	1,621,859	1,719,320	1,404,673	930,673
End Balance	<u>1,719,320</u>	<u>1,404,673</u>	<u>930,673</u>	<u>65,926</u>

Assumptions

.12 increase in levy, 6% increase in AV
4% increase in expenditures in 2007

CITY OF LAWRENCE LIBRARY FUND PROJECTION

Revenues	2004	2005	2006	2007
Property Taxes	1,925,987	2,327,021	2,470,000	2,620,000
Motor Vehicle	208,674	198,464	226,000	233,966
In-lieu	8,504	9,019	8,000	5,748
TOTAL REVENUES	2,143,165	2,534,504	2,704,000	2,859,714

Expenditures	2004	2005	2006	2007
Library	2,067,000	2,502,000	2,759,000	2,950,000
TOTAL EXPENDITURES	2,067,000	2,502,000	2,759,000	2,950,000

Revenue over Expenditures	76,165	32,504	(55,000)	(90,286)
Beginning Balance	47,305	123,470	155,974	100,974
End Balance	<u>123,470</u>	<u>155,974</u>	<u>100,974</u>	<u>10,688</u>

Assumptions

No levy increase in 2007, 6% incr in 2007 AV

4% increase in 2007 expenditures

CITY OF LAWRENCE RECREATION FUND PROJECTION

Revenues	2004	2005	2006	2007
Property Taxes	319,280	284,881	320,000	399,000
Motor Vehicle	70,158	32,211	28,000	29,119
In-lieu	1,379	1,091	1,000	835
Service Charges	1,305,551	1,414,097	1,400,000	1,442,350
Transfer	1,200,000	1,304,000	1,400,000	1,400,000
Total Revenue	2,896,368	3,036,280	3,149,000	3,271,304

Expenditures	2004	2005	2006	2007
Recreation	2,857,123	3,084,902	3,277,428	3,369,390
TOTAL EXPENDITURES	2,857,123	3,084,902	3,277,428	3,339,320

Revenue over Expenditures	39,245	(48,622)	(128,428)	(98,086)
Beginning Balance	497,937	537,182	488,560	360,132
End Balance	<u>537,182</u>	<u>488,560</u>	<u>360,132</u>	<u>262,046</u>

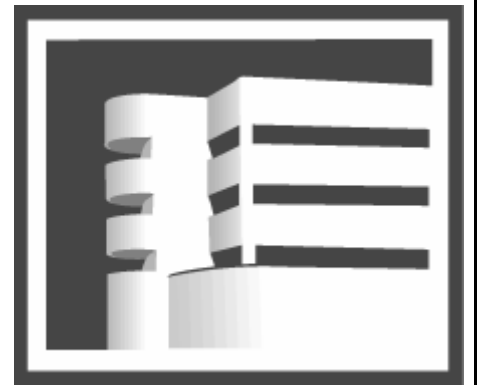
Assumptions

.08 increase in levy , 6% increase in 2007 AV, 97% of budgeted expenditures

General Operating Fund



City of
Lawrence, Kansas

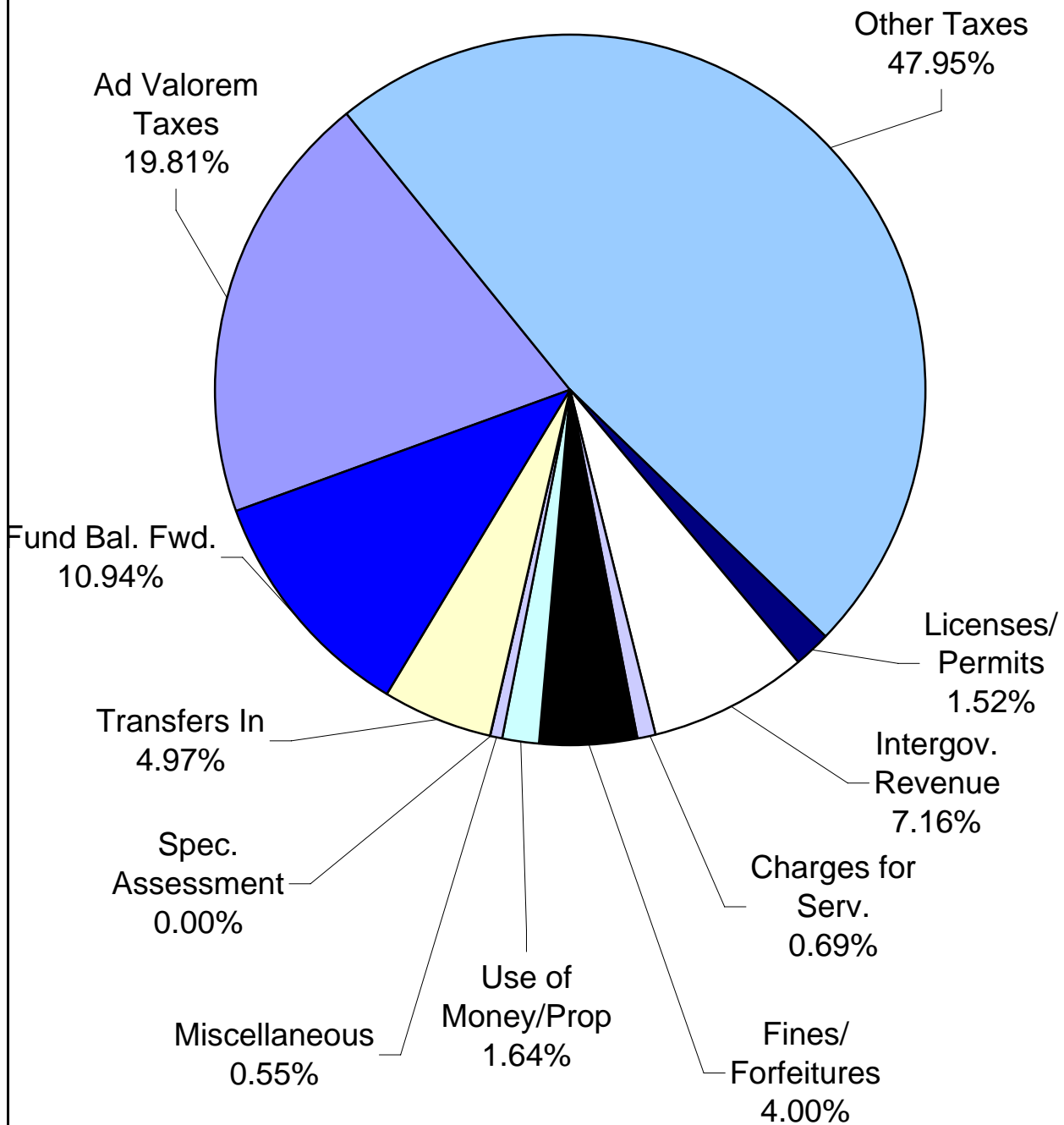




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General Operating Fund

**2007 General Operating Fund
Resources by Classification:
Total - \$60,905,963**



Fund 001-General Operating

RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Ad Valorem - Current Taxes	\$ 11,112,560	\$ 11,300,000	\$ 11,300,000	\$ 11,864,000
Ad Valorem - Delinquent Taxes	164,798	200,000	200,000	200,000
Motor Vehicle Taxes	1,121,435	1,097,857	1,097,857	1,077,876
Payment In Lieu of Tax	118,739	100,000	100,000	28,731
Franchise Fees	3,754,184	3,847,000	3,847,000	4,500,000
Local Sales Tax	12,765,697	12,800,000	12,800,000	13,800,000
County - Wide Sales Tax	8,552,411	8,080,000	8,080,000	9,250,000
Special Liquor Tax	530,707	525,000	525,000	550,000
Highway Commission	141,802	142,000	142,000	142,000
Douglas Co. - Medical	2,962,080	3,338,358	3,338,358	3,731,013
Douglas Co. - Health Dept.	210,379	197,036	197,036	207,753
Licenses	236,669	170,000	170,000	230,000
Permit/Inspections	845,522	650,000	650,000	850,000
Fines and Forfeits	2,637,520	2,175,000	2,175,000	2,750,000
Township Fire Levy	35,000	35,000	35,000	35,000
Contractor Licensing Fees	-	108,000	108,000	108,000
Engineering Fees	212,454	35,000	35,000	200,000
Douglas Co. - Planning /Personnel	204,327	191,500	191,500	225,184
Lots and Foundation Charges	64,566	50,000	50,000	65,000
Burial	45,916	40,000	40,000	45,000
Kaw Drainage District	20,000	20,000	20,000	20,000
Interest on Investments	1,087,618	400,000	400,000	1,000,000
Other Charges	95,898	100,000	100,000	100,000
Miscellaneous	240,136	168,000	168,000	235,000
Transfers In	1,595,525	1,628,662	1,628,662	3,025,600
TOTAL REVENUES	48,755,943	47,398,413	47,398,413	54,240,157
Balance, January 1	12,922,924	9,794,184	14,472,880	6,665,806
TOTAL RESOURCES AVAILABLE	61,678,867	57,192,597	61,871,293	60,905,963
TOTAL EXPENDITURES	47,205,987	55,205,487	55,205,487	58,070,229
FUND BALANCE	\$ 14,472,880	\$ 1,987,110	\$ 6,665,806	\$ 2,835,734

Fund 001 - GENERAL OPERATING

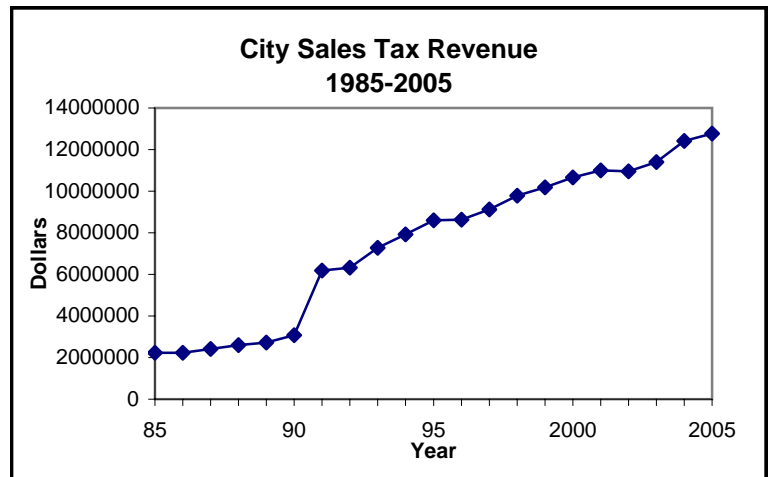
Major Revenue Sources - Description, Assumptions, and Trends

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

Sales Tax

The City of Lawrence General Fund receives forty-four percent (44%) of its revenue from sales tax. The City receives revenue from two sources of sales tax: a City-wide sales tax of one percent, all of which goes to the City of Lawrence and a share of the one percent County-wide sales tax.

A city retailer's sales tax of 0.5% was instituted July 1, 1971, followed by an additional 0.5% that went into effect October 1, 1990. This one percent city retailer's sales tax has followed an upward swing throughout the last two decades (through 2005), as evidenced by the graph.



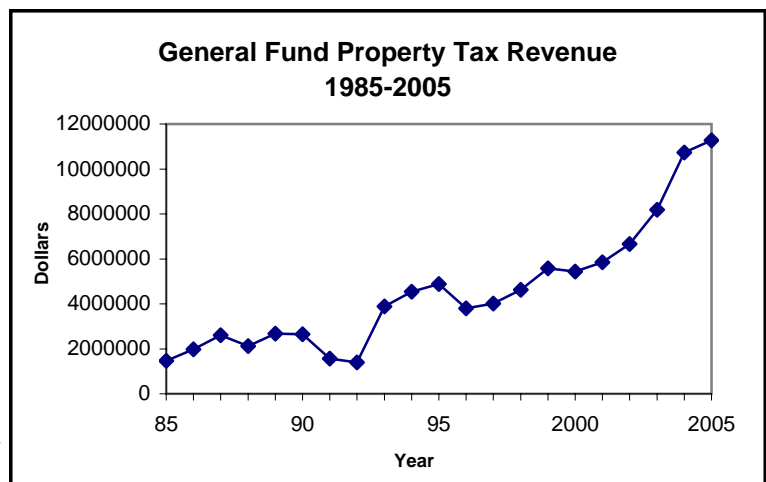
We are predicting a continued modest growth in city sales tax for 2007. Consumer confidence in the economy has been gradually increasing and consumer spending has rebounded recently. With cautious optimism as our guide, our projections for 2007 (\$13,800,000) predict slight growth over the actual 2005 receipts (\$12,765,697).

The County-wide sales tax of one percent was approved in a November, 1994 election and became effective in 1995. We are projecting \$9,250,000 in revenue for 2007 from the City's share of the county-wide sales tax, which represents an increase over the \$8,552,411 receipts for 2005. Assumptions behind this projection are related to a conservative approach to this somewhat unpredictable revenue source.

Property Tax

Twenty-two percent (22%) of the 2007 General Fund revenues are estimated to come from ad valorem property taxes. A graph depicting General Fund property tax revenue from 1985-2005 is shown below. To generate the \$12,650,000 in property tax revenue needed for the 2007 budget, a mill levy of 14.869 is required. This mill levy is equal to the mill levy required for the 2006 budget. The 2007 assessed valuation is \$824,213,461, which represents a 6% increase over last year. This increase is less than the 7-8% growth in the assessed valuation that Lawrence has experienced in previous years.

The mill levy revenue for the General Fund will provide funding for increased operating costs for those departments supported by the General Fund, as well as new positions for the City to include anticipated staffing recommendations for the Planning and/or Neighborhood Resources departments from the 2006 review of the development process, an auditor position and economic development position, a 3-person street maintenance crew, and two sergeant position for the Police department. Infrastructure maintenance, specifically for our street and curb system, is another service level that relies on funding from the mill levy revenue.



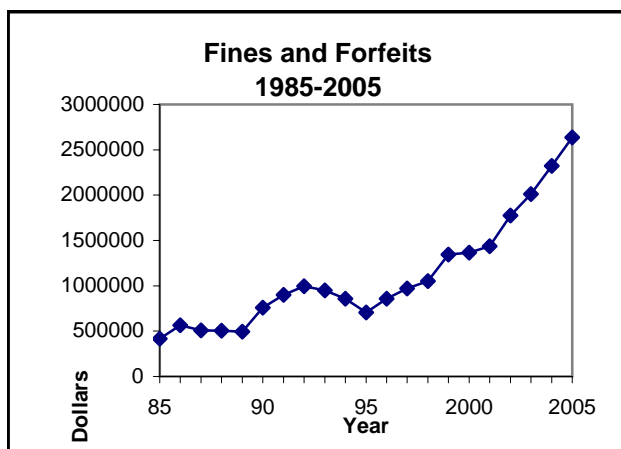
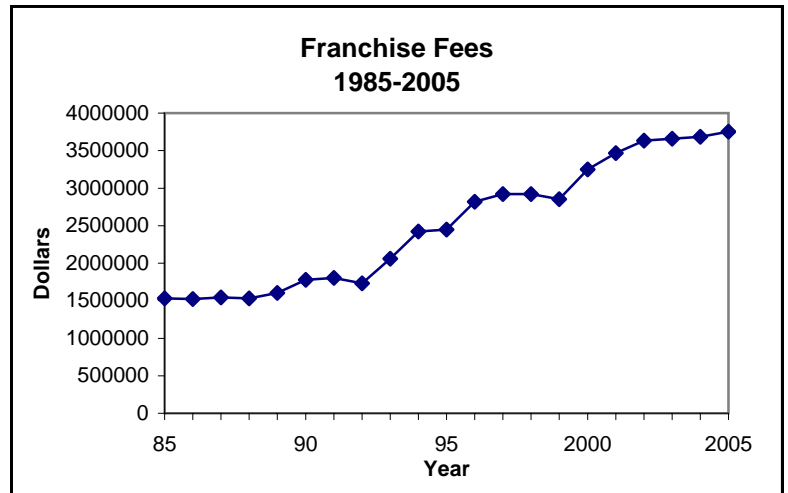
Fund 001 - GENERAL OPERATING

Major Revenue Sources - Description, Assumptions, and Trends

Franchise Fees

These fees, which the City charges to allow utilities to provide services within the city and to locate within the public right-of-way have shown gradual increases over the past two decades.

The current rate for electricity is 4% of gross sales, cable is 3.25%, and telecommunications is 2%. The natural gas franchise fee is a volumetric fee, based on customer class. Staff recommends phasing in a uniform level of 5% franchise fee for electricity, cable, and telecommunications, beginning with an increase in the electricity franchise fee in 2007. This, in addition to an expectation of increases in 2007 revenue levels from the remaining franchise fees, translates to an increase in 2007 revenue (\$4,500,00) over the 2005 actual receipts (\$3,754,184).



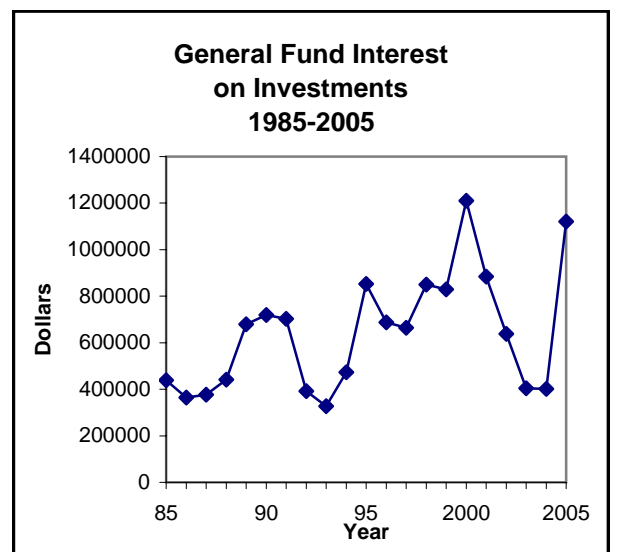
Fines and Forfeits

The graph of the last twenty years shows this revenue source has more than tripled from \$707,562 in 1995 to \$2,637,520 in 2005. This recent history of steady increases has prompted projections for 2007 (\$3,754,467) that are higher than 2005 (\$2,020,800). These predictions are based on the addition of a traffic unit that was added to the Police Department in 2002. An increase in fines that was passed in 2001 coupled with an increase in court costs approved in 2002 continues to impact this revenue source as well.

General Fund Interest on Investments

This revenue source was impacted by the economic downturn in the earlier part of this decade. As interest rates fell, so did the revenue generated from the City's investments. The graph shows the relative volatility of this revenue source and illustrates the up and down trend for the past twenty years.

There are predictions for an increase in interest rates during 2005 however, since the City primarily invests in securities with three or six month maturities, our interest earnings continue to be lower than past years. This pessimism is reflected in our projections for this revenue source, as we are estimating 2007 revenues (\$1,000,000) that basically mirror 2005 actual receipts (\$1,087,618).

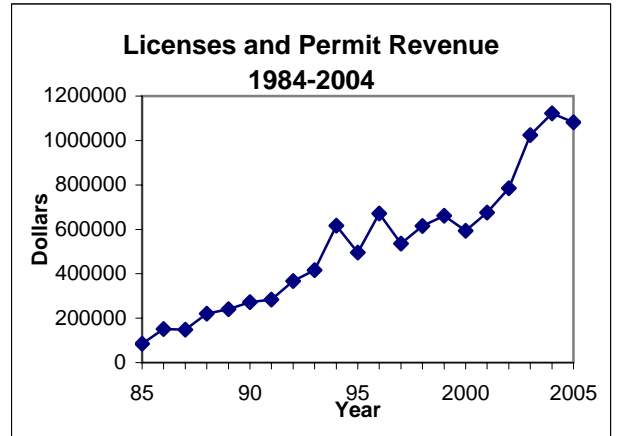


Fund 001 - GENERAL OPERATING

Major Revenue Sources - Description, Assumptions, and Trends

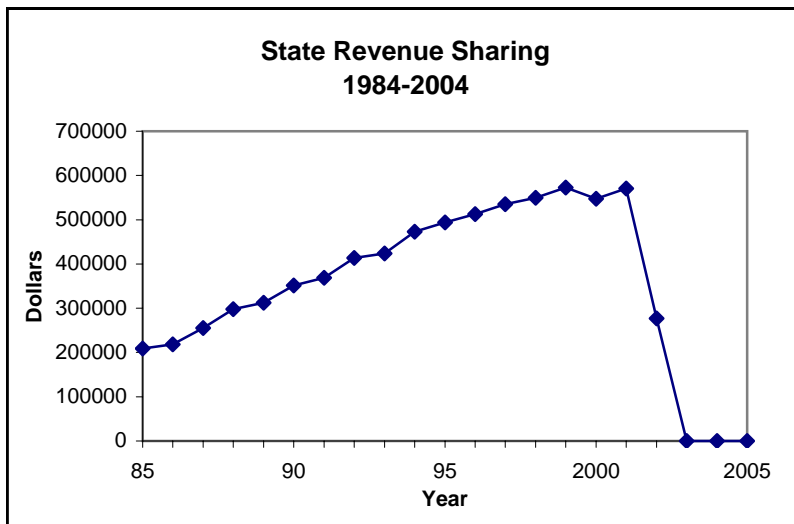
Licenses and Permits/Inspections Revenue

A fee increase for building permits was approved by the City Commission and was phased in over a three year period. The third phase went into effect in 2004. Our revenue projections for 2006 reflect a conservative approach, given the recent economic downturn and its potential effect on the building community. Although the graph that illustrates the trends for this revenue source over the past two decades indicates steady increases from 1983 through 1993, revenues have fluctuated considerably since 1993. That fluctuation has prompted us to project a slight increase in 2006 for business licenses and revenue from permits in 2006 compared to the 2005 budget.



State Revenue Sharing

We are projecting no revenue again in 2007 for this revenue source due to the fact that the state eliminated demand transfers in 2003. The graph below depicts modest growth over the past twenty years but the current State budget issues lead to projections that do not include restoration of the state demand transfers.

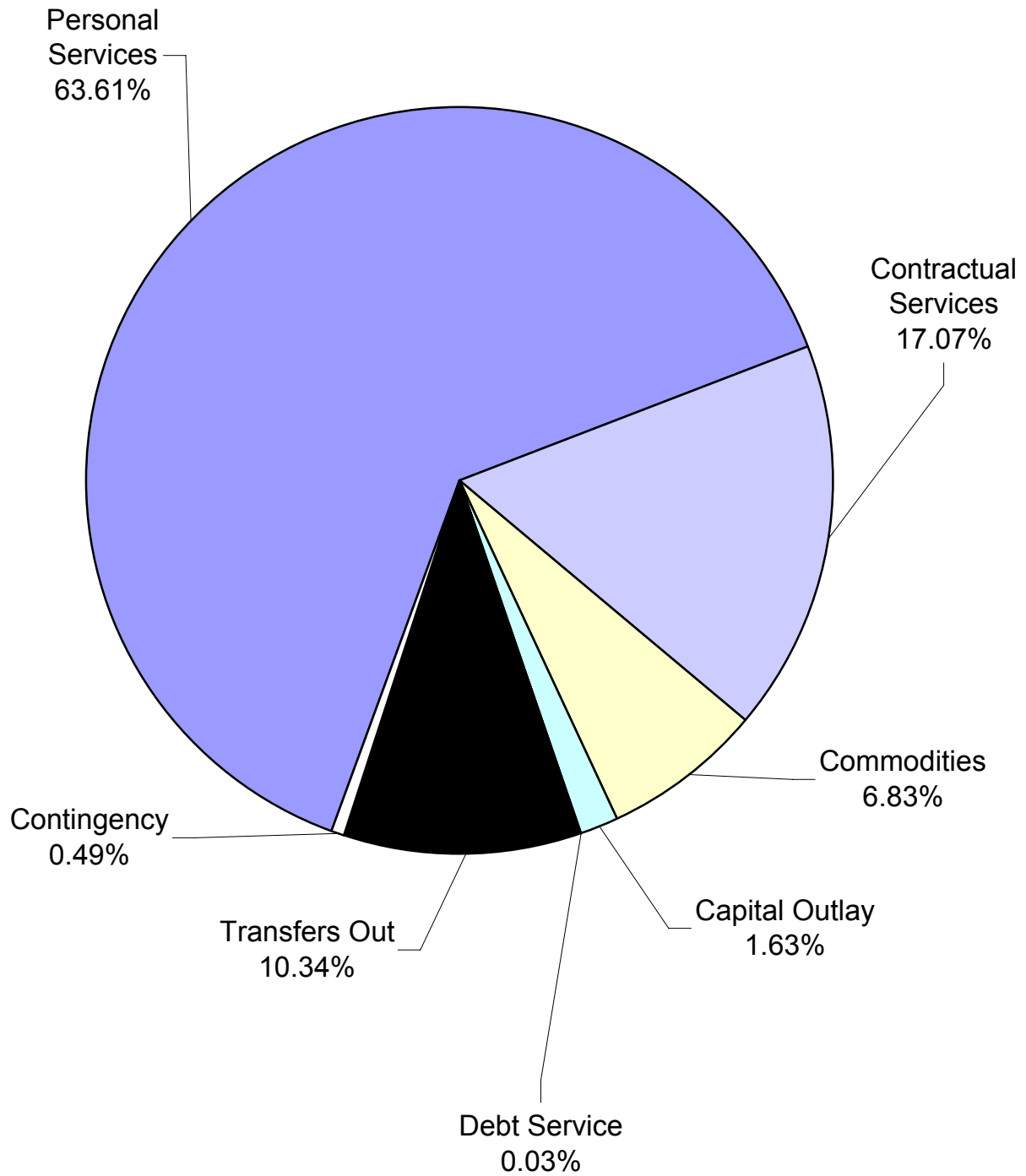


Major Revenue Sources 2002-2006

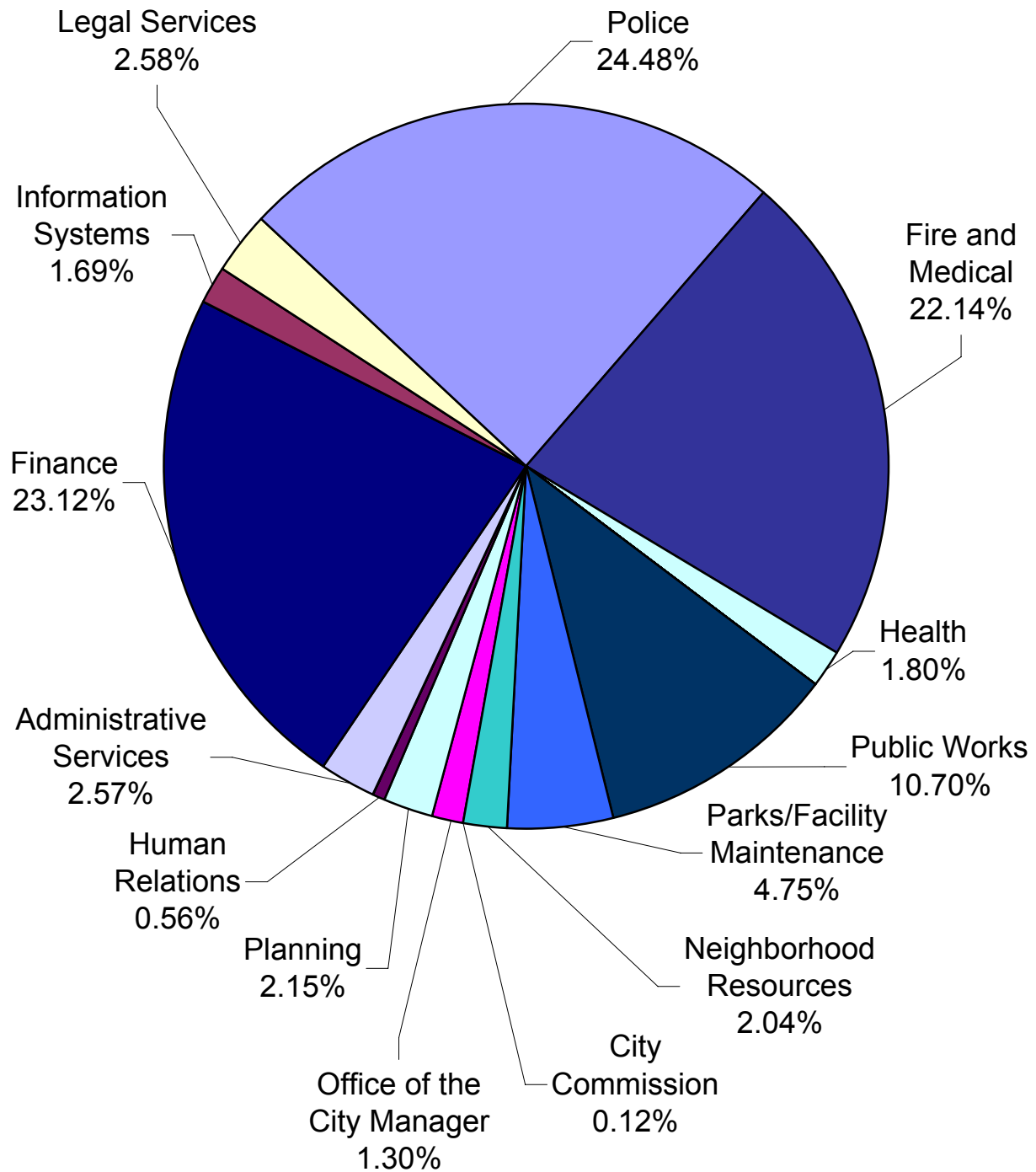


	Ad Valorem Taxes Property Tax	Local & County Wide Sales Tax	Fund Balance Forward
2002	6,662,160	18,099,133	10,374,335
2003	8,189,792	18,893,836	8,919,482
2004	10,734,173	20,740,305	8,164,583
2005	11,277,358	21,318,108	12,922,924
2006	11,500,000	20,880,000	14,472,880

**2007 General Operating Fund
Expenditures by Category:
Total - \$58,070,229**



**2007 General Operating Fund
Expenditures by Department:
Total - \$58,070,229**



Fund 001 - GENERAL OPERATING

SUMMARY OF GENERAL OPERATING FUND EXPENDITURES

Acct. #	ACCOUNT TITLE	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
1010	City Commission	\$ 68,674	\$ 70,420	\$ 70,420	\$ 71,550
1020	City Manager	309,803	314,845	314,845	599,083
1025	Public Information	77,141	133,807	133,807	149,051
1030	Planning	863,892	1,148,910	1,148,910	1,233,656
1040	Human Relations	247,031	304,168	304,168	315,183
1050	City Clerk	152,370	170,245	170,245	223,729
1053	Personnel	449,767	569,978	569,978	648,728
1054	Risk Management	1,074,744	602,715	602,715	603,011
1060	Financial Administration	320,599	345,175	345,175	342,764
1065	General Overhead	2,465,094	2,941,447	2,941,447	3,338,165
1068	Transfers	7,629,766	9,213,255	9,213,255	9,582,669
1070	Information Systems	884,680	949,036	949,036	969,276
1080	Legal Services	628,170	948,767	948,767	787,454
1090	Municipal Court	607,577	651,514	651,514	690,346
2100	Police*	11,503,849	13,219,436	13,219,436	14,045,739
2200	Fire and Medical	10,670,263	11,997,412	11,997,412	12,699,754
2500	Health	847,499	974,355	974,355	1,034,075
3000	Street Maintenance	1,963,040	3,162,057	3,162,057	2,718,760
3100	Engineering	704,205	786,401	786,401	951,990
3200	Traffic	550,794	645,110	645,110	642,775
3300	Airport Maintenance	72,300	106,451	106,451	113,559
3400	Property Maintenance	711,309	881,452	881,452	981,078
3600	Street Lights	497,148	580,000	580,000	610,000
3700	Levee Maintenance	116,903	117,628	117,628	118,822
4500	Parks and Facility Maintenance	2,950,122	3,279,726	3,279,726	3,427,945
6300	Housing and Neighborhood Development	839,247	1,091,177	1,091,177	1,171,067
	TOTAL EXPENDITURES	\$ 47,205,987	\$ 55,205,487	\$ 55,205,487	\$ 58,070,229

Fund 001 - GENERAL OPERATING

A detailed description of the expenditures, personnel, mission, goals, objectives, and performance measures for each department funded in the General Operating Fund can be found on the following pages:

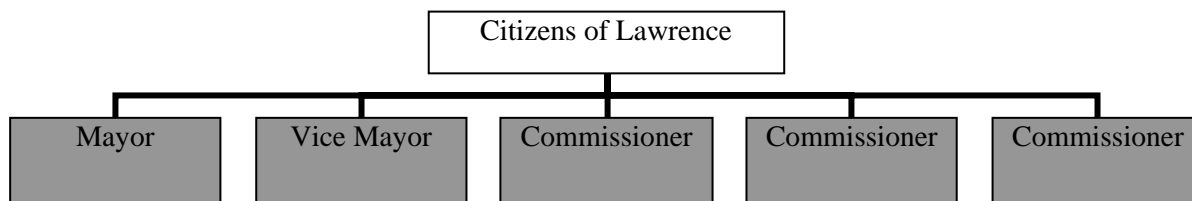
<u>DEPARTMENT</u>	<u>PAGE NUMBER</u>
CITY COMMISSION	B-12
OFFICE OF THE CITY MANAGER	
• City Manager's Office	B-14
• Public Information Office	B-16
LAWRENCE / DOUGLAS COUNTY PLANNING OFFICE	B-18
HUMAN RELATIONS	B-20
ADMINISTRATIVE SERVICES	
• City Clerk	B-22
• Personnel	B-24
• Risk Management	B-26
FINANCE	
• Financial Administration	B-28
• General Overhead	B-30
• Transfers	B-31
INFORMATION SYSTEMS	B-32
LEGAL SERVICES	
• Legal Services	B-34
• Municipal Court	B-36
POLICE	B-38
LAWRENCE / DOUGLAS COUNTY FIRE AND MEDICAL	B-40
LAWRENCE / DOUGLAS COUNTY HEALTH DEPARTMENT	B-42
PUBLIC WORKS	
• Street Maintenance	B-44
• Engineering	B-46
• Traffic Engineering	B-48
• Airport Maintenance	B-50
• Building Maintenance	B-52
• Street Lights	B-55
• Levee Maintenance	B-56
PARKS AND FACILITY MAINTENANCE	B-58
NEIGHBORHOOD RESOURCES	
• Division of Code Enforcement / Inspections	B-60

GENERAL OPERATING FUND**CITY COMMISSION****ACCOUNT 001-1010-511****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 50,784	\$ 52,220	\$ 52,220	\$ 52,950
Contractual Services	17,405	16,200	16,200	\$ 17,600
Commodities	485	2,000	2,000	1,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 68,674	\$ 70,420	\$ 70,420	\$ 71,550

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	5.00	5.00	5.00	5.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

DEPARTMENT / DIVISION PROFILE

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

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

CURRENT YEAR ACCOMPLISHMENTS

- Completed review of development process and received recommendations.
- Continued processing fiscal feasibility issues as related to development and growth.
- Implemented new development code.
- Completed two new fire station projects (new #5, relocated #4).
- Implemented approved recommendations from Homeless Task Force.
- Completed site selection process for Wakarusa Water Reclamation Facility.

MAJOR GOALS AND OBJECTIVES FOR 2007

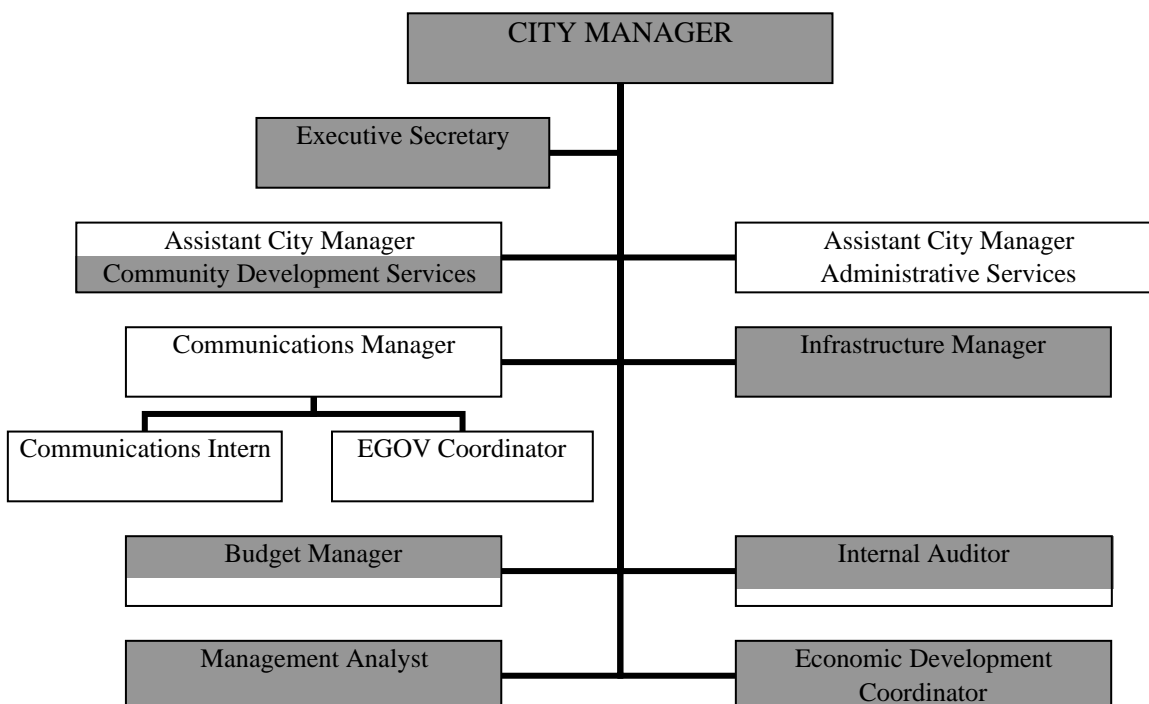
1. Review/update City Commission Goals and "Definitions of Success" for workplans.
2. Continue design preliminary design process for Wakarusa Water Reclamation Facility.
3. Continued monitoring and implementation of appropriate homeless initiatives.
4. Implementation of approved recommendations from Adequate Public Facilities review.
5. Explore additional economic development opportunities with partners.
6. Continue street maintenance improvement plan and infrastructure reliability focus.

GENERAL OPERATING FUND**CITY MANAGER'S OFFICE****ACCOUNT 001-1020-512****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 282,675	\$ 296,395	\$ 296,395	\$ 573,983
Contractual Services	22,760	15,350	15,350	20,000
Commodities	4,368	3,100	3,100	5,100
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 309,803	\$ 314,845	\$ 314,845	\$ 599,083

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	3.50	3.50	3.50	7.50

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account. Those partially shaded are funded from multiple accounts.

DEPARTMENT / DIVISION PROFILE

The City Manager is the City's Chief Administrative Officer and is responsible for providing efficient, adequate and timely municipal services to the citizens of Lawrence. The City Manager is appointed by and serves at the pleasure of the City Commission. The Commission is responsible for establishing City policies, while the Manager is charged with implementing those policies. To accomplish this task, the City Manager, (1) appoints all Department Heads and subordinate employees of the City based on merit and ability to do the job; (2) ensures that laws and ordinances are enforced; (3) advises the Commission on issues and policies as requested; (4) recommends measures and ordinances deemed necessary for the City Commission on the financial condition of the city; (5) prepares and submits an annual budget and advises the City Commission on the financial condition of the City; (6) performs other duties prescribed by state or local laws.

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

Significant Issues for 2007 - The increase in Personal Services for 2006 can be attributed to merit increases for eligible employees, a 3% general wage adjustment and the addition of several new positions including an Internal Auditor and Economic Development Coordinator.

CURRENT YEAR ACCOMPLISHMENTS

- Participated in Commission goal setting activity.
- Completed review of sanitary sewer capacity issue and implemented various improvement projects.
- Awarded GFOA Budget Award for 2006 budget documents.
- Completed parallel taxiway project and Tenant Appreciation event at airport.
- Participated in follow up activities related to Employee survey outcomes.
- Implemented benefits committee and health care committee recommendations.

MAJOR GOALS AND OBJECTIVES FOR 2007

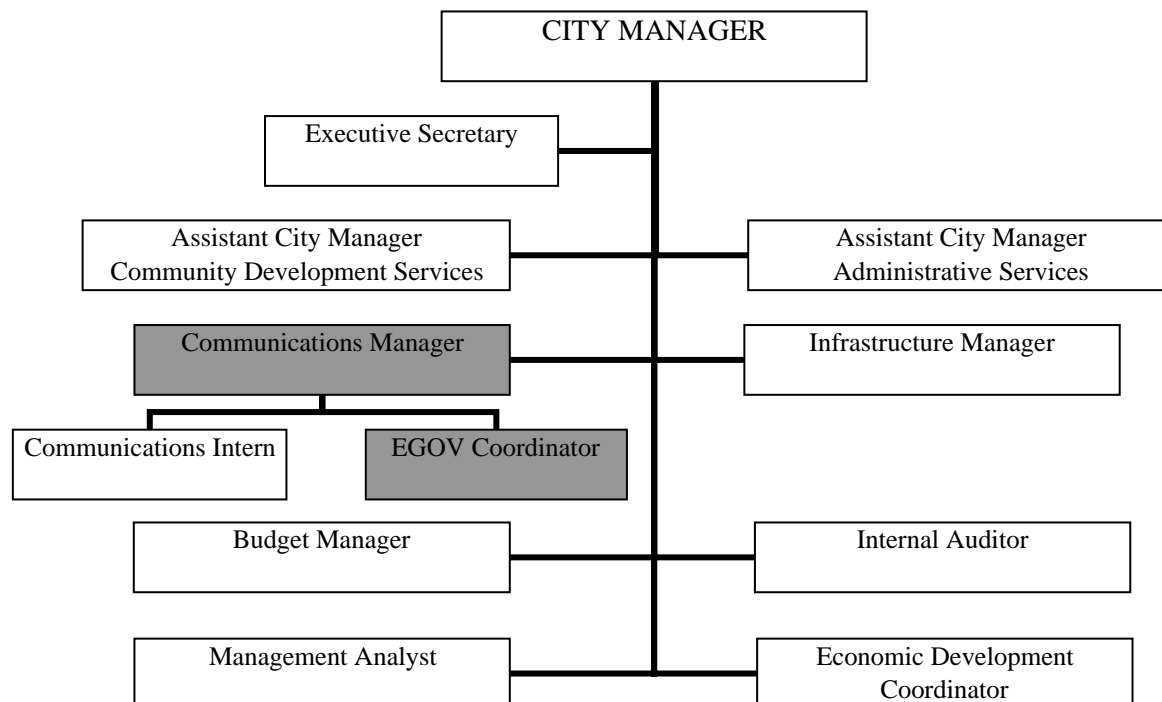
1. To provide timely and relevant information to the City Commission as is required to assist the Commission in selecting and meeting policy goals and objectives.
2. To enhance the quality of managerial development and excellence.
3. To provide administrative direction and leadership necessary to assume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

GENERAL OPERATING FUND**PUBLIC INFORMATION OFFICE****ACCOUNT 001-1025-512****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 63,835	\$ 123,397	\$ 123,397	\$ 134,841
Contractual Services	11,352	9,660	9,660	10,760
Commodities	1,954	750	750	3,450
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 77,141	\$ 133,807	\$ 133,807	\$ 149,051

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	1.00	2.00	2.00	2.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account. The Intern position is only part-time.

DEPARTMENT / DIVISION PROFILE

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

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

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees and a 3% general wage adjustment.

CURRENT YEAR ACCOMPLISHMENTS

- **Media Relations** Researched and wrote more than 50 news releases and distributed to various media outlets; provided content to City newsletter and trade publications
- **Department/Advisory Board** Provided support on staff projects; assisted Sister Cities and CVB Advisory Boards as staff liaison.
- **Public Relations** Provided direction and support for a variety of projects, including downtown waterline project, site selection for Wakarusa Water Reclamation Facility, fuel issue at 9th and Louisiana, responded to public requests for assistance and information, and developed a variety of newsletter and public education campaigns.

MAJOR GOALS AND OBJECTIVES FOR 2007

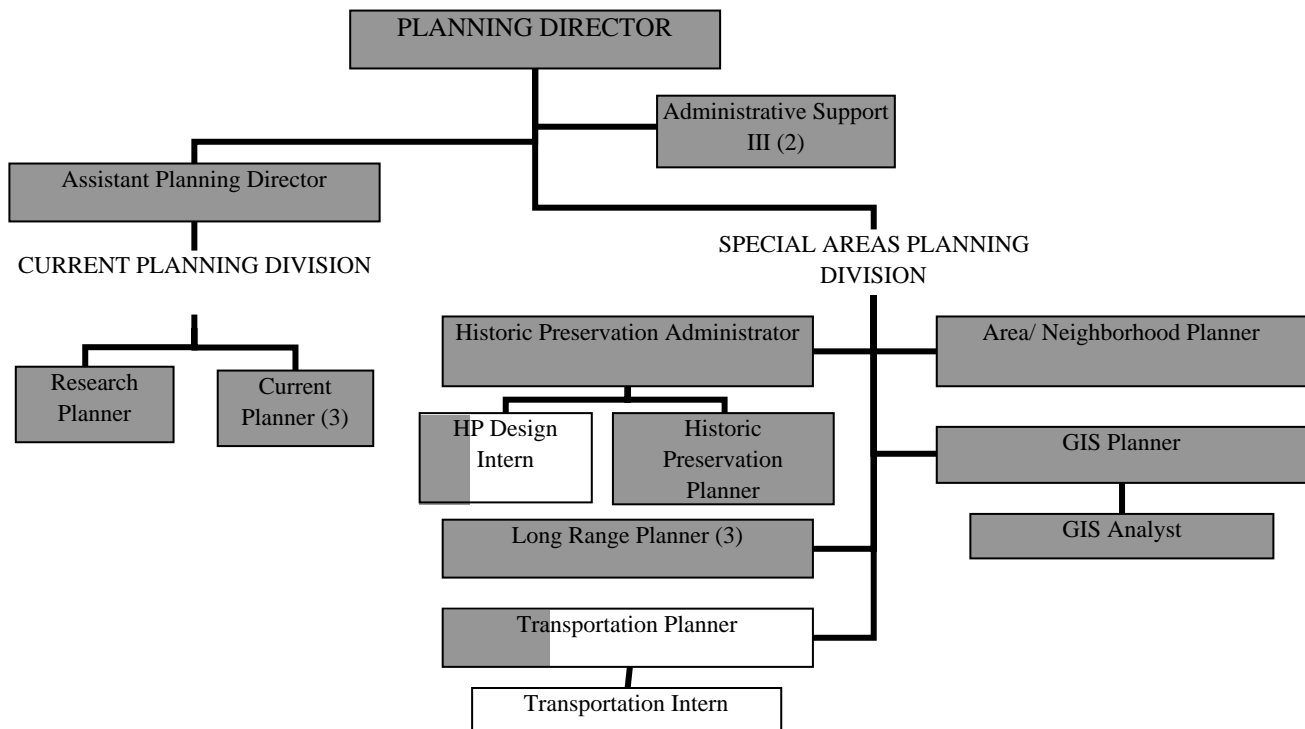
1. Provide timely, relevant and informative material to the media.
2. Educate the public about services provided by the City.
3. Expand and enhance the web site, www.lawrenceks.org.
4. Work with departments to support development and expansion of web sites.

GENERAL OPERATING FUND**PLANNING****ACCOUNT 001-1030-531****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 772,406	\$ 894,977	\$ 894,977	\$ 1,069,056
Contractual Services	67,199	221,359	221,359	116,300
Commodities	24,287	32,574	32,574	40,300
Capital Outlay	-	-	-	8,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 863,892	\$ 1,148,910	\$ 1,148,910	\$ 1,233,656

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	13.20	13.20	15.20	16.20

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Funding splits for positions are shown in the chart. HP Design Intern is funded 40% from dept. budget; Transportation Planner & Transportation Planning Intern are funded 20% from department budget.

DEPARTMENT / DIVISION PROFILE

The Planning Department's primary responsibility is implementation of the Comprehensive Plans [Horizon 2020 and Transportation 2025] through development and administration of regulatory tools that include the City & County zoning codes, City/County subdivision regulations, Historic Resources code, Capital Improvements Plan (CIP), Transportation Improvements Plan (TIP), special area plans, and City & County development policies. Although a city department, the County funds 1/6 of the department's budget.

The department's mission is the effective and efficient delivery of services to the community in a timely manner consistent with the adopted land use plans, which includes providing guidance on land use planning principles & practices. In performing this mission, planning staff provides support to: the City & County Commissions; five advisory boards (Lawrence/Douglas County Metropolitan Planning Commission, Historic Resources Commission, Board of Zoning Appeals/Sign Code Board of Appeals, City/County Bicycle Advisory Committee, and Transportation Advisory Committee); and, numerous ad hoc committees/task forces of these Boards and Commissions. The department has two divisions, in addition to the support staff. These divisions are: Current Planning and Specialized Areas Planning (Long-Range, Area/Neighborhood, Historic Resources, Transportation, and GIS/Web).

Significant Issues in 2006 The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees, a 3% general wage adjustment, and the addition of a new planner position.

CURRENT YEAR ACCOMPLISHMENTS

- Development Code adopted by City Commission
- Rural Development growth strategies studied to respond to County Commission
- Continued participation in CRS rating process which results in reduction in FP insurance rates
- Assistance with NW Sewer Study and WRF siting study
- Two chapter updates to Horizon 2020 presented by staff to Planning Commission
- Work on two special studies completed (HOP Plan & Burroughs Creek Corridor Plan)
- Hosted State Historic Preservation Conference in May 2006
- Issued RFP for consulting teams to assist in development of a Parallel Code for traditional neighborhood development

MAJOR GOALS AND OBJECTIVES FOR 2007

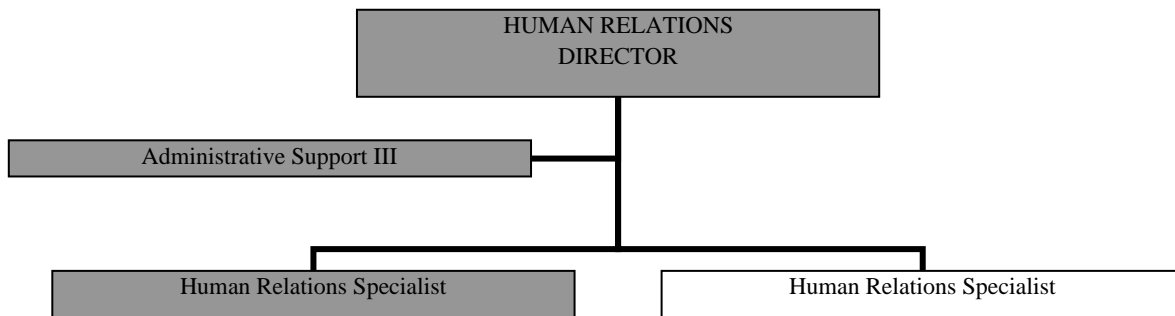
1. Implementation of new land use codes for city and county.
2. Outreach and education programs for new codes, policies and processes.
3. Training and Professional Development for Commissions and staff.
4. Comprehensive Planning [completion of Horizon 2020 update, drafting of a new chapter to Horizon 2020, complete Transportation 2025 (T2030) update (federally mandated)].
5. Land use area studies for portions of the Urban Growth Area [west of K-10/ south of river/ SE area].
6. Database development & Maintenance [collection, assimilation, scanning and inputting of raw data to track development patterns and trends for long-range and transportation planning purposes].
7. Implementation of process changes resulting from the Matrix Consulting Group report to streamline development review.

GENERAL OPERATING FUND**HUMAN RELATIONS****ACCOUNT 001-1040-541****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 248,458	\$ 248,458	\$ 248,458	\$ 258,265
Contractual Services	20,253	35,653	35,653	35,653
Commodities	14,064	20,057	20,057	20,057
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 247,031	\$ 304,168	\$ 304,168	\$ 313,975

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	3.50	3.50	3.50	3.50

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account. The unshaded position is funded from a federal housing grant.

DEPARTMENT / DIVISION PROFILE

The Human Relations Department is the City's civil rights enforcement agency. Chapter X, Article I of the City Code authorizes staff to investigate and attempt to resolve complaints from those who allege unlawful discrimination within the City limits in employment, public accommodations or housing because of their race, sex, religion, color, national origin, age, ancestry, sexual orientation, disability, or familial status. The department also conducts extensive training activities, including in-service training for City employees and training for organizations external to the City. The Department sponsors Fair Housing and Equal Opportunity Law Update Seminars for the general public and participates with several external organizations in providing outreach services for the community.

Significant Issues for 2007 - The change in Personal Services for 2007 can be attributed to merit increases for eligible employees and a 3% general wage adjustment.

CURRENT YEAR ACCOMPLISHMENTS

- Sponsored the Annual Equal Opportunity Law Update Seminar for local business that was attended by over 200 people
- Fair Housing Division was successful in winning two court cases in the Douglas County District Court
- Continued training and outreach programs for Douglas County, Haskell Indian Nations University, and other community organizations
- The outstanding work of the LHRD resulted in U.S.HUD requesting Director Samuel to represent FHAP agencies at the Congressional delegation for HUD Region VII

MAJOR GOALS AND OBJECTIVES FOR 2007

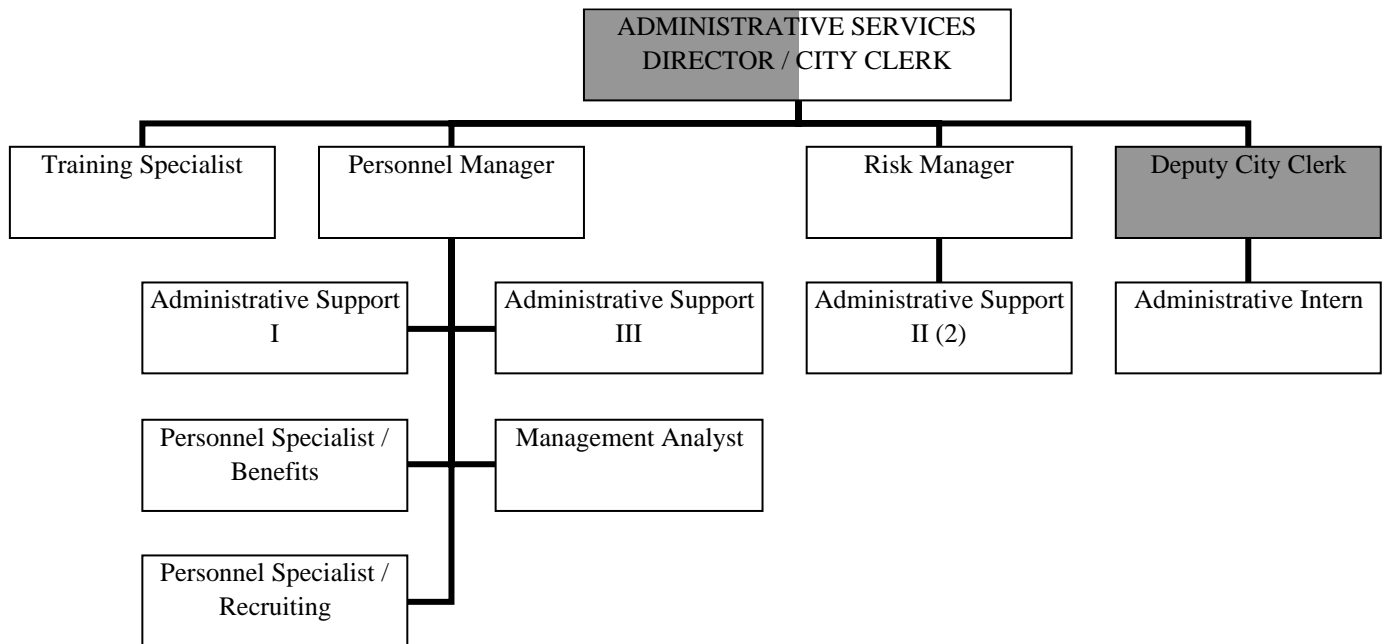
1. To educate the community, Human Relations Commission, City Commission and staff about discrimination in employment, housing and places of public accommodations as well as provide training for City employees in the area of Human Relations (Prevention of Sexual Harassment, Diversity, etc.).
2. To enforce the Civil Rights Act in cases where employment, housing or public accommodation discrimination is evident and continue timely processing of complaints alleging unlawful discrimination.
3. To collaborate with local organizations and act to develop anti-riot and community liaison communications. This will require intensified outreach and result in city government moving into a significant leadership role in race relations.

GENERAL OPERATING FUND**CITY CLERK****ACCOUNT 001-1050-542****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 92,977	\$ 112,295	\$ 112,295	\$ 115,190
Contractual Services	56,498	50,150	50,150	88,739
Commodities	2,895	7,800	7,800	19,800
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 152,370	\$ 170,245	\$ 170,245	\$ 223,729

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	1.50	1.50	1.50	1.50

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account. The Director position is funded 50% from this account, 25% from Personnel (p.B-40), and 25% from Risk Management (p.B-42).

DEPARTMENT / DIVISION PROFILE

The City Clerk Division provides for the retention, maintenance, and continuity of all official records of the City of Lawrence and provides basic record retrieval services to citizens and City staff. The City Clerk Division is also responsible for recording all activities involved in City Commission meetings, including meeting minutes, ordinances and resolutions. We also maintain other official records such as contracts, deeds, leases, bond related documents, special assessments, annexations, and records of City-owned cemeteries. Further, we administer the licensing and permit process for various City licenses and permits. We also coordinate public notices, legal publications, and bid notices. We handle documents related to the special assessment financing of projects within the City as well as documents related to the sale and administration of bonds and temporary notes. Notices of elections, filing by candidates and other details of elections are also administered through the City Clerk and coordinated with the County Clerk-Election Officer. Our effectiveness and efficiency is demonstrated by the timely and accurate assistance provided to the general public and City staff.

Significant Issues for 2007: Personal Services increases are due to merit increases for eligible employees and a 3% general wage adjustment. The increase in Contractual Services are due to expected City Commission election costs and increased Legal Advertising costs. Additional issues for 2007 include will include enhancing public access to City records (ordinances, resolutions and City Commission meeting minutes).

CURRENT YEAR ACCOMPLISHMENTS

- Developed Informational Brochures for Temporary Use of Right of Way Permit and Transient Merchant License
- Completed 2005 Tax Abatement Report and timely submitted to Public Incentive Review Committee and City Commission
- Implemented Click2Gov Business License software
- City Clerk website enhancements

MAJOR GOALS AND OBJECTIVES FOR 2007

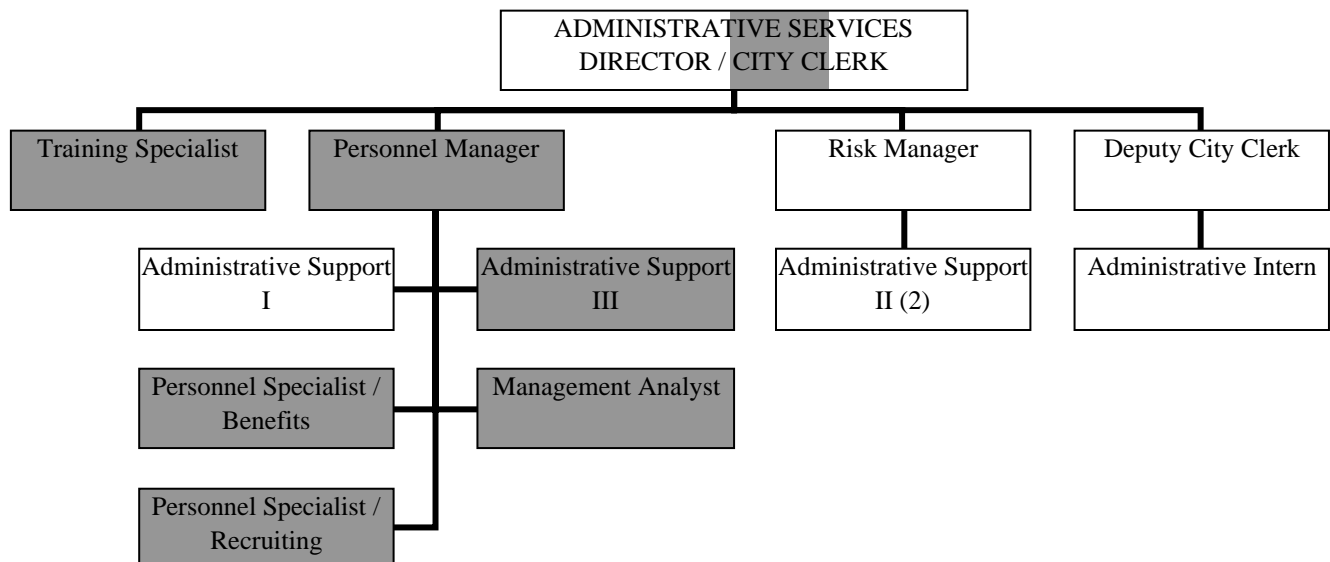
1. Continue to update and improve the City Clerk's website.
2. Continue to scan and electronically store official City documents.

GENERAL OPERATING FUND**PERSONNEL****ACCOUNT 001-1053-543****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 276,637	\$ 348,810	\$ 348,810	\$ 401,960
Contractual Services	153,408	189,146	189,146	222,252
Commodities	19,722	32,022	32,022	24,516
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 449,767	\$ 569,978	\$ 569,978	\$ 648,728

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	5.75	5.75	6.35	6.35

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

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

Significant Issues for 2007 - The increase in Personal Services for 2006 can be attributed to merit increases for eligible employees, a 3% general wage adjustment, an upgrade of a clerical position and the addition of a part time support position. Health Care costs continue to be a significant issue with an expected increase of 7.9%. Lastly, almost half of the increases for 2007 can be attributed to the need to continue and expand the City's Management and Supervisory Development programs, Customer Service training and other training initiatives. The division continues to implement electronic human resource initiatives (on-line recruitment and selection procedures, conversion of personnel files from paper to scanned electronic documents and purchase and implementation of HRIS system to streamline data entry and improve the ability to track organization productivity). The division continues to implement the informational phase of the employee Intranet and will be ready to implement on-line employee benefits enrollment software in the next 24 months.

CURRENT YEAR ACCOMPLISHMENTS

Health Care: Long term funding strategy implemented. Retiree funding reviewed. Preventative care benefits expanded. On-line benefits enrollment implemented.

Employee Benefits: Employee & market survey. Deferred Compensation Plans reviewed.

Compensation: External survey and internal equity systems integrated into regular workload.

Employee Development: 100% attendance at Diversity training. Implementation of Management and Supervisory Development program.

Management reports developed for turnover, overtime, productive wk time and succession planning models.

Employee Satisfaction Survey: Distribution of 05 results to employees, action steps developed.

Intranet: New design rolled out with new data entry tool for all departments.

On-line Job Application, Recruitment and Selection program implemented.

Professional Development: 100% of division staff attained professional PHR or SPHR certification.

MAJOR GOALS AND OBJECTIVES FOR 2007

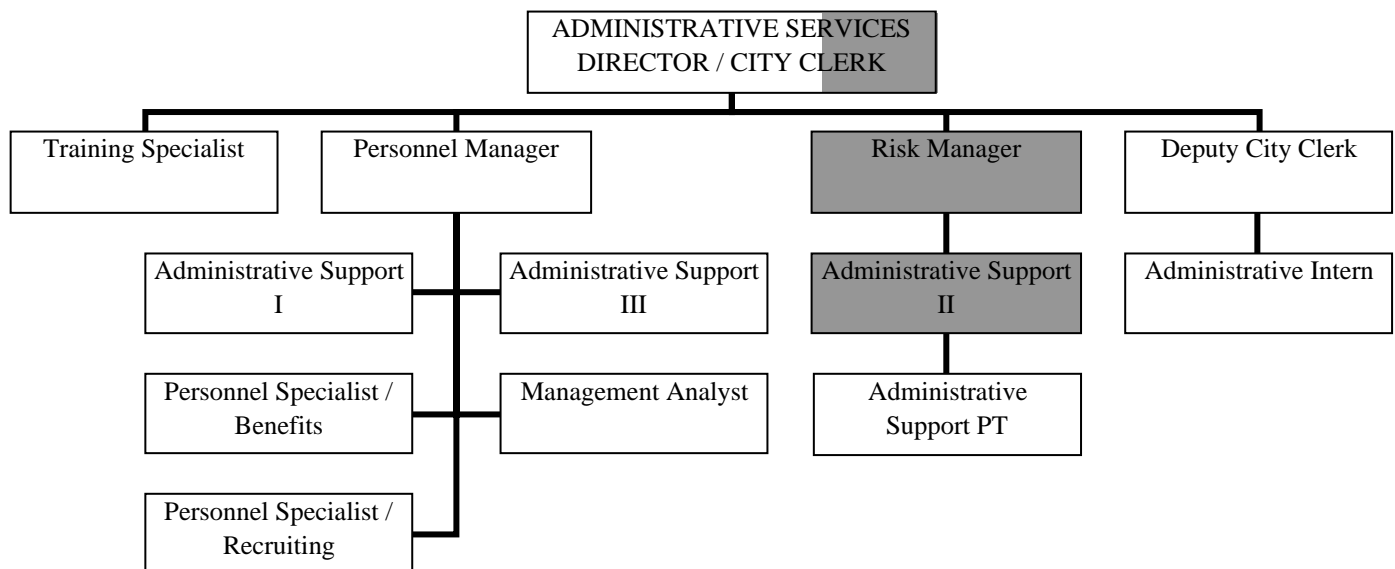
1. In order to provide a work environment that places our employees in the best position to carry out City Commission Goals, we will develop initiatives that will place the Personnel Division at 90% of the industry-accepted minimum staffing ratio of .9:100.
2. Implement City Management initiative to improve employee communication and customer service with continued development of the City Intranet implementing electronic storage of personnel records, on-line recording of work time (time & attendance system) and on-line learning opportunities. Continue to develop the Intranet as the primary communication source for employees.
3. Implement City Commission initiative for improved employee satisfaction implementation of systems to collect employment data, carrying out action steps developed from second survey, measuring City improvement since the first survey and making recommendations for continued improvement.
4. Implement City Management initiative to improve empowerment and employee reward systems by continuing to follow the Benefit and Compensation Master Plan, implementing recommendations from Compensation Study, reviewing, making recommendations for Employee Health Care Plan and develop comprehensive employee development initiatives in the areas of management development and customer service skills.

GENERAL OPERATING FUND**RISK MANAGEMENT****ACCOUNT 001-1054-544****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 137,230	\$ 157,695	\$ 157,695	\$ 158,133
Contractual Services	776,107	436,720	436,720	425,878
Commodities	11,407	8,300	8,300	19,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	150,000	-	-	-
Contingency	-	-	-	-
Total	\$ 1,074,744	\$ 602,715	\$ 602,715	\$ 603,011

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	2.25	2.25	2.25	2.25

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

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

Significant Issues for 2007:

Necessary Risk Management Information System (Riskmaster) upgrades explain the increase in commodities. The Riskmaster product and its reporting module, purchased in 1999, will change to a web based platform (Riskmaster X) and support will be phased out, resulting in a decrease in contractual services. Increases in personal services can be attributed to merit increases for eligible employees and a 3% general wage adjustment.

CURRENT YEAR ACCOMPLISHMENTS

- Implemented funding/claim payment strategy to allow for retention of funds and growth to the liability and workers' compensation funds. Workers' compensation fund level is now adequately funded to the level determined necessary by the State of Kansas
- Secured single policy coverage to replace individual public officials bonds generating a 75% reduction in premium
- Secured insurance premium cost savings on auto and firefighter professional liability coverage generating a 23% reduction in premium
- Secured improved property loss coverage to include limited flood and earth movement losses and generated a 13% reduction in premium
- Secured State approval of Workers Compensation Self-Insurance Program for 2006-2007

MAJOR GOALS AND OBJECTIVES FOR 2007

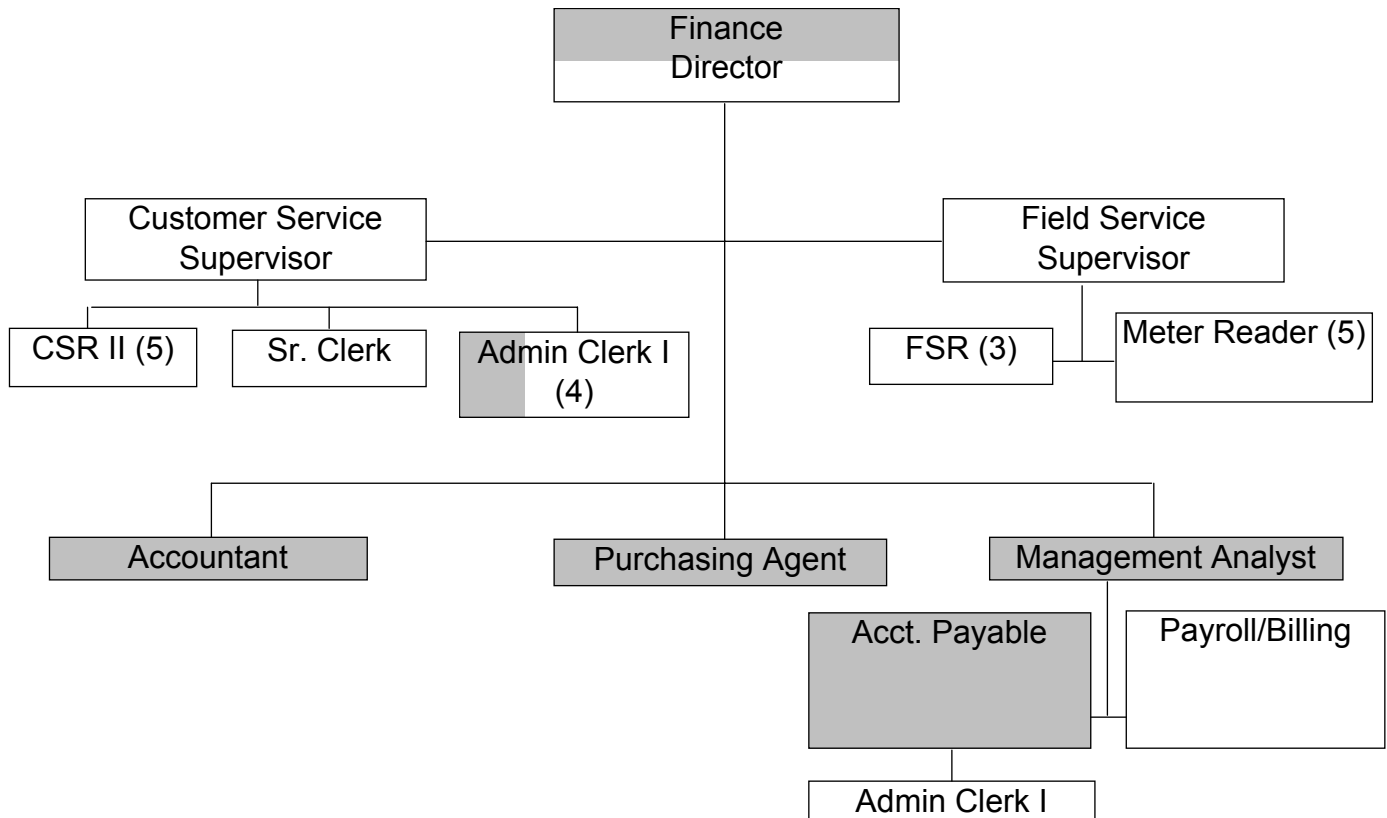
1. Implement Risk Management Information System upgrade to Riskmaster X and report module Business Intelligence.
2. Continue to improve and enhance data reporting capabilities, loss runs, data analysis.
3. Coordinate supervisory training on risk management issues with training and employee development supervisory training program.
4. Research and develop recommendation to secure employee theft and dishonesty insurance coverage.

GENERAL OPERATING FUND**FINANCIAL ADMINISTRATION****ACCOUNT 001-1060-551****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 294,308	\$ 312,425	\$ 312,425	\$ 310,074
Contractual Services	10,332	17,700	17,700	16,990
Commodities	15,959	15,050	15,050	15,700
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 320,599	\$ 345,175	\$ 345,175	\$ 342,764

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	5.13	5.13	5.13	5.13

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

*Shading included positions shaded from this account. Only one Admin Clerk I position is funded from this account.

DEPARTMENT / DIVISION PROFILE

The Administration Division of the Finance Department is responsible for the overall financial administration of the City of Lawrence. Major responsibilities include accounting, investing, purchasing, accounts payable, and debt management. The division strives to provide excellent service to citizens, contractors, suppliers, and employees. We treat customers with courtesy, respect and empathy. The division works with other departments to develop procedures to use funds properly and productively. The financial operations of the City are governed by many standards and statutes. Some standards, such as accounting and auditing, are developed by independent standard setting bodies. Governmental accounting standards are set by the Government Accounting Standards Board (GASB). State statutes and internal policies govern our investment practices, such as types of investments and length of maturities. We also operate under purchasing guidelines approved by the City Commission that specify when bids must be obtained and who may approve various purchases. Debt issuance is governed by State and Federal statutes. The legality of our debt issuance is reviewed by the Attorney General's Office. The underwriters who purchase our debt are governed by the Securities Exchange Commission. Because of these requirements, there are strict guidelines as to what the City must disclose about our financial position to properly inform our bondholders.

Significant Issues for 2007 - The decrease in Personal Services for 2007 can be attributed to personnel turnover. The budget for other operating expenses is very similar to prior years.

CURRENT YEAR ACCOMPLISHMENTS

- Received Certificate of Achievement from the GFOA for our 2004 financial report
- Completed the 2005 audit and financial report by May 15th
- Requested and reviewed proposals for banking services
- Assigned the purchasing specialist the task of tracking all bid and proposal numbers
- Implemented a new system for processing purchasing card transactions
- Maintained a Aa2 rating from Moody's on our general obligation debt

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Prepare the 2005 financial report in accordance with the generally accepted accounting principles.
2. Structure the investment portfolio to insure return of principal, while exceeding the rate of return of the 91 day Treasury Bill by 10 basis points.
3. Ensure payment in lieu of taxes are billed on a timely and accurate basis.
4. Monitor revenues and expenditures to determine trends and alert City Commission to areas of concern.
5. Monitor efforts to collect delinquent revenues owed to the City.

GENERAL OPERATING FUND**GENERAL OVERHEAD****ACCOUNT 001-1065-555****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	\$ 2,414,991	\$ 2,689,671	\$ 2,689,671	\$ 3,101,289
Commodities	28,256	32,500	32,500	32,500
Capital Outlay	2,571	-	-	-
Debt Service	19,276	19,276	19,276	19,376
Transfers	-	-	-	-
Contingency	-	200,000	200,000	185,000
Total	\$ 2,465,094	\$ 2,941,447	\$ 2,941,447	\$ 3,338,165

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	N/A	N/A	N/A	N/A

DEPARTMENT / DIVISION PROFILE

The General Overhead Division is used to account for expenses common to several departments such as auditing, postage, dispatching, and office leases.

Significant Issues for 2007 include a significant increase over 2006 for outside agencies due to increased funding for previously funded agencies as well as the addition of new agencies in the outside agency funding program. The following agencies will receive grants from this budget:

Lawrence Humane Society	\$267,000	ECO2 Operations	\$10,000
Chamber of Commerce	145,000	Housing and Credit Counseling	19,000
Douglas County CASA	20,000	Lawrence Arts Center	95,000
Douglas County Legal Aid	40,000	Ballard Community Center	7,500
Van Go Mobile Arts	35,000	Health Care Access	28,000
WTCS	6,000	Salvation Army	30,000
Downtown Lawrence	47,500	Jayhawk Area Agency on Aging	7,830
Douglas County Visitation Center	7,500	Boys & Girls Club of Lawrence	143,722
Ecumenical Minister's Fellowship	5,000	The Shelter	34,737
Warm Hearts	6,000	Biosciences Initiatives	200,000
Juneteenth Celebration	5,000	Homeless Task Force Rec.	209,000
Bert Nash (WRAP)	250,000		
TOTAL	\$	1,618,789	

GENERAL OPERATING FUND**TRANSFER****ACCOUNT 001-1068-558****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 3,155,766	\$ 3,441,505	\$ 3,441,505	\$ 3,576,669
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	4,474,000	5,771,750	5,771,750	6,006,000
Contingency	-	-	-	-
Total	\$ 7,629,766	\$ 9,213,255	\$ 9,213,255	\$ 9,582,669

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	N/A	N/A	N/A	N/A

DEPARTMENT / DIVISION PROFILE

The Transfer Division is used to account for employer contributions to the City health care program and transfers to reserve funds (Equipment, Capital Improvement, Liability, Worker's Compensation, Sales Tax, and Housing Trust Fund).

Significant Issues for 2007 include an increase in health care plan costs for existing employees and retirees in the General Fund. New positions were added to the General Fund in 2007 (9.5 FTE). The following transfers are budgeted for 2007:

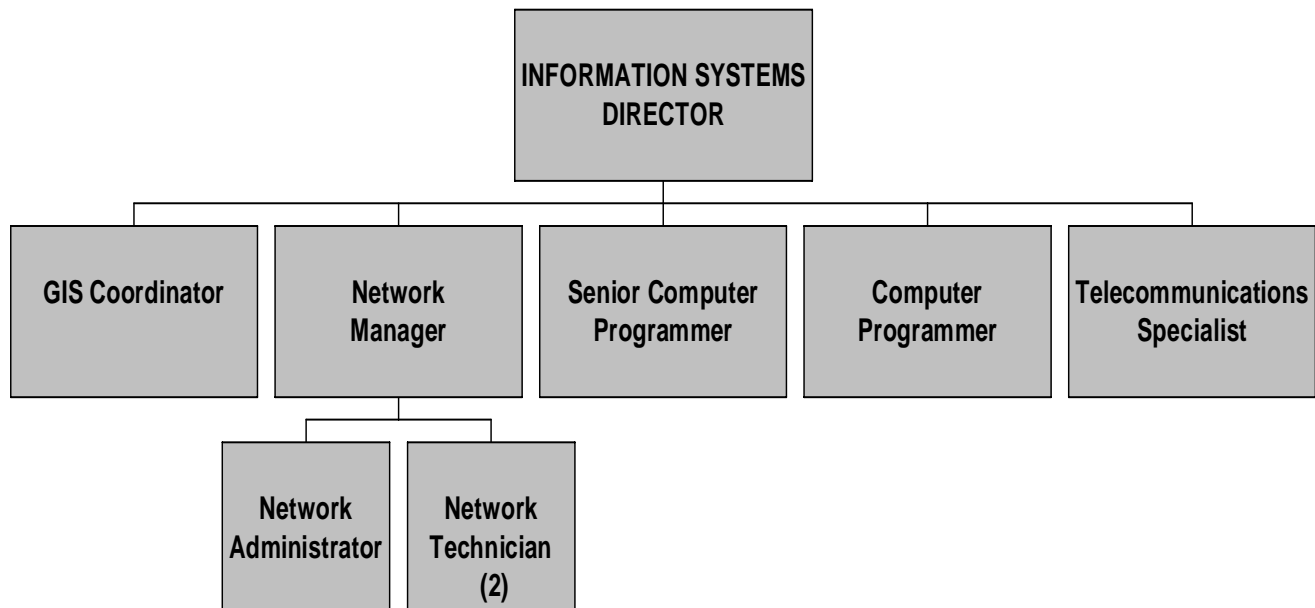
<u>Health Insurance Fund</u> - This fund is used for the city's contribution to annual health insurance costs for employees and their families.	\$ 3,576,669
<u>Equipment Reserve Fund</u> - This fund is reserved to cover the cost of repair and purchase of equipment as necessary.	300,000
<u>Capital Improvement Reserve Fund</u> - This fund is reserved for capital improvement projects throughout the year.	1,500,000
<u>Sales Tax Reserve Fund</u> - This fund is historically reserved for capital projects related to Parks and Recreation throughout the year.	2,296,000
<u>Recreation Fund</u> - Part of the sales tax collected each year is transferred into the Recreation Fund (see pages F-1 through F-5) to pay for recreation projects and operations.	1,400,000
<u>Liability Reserve Fund</u> - This fund is reserved for liability claims that may occur throughout the year	200,000
<u>Worker's Comp Fund</u> - This fund is reserved for worker's compensation claims that may occur throughout the year.	300,000
<u>Housing Trust Fund</u> - The City Commission established a Housing Trust Fund in 1999 in order to provide affordable housing in the city.	10,000
TOTAL	9,582,669

GENERAL OPERATING FUND**INFORMATION SYSTEMS****ACCOUNT 001-1070-557****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 550,530	\$ 579,302	\$ 579,302	\$ 610,831
Contractual Services	226,022	286,985	286,985	272,670
Commodities	61,319	66,749	66,749	76,775
Capital Outlay	46,809	16,000	16,000	9,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 884,680	\$ 949,036	\$ 949,036	\$ 969,276

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	9.00	9.00	9.00	9.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Information Systems Department's mission is to promote the use of information technologies in the most effective way possible, and to optimize delivery of information services to all City departments and Lawrence citizens. The department's nine employees carry out this mission by providing support for these major functional areas: Network & personal computer management, Geographic Information Systems (GIS), midrange computer (AS/400) and application programming, telecommunications, document imaging, Internet and E-Gov services. Much of the department's efforts are geared to maintaining a technology infrastructure extending to more than 40 building locations around the City.

The E-government initiative has produced several Internet-based services for Lawrence citizens and City employees including online utility billing, Parks and Recreation class enrollment, web-based commission agenda, online building permits, online GIS data, and an employee Intranet service. Additional E-gov projects such as online citizen request system are under consideration for 2007.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees and a 3% general wage adjustment. The increase in commodities can be attributed to computer equipment and software upgrades. Enhancements to the document imaging system and telecommunication system for City Hall are significant issues for 2007.

CURRENT YEAR ACCOMPLISHMENTS

- Moved Fire and Medical computer and telecommunication facilities to the new Station 5 location and completed full integration of the Fire and Medical network into the central City Hall network while improving network connectivity with T1 lines to all fire stations
- Completed ArcIMS GIS installation for improved GIS accessibility and function both internally and from the City's website
- Currently working with Douglas County technology staff to complete a fiber optic connection between City Hall and the Law Enforcement Center for improved data sharing and telecommunication connection

MAJOR GOALS AND OBJECTIVES FOR 2007

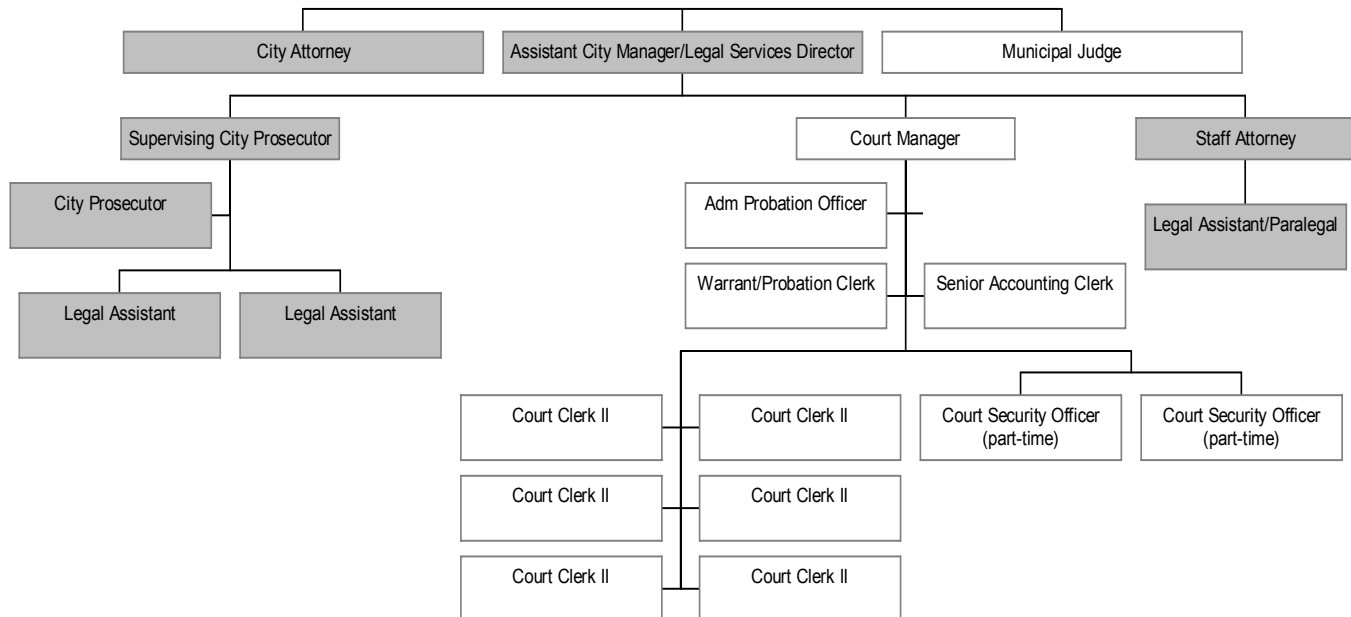
1. To respond to increased demands for technology services as employees and facilities are added to the organization.
2. To identify and implement additional E-Government applications as a continuation of the City's E-Government Strategic Plan including online citizen request tracking and legal notices.
3. To expand and improve document management capabilities and content management.
4. To continue cooperative technology purchasing with Douglas County in installing fiber optic cabling and wireless telecommunication services.
5. Improve the city's technology disaster recovery plan by installing redundant systems for quicker data recovery.

GENERAL OPERATING FUND**CITY LEGAL SERVICES
ACCOUNT 001-1080-522****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 555,863	\$ 616,117	\$ 616,117	\$ 660,454
Contractual Services	46,994	303,450	303,450	95,700
Commodities	25,313	29,200	29,200	31,300
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 628,170	\$ 948,767	\$ 948,767	\$ 787,454

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	9.00	9.00	9.00	9.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account. Those not shaded are funded in the Municipal Court Account or the Public Parking fund.

DEPARTMENT / DIVISION PROFILE

The Legal Services Department is made up of three divisions: City Legal Services, the Municipal Court and the Prosecutor's office.

The City Legal Services Division prepares and reviews ordinances and resolutions relating to various issues in the city. The division drafts and assists in negotiation of legal documents including contracts, deeds, leases, and easements. The division also conducts legal research and provides legal guidance to City staff and the Commission when necessary. The City Attorney defends the City in claims and suits.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees, a 3% general wage adjustment, and a rise in the City's share of employee health care costs. The Contractual Services decrease is due to an anticipated decrease in litigation expenses.

CURRENT YEAR ACCOMPLISHMENTS

- Provided quality legal services to the City organization
- Acquired property for numerous public improvement projects (rights of way, easements, temporary construction easements, etc.)
- Provided updated codes on City's website

MAJOR GOALS AND OBJECTIVES FOR 2007

1. To professionally respond to the increased level of legal services demanded by our growing community. This must be done within limited resources and creative attempts to use technology to work smarter as well as harder.
2. To seek opportunities to pro-actively respond to legal issues facing the City organization.
3. To continue professional development in the municipal court and prosecutor functions seeking greater responsiveness and better results for the community.
4. To assist various city departments, in a legal capacity, in achieving the goals set by the City Commission and the community.

GENERAL OPERATING FUND

MUNICIPAL COURT/PROSECUTORS

ACCOUNT 001-1090-522

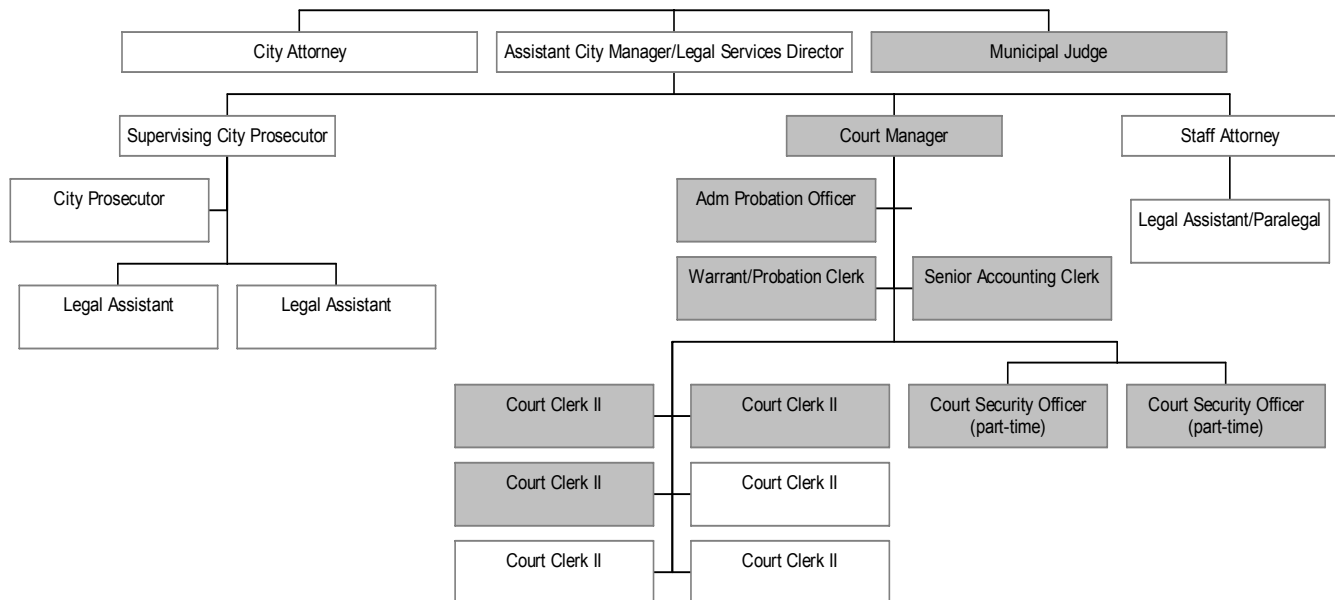
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 409,079	\$ 437,646	\$ 437,646	\$ 463,978
Contractual Services	162,081	182,868	182,868	182,868
Commodities	36,417	31,000	31,000	31,000
Capital Outlay	-	-	-	12,500
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 607,577	\$ 651,514	\$ 651,514	\$ 690,346

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	8.50	8.50	8.50	8.50

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account. The non-shaded court clerk II positions are funded out of the Public Parking fund while the other non-shaded positions are from the City Legal Services account.

DEPARTMENT / DIVISION PROFILE

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

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

Significant Issues for 2006- The increase in Personal Services for 2006 can be attributed to merit increases for eligible employees and a 3% general wage adjustment. The increase in Capital Outlay can be attributed to the purchase of new furnishings for the courtroom.

CURRENT YEAR ACCOMPLISHMENTS

- Maintained a high level of accuracy and professional integrity amid the steady increase of citations, court appearances and diversions
- Improved focus on collections, including overtime parking collections
- Increased number of hours court is in session by hiring Municipal Judge full-time

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Prioritization of court and prosecutor workload to ensure appropriate responsiveness to City needs.
2. Continue to develop and improve court procedures, staff training, records management and fines collection methods.
3. Ensure an appropriate and timely disposition on all cases.
4. Implement measures that increase productivity, enhance revenue, and benefit the City organization and the citizens of Lawrence.

GENERAL OPERATING FUND

POLICE

ACCOUNT 001-2100-561

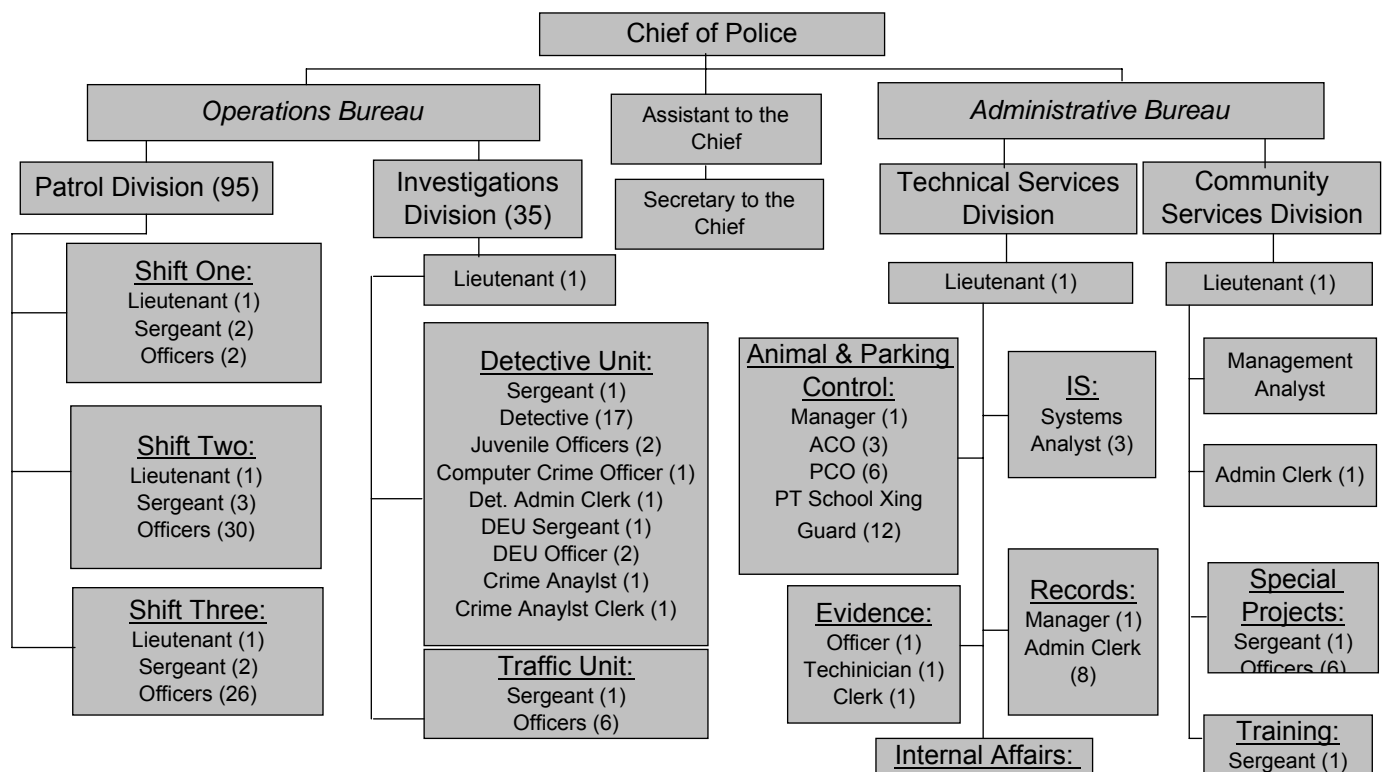
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 9,878,222	\$ 11,292,675	\$ 11,292,675	\$ 12,071,201
Contractual Services	833,441	976,655	976,655	1,038,455
Commodities	473,525	547,606	547,606	574,380
Capital Outlay	318,661	402,500	402,500	361,703
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 11,503,849	\$ 13,219,436	\$ 13,219,436	\$ 14,045,739

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	166.00	166.00	166.00	168.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account. Those partially shaded are funded from multiple accounts.

DEPARTMENT / DIVISION PROFILE

The goal of the Lawrence Police Department is to be the number one police organization within the confines of existing resources. To accomplish this goal, the Department has adopted the following Five Guiding Principles:

1. We Exist To Serve The Community
2. We Believe In The Personal Touch
3. We Are Fair But Firm
4. How We Get The Job Done Is As Important As Getting The Job Done
5. We Represent Civility And Order In A Changing World

Significant Issues for 2007 - The increase in Personal Services for 2006 can be attributed to merit increases for eligible employees, a 3% general wage adjustment, and the addition of two sergeant positions. The increase in Contractual Services can be attributed to equipment repairs, motor vehicle repairs, operation costs of the ITC, and a higher prisoner care charge from the County jail. The increase in Commodities can be attributed to equipment purchase/replacement, gasoline prices, and the protective vest replacement program.

CURRENT YEAR ACCOMPLISHMENTS

- Applied new interpretation of noise ordinance to assist neighborhoods with livability issues.
- Completion of 2006 Recruit Academy.
- Implementation of Resource Plan recommendations, as appropriate.
- Coordination with Public Safety Attorney on legal matters and interpretations. Enhanced training of recruits in legal matters.
- Recognized as regional training center for police personnel sponsoring the Central States Law Enforcement Development Seminar, the Homicide Investigation School, Interview and Interrogation workshop, and Terrorism/Anti-Terrorism classes
- Sponsorship of advanced schools such as LEEDS and Homicide Investigation School

MAJOR GOALS AND OBJECTIVES FOR 2007

1. To add personnel, equipment, and technology to maintain efficiency and effectiveness in providing innovative, timely, and quality service to the citizens of Lawrence.
2. To provide investigative review of every major crime reported to the Lawrence, Kansas Police Department.
3. To manage the increasing calls for service levels impacting our organization.
4. To continue high productivity by all employees engaged in emergency police response.

GENERAL OPERATING FUND

Fire and Medical**ACCOUNT 001- 2200-562**

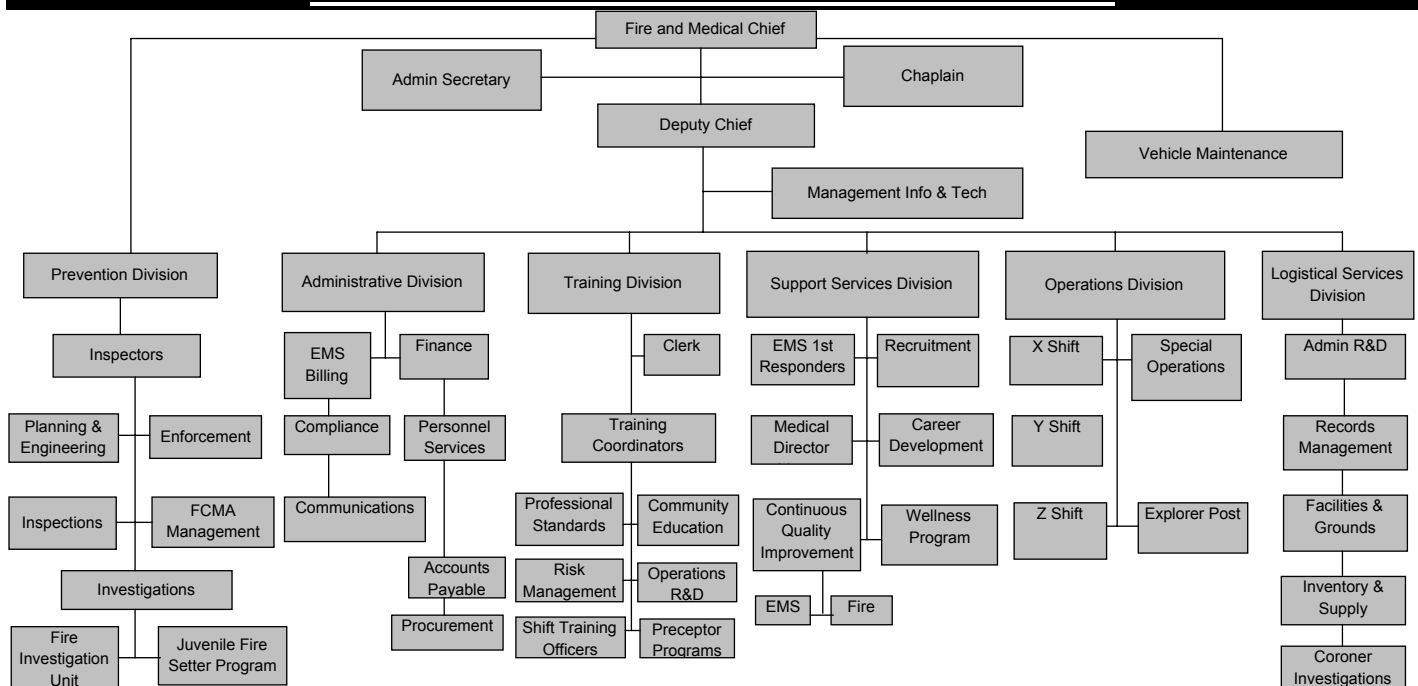
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 9,336,880	\$ 10,644,508	\$ 10,644,508	\$ 11,061,181
Contractual Services	673,448	756,084	756,084	806,999
Commodities	395,384	447,320	447,320	479,074
Capital Outlay	114,551	149,500	149,500	352,500
Debt Service	-	-	-	-
Transfers	150,000	-	-	-
Contingency	-	-	-	-
Total	\$ 10,670,263	\$ 11,997,412	\$ 11,997,412	\$ 12,699,754

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	145.50	145.50	145.50	147.50

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



*Shaded positions are those funded from this account

DEPARTMENT / DIVISION PROFILE

"WE ARE COMMITTED TO SAVING AND PROTECTING LIVES AND PROPERTY". The department is equipped and staffed at a level that currently meets the minimum level required to protect the community in fire, EMS, hazardous materials, special rescue, disaster preparedness and terrorism responses.

The City of Lawrence and Douglas County jointly fund the department. The City funds the fire services and the County the emergency medical services. The city funds seventy-five percent of the shared costs. Fire services are only provided within the City of Lawrence while emergency medical services and hazardous material responses are provided countywide. The department is divided into six divisions: Administration, Training, Support Services, Logistical Services, Operations and Prevention. Training is responsible for all training and education of department members. Support services and logistical services are coordinating divisions for department operations. The Operations Division is comprised of firefighters and paramedics who work traditional twenty-four hour shifts and are on duty three shifts in each nine-day cycle. Department equipment includes engines, quints, aerial ladders, medic units, squads, one tanker and a hazardous materials vehicle distributed among four stations located throughout Lawrence and on medic station in Baldwin City. Prevention is responsible for planning and engineering, Enforcement of UFC and Life Safety Code, Fire Control Management Areas, Investigations, Cause and Origin and Juvenile Fire Setter Program.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees, a 3% general wage adjustment, and the increase in the City's share of employee health care costs. The increase in Contractual Services can be attributed to motor vehicle repairs, building maintenance and wellness program activities. The increase in Commodities can be attributed to vehicle fuel and replacement protective clothing. The increase in Capital Outlay can be attributed to replacement of vehicles and equipment that have reached the end of their useful life.

CURRENT YEAR ACCOMPLISHMENTS

- Responded to 8,653 incidents, 77% EMS
- Completed construction for Station No. 5 and administration (19th & Stewart Ave.)
- Began construction of Station No. 4 on Wakarusa Drive to replace existing station on Stonebarn Terr.
- Operational call load exceeded 720 responses/month

MAJOR GOALS AND OBJECTIVES FOR 2007

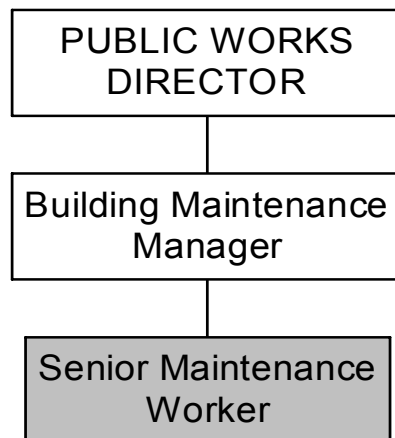
1. Provide necessary continuing education of current staff, as well as additional training to increase the number of state certified paramedics.
2. Continue public education and fire prevention efforts for community safety and awareness.
3. Continue strategic planning for the department including impact on the urban growth areas.
4. Replace fire and medical apparatus as outlined in the department's 10 year Apparatus Replacement Program.
5. Utilize new technology wherever possible to contribute to the effectiveness and safety of our service delivery efforts.
6. Continue Fire Department Accreditation process.

GENERAL OPERATING FUND**HEALTH DEPARTMENT****ACCOUNT 001-2500-565****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 52,574	\$ 57,619	\$ 57,619	\$ 66,156
Contractual Services	783,673	894,811	894,811	949,319
Commodities	11,252	21,925	21,925	18,600
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 847,499	\$ 974,355	\$ 974,355	\$ 1,034,075

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	1.00	1.00	1.00	1.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account. Those partially shaded are funded from multiple accounts.

DEPARTMENT / DIVISION PROFILE

The City makes an annual appropriation to the Lawrence/Douglas County Health Department (LDCHD), whose mission is to protect and promote the health of the people in Douglas County. The City's share of the LDCHD operating budget is 40% and the County pays 60%. The City also is responsible for 50% of the repairs and maintenance on the City/County Health Building, which houses the offices of the LDCHD. Those repair and maintenance costs are added to the LDCHD operating budget to make up this division's budget for the General Fund. Revenue from the County for their share (50%) of the repairs and maintenance is included in the revenue projections for the General Fund.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees and a 3% general wage adjustment. The City's appropriation to the operating budget for the Health Department, found in the Contractual Services category, will increase to provide additional funding for operational expenses, including an expected 3% wage adjustment for Health Department staff.

CURRENT YEAR ACCOMPLISHMENTS

- Continue emphasizing core public health services related to immunizations, communicable disease investigations, services to the maternal and child health population as well as inspections to protect the environment
- Educated public about pertussis and the importance of having children vaccinated against this contagious disease
- Families who speak only Spanish and who are served by maternal and child health field programs grew to 20% in 2005, leading to work with two AmeriCorps Community Health members to help us better serve this population

MAJOR GOALS AND OBJECTIVES FOR 2007

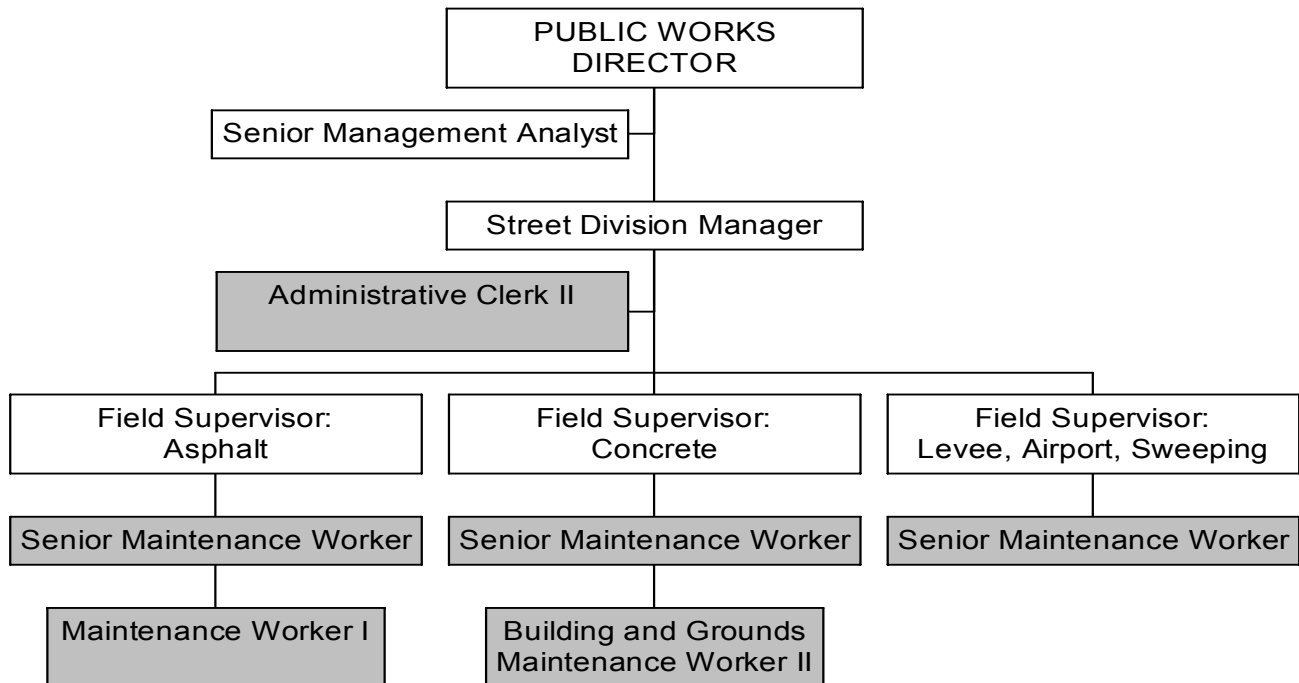
1. To protect individuals of all ages against vaccine-preventable diseases.
2. To prevent the spread of communicable diseases.
3. To improve health status of pregnant women, infants and children.
4. To help teen parents become self-sufficient through goal setting.
5. To assist the frail elderly to remain living in their own homes.
6. To evaluate compliance with child care licensing regulations.
7. To collaborate in the provision of health and human services.

GENERAL OPERATING FUND**STREET MAINTENANCE****ACCOUNT 001-3000-570****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 231,947	\$ 258,217	\$ 258,217	\$ 369,970
Contractual Services	251,908	286,590	286,590	283,990
Commodities	1,479,185	2,617,250	2,617,250	1,944,800
Capital Outlay	-	-	-	20,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	100,000
Total	\$ 1,963,040	\$ 3,162,057	\$ 3,162,057	\$ 2,718,760

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	5.25	5.25	5.25	8.25

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

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

In 2005, the City added 7.3 centerline miles of streets bringing the total to 314 centerline miles. This represents an increase over 23% to the street network maintained. Significant issues for the Street Division are ensuring adequate funding for infrastructure maintenance and adequate staffing to meet demands.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to the addition of three maintenance workers, merit increases for eligible employees, and a 3% general wage adjustment. The increase in Contractual Services can be attributed to vehicle and equipment repairs/maintenance. The increase in Commodities can be attributed to vehicle fuel costs as well as significant increases in the street maintenance program. The increase in Capital Outlays can be attributed to contingency funds for emergency response needs.

CURRENT YEAR ACCOMPLISHMENTS

- Performed concrete and asphalt repair, and crack sealing programs
- Provided dependable snow removal and ice control operations
- Placed five times the crack sealing material placed in 2004
- Street sweeping completed for approximately 6900 lane miles
- Significant repair projects completed on Wakarusa, Clinton Parkway and Kasold, and Iowa

MAJOR GOALS AND OBJECTIVES FOR 2007

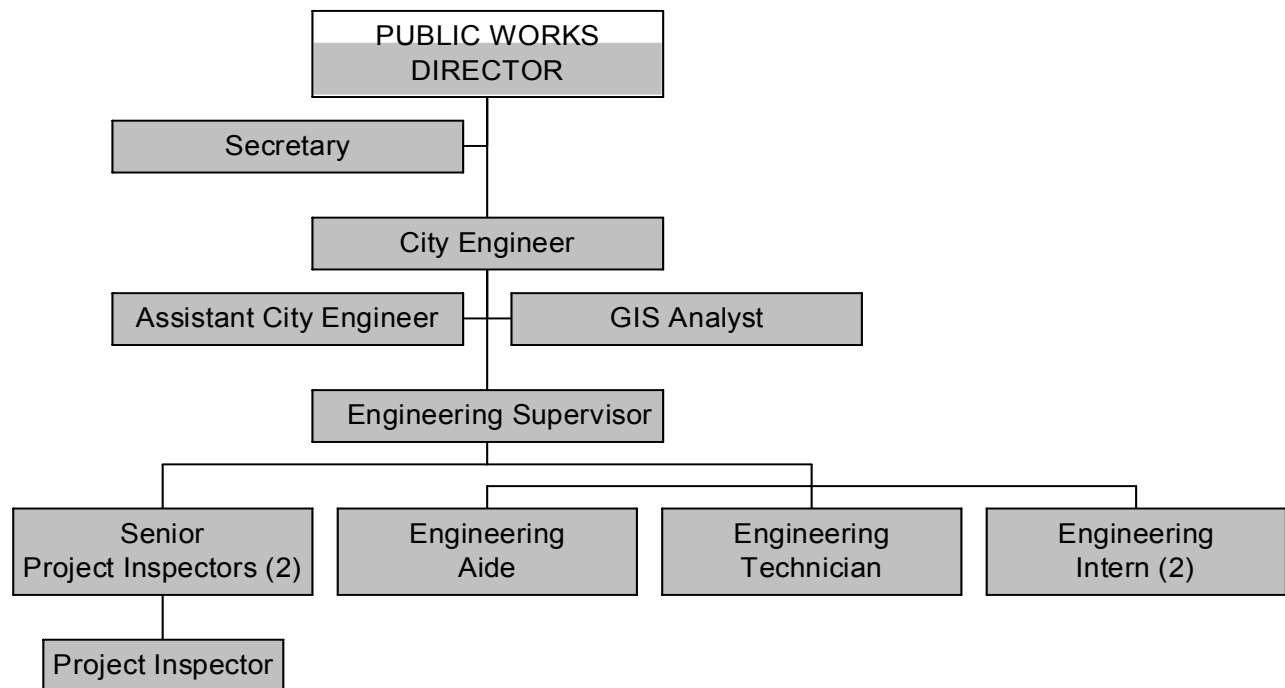
1. To provide curb, gutter, and concrete repair and maintenance.
2. To provide general asphalt / concrete maintenance through patching and replacement.
3. To enhance pavement maintenance through a crack sealing program by completing one of eight designated areas each year.
4. To provide effective snow and ice control for public roadways.
5. To provide support, personnel, and equipment during emergency response and disaster recovery operations.

GENERAL OPERATING FUND**ENGINEERING****ACCOUNT 001-3100-571****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 614,914	\$ 639,081	\$ 639,081	\$ 810,670
Contractual Services	\$ 28,101	\$ 44,740	\$ 44,740	\$ 51,240
Commodities	41,111	54,080	54,080	55,080
Capital Outlay	20,079	48,500	48,500	35,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 704,205	\$ 786,401	\$ 786,401	\$ 951,990

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	9.66	10.16	10.16	11.66

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Engineering Division is responsible for the review and approval of all plans for streets, sidewalks, and storm sewers. The division administers projects and inspects project construction, evaluates pavement condition and contracts for major pavement restoration and replacement. The Engineering Division solicits grants and other funding for major reconstruction or new construction projects. The City Engineer provides supervision for the traffic, pavement management, and storm water programs. Departmental reorganization will place additional resources on City Commission priorities of infrastructure maintenance and management.

The Engineering staff offers technical assistance to other departments in consultant selection and contract administration. The office of the City Engineer is the custodian of "as built" plans as well as various maps and aerial photography information used extensively by builders, developers, and consultant engineers working in the City. Some of the GIS functions of the City are supported through this division.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to the addition of salaries previously funded by the Utilities Department, merit increases for eligible employees, and a 3% general wage adjustment. The increase in Contractual Services is due to increased costs of educational advancement and vehicle maintenance. The increase in Commodities can be attributed to vehicle fuel and computer replacements costs.

CURRENT YEAR ACCOMPLISHMENTS

- Significant annual contracts were bid and completed for the Overlay and Curb Repair Program
- Progress has been made on various large construction projects, such as Peterson and Monterey Way, Kasold Drive (15th to Clinton Parkway), and Kasold Bridge over the KTA
- Completed Pavement inventory
- Developed a 3 year maintenance program
- Received funding for brick street replacement on Ohio Street, 6th St. to 8th St.

MAJOR GOALS AND OBJECTIVES FOR 2007

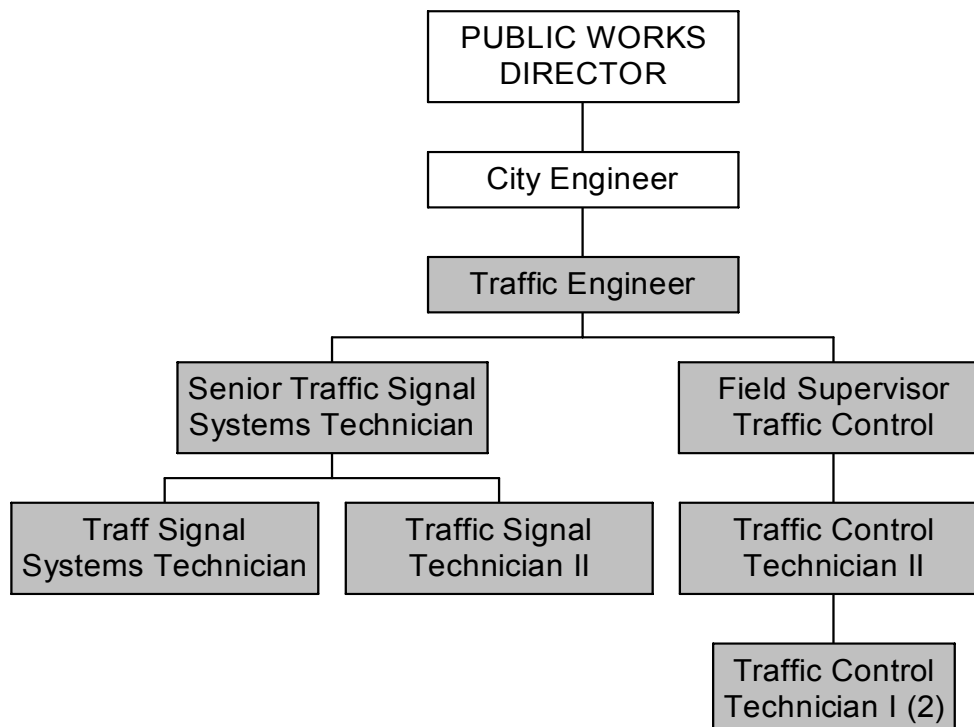
1. Review and update pavement specifications including subgrade and materials.
2. Provide comprehensive pavement management and implement multi-year program.
3. Complete sidewalk inventory.
4. To develop and maintain infrastructure location and condition data.
5. To implement Public Works section of GIS system.
6. To provide thorough inspection of all public improvements.

GENERAL OPERATING FUND**TRAFFIC ENGINEERING****ACCOUNT 001-3200-572****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 408,407	\$ 463,590	\$ 463,590	\$ 450,775
Contractual Services	32,635	44,220	44,220	53,200
Commodities	98,956	122,800	122,800	122,800
Capital Outlay	10,796	14,500	14,500	16,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 550,794	\$ 645,110	\$ 645,110	\$ 642,775

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	8.00	8.00	8.00	8.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

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

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

Significant Issues for 2007 - The decrease in Personal Services for 2007 can be attributed to personnel changes. The increase in Contractual Services includes a \$10,000 program for pavement re-marking at major intersections. The increase in Capital Outlay is for additional traffic signal battery back-up equipment, as part of an on-going signal improvement program.

CURRENT YEAR ACCOMPLISHMENTS

- Traffic signal upgrades and modifications at existing intersections
- Battery back-up signal improvement program initiated
- LED upgrade program for pedestrian signals continued
- In-house crews installed new signal at the intersection of Wakarusa and Bob Billings Parkway
- New signal installed at 7th and Kentucky
- Re-evaluated and optimized signal coordination plans

MAJOR GOALS AND OBJECTIVES FOR 2007

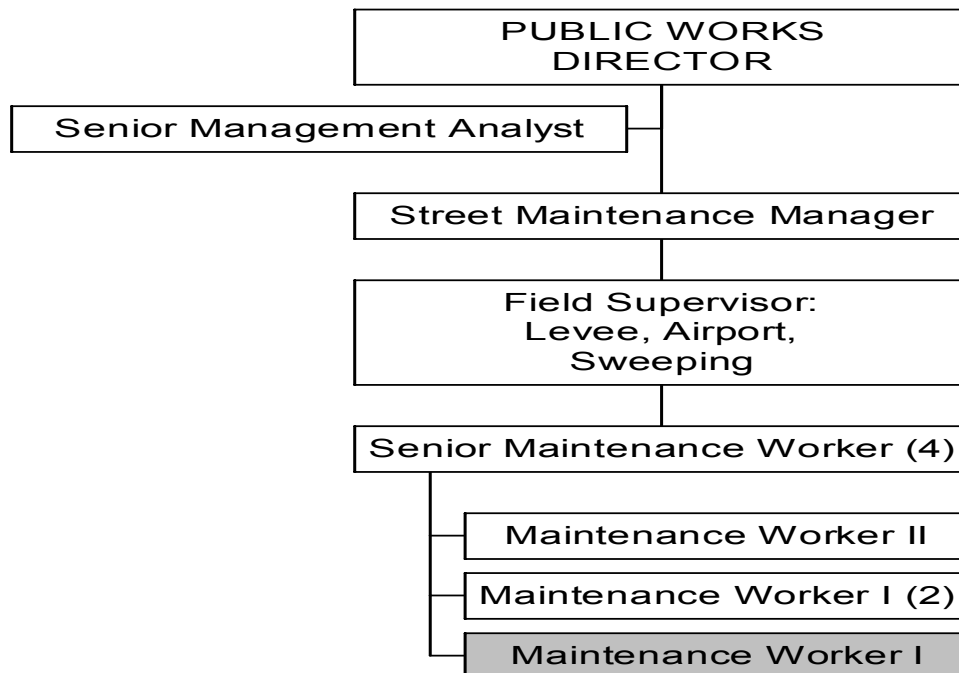
1. To provide traffic signal, traffic signing, and pavement marking public services at the current level without an increase in funding.
2. Develop comprehensive Intelligent Transportation System (ITS) Plan.
3. To inventory approximately 20% of the traffic control signs in place in the field.
4. To complete a switch from incandescent lamps to LED's (light emitting diodes) in all pedestrian signals.
5. Continue working with neighborhood organizations to provide solutions to traffic problems that can improve the quality of life within the neighborhood.
6. To provide training, certification, and continuing education opportunities for all personnel.

GENERAL OPERATING FUND**AIRPORT****ACCOUNT 001-3300-573****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 33,303	\$ 36,701	\$ 36,701	\$ 39,609
Contractual Services	38,716	64,650	64,650	62,750
Commodities	281	5,100	5,100	3,700
Capital Outlay	-	-	-	7,500
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 72,300	\$ 106,451	\$ 106,451	\$ 113,559

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	1.00	1.00	1.00	1.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Lawrence Municipal Airport is operated by a fixed base operator under agreement with the City. The Assistant City Manager-Community Development serves as Airport Manager, however, maintenance of the airport remains the responsibility of the Public Works Department. The Director of Public Works is responsible for such maintenance as is required.

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

Significant Issues for 2007- The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees and a 3% general wage adjustment. The increase in Capital Outlay is for restoration of annual funding allocation of \$7500 for pavement management and restoration at the airport.

CURRENT YEAR ACCOMPLISHMENTS

- Crack seal runway / taxiway
- Pavement management of airport facilities completed
- Re-striped taxiway
- Achieved full occupancy and maintain waiting list for t-hangar space
- Spill Prevention Control and Counter Measures Plan and Training.

MAJOR GOALS AND OBJECTIVES FOR 2007

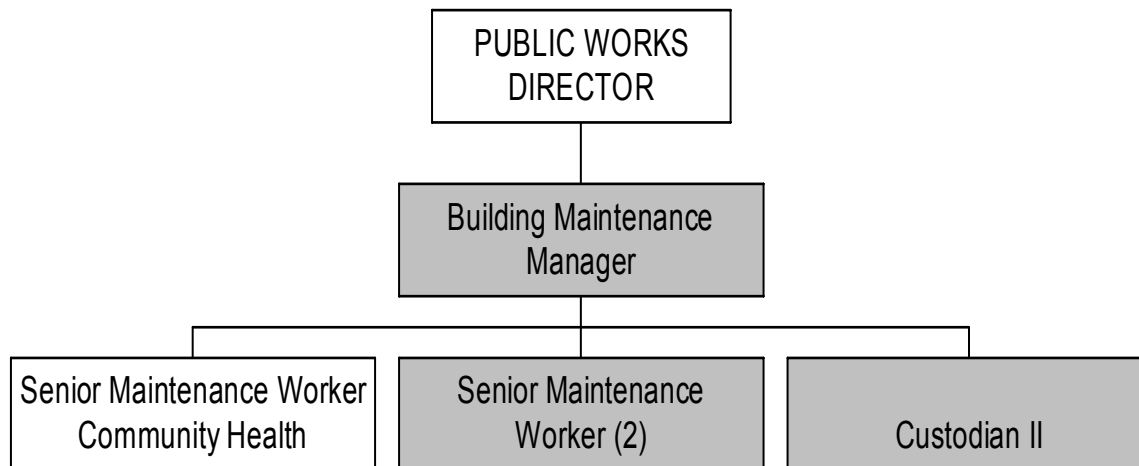
1. To continue maintenance of primary runways and taxiways.
2. To provide routine inspections for regulatory compliance.
3. To provide facility and grounds maintenance at the airport terminal and hangars, by agreement.
4. To build new runway / taxiway "D".
5. To replace concrete apron on west side of FBO Hangar.
6. To re-key airport locks.
7. City staff to provide inspection on construction projects.

GENERAL OPERATING FUND**BUILDING MAINTENANCE****ACCOUNT 001-3400-574****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 206,635	\$ 258,227	\$ 258,227	\$ 296,958
Contractual Services	453,996	587,920	587,920	640,320
Commodities	32,141	35,305	35,305	43,800
Capital Outlay	18,537	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 711,309	\$ 881,452	\$ 881,452	\$ 981,078

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	4.00	5.00	5.00	5.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

This division is responsible for building maintenance for municipal buildings except where such services are provided contractually. In addition to maintenance costs, utility costs for some buildings are paid out of this division's budget. The costs of operation of the Law Enforcement Center, which are shared with the County, are budgeted in this section. The division provides maintenance services and/or technical support for approximately 30 facilities: City Hall; Court Services; five Public Works facilities; Fire/Medical facilities; six buildings at the Lawrence Municipal Airport; the Public Library; the Police annex facility; the Riverfront Parking Garage; the Downtown 2000 (New Hampshire Street) Parking Garage and four city owned buildings occupied by community service agencies – the Arts Center, Health Care Access, Lawrence/Douglas County Senior Center, and the Community Health facility. The division also provides assistance with downtown lighting, canopies, and various buildings at cemetery. Funding is decentralized for many of these facilities.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees and a 3% general wage adjustment. The increase in Contractual Services is due to an anticipated increase in the building and equipment repair/maintenance costs. The increase in Commodities can be attributed to the rising cost of supplies, software, and motor vehicle fuel.

CURRENT YEAR ACCOMPLISHMENTS

- Completed HVAC renovations for City Hall
- Replaced lighting at the Central Maintenance Garage with energy efficient lighting
- Phase I of Downtown electrical improvement completed with waterline project
- Re-keyed City Hall with new locks and card readers

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Complete parking garage repairs.
2. Complete Phase II of Downtown electrical improvement program.
3. Complete computer room HVAC and generator, and HVAC for ITC building.
4. Provide technical support and staffing as needed for airport improvement projects.
5. Overall improvements downtown, consistent with City Commission goals, including lighting, electrical and overall appearance.



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GENERAL OPERATING FUND**STREET LIGHTS****ACCOUNT 001-3600-576****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	497,148	580,000	580,000	610,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 497,148	\$ 580,000	\$ 580,000	\$ 610,000

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	0.00	0.00	0.00	0.00

DEPARTMENT/DIVISION ORGANIZATIONAL CHART

Services are contracted through Westar Energy.

DEPARTMENT / DIVISION PROFILE

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

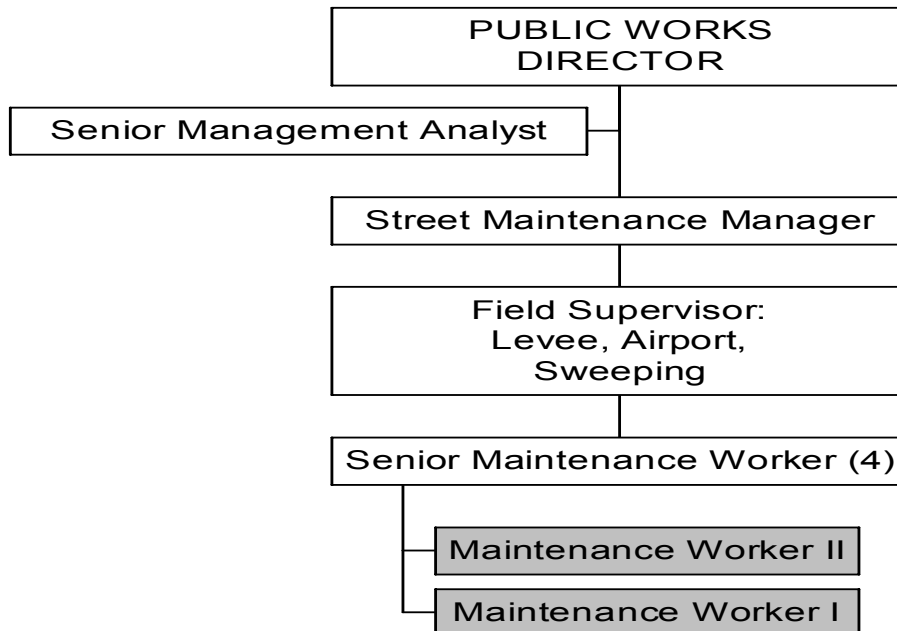
Significant Issues for 2007 - The increase in Contractual Services can be attributed to increases in billings from Westar Energy, based on the number of lights and/or approved electrical rates.

GENERAL OPERATING FUND**LEVEE MAINTENANCE****ACCOUNT 001-3700-577****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 63,588	\$ 84,328	\$ 84,328	\$ 78,522
Contractual Services	38,018	21,000	21,000	21,000
Commodities	15,297	12,300	12,300	19,300
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 116,903	\$ 117,628	\$ 117,628	\$ 118,822

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	2.00	2.00	2.00	2.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Levee maintenance budget is for personnel, equipment, and materials to maintain the flood control levee along the Kansas River and Mud Creek. Operations are partially funded by the KAW Drainage District. This budget provides for weed control, mowing, and slope repair along the length of the levee as well as maintenance of the flood control gates.

Significant Issues for 2007 - The decrease in Personal Services for 2007 can be attributed to staff turnover, while including merit increases for eligible employees and a 3% general wage adjustment. The increase in commodities is for fuel costs for levee maintenance equipment.

CURRENT YEAR ACCOMPLISHMENTS

- Provided mowing and weed control along the levee
- Provided maintenance of flood control gates
- Made modifications to the access gates

MAJOR GOALS AND OBJECTIVES FOR 2007

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

GENERAL OPERATING FUND

PARKS/FACILITY MAINTENANCE

ACCOUNT 001-4500-595

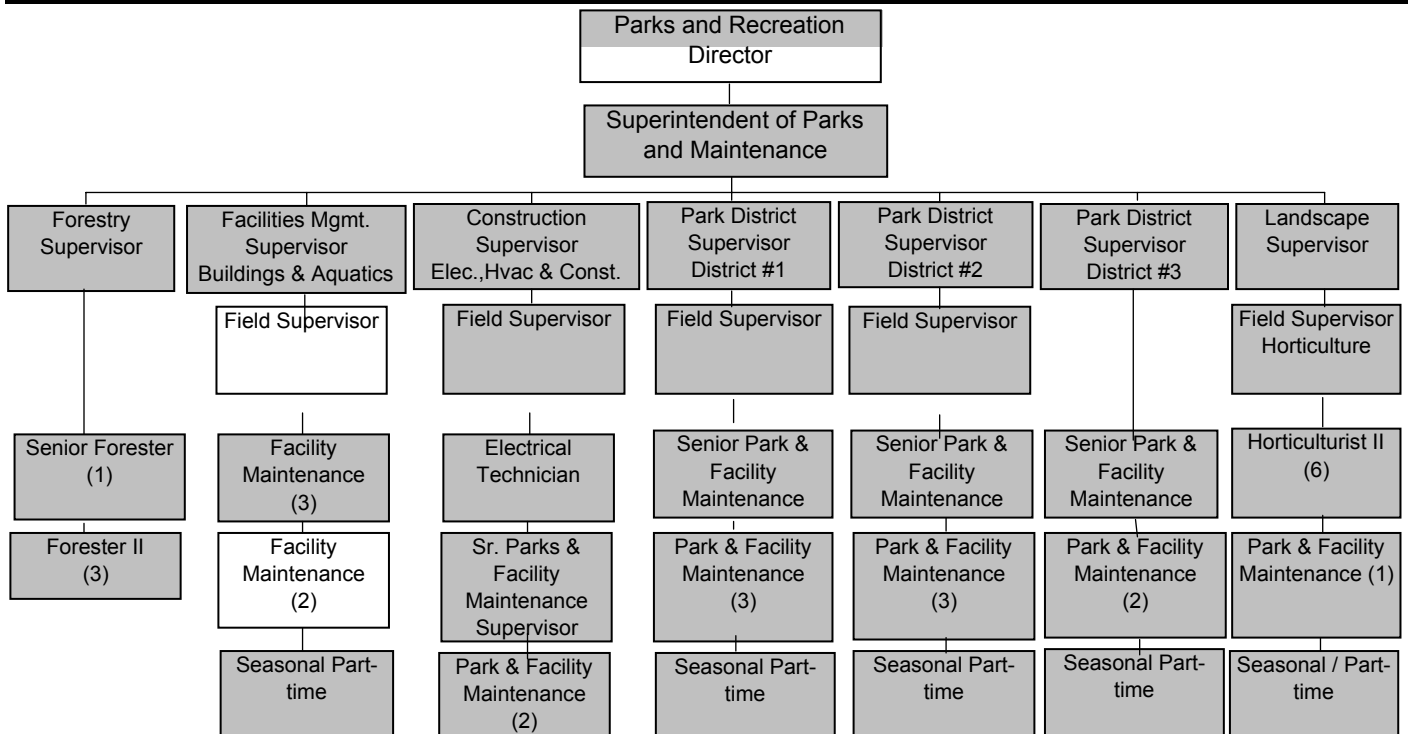
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 2,005,582	\$ 2,159,553	\$ 2,159,553	\$ 2,393,150
Contractual Services	526,955	630,068	630,068	609,965
Commodities	313,844	401,105	401,105	324,830
Capital Outlay	103,741	89,000	89,000	100,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 2,950,122	\$ 3,279,726	\$ 3,279,726	\$ 3,427,945

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	40.50	40.50	40.50	41.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

This budget provides maintenance funding for the divisions that operate under the direction of the parks & maintenance superintendent: Park District #1 (Includes most athletic fields and all parks in the western part of the city), Park District #2 (Includes many high use parks such as South Park, Centennial Park, Watson Park and all other parks in the central part of town), Parks District #3 (cemetery operations and all parks in north and east Lawrence), Facility Maintenance (maintenance of 4 recreation centers, depot, nature center, 4 pools and 3 fountains), Horticulture (city-wide landscape maintenance and downtown streetscape), Forestry (city-wide street tree maintenance and care), Construction (oversees park construction, electric & HVAC). The mission of this division is to provide high quality maintenance and development of all City owned parks, trails, cemeteries, landscape areas, recreation buildings, pools, athletic fields, open spaces, street trees and nature areas.

Significant Issues for 2007 - Increases in personal services can be attributed in part to hourly wages for seasonal staff which were increased in order to address the difficulty in recruiting these positions. Capital equipment costs are proposed at a higher rate due to the need to replace large vehicles and equipment items that are failing.

CURRENT YEAR ACCOMPLISHMENTS

- Took over maintenance of Memorial Park Cemetery
- Began renovation of Clinton Park
- Completed Master Plan for Greenbelt Park
- Riverfront Park Development
- Began downtown landscape redevelopment
- Completed phases of South Park renovation
- Upgraded infield material on ball diamonds

MAJOR GOALS AND OBJECTIVES FOR 2007

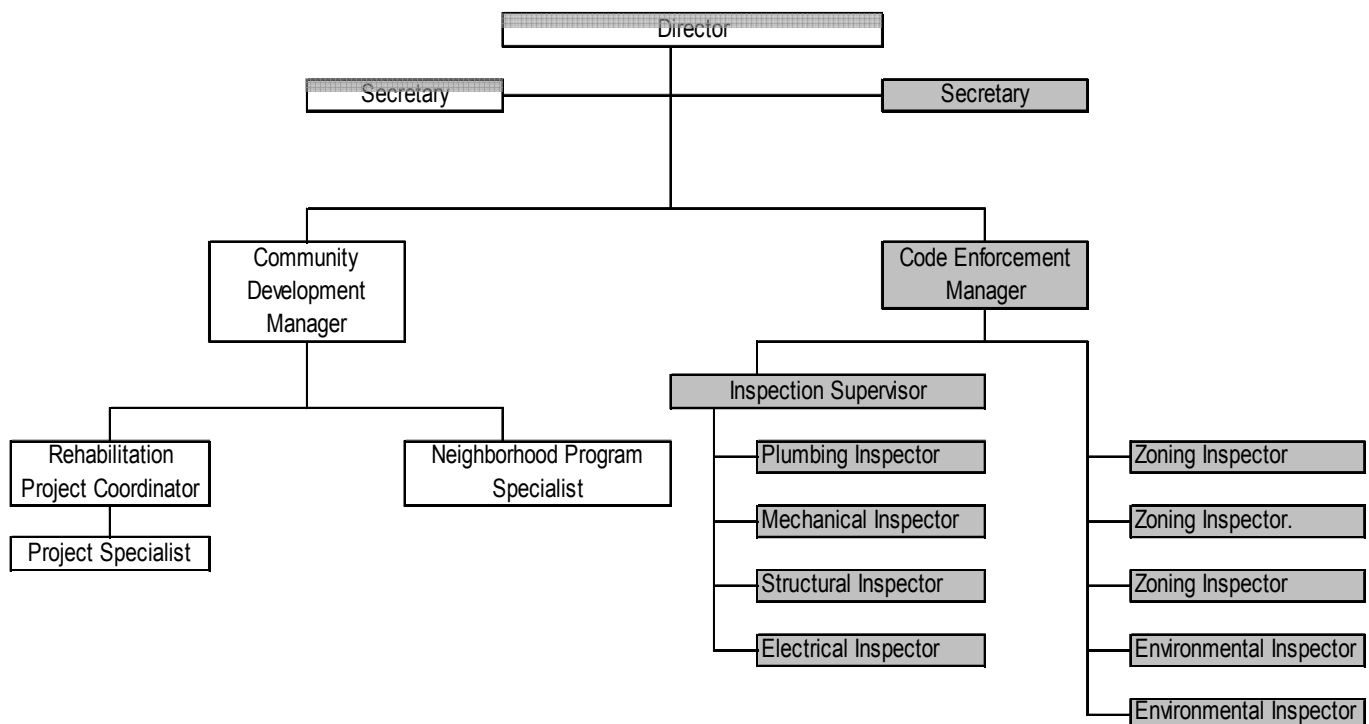
1. To provide quality and efficient maintenance of all Parks and Recreation facilities.
2. To continue to propose and oversee maintenance and construction projects funded by the County Wide Sales Tax.
3. Continue development work on the 2nd generation Park Projects.
4. Continue to make progress in the renovation of South Park and the Downtown landscape areas
5. Continue to evaluate the benefits of contractual labor vs. in-house labor.

GENERAL OPERATING FUND**CODE ENFORCEMENT****ACCOUNT 001-6300-503****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Actual	2006 Estimate	2007 Budget
Personal Services	\$ 631,171	\$ 709,223	\$ 835,557	\$ 855,112
Contractual Services	79,502	71,664	191,300	178,400
Commodities	34,215	40,128	41,320	59,220
Capital Outlay	-	17,590	23,000	23,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 744,888	\$ 838,605	\$ 1,091,177	\$ 1,115,732

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Actual	2006 Estimate	2007 Budget
Authorized Positions	14.00	14.00	14.00	15.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account. The partially shaded positions are funded 50% from this account and 50% from other sources including Federal and State grants.

DEPARTMENT / DIVISION PROFILE

The purpose of the Code Enforcement Division is to preserve the viability and stability of the business and residential districts and prevent deterioration and blighting influences within the community. This division is responsible for the enforcement of building and environmental codes. The plan review and inspection process are the venues utilized to provide assurance that buildings and structures provide safe and proper occupancies for all individuals. In order to accomplish the task, the Department reviews & recommends adoption of applicable construction related codes. These codes establish the minimum standards and regulations to which buildings and structures are to be built.

The department consists of a professional staff with nationally recognized certifications and continuously strives to provide excellent customer service and public education. Our mission is to assure a safe, secure and stable environment through uniform and fair enforcement of all building and environmental codes as adopted by the City Commission.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees, a 3% general wage adjustment and additional staffing resources, per approved recommendations from the development process review project.

CURRENT YEAR ACCOMPLISHMENTS

- The Department purchased and is in the process of implementing an Interactive Voice Response inspection scheduling system to enhance permit holders access to inspection scheduling. Contractors area able to call the system virtually 24/7 to request inspections.
- Staff achievements for the past year include 14 new certifications, including 4 plumbing inspector, 2 electrical inspector, 2 building inspector, 2 mechanical inspector, 2 zoning inspector, 1 property maintenance inspector and 1 code enforcement officer. Also, staff attended 178 hours of training.
- Further developed the concept of a separate Zoning Enforcement Division, with a Zoning Enforcement Manager to provide higher level response to zoning, housing, and property maintenance complaints.
- Participated in the development and implementation of new nuisance house regulations. Coordinated with other departments to define roles on the enforcement of the ordinance and will work with property owners to schedule and complete nuisance house abatement conferences.

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Train staff and begin enforcement of the new development code.
2. Develop and implement performance measures and balanced scorecard system.
3. Work with the Neighborhood Resources Advisory Committee to review and recommend for adoption the 2006 International Property Maintenance Code to replace the 1997 Uniform Housing Code.
4. Work with the Building Code Board of Appeals to review and recommend for adoption the 2006 International Energy Conservation Code.
5. Continue adoption process for updated building, mechanical, electrical, and plumbing codes.

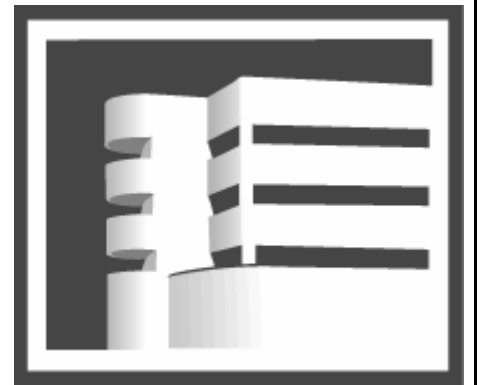


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Guest Tax Fund



City of
Lawrence, Kansas

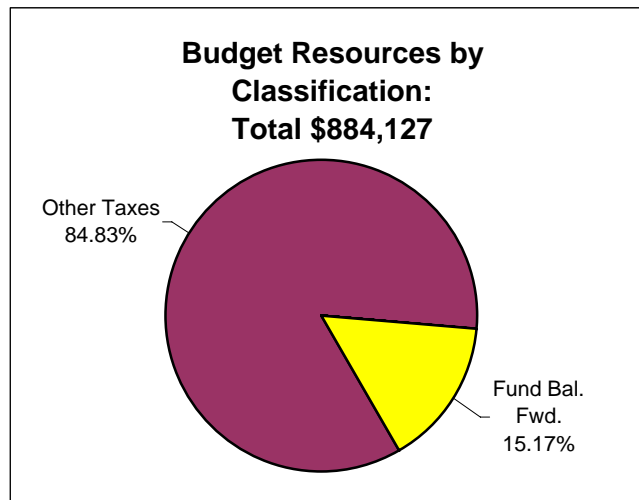




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Guest Tax Fund

Fund 206- GUEST TAX



RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
5% Guest Tax Income	\$ 719,356	\$ 710,000	\$ 710,000	\$ 750,000
TOTAL RECEIPTS	719,356	710,000	710,000	750,000
Balance, January 1	220,366	117,271	224,127	134,127
TOTAL RESOURCES AVAILABLE	\$ 939,722	\$ 827,271	\$ 934,127	\$ 884,127

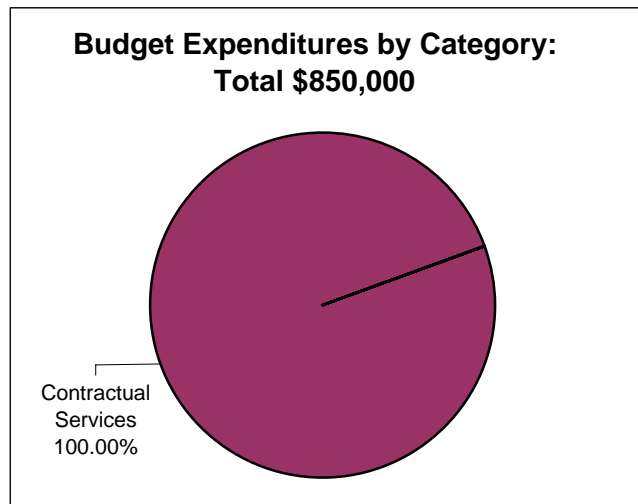
Revenue Sources - Descriptions and Trends

Revenue Sources- City Charter Ordinance No. 36 provides that, in substitution of K.S.A. 12-1698(e), a transient guest tax of five percent (raised to 5% in 2004) shall be levied upon the gross receipts derived from or paid by transient guests for sleeping accommodations, exclusive of charges for incidental services or facilities, in any hotel, motel, or tourist court in the City.

Revenue estimates are prepared by the Convention and Visitors Bureau staff for City Commission review and approval, and are based on anticipated events attracting overnight visitors to Lawrence.

Trends- The guest tax rate was increased from 4% to 5% in 2004 and revenues have increased since that time. However, according to information provided by the Lawrence Convention and Visitors Bureau in their 2007 Budget Request proposal, continued growth in sleeping rooms as well as meeting facilities in competing markets continues to have an effect on the Lawrence market so revenue estimates show conservative growth.

Fund 206- GUEST TAX



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Convention / Tourism Contract	\$ 665,982	\$ 742,490	\$ 742,490	\$ 789,250
Sister Cities	9,800	11,360	11,360	12,000
Visit 2020 Reserve	39,813	46,150	46,150	48,750
TOTAL EXPENDITURES	\$ 715,595	\$ 800,000	\$ 800,000	\$ 850,000
FUND BALANCE FORWARD	\$ 224,127	\$ 27,271	\$ 134,127	\$ 34,127

Expenditures - Descriptions and Trends

Convention/Tourism Contract- Under a contract between the City and the Lawrence Chamber of Commerce, transient guest tax funds are used principally to operate the Lawrence Convention and Visitors Bureau (CVB). The CVB seeks to attract visitors to Lawrence and promote Lawrence as a destination for tourism, convention, film and group tour industry.

Expenditures are based on available revenues and have seen a steady increase over the years. In 2007, the CVB plans to increase advertising efforts in targeted markets. Increased competition for the visitor dollar reinforces their belief that marketing of Lawrence and the community to the maximum level possible will result in an increase in the number of visitors to Lawrence. Increasing visitors overnight and day trips to Lawrence will have a positive impact on the level of sales tax collected in the City.

Sister Cities- The City has two sister cities, Eutin, Germany and Hiratsuka, Japan. Moneys from this fund are used to support programs that promote our relationships with these two communities including a scholarship program to help students of limited means to participate in a student exchange program. Financial support for this program has continued to increase over the years.

Visit 2020 Reserve- Created by City Charter Ordinance 30, money from this fund shall be expended for such purposes as the City Commission determines promotes, enhances, maintains, or improves the tourism, visitor, or convention business of the City.

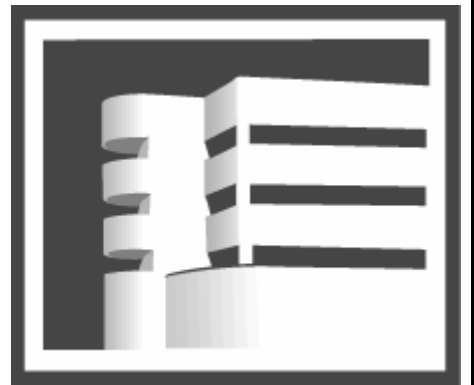


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Library Fund



**City of
Lawrence, Kansas**



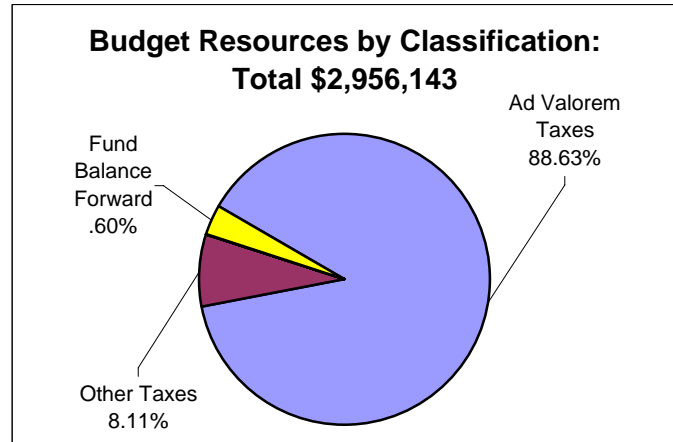


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Library Fund

**Bruce Flanders,
Library Director**

Fund 209- LIBRARY



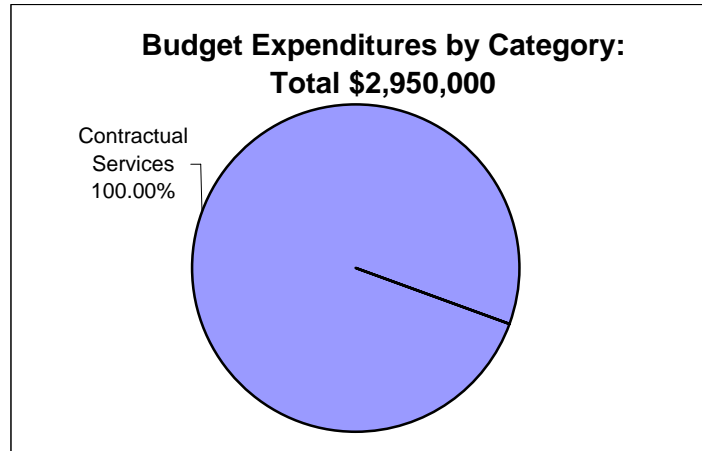
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Ad Valorem Taxes - Current	\$ 2,293,581	\$ 2,455,000	\$ 2,455,000	\$ 2,600,000
Ad Valorem Taxes - Delinquent	\$ 33,440	\$ 10,000	\$ 10,000	\$ 20,000
Motor Vehicle Taxes	\$ 198,464	\$ 226,557	\$ 226,557	\$ 231,534
Payment in Lieu of Taxes	\$ 9,019	\$ 7,898	\$ 7,898	\$ 8,180
TOTAL RECEIPTS	2,534,504	2,699,455	2,699,455	2,859,714
Balance, January 1	123,470	98,483	155,974	96,429
TOTAL RESOURCES AVAILABLE	2,657,974	2,797,938	2,855,429	2,956,143

Revenue Sources - Descriptions and Trends

Revenue Sources- Property taxes are the major source of revenue for the Library Fund, followed by motor vehicle tax. The Lawrence Public Library anticipates receiving almost 91% of their 2007 funding from the City of Lawrence Library Fund. The remaining sources of revenue for the Library operations include State aid, grants, and income from overdue fines and misc. library services.

Trends- Non-property tax fund revenues are anticipated to be relatively flat for the Library, including interest income, State aid, and ongoing grant commitments. Continued increases in assessed property valuations and the use of fund balance have provided additional revenue necessary to fund the Library without affecting the mill levy rate associated with this fund.

Fund 209- LIBRARY



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	-	-	-	-
Contractual Services	\$ 2,502,000	\$ 2,759,000	\$ 2,759,000	\$ 2,950,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve (Satellite)	-	-	-	-
TOTAL EXPENDITURES	\$ 2,502,000	\$ 2,759,000	\$ 2,759,000	\$ 2,950,000
FUND BALANCE FORWARD	\$ 155,974	\$ 38,938	\$ 96,429	\$ 6,143

Expenditures - Descriptions and Trends

Contractual Services - Pursuant to State law, the City of Lawrence levies Ad Valorem and Motor Vehicle property taxes on behalf of the Lawrence Public Library to provide library services to the Lawrence community. Under this arrangement, the Library in turn provides salaries, wages, and benefits for library staff, purchases books, non-print materials, periodicals, and library supplies, and is responsible for the ongoing operations and maintenance of the library facility. For 2007, the Library Director set forth funding priorities focusing on increasing personnel, equipment and technology upgrades, capital improvements, as well as increasing the library's holdings.

Trends - The cost of library operations has steadily increased over the years. This trend is likely to continue, and may see a significant increase as the community explores options for development of a new library.

FUND 209 - LIBRARY

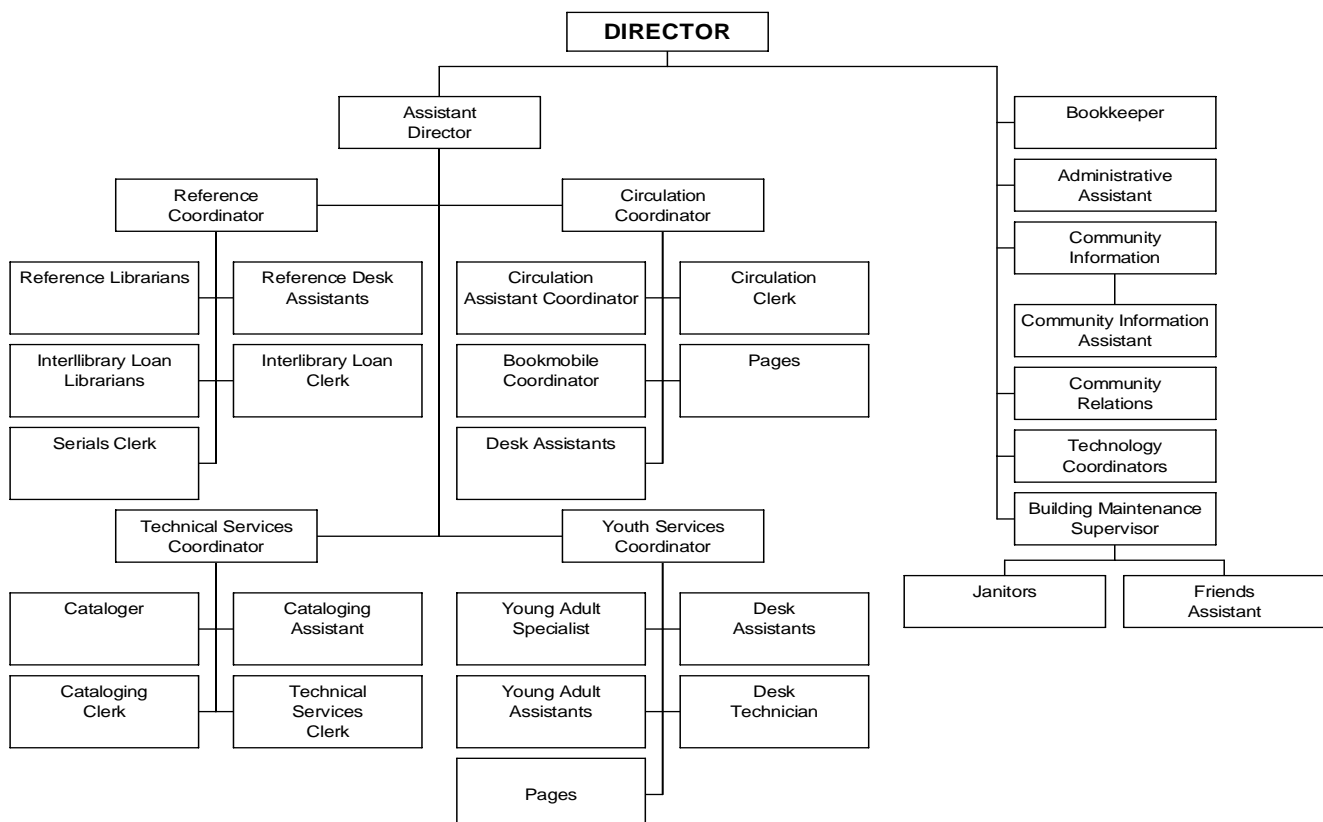
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	2,502,000	2,759,000	2,759,000	2,950,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 2,502,000	\$ 2,759,000	\$ 2,759,000	\$ 2,950,000

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	N/A	N/A	N/A	N/A

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



DEPARTMENT / DIVISION PROFILE

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

Significant Issues for 2007 – A need for expanding staffing levels in response to increased demand for services – one additional full-time position for collection development and additional part-time positions in support of circulation and technical services; funding for 7% salary increases, health insurance cost increases. Maintenance of commitment to dedicating a minimum of 15% of operating budget to the purchase of books and other materials for the library's collection, as mandated by regional library system standards. Funding for a new self-check machine, renovation of storage space to provide for additional staff workstations, support of children's and young adult summer reading activities, and funding for advertising and marketing.

CURRENT YEAR ACCOMPLISHMENTS

- Enhanced library promotion and marketing
- Staff involvement in library expansion project planning
- Enhanced library services and customer service
- Improved public safety in the library
- Enhanced library collections
- Enhanced access to the library collections
- Increased staff salaries
- Enhanced staff work environment
- Enhanced staff development opportunities
- Improved staff communications

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Continued efforts in support of expanded or relocated library services.
2. Continued development of new and enhanced library collections and services.
3. Continued efforts to enhance staff salaries, benefits, and continuing education opportunities.
4. New initiatives to advertise and market library collections and services.
5. Continued efforts to enhance the library website.

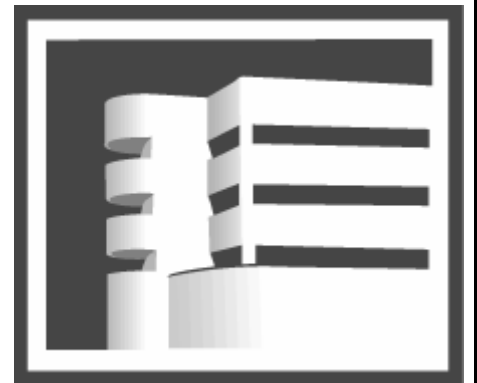


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Public Transportation Fund



**City of
Lawrence, Kansas**



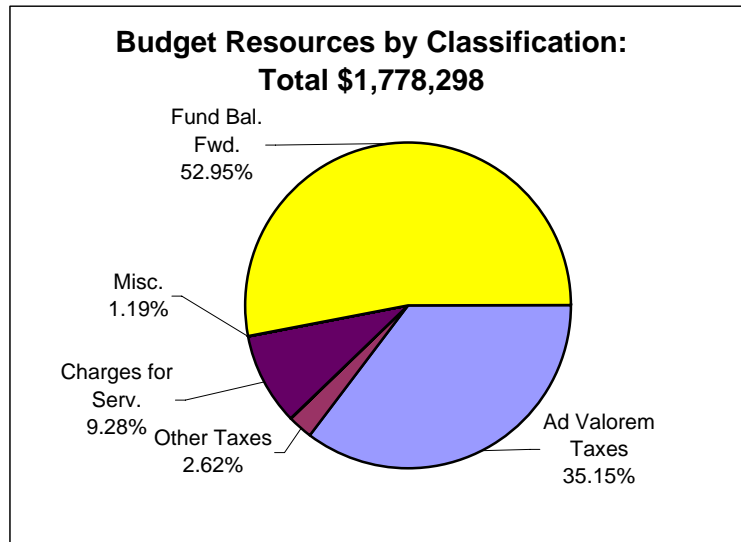


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Public Transportation Fund

**Cliff Galante,
Transit Administrator**

Fund 210- PUBLIC TRANSPORTATION



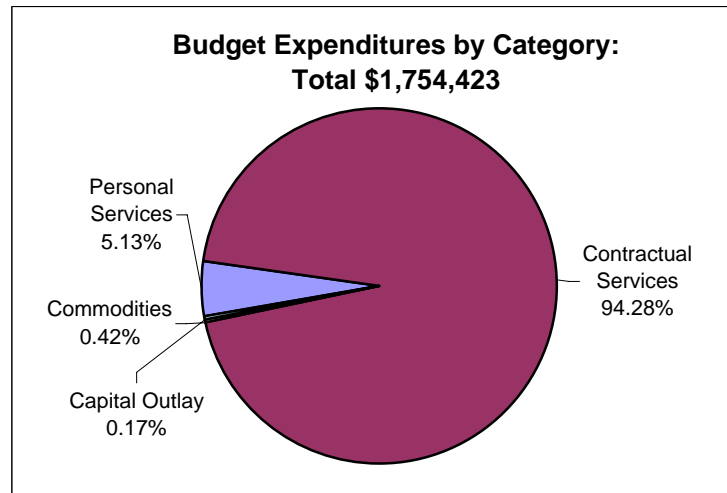
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Ad Valorem Taxes - Current	\$ 959,853	\$ 475,000	\$ 475,000	\$ 595,000
Ad Valorem Taxes - Delinquent	\$ 21,189	\$ 30,000	\$ 30,000	\$ 30,000
Motor Vehicle Taxes	\$ 123,680	\$ 94,814	\$ 94,814	\$ 44,797
Payment in Lieu of Taxes	\$ 3,775	\$ 5,132	\$ 5,132	\$ 1,836
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Fare Box Receipts	\$ 164,486	\$ 150,000	\$ 150,000	\$ 165,000
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 235	\$ 20,000	\$ 20,000	\$ -
TOTAL RECEIPTS	\$ 1,273,218	\$ 774,946	\$ 774,946	\$ 836,633
Balance, January 1	\$ 1,719,320	\$ 911,359	\$ 1,404,674	\$ 941,665
TOTAL RESOURCES AVAILABLE	\$ 2,992,538	\$ 1,686,305	\$ 2,179,620	\$ 1,778,298

Revenue Sources - Descriptions and Trends

Revenue Sources- Property taxes are the major source of revenue for the Public Transportation Fund, followed by motor vehicle tax. Revenue from fare box receipts continues to increase as the system grows and matures. The funding received from outside agencies (e.g. federal grants) is not reflected in the revenue sources for this fund, but is tracked through a non-budgeted outside agency fund set up as a "pass through" fund for designated purchases and operations that satisfy the conditions of the grant.

Trends- Due to the anticipated fund balance, it has been possible to decrease the mill levy for the past two years. However, the rising cost of expenditures will require an increase in the mill levy to 0.746 mills despite the increase in anticipated 6% increase in assessed valuation.

Fund 210- PUBLIC TRANSPORTATION



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	\$ 58,270	\$ 82,955	\$ 82,955	\$ 90,028
Contractual Services	\$ 1,121,523	\$ 1,554,100	\$ 1,150,000	\$ 1,654,095
Commodities	\$ 7,059	\$ 5,000	\$ 5,000	\$ 7,300
Capital Outlay	\$ 1,012	\$ -	\$ -	\$ 3,000
Debt Service	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -
Transfer to Reserve	\$ 400,000	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 1,587,864	\$ 1,642,055	\$ 1,237,955	\$ 1,754,423
FUND BALANCE FORWARD	\$ 1,404,674	\$ 44,250	\$ 941,665	\$ 23,875

Expenditures - Descriptions and Trends

Personal Services- Cost of providing 50% of wages, salaries, retirement, and other fringe benefits for City employees. Outside agency (e.g. federal grants) funding provides the remaining 50% through the non-budgeted Transportation Outside Agency Fund. General wage adjustments, merit increases for eligible employees, and health care costs have continued to rise.

Contractual Services- 2007 will be the fourth year of a five year contract with MV Transportation, Inc. (MV) for the provision of public transit services. MV was selected by the City Commission based on their Request for Proposal submitted in 2003. The contractual services expenditure level is adjusted to reflect contract conditions with MV.

FUND 210 - PUBLIC TRANSPORTATION

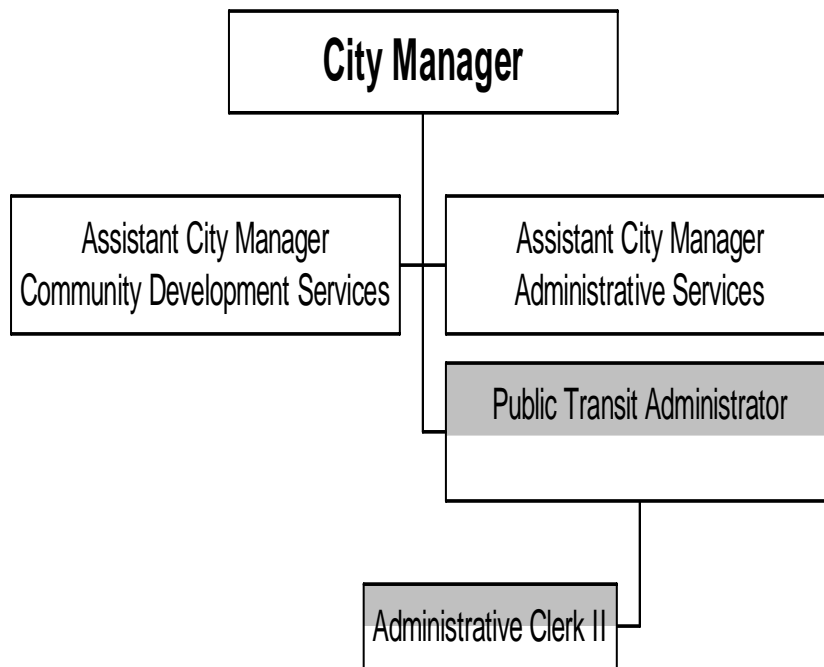
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 58,270	\$ 82,955	\$ 82,955	\$ 90,028
Contractual Services	1,121,523	1,554,100	1,150,000	1,654,095
Commodities	7,059	5,000	5,000	7,300
Capital Outlay	1,012	-	-	3,000
Debt Service	-	-	-	-
Transfers	400,000	-	-	-
Contingency	-	-	-	-
Total	\$ 1,587,864	\$ 1,642,055	\$ 1,237,955	\$ 1,754,423

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	1.00	1.00	1.00	1.40

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



*shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Public Transit Department is responsible for all aspects of the City's transit program. The department primarily provides oversight activities of the public transit provider contract which operates our fixed route and paratransit service and is charged with ADA eligibility certification. The department follows all federal, state and local regulations in relation to procurement, contract negotiation and oversight. The department is responsible for fiscal management of federal, state and local funds. Additional responsibilities include the development of policies and procedures for the transit system; service developments including marketing aspects; and coordination of transit needs in the community.

Significant Issues for 2007 - Significant Issues include possible implementation of the Coordinated Public Transportation Development Plan that coordinates and/or consolidates City and University of Kansas transit services, moving forward on the land acquisition and design of a new Bus Maintenance/Administration facility, identifying funding for possible implementation of intercity transportation along K-10 corridor. Increase in Personal Service can be attributed to cost increases for eligible employees, a 3% general wage adjustment, and an increase in employee health care costs. The Contractual Services increase is due to the terms of the contract with MV Transportation, the City's transit provider.

CURRENT YEAR ACCOMPLISHMENTS

- Selection of firm to complete Coordinated Public Transit Development Plan to explore the feasibility of coordination and/or consolidation of City and University transit services
- Assisted KU in acquiring 5 transit vehicles to provide public transportation services to West Campus Park and Ride facility
- In partnership with MARC, launched new web-based commuter service called, "Carpool Connection" that links people together that are interested in forming car or vanpools that commute to KC, Lawrence and Topeka
- Installation of trashcans and route schedules / maps on 42 transit shelters located throughout City to improve customer amenities

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Increase ridership on the fixed-route and paratransit system by a) implementing aggressive marketing plan, b) implementing City Commission/University Provost approved recommendations of Coordinated Transit Development Plan, c) avoiding trip denials and providing more revenue hours of service for T-Lift to meet growing demand for service, d) continuing Travel Training workshops for groups and one-on-one training for individuals, e) furthering coordination with HINU, and K-12 schools, f) determining feasibility of providing intercity transportation along K10 corridor through coordination with KDOT and Johnson County Transit, g) informing residents of the "Carpool Connection" service
2. Provide a safe, dependable and convenient transportation system for the community by developing further shelter amenities - signage, benches, transit shelters, wheelchair landings, etc.; improving the downtown transfer facility; providing oversight of transit provider including performance standards, review of penalties/incentives and maintenance activities; developing a Safety & Security Plan for system.
3. Address long-term transit facility needs to meet current and future growth by completing feasibility study for a new Bus Maintenance/Administration facility and move forward with land acquisition and design; continuing to work with Kansas Congressional Delegation to obtain necessary federal investment to complete project.
4. Complete an Intelligent Transportation System Plan for the City of Lawrence/Douglas County that addresses both roadway and transit needs.

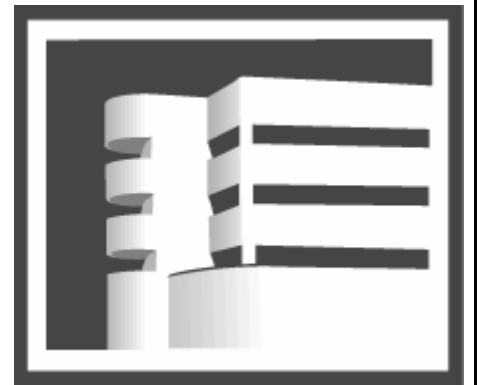


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Recreation Fund



**City of
Lawrence, Kansas**



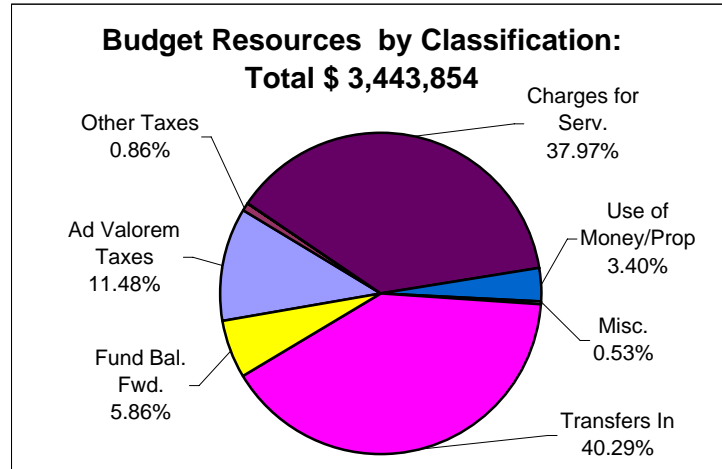


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Recreation Fund

**Fred DeVictor, Director
Parks and Recreation**

Fund 211 - RECREATION



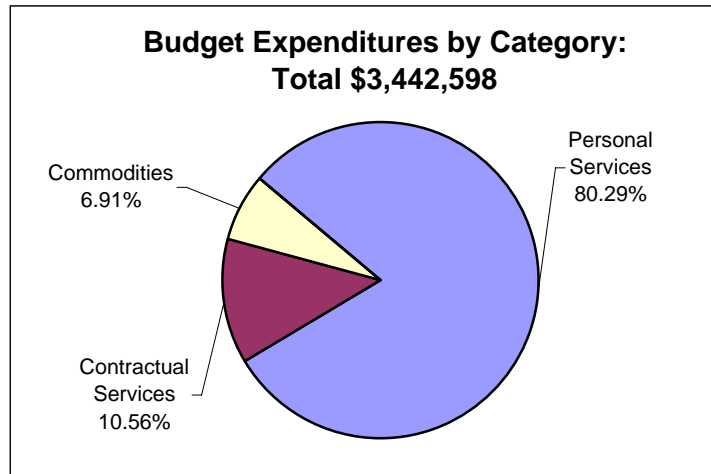
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Ad Valorem Taxes - Current	\$ 277,475	\$ 305,000	\$ 305,000	\$ 385,000
Ad Valorem Taxes - Delinquent	7,406	\$ 15,000	\$ 15,000	\$ 14,000
Motor Vehicle Taxes	32,211	\$ 27,446	\$ 27,446	\$ 28,766
Payment in Lieu of Taxes	1,091	\$ 986	\$ 986	\$ 1,188
Fees	450,027	\$ 425,000	\$ 425,000	\$ 473,000
Aquatic Programs	558,752	\$ 525,350	\$ 525,350	\$ 560,000
Building Rental	94,807	\$ 75,000	\$ 75,000	\$ 95,000
Concessions	5,110	\$ 5,000	\$ 5,000	\$ 6,000
Special Populations	46,634	\$ 49,000	\$ 49,000	\$ 55,350
Field Rent	31,722	\$ 31,000	\$ 31,000	\$ 23,000
Class Enrollment	222,813	\$ 230,000	\$ 230,000	\$ 225,000
Miscellaneous	4,232	\$ 5,000	\$ 5,000	\$ 5,000
Transfer from General Fund	1,304,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
TOTAL RECEIPTS	3,036,280	3,093,782	3,093,782	3,271,304
Balance, January 1	537,182	287,243	488,560	203,550
TOTAL RESOURCES AVAILABLE	\$ 3,573,462	\$ 3,381,025	\$ 3,582,342	\$ 3,474,854

Revenue Sources - Descriptions and Trends

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

Trends- No increase in aquatic fees is budgeted for 2007, however, modest growth in attendance is expected to continue. The mill levy has remained relatively stable despite relatively flat revenues due to continued increases in assessed valuation over the years.

Fund 211 - RECREATION



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	\$ 2,403,034	\$ 2,669,453	\$ 2,669,453	\$ 2,788,926
Contractual Services	\$ 389,028	\$ 438,457	\$ 438,457	\$ 444,580
Commodities	\$ 292,840	\$ 234,882	\$ 234,882	\$ 240,092
Capital Outlay	\$ -	\$ 36,000	\$ 36,000	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -
Transfer to Reserve	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	3,084,902	3,378,792	3,378,792	3,473,598
FUND BALANCE FORWARD	\$ 488,560	\$ 2,233	\$ 203,550	\$ 1,256

Expenditures - Descriptions and Trends

Personal Services- Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Increases have continued due to general wage adjustments and projected merit increases for eligible employees. Additionally, the City's share of the per employee health care costs have continued to rise.

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

FUND 211 - RECREATION

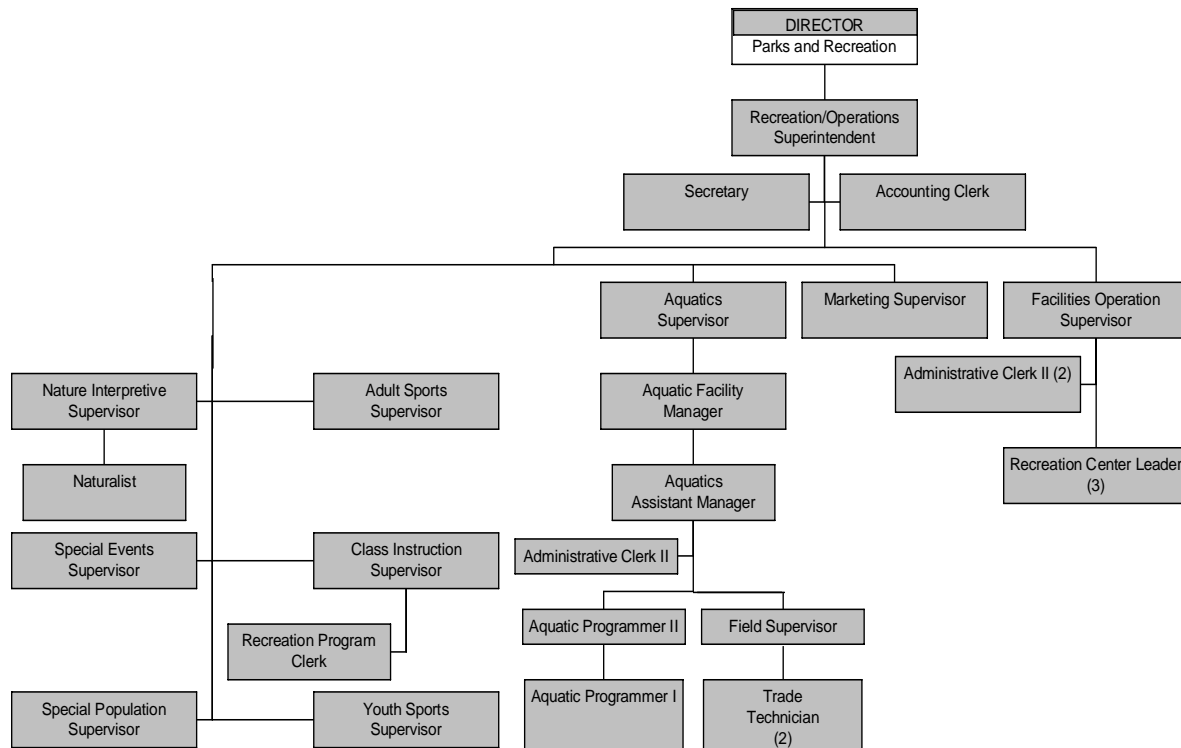
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 2,403,034	\$ 2,669,453	\$ 2,669,453	\$ 2,788,926
Contractual Services	389,028	438,457	438,457	444,580
Commodities	292,840	234,882	234,882	240,092
Capital Outlay	-	36,000	36,000	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,084,902	\$ 3,378,792	\$ 3,378,792	\$ 3,473,598

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	28.00	27.50	27.50	28.78

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



*shading indicates position funded from this account.

DEPARTMENT / DIVISION PROFILE

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

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

Significant Issues for 2007 - Increases in Personal Services can be attributed to a 3% general wage adjustment, merit increases for eligible employees, and an increase in the City share of employee health care costs. However, all budget requests for 2007 are covered by projected revenue increases. Staff anticipates direct operations of the Holcom Amateur Baseball Association, with revenue exceeding operational costs for the program.

CURRENT YEAR ACCOMPLISHMENTS

- Four staff recognized by peer organizations for outstanding work in their profession
- Continue to increase fundraising efforts for the Youth Scholarship Fund
- Increased efforts for customer service through staff training and upgrades for faster computer service
- Formed new partnerships for the enhancement and cost effectiveness of programs to the public
- 11% increase of all enrollments in department programs, activities and classes via the website
- Increases of over 7.8% in total number of enrollments conducted through both walk-in and online registration
- Setup department e-mail for citizens to ask general questions of the department. Over 30 e-mails weekly that are answered within 24 hrs, which is a 25% increase from 2005

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Achieve a satisfied or very satisfied rating on 90% of evaluations for Leisure Service Programs.
2. Achieve a satisfied or very satisfied rating on 90% of evaluations for Aquatic facilities/programs.
3. Achieve a satisfied or a very satisfied rating on 90% of evaluations for facility reservations.

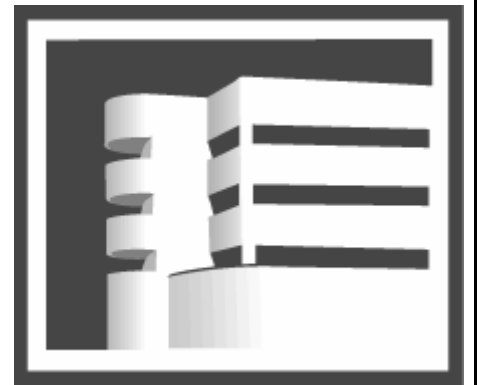


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Special Alcohol Fund



City of
Lawrence, Kansas

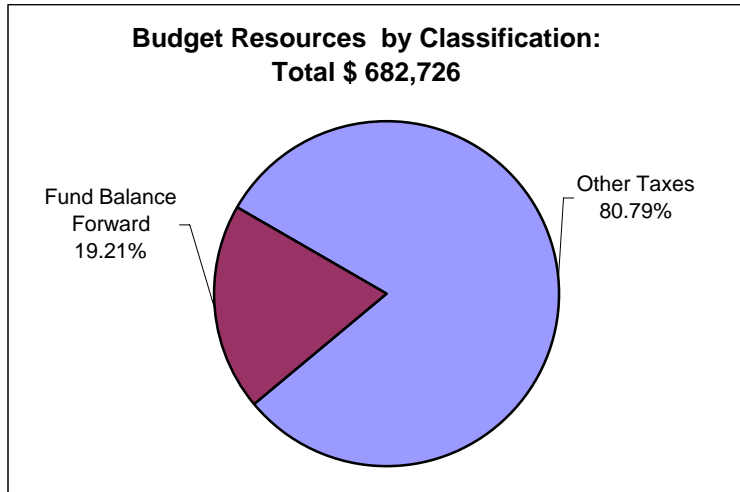




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Special Alcohol Fund

Fund 213 - SPECIAL ALCOHOL



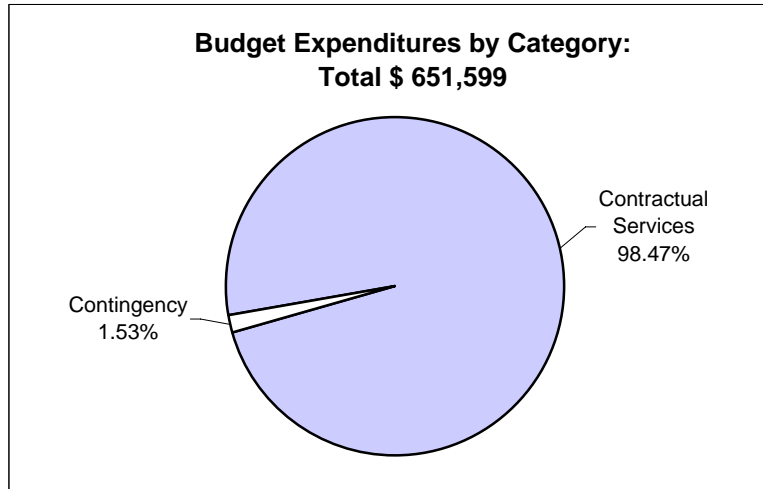
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Liquor Tax	\$ 530,707	\$ 525,000	\$ 525,000	\$ 550,000
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	530,707	525,000	525,000	550,000
Balance, January 1	291,155	151,155	252,726	132,726
TOTAL RESOURCES AVAILABLE	\$ 821,862	\$ 676,155	\$ 777,726	\$ 682,726

Revenue Sources - Descriptions and Trends

Revenue Sources- Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the city's general fund, special recreation fund, and special alcohol fund. Moneys in this Special Alcohol Fund must be used for the "purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers". Charter Ordinance #33 establishes these criteria for the disbursement of funds in the Special Alcohol Fund.

Trends- Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. The state legislature has continued to discuss the idea of reducing or eliminating this sharing of liquor tax revenue in light of the state's budget woes. Lobbying by the municipalities, state and local parks/recreation organizations and others has assisted in keeping the current law intact but projected increases in revenues remain conservative.

Fund 213 - SPECIAL ALCOHOL



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	564,711	600,000	600,000	641,899
Commodities	3,425.00	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	1,000	45,000	45,000	10,000
TOTAL EXPENDITURES	\$ 569,136	\$ 645,000	\$ 645,000	\$ 651,899
FUND BALANCE FORWARD	\$ 252,726	\$ 31,155	\$ 132,726	\$ 30,827

Expenditures - Descriptions and Trends

Contractual Services- Per Section I, Article 14 of the City Code, the Special Alcohol Advisory Board reviews all applications for funding and makes recommendations to the City Commission during the annual budget process. The following Agencies were approved for funding in 2007:

DCCCA	\$ 79,819	Van Go Mobile Arts	\$ 40,300
DCCCA (First Step)	29,150	Bert Nash (WRAP program)	100,000
DCCCA Coordinator	19,380	Big Brothers/Big Sisters	30,000
Headquarters	23,750	Lawrence Memorial Hospital	40,000
Hearthstone	7,500	Boys & Girls Club	100,000
KU	25,000	Lawrence Com. Shelter	30,000
USD 497	60,000	WTCS	17,000
Ballard Community Center	15,000	Pelathe Comm. Res. Center	25,000

It was clear during the deliberations by the Advisory Board that these Agencies, as many others dealing with social issues, were feeling the pinch from revenue shortfalls from other sources. However, in many instances the committee was unable to recommend funding agencies at the level requested due to fund balance concerns.

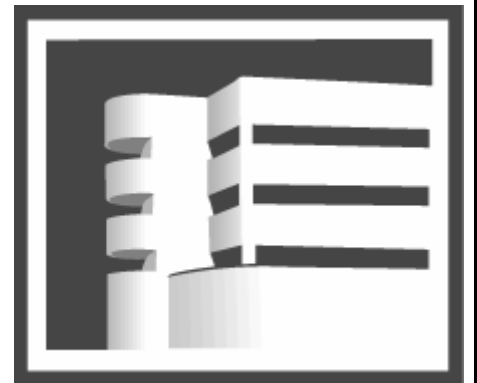


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Special Gas Tax Fund



City of
Lawrence, Kansas



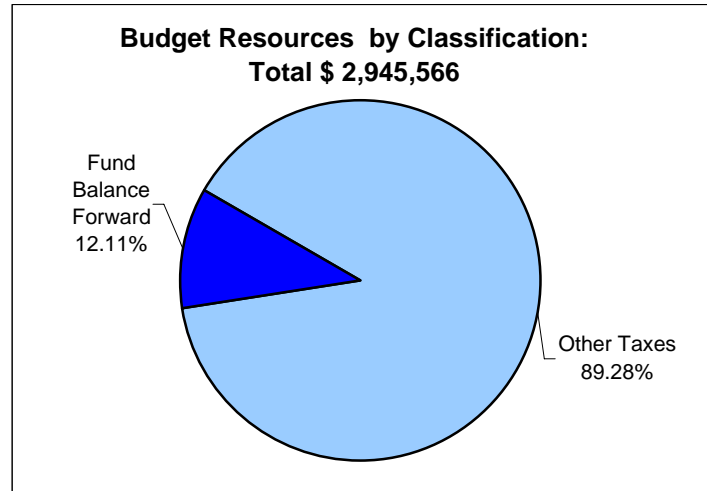


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Special Gas Tax Fund

**Chuck Soules, Director
Public Works**

Fund 214 - SPECIAL GAS TAX



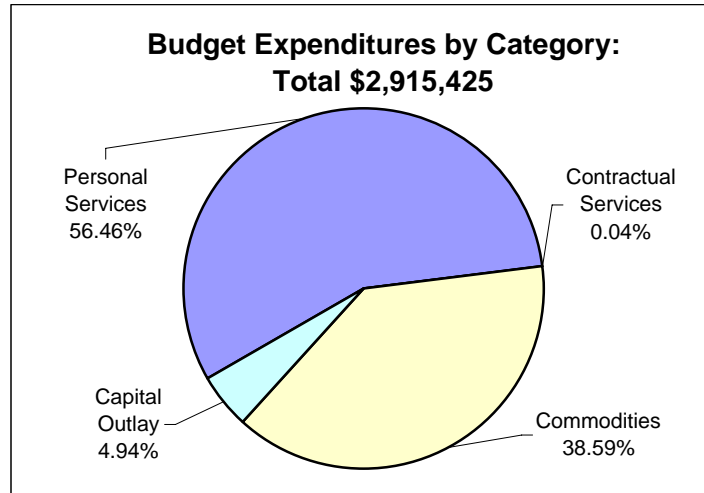
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Fuel Tax	\$ 2,561,489	\$ 2,634,300	\$ 2,634,300	\$ 2,629,770
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	2,561,489	2,634,300	2,634,300	2,629,770
Balance, January 1	372,922	291,068	547,857	315,786
TOTAL RESOURCES AVAILABLE	\$ 2,934,411	\$ 2,925,368	\$ 3,182,157	\$ 2,945,556

Revenue Sources - Descriptions and Trends

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

Trends- Historically, revenues have increase modestly for this fund although the tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) has not increased since 2003. However, projections for 2007 are conservative due to the continued fluctuation in fuel costs and the potential effect on sales statewide.

Fund 214 - SPECIAL GAS TAX



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	\$ 1,433,039	\$ 1,565,891	\$ 1,565,891	\$ 1,645,945
Contractual Services	-	480	480	480
Commodities	865,865	1,148,000	1,148,000	1,125,000
Capital Outlay	87,650	152,000	152,000	144,000
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfers	-	-	-	-
TOTAL EXPENDITURES	2,386,554	2,866,371	2,866,371	2,915,425
FUND BALANCE FORWARD	\$ 547,857	\$ 58,997	\$ 315,786	\$ 30,131

Expenditures - Descriptions and Trends

Personal Services- Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Increases continue due to annual wage adjustments and projected merit increases for eligible employees. Additionally, the City's share of the per employee health care costs have continued to increase over time.

Contractual Services - An allowance for jeans is provided for employees. This program began in 2006 as way to reduce expenditures by reducing the cost of providing uniforms. The level of funding is expected to remain stable.

Commodities - This includes expenditures for the chip and seal program, overlay program, and curb repair program. Funds are also included for sidewalk repairs. While the cost of these items has increased, funding is based on available resources and fluctuates accordingly.

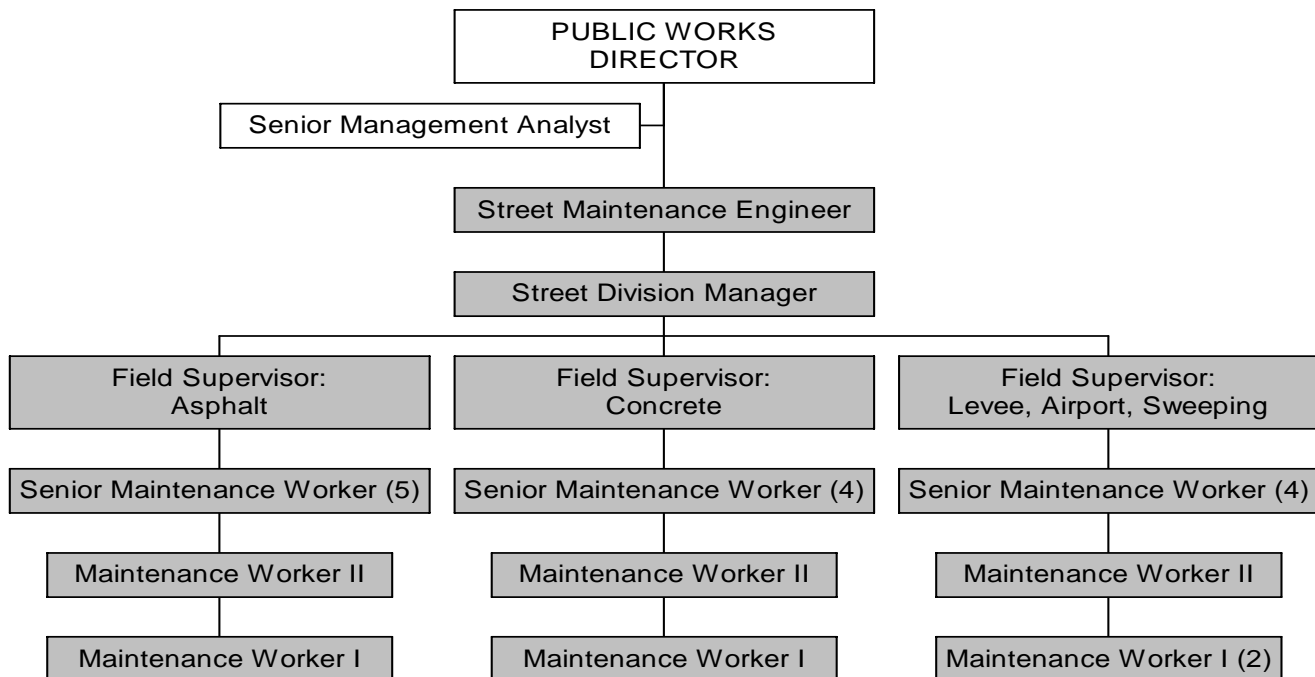
Capital Outlay - Cost of equipment used to repair streets and remove snow and ice. Funding for Capital Outlay has fluctuated to stay within revenue constraints over the years.

FUND 214-SPECIAL GAS TAX**STREET MAINTENANCE****ACCOUNT 214-3800-578****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 1,433,039	\$ 1,565,891	\$ 1,565,891	\$ 1,645,945
Contractual Services	-	480	480	480
Commodities	865,865	1,148,000	1,148,000	1,125,000
Capital Outlay	87,650	152,000	152,000	144,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 2,386,554	\$ 2,866,371	\$ 2,866,371	\$ 2,915,425

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	25.00	25.50	25.50	25.50

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

*shading indicates positions funded through this account.

DEPARTMENT / DIVISION PROFILE

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

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to overtime increases, a 3% general wage adjustment, and merit increases for eligible employees. Increased costs for covering City employee health insurance coverage also contribute to the increase in Personal Services. Despite the rising cost of materials, the decreases in Commodities and capital outlay is due to revenue constraints projected for 2007.

CURRENT YEAR ACCOMPLISHMENTS

- Performed concrete and asphalt repair, and crack sealing programs
- Provided dependable snow removal and ice control operations
- Increased crack sealing program with significant contracted program. Placed five times the material placed in 2004
- Street sweeping completed for approximately 6900 lane miles
- Significant repair projects completed on Wakarusa, Clinton Parkway and Kasold, and Iowa

MAJOR GOALS AND OBJECTIVES FOR 2007

1. To provide curb, gutter, and concrete repair and maintenance.
2. To provide general asphalt / concrete maintenance through patching and replacement.
3. To enhance pavement maintenance through a crack sealing program by completing one of eight designated areas each year.
4. To provide effective snow and ice control for public roadways.
5. To provide support, personnel, and equipment during emergency response and disaster recovery operations.

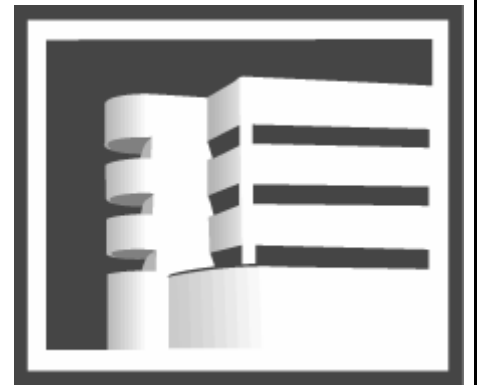


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Special Recreation Fund



City of
Lawrence, Kansas



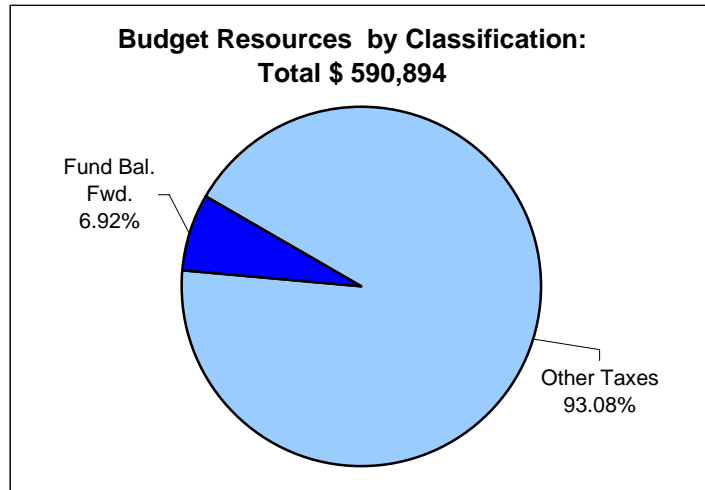


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Special Recreation Fund

**Fred DeVictor, Director
Parks and Recreation**

Fund 216 - SPECIAL RECREATION



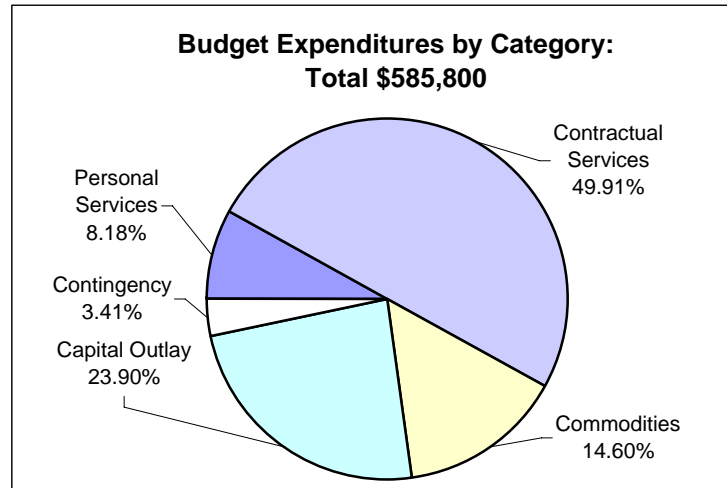
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Liquor Tax	\$ 530,707	\$ 525,000	\$ 525,000	\$ 550,000
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	530,707	525,000	525,000	550,000
Balance, January 1	164,872	85,872	121,894	40,894
TOTAL RESOURCES AVAILABLE	\$ 695,579	\$ 610,872	\$ 646,894	\$ 590,894

Revenue Sources - Descriptions and Trends

Revenue Sources- Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the city's general fund, special recreation fund, and special alcohol fund. Moneys in this Special Recreation Fund must be used for "the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities." Charter Ordinance #33 establishes these criteria for the disbursement of funds in the Special Recreation Fund.

Trends- This fund continues to see annual increases in the total receipts collected by the state via the liquor tax. However, the state legislature has discussed the past few years the idea of reducing or eliminating this sharing of liquor tax revenue in light of the state's budget woes and shrinking revenue from other sources. Lobbying by the municipalities, state and local parks/recreation organizations and others have assisted in keeping the current law intact.

Fund 216 - SPECIAL RECREATION



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	\$ 36,674	\$ 42,800	\$ 42,800	\$ 47,900
Contractual Services	381,012	281,700	281,700	292,400
Commodities	128,854	82,500	82,500	85,500
Capital Outlay	25,005	169,000	169,000	140,000
Debt Service	-	-	-	-
Contingency	2,140	30,000	30,000	20,000
TOTAL EXPENDITURES	573,685	606,000	606,000	585,800
FUND BALANCE FORWARD	\$ 121,894	\$ 4,872	\$ 40,894	\$ 5,094

Expenditures - Descriptions and Trends

Contractual Services- Services provided to the City by firms, individuals, or other City departments. In 2007, contractual service demands for parks facilities resulted in only slight increases, though this line is still below 2005 funding levels. Also included are funds for the following outside agencies:

Lawrence Arts Center Scholarship	\$25,000
Arts Commission	23,400
Lawrence City Band	8,000

Commodities- Operating supplies utilized by department for operations including software, licenses, additional trees, seeds, and plants for recreation facilities, and computer and printer replacements. In 2007, expenditures are expected to be relatively comparable to 2006.

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

FUND 216 - SPECIAL RECREATION

DEPARTMENT / DIVISION PROFILE

The purpose of the Special Recreation fund is to provide diverse cultural and recreational opportunities for the community as it continues to grow. Some of the expenses reflected in this fund include the City's share of the operation of the Lawrence Arts Center, the Outdoor Sculpture Exhibition (sponsored by the Lawrence Arts Commission), concert performances of the Lawrence City Band, and the Bicycle Pedal Plan. The fund also provides for improvements and upgrades to parks and recreation facilities, athletic fields, and playgrounds.

Significant Issues for 2007 - Funding for the Arts Center and the City Band remained at 2006 levels however, an increase in other contractual services such as mowing services account for the increase.

CURRENT YEAR ACCOMPLISHMENTS

- Continuation of Summer Concert Series by the Lawrence City Band
- Riverfront Park Development
- Restroom at Outlet Park
- Various sidewalk and fence repairs

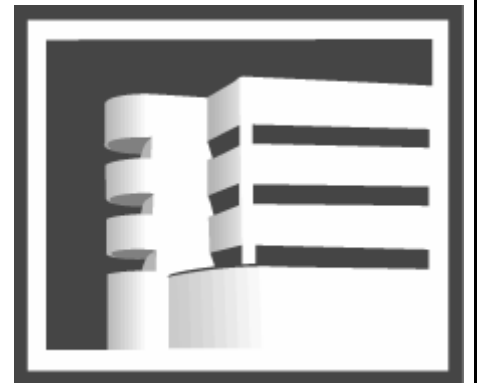
MAJOR GOALS AND OBJECTIVES FOR 2007

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

Bond and Interest Fund



**City of
Lawrence, Kansas**

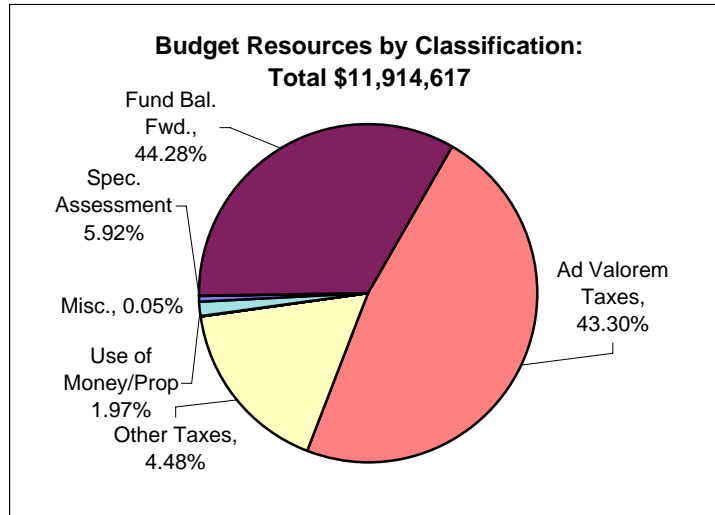




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Bond and Interest Fund

Fund 301 - BOND AND INTEREST



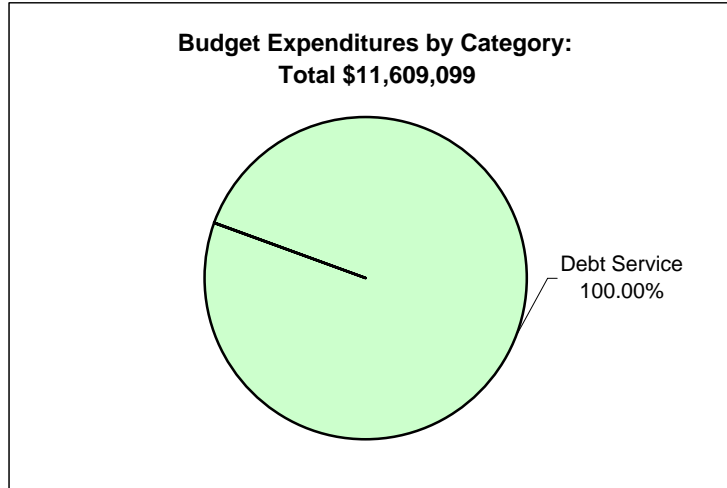
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Taxes - Current	\$ 4,979,055	\$ 5,300,000	\$ 5,300,000	\$ 5,590,000
Taxes - Delinquent	82,136	75,000	75,000	70,000
Motor Vehicle Taxes	500,226	491,937	491,937	499,849
Payment in Lieu of Taxes	19,581	19,966	19,966	17,660
Special Assessments	1,283,187	1,445,000	1,445,000	1,500,000
Intergovernmental Revenues	-	-	-	-
Interest on Investments	180,508	125,000	125,000	150,000
Airport charges	-	-	-	-
Miscellaneous	243,512	85,000	85,000	85,000
Other transfers	855,508	-	-	-
Transfers from Parking	-	-	-	-
TOTAL RECEIPTS	8,143,713	7,541,903	7,541,903	7,912,509
Balance, January 1	8,292,587	4,275,082	7,770,205	4,002,108
TOTAL RESOURCES AVAILABLE	16,436,300	11,816,985	15,312,108	11,914,617

Revenue Sources - Descriptions and Trends

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

Trends- Assessed valuation growth is predicted for 2007 at 6%. The Bond and Interest mill levy remains relatively stable, taking into consideration the increase in assessed property valuation, but is expected to rise in the next few years in order to provide revenue for several City-at-large capital improvement projects.

Fund 301 - BOND AND INTEREST



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
GO Bonds - Principal	\$ 6,596,111	\$ 7,800,000	\$ 7,800,000	\$ 8,420,000
GO Bonds - Interest	2,069,984	3,000,000	3,000,000	2,679,099
Commission / Postage	-	10,000	10,000	10,000
Cash Basis Reserve	-	500,000	500,000	500,000
Transfers	-	-	-	-
TOTAL EXPENDITURES	\$ 8,666,095	\$ 11,310,000	\$ 11,310,000	\$ 11,609,099
FUND BALANCE FORWARD	\$ 7,770,205	\$ 506,985	\$ 4,002,108	\$ 305,518

Expenditures - Descriptions and Trends

GO Bonds - Principal- The amount owed as long-term debt. It is payable from the full faith and credit of the City, and is the basis upon which interest is calculated. 2007 expenditures reflect the capital improvement projects funded from general obligation (GO) bonds approved by previous City Commissions. These projects are related to expansion, growth, and maintenance of existing facilities.

GO Bonds - Interest- The expense for issuing long term debt. It is payable from the full faith and credit of the City.

Cash Basis Reserve- An amount of funds set aside to insure that sufficient cash is available to pay principal and interest payments in the case there is a delay in receiving property taxes. The 2007 amount provides a safety net to fund unanticipated projects.

BOND AND INTEREST FUND**BOND AND INTEREST
ACCOUNT 301-1066-556****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Commodities	-	10,000	10,000	10,000
Capital Outlay	-	-	-	-
Debt Service	8,666,095	10,800,000	10,800,000	11,099,099
Transfers	-	-	-	-
Contingency	-	500,000	500,000	500,000
Total	\$ 8,666,095	\$ 11,310,000	\$ 11,310,000	\$ 11,609,099

DEPARTMENT / DIVISION PROFILE

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

As of June 30, 2006, the total general obligation debt for the city was \$77,080,000. The City is limited by State law in the amount of general obligation debt it can incur.* This limit is set at 30% of the total assessed valuation, including motor vehicle assessments. The legal debt margin as of June 30, 2006 can be computed as follows:

Assessed Value - January 1, 2005	\$ 848,569,778	
Debt Limitation (30% of assessed value)		\$254,570,933
Total Bonded Debt (including notes)	125,118,000	
Less Revenue Bonds	<u>-25,910,000</u>	
Total Debt applicable to limitation		<u>\$ 99,208,000</u>
Legal Debt Margin		<u><u>\$ 155,362,933</u></u>

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

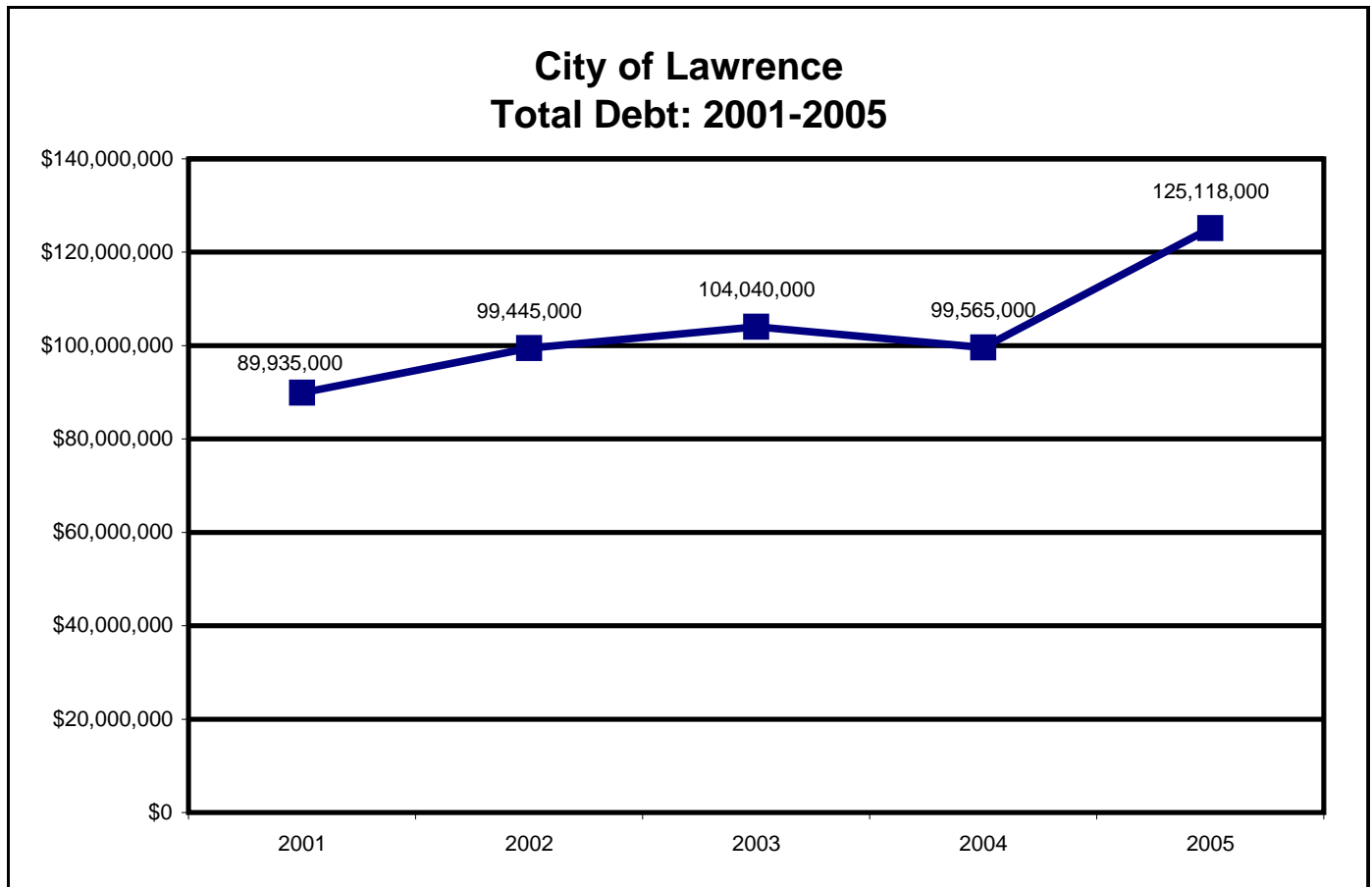
CURRENT YEAR ACCOMPLISHMENTS

- Maintained a G.O. Debt rating of Aa2.
- Updated the capital financing plan for the Water and Wastewater Fund.
- Achieved a rating on the City's outstanding revenue bonds of Aa3.
- Issued over \$10 million in general obligation bonds for infrastructure improvements.

BOND AND INTEREST FUND

STATEMENT OF OUTSTANDING INDEBTEDNESS

	Outstanding January 1, 2005	Retired in 2005	Issued in 2005	Outstanding December 31, 2005
General Obligation Bonds	\$ 74,885,000	8,900,000	\$ 11,095,000	77,080,000
Temporary Notes	15,745,000	15,745,000	22,128,000	22,128,000
TOTAL	90,630,000	24,645,000	33,223,000	99,208,000
Revenue Bonds	8,935,000	8,935,000	25,910,000	25,910,000
TOTAL	8,935,000	8,935,000	25,910,000	25,910,000
TOTAL DEBT	\$ 99,565,000	\$ 33,580,000	\$ 59,133,000	\$ 125,118,000



BOND AND INTEREST FUND

CURRENT DEBT ISSUE

DESIGNATION	ORIGINAL AMOUNT	OUTSTANDING JAN.1,2005	ISSUED AFTER JAN.1,2005	RETIRED IN 2005	ESTIMATED OUTSTANDING DEC.31,2005
GENERAL OBLIGATION					
Series R	2,445,000	295,000		295,000	0
Series S	295,000	30,000		30,000	0
Series U	540,000	130,000		65,000	65,000
Series W	390,000	95,000		45,000	50,000
Series X	2,930,000	685,000		335,000	350,000
Series Y	2,900,000	1,020,000		325,000	695,000
Series 1998-A	5,325,000	1,790,000		570,000	1,220,000
Series 1999-A	4,405,000	2,135,000		500,000	1,635,000
Series 1999-B	2,110,000	1,450,000		270,000	1,180,000
Series 2000-A	2,330,000	1,870,000		300,000	1,570,000
Series 2000-B	2,455,000	1,610,000		235,000	1,375,000
Series 2000-C	560,000	340,000		55,000	285,000
Series 2000-D	4,280,000	2,740,000		115,000	2,625,000
Series 2000-E	4,990,000	4,990,000		735,000	4,255,000
Series 2000-F	8,645,000	8,325,000		340,000	7,985,000
Series 2001-A	2,840,000	1,990,000		150,000	1,840,000
Series 2001-B	1,420,000	1,130,000		105,000	1,025,000
Series 2002-A	9,070,000	6,985,000		640,000	6,345,000
Series 2002-B	2,115,000	2,115,000		125,000	1,990,000
Series 2002-C	920,000	800,000		65,000	735,000
Series 2003-A	4,270,000	3,405,000		850,000	2,555,000
Series 2003-B	10,190,000	10,190,000		1,150,000	9,040,000
Series 2003-C	2,905,000	2,430,000		210,000	2,220,000
Series 2003-D	3,145,000	2,935,000		210,000	2,725,000
Series 2004-A	3,520,000	3,200,000		265,000	2,935,000
Series 2004-B	10,600,000	10,600,000		795,000	9,805,000
Series 2004-C	1,600,000	1,600,000		120,000	1,480,000
Series 2005-A	11,095,000	0	11,095,000	0	11,095,000
Subtotal	\$ 108,290,000	\$ 74,885,000	\$ 11,095,000	\$ 8,900,000	\$ 77,080,000
TEMPORARY NOTES					
Temp Note 2004-II	15,745,000	15,745,000		15,745,000	0
Temp Note 2005-I	22,128,000	0	22,128,000	0	22,128,000
Subtotal	\$ 37,873,000	\$ 15,745,000	\$ 22,128,000	\$ 15,745,000	\$ 22,128,000
REVENUE BONDS					
Series 1996	6,390,000	4,170,000		4,170,000	0
Series 1997	6,900,000	4,765,000		4,765,000	0
Series 2005	25,910,000	0	25,910,000	-	25,910,000
Subtotal	\$ 39,200,000	\$ 8,935,000	\$ -	\$ 8,935,000	\$ 25,910,000

BOND AND INTEREST FUND**CURRENT DEBT
SERVICE SCHEDULE****GENERAL OBLIGATION BONDS AT-LARGE**

	Principal	Interest	Total
2006	7,858,958	2,634,898	10,493,856
2007	7,205,164	2,345,642	9,550,807
2008	6,753,416	2,061,306	8,814,722
2009	6,422,583	1,800,603	8,223,185
2010	5,915,257	1,549,374	7,464,631
2011	4,816,887	1,326,679	6,143,567
2012	5,012,436	1,143,559	6,155,995
2013	4,955,942	945,205	5,901,147
2014	4,215,886	750,813	4,966,699
2015	4,275,547	582,154	4,857,700
2016	4,006,738	407,623	4,414,361
2017	1,639,807	240,136	1,879,943
2018	1,045,000	165,493	1,210,493
2019	1,090,000	110,837	1,200,837
2020	995,000	53,175	1,048,175
	<u>66,208,623</u>	<u>16,117,496</u>	<u>82,326,118</u>

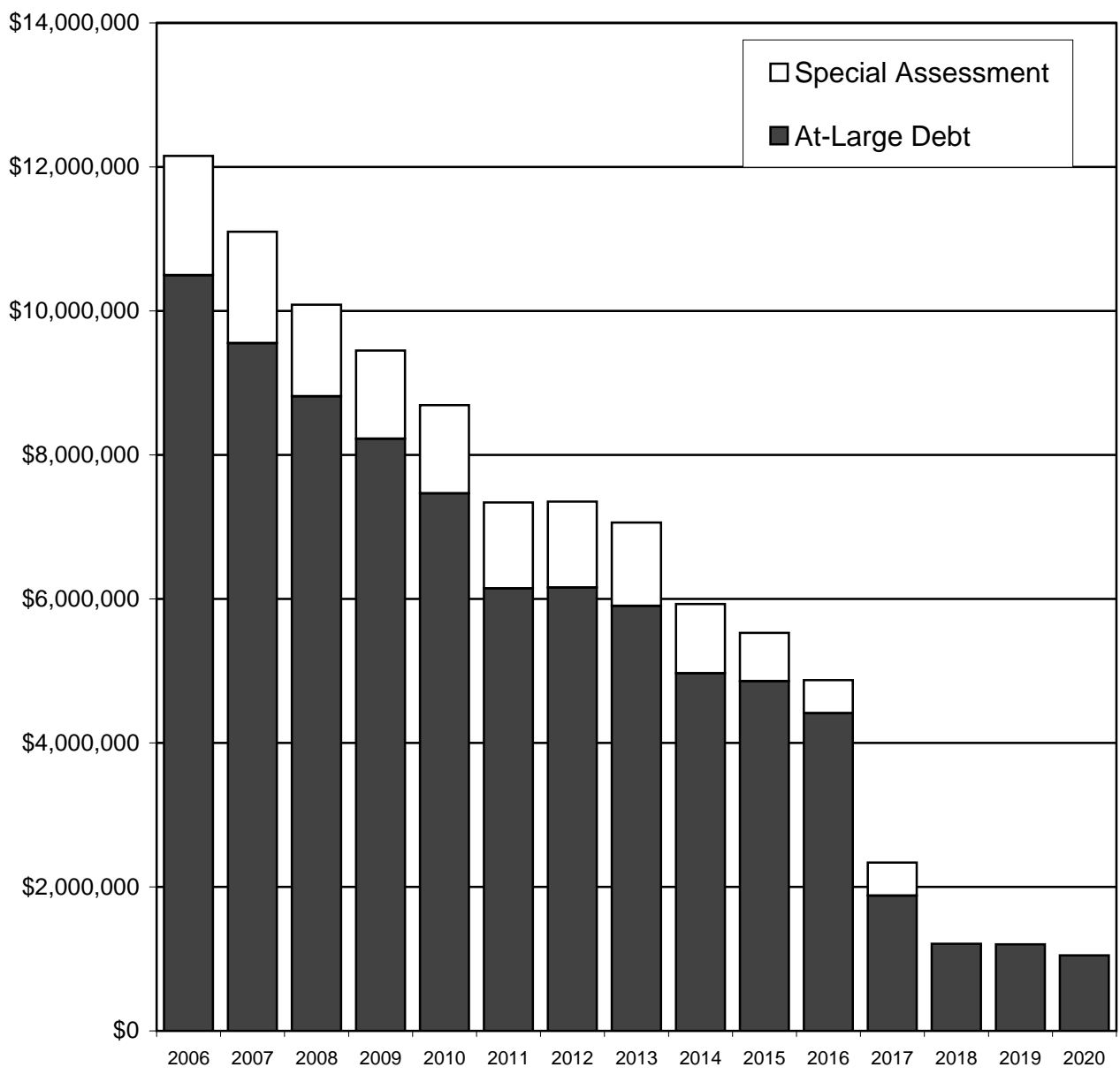
SPECIAL ASSESSMENT AMORTIZATION SCHEDULE

	Principal	Interest	Total
2006	1,281,042	378,560	1,659,602
2007	1,214,836	333,457	1,548,293
2008	976,584	293,899	1,270,483
2009	967,417	260,036	1,227,453
2010	999,743	227,297	1,227,039
2011	1,003,113	193,188	1,196,300
2012	1,037,564	159,524	1,197,088
2013	1,039,058	122,113	1,161,170
2014	874,114	87,178	961,292
2015	614,453	57,042	671,495
2016	423,262	34,538	457,800
2017	440,193	17,608	457,800
	<u>10,871,377</u>	<u>2,164,439</u>	<u>13,035,816</u>

DEBT SERVICE SCHEDULE FOR ALL BONDS

	Principal	Interest	Total
2006	9,140,000	3,013,458	12,153,458
2007	8,420,000	2,679,099	11,099,099
2008	7,730,000	2,355,205	10,085,205
2009	7,390,000	2,060,638	9,450,638
2010	6,915,000	1,776,671	8,691,671
2011	5,820,000	1,519,867	7,339,867
2012	6,050,000	1,303,083	7,353,083
2013	5,995,000	1,067,318	7,062,318
2014	5,090,000	837,991	5,927,991
2015	4,890,000	639,195	5,529,195
2016	4,430,000	442,161	4,872,161
2017	2,080,000	257,744	2,337,744
2018	1,045,000	165,493	1,210,493
2019	1,090,000	110,837	1,200,837
2020	995,000	53,175	1,048,175
	<u>\$ 77,080,000</u>	<u>\$ 18,281,934</u>	<u>\$ 95,361,934</u>

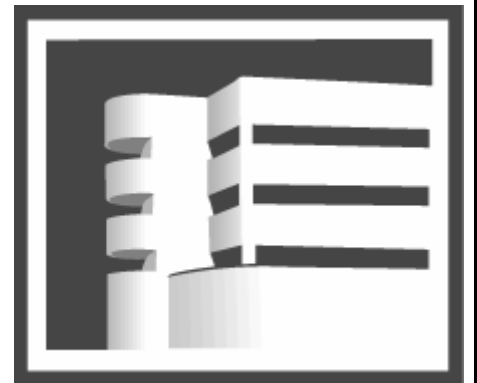
**City Of Lawrence
General Obligation Debt Service**



Water and Wastewater Fund



**City of
Lawrence, Kansas**



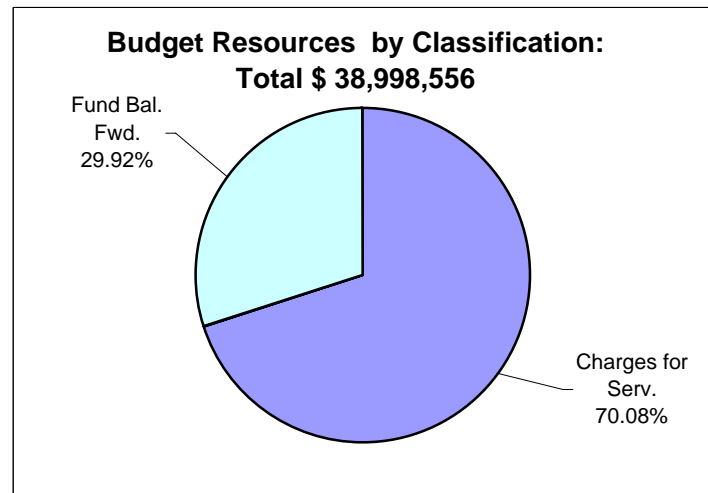


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Water and Wastewater Fund

**Chris Stewart, Interim Director
Utilities**

Fund 501 - WATER AND WASTEWATER FUND



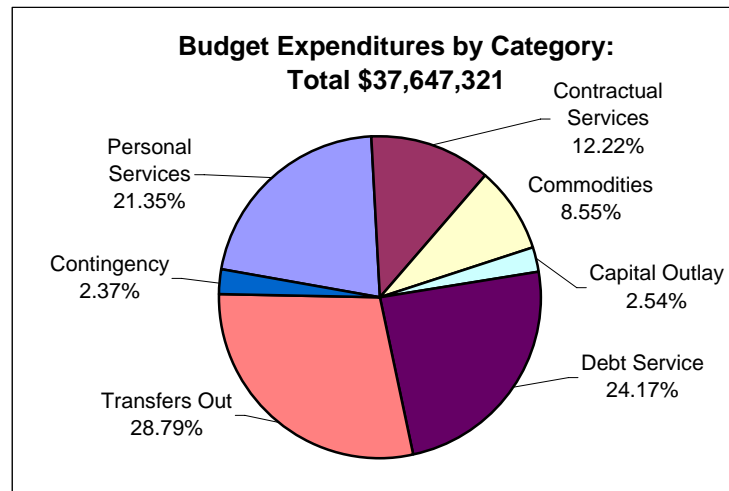
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Water and Sewer Charges	\$ 23,238,053	\$ 20,000,000	\$ 20,000,000	\$ 25,000,000
Water Taps	255,970	350,000	350,000	300,000
Water Main Extensions	29,833	20,000	20,000	30,000
Interest on Investments	743,855	300,000	300,000	750,000
Development Charges	1,142,733	900,000	900,000	1,100,000
Miscellaneous & Other	146,028	-	-	150,000
TOTAL RECEIPTS	25,556,472	21,570,000	21,570,000	27,330,000
Balance, January 1	\$ 23,257,801	\$ 10,376,150	\$ 20,930,154	\$ 11,668,556
TOTAL RESOURCES AVAILABLE	\$ 48,814,273	\$ 31,946,150	\$ 42,500,154	\$ 38,998,556

Revenue Sources - Descriptions and Trends

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

Trends- Traditionally, the revenue for this fund increases in direct proportion to the amount of growth in the city as well as through the incremental rate increases dictated by the City Commission's approval of recommendations from the rate study. System growth, meeting regulatory requirements, and replacing aging infrastructure are the three main reasons for increasing revenue for this Fund. Projections are conservative and based on the revenue requirements outlined in the 2004 rate study. Revenue increases of 4% for water and 9% for wastewater are planned for 2007.

Fund 501 - WATER AND WASTEWATER FUND



EXPENDITURES BY CATEGORY	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	6,174,004	7,105,539	7,105,539	8,036,565
Contractual Services	3,783,488	4,332,509	4,332,509	4,600,900
Commodities	2,288,319	2,986,888	2,986,888	3,220,306
Capital Outlay	355,972	977,000	977,000	957,000
Debt Service	3,924,114	7,161,000	7,161,000	9,100,000
Transfers	11,251,025	7,377,662	7,377,662	10,839,050
Contingency	107,197	891,000	891,000	893,500
TOTAL EXPENDITURES	27,884,119	30,831,598	30,831,598	37,647,321
FUND BALANCE FORWARD	20,930,154	1,114,552	11,668,556	1,351,235

Expenditures - Descriptions and Trends

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some degree, part-time, seasonal staff. Increases continue due to projected merit increases for eligible employees, a 3% general wage adjustment, and increases in the City's share of the per employee health care costs. The 2007 budget also includes three new staff positions to respond to the growing system.

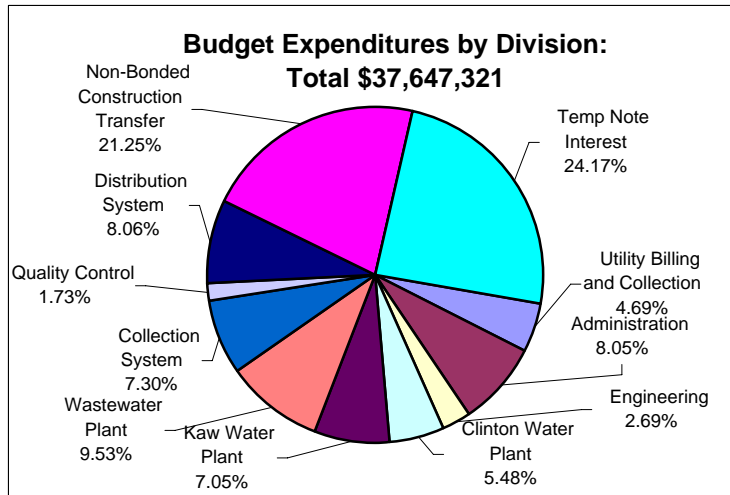
Contractual Services - The cost of services provided to the City by firms, individuals, or other City departments have increased steadily over the years and continue to do in 2007.

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

Commodities - Fuel Costs as well as the cost of software, safety equipment, and other supplies continue to rise in 2007.

Transfers - Budgeted transfers in 2007 include transfers from the divisions to the General Fund totaling \$2,413,800 for general overhead expenses and \$8,000,000 to the Capital Improvement Fund to fund construction of water and wastewater projects for which no debt will be issued.

Fund 501 - WATER AND WASTEWATER FUND



EXPENDITURES BY DIVISION	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Utility Billing and Collection	1,458,027	1,642,610	1,642,610	1,763,780
Administration	1,423,338	2,406,157	2,406,157	3,031,336
Engineering	-	-	-	1,013,311
Clinton Water Plant	1,474,431	1,944,614	1,944,614	2,061,847
Kaw Water Plant	1,821,852	2,437,032	2,437,032	2,654,553
Wastewater Plant	2,907,135	3,295,727	3,295,727	3,588,099
Collection System	2,195,692	2,634,279	2,634,279	2,748,940
Quality Control	464,026	702,080	702,080	651,836
Distribution System	2,215,504	2,608,099	2,608,099	3,033,619
Non-Bonded Construction Transfer	10,000,000	6,000,000	6,000,000	8,000,000
Debt Service				
Temp Note Interest	3,924,114	7,161,000	7,161,000	9,100,000
TOTAL EXPENDITURES	27,884,119	30,831,598	30,831,598	37,647,321
FUND BALANCE FORWARD	20,930,154	1,114,552	11,668,556	1,351,235

Expenditures - Descriptions and Trends

for information on expenditures by division, see the remaining pages in this section of the document.



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WATER AND WASTEWATER FUND

UTILITY BILLING

ACCOUNT 501-1069-559

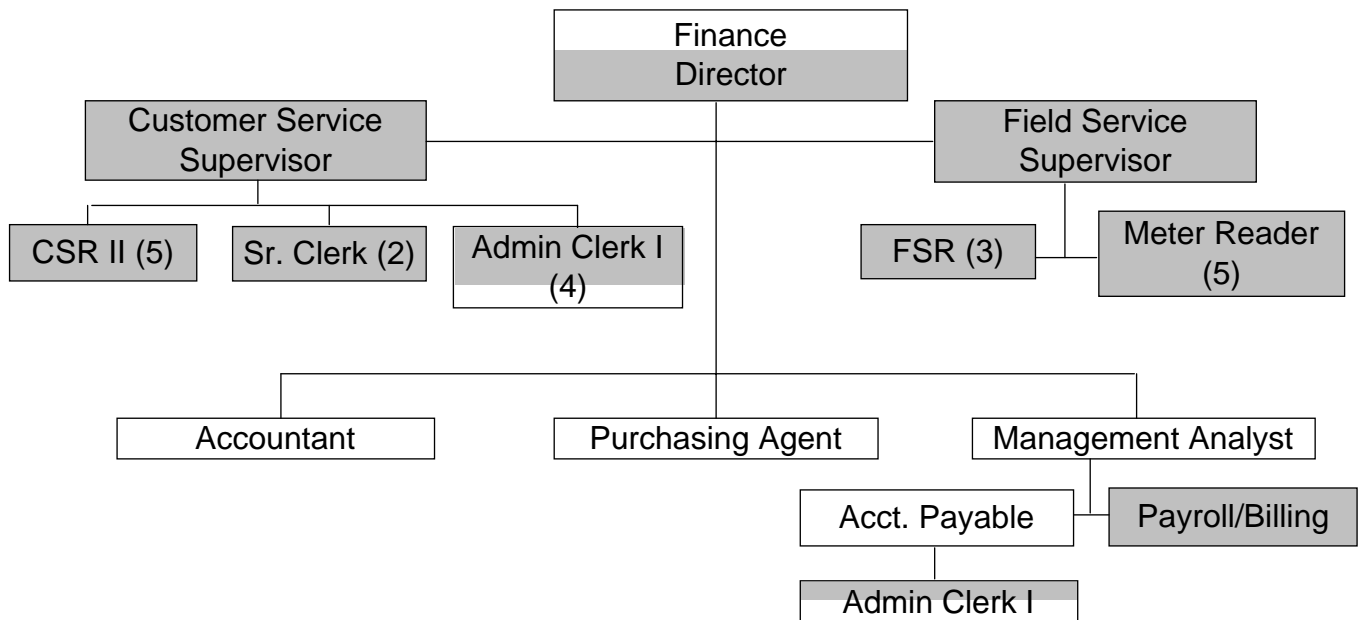
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 952,732	\$ 1,087,939	\$ 1,087,939	\$ 1,149,030
Contractual Services	268,594	326,109	326,109	327,650
Commodities	61,254	92,900	92,900	95,350
Capital Outlay	-	49,000	49,000	99,000
Debt Service	-	-	-	-
Transfers	68,250	71,662	71,662	75,250
Contingency	107,197	15,000	15,000	17,500
Total	\$ 1,458,027	\$ 1,642,610	\$ 1,642,610	\$ 1,763,780

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	21.00	21.26	21.26	22.26

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



positions are funded through this account.

DEPARTMENT / DIVISION PROFILE

The utility billing division of the Finance Department is responsible for the billing and collecting water, wastewater, sanitation, and storm sewer charges. Each week, utility bills are prepared for one-fourth of our 30,000 customers and 4,400 payments are processed by office staff. Additional functions of the division include initiating, transferring, and terminating utility service, reading water meters, and maintaining residential water meters.

The division has worked to use technology to improve service to our customers. Customers can now initiate, transfer, and terminate service on a 24/7 basis through the use of the internet. This provides customers the ability to conduct most utility related transactions at times that are convenient for them. In addition, credit card payments can be accepted over the telephone or over the internet.

Significant Issues for 2007 - Personal Services will include merit adjustments for eligible employees, a 3.0% general wage adjustment, and an increase in employee health care benefits. In addition, the City Commission approved adding a position for 2007 to aid in the collection of delinquent accounts. The remaining operating budget is little changed from the previous year. The increase in capital outlay is due to plans to replace the payment processing equipment in 2007. The transfer to the General Fund was increased by 5% in accordance with policy.

CURRENT YEAR ACCOMPLISHMENTS

- Implemented new rates for water and sewer charges
- Scheduled training on employee evaluations to address concerns uncovered by the employee survey
- Requested bids for the replacement of the handheld computers used to read water meters
- Replaced 300 water meters that had exceeded their useful life

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Read 100% of water meters and accurately bill customers on a weekly basis.
2. Enhance revenue collection by replacing all residential water meters that have been in service over 15 years.
3. Answer 90% of telephone calls received.
4. Implement additional utility billing payment options over the internet.

WATER AND WASTEWATER FUND

ADMINISTRATION DIVISION ACCOUNT 501-7100-580

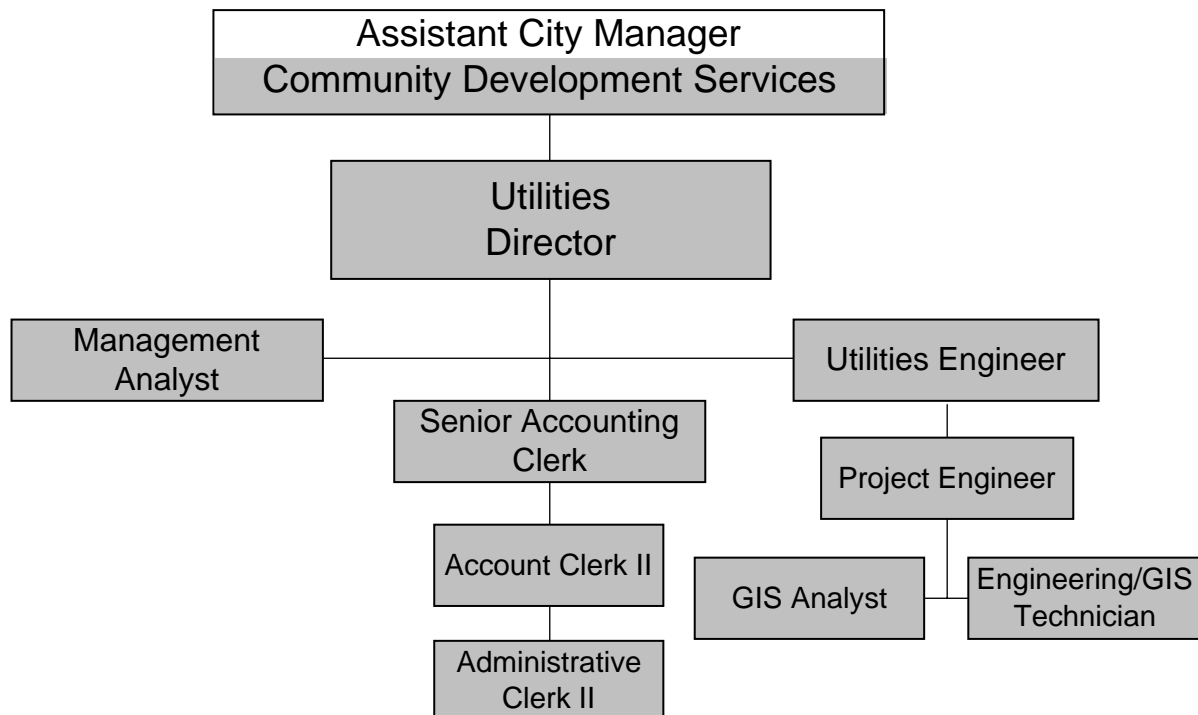
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 503,096	\$ 661,952	\$ 661,952	\$ 557,636
Contractual Services	83,800	456,400	456,400	222,700
Commodities	88,076	137,805	137,805	93,500
Capital Outlay	33,366	340,000	340,000	230,000
Debt Service	-	-	-	-
Transfers	715,000	810,000	810,000	1,927,500
Contingency	-	-	-	-
Total	\$ 1,423,338	\$ 2,406,157	\$ 2,406,157	\$ 3,031,336

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	9.50	9.50	9.50	7.50

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Utility Department's mission is to provide the City with an adequate supply of clean, safe, drinking water and properly return this precious resource back to the environment so that its life-sustaining properties can be utilized for generations to come. The administrative division within the department strives to provide support services and direction for the eight operational areas of the department; human resources, budgeting, policy development, regulatory compliance project management, and clerical support.

Significant Issues for 2007 - The decrease in Personal Services, Contractual Services, Commodities, and Capital Outlay can be attributed to the reorganization of the Department. Beginning in 2007, expenditures related to the Engineering Division will be budgeted separately. The increase in the transfer to the General Fund reflects increased general overhead costs.

CURRENT YEAR ACCOMPLISHMENTS

- Handled approximately 20,700 customer requests for service calls, walk-in traffic, emails, and letters sent
- Completed Waterwise Program with USD 497 involving six schools & 260 4th Graders
- Planned 2006 Annual Safety/ Employee Appreciation Event with Safety Committee
- Coordinated implementation of Conservation Classes/ Demonstration Garden with Parks & Recreation Department
- Processed 985 work orders, collected payment for 500 water installation contracts
- Kaw Administration office collected & processed payments for services totaling:\$1,345,304

MAJOR GOALS AND OBJECTIVES FOR 2007

1. **PLANNING FOR GROWTH OF THE COMMUNITY:** 100% implementation of master plan projects for the Water and Wastewater Utilities. Complete site selection and begin design of the Wakarusa Water Reclamation Facility. Begin work on the Clinton Water Treatment Plant Expansion.
2. **SAFETY MANAGEMENT:** Complete development of Department Safety Manual for use in reducing the number of preventable accidents. Review requirement for Safety Assistants Safety Certification. Oversee implementation and completion of Safety Performance Measures for the Department.
3. **PROFESSIONAL DEVELOPMENT:** Support programs which assist employees in reaching their maximum professional potential within the department. Send all staff to appropriate professional development training, AWWA Conference. Oversee performance measures implementation.
4. **PUBLIC AWARENESS/EDUCATION:** Fully implement the Department's Conservation public awareness efforts in partnership with the Parks & Recreation Department and USD 497. Open the Xeriscape Demonstration Gardens for public use/education. Implement the Waterwise programs for all 4th graders in the Public Schools. Continue to offer conservation specific education workshops/classes. Attend public events such as the County Fair, Home and Gardens Show and Earth Day to promote efficient use of water.

WATER AND WASTEWATER FUND

ENGINEERING DIVISION ACCOUNT 501-7110-580

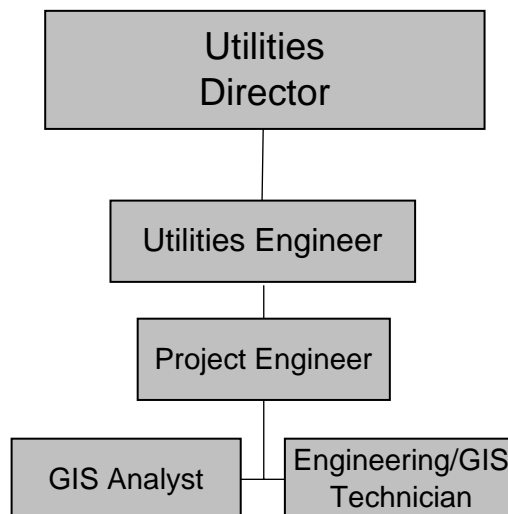
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ -	\$ -	\$ -	\$ 757,193
Contractual Services	-	-	-	73,050
Commodities	-	-	-	112,568
Capital Outlay	-	-	-	60,000
Debt Service	-	-	-	-
Transfers	-	-	-	10,500
Contingency	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ 1,013,311

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions				11.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Utility Engineering Division is responsible for the project management of capital improvements to the water treatment and distribution system, and the wastewater treatment and collection system. The Division reviews developer designed utility extensions and inspects the construction of these extensions. The Division also provides design, contract administration, project management and inspection services for projects developed within the Division.

Significant Issues for 2007 - Beginning in 2007, the Engineering Division expenditures will be budgeted separately. Personal Services includes position formerly budgeted in the administration, collection, and distribution divisions. The division will also taking over the oversight responsibility of sanitary sewer design/development from the Public Works Department.

CURRENT YEAR ACCOMPLISHMENTS

- Incorporated user comments in the continued implementation of Water and Wastewater SDE database for GIS
- Reviewed and managed various projects not identified in the Water and Wastewater Master Plans including utility relocations due to road projects and utility improvements in response to development and various studies
- Continued the management of the design and construction of ten projects from the 2004 – 2006 Water and Wastewater Master Plan Projects
- Launched six (6) Water and Wastewater Master Plan Projects: Baldwin Creek Sanitary Sewer Pump Station BC1PS1; 6th & Kentucky Sanitary Sewer Pump Station 16 Improvements

MAJOR GOALS AND OBJECTIVES FOR 2007

1. GIS SERVICES: Continue to provide support for the implementation and use of the City Geographic Information System (GIS). Complete the Water Distribution digital Map Book and staff training for GIS access from laptop computers in crew trucks. Continue to update infrastructure inventory and location information utilizing GPS technology.
2. Launch all Water and Wastewater Master Plan Projects scheduled for 2007 and continue to manage ongoing 2004 - 06 projects.
3. Implement computerized hydraulic modeling capabilities for the water and wastewater systems.
4. Maintain the Utility Department GIS functions and support overall City GIS capacity.
5. Maintain Utility Department webpage.

WATER AND WASTEWATER FUND

CLINTON WATER TREATMENT ACCOUNT 501-7210-581

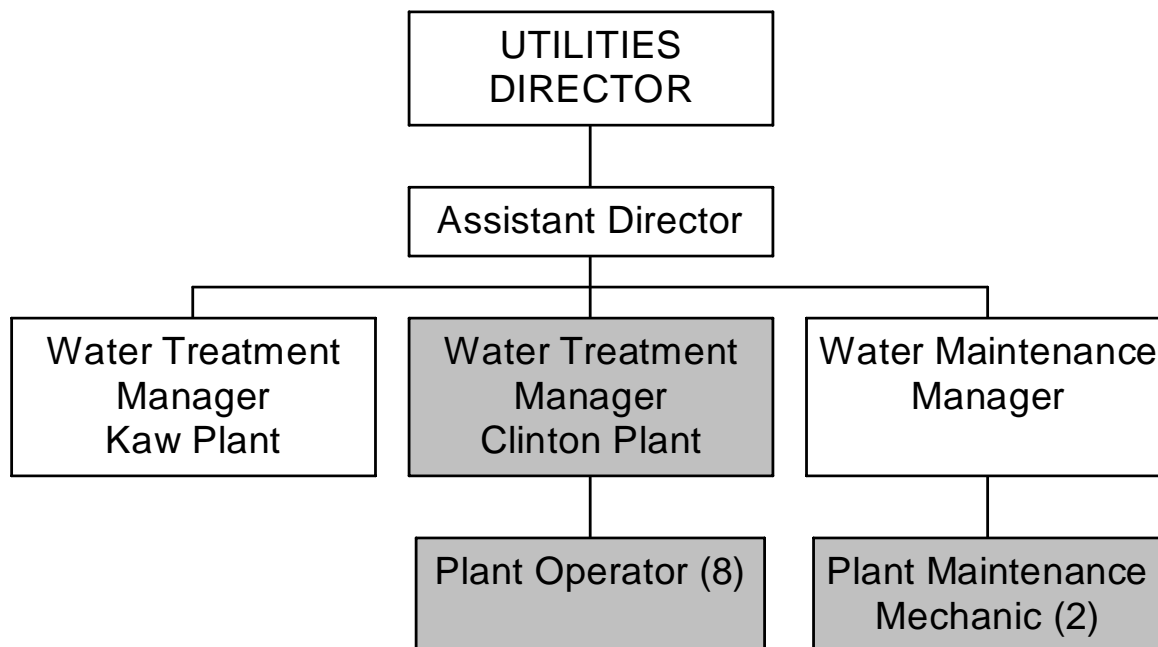
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 617,356	\$ 695,230	\$ 695,230	\$ 734,689
Contractual Services	350,720	442,500	442,500	445,500
Commodities	475,115	634,884	634,884	684,658
Capital Outlay	15,490	-	-	25,000
Debt Service	-	-	-	-
Transfers	15,750	17,000	17,000	17,000
Contingency	-	155,000	155,000	155,000
Total	\$ 1,474,431	\$ 1,944,614	\$ 1,944,614	\$ 2,061,847

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	11.00	11.00	11.00	11.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The mission of the Clinton Water Treatment division is to operate and maintain the 15 million-gallon per day capacity water treatment facility located on Wakarusa Drive in West Lawrence. The division must also process drinking water in compliance with the Safe Water Drinking Act. The water treatment division includes the assistant Director for Water, Operations Supervisors, Maintenance supervisor, Plant Operators and maintenance staff at both plants.

Significant Issues for 2007 - Increases in Personal Services can be attributed to merit increases for eligible employees, a 3% general wage adjustment, and an increase in the City's share of employee health care costs. The increase in commodities is due to increases in the cost of utilities and chemicals. Completion of design and beginning of construction for Clinton Water Plant Phase II Expansion will also be a major issue in 2007.

CURRENT YEAR ACCOMPLISHMENTS

- Treated and pumped a combined total of 1.13 billion gallons of water from January 1st to April 30th, 2006 within compliance of all regulations.
- Kick-off Meeting for Phase II Clinton WTP was held 4/6/06. Project schedule and future meetings were discussed and planning is under way.
- No. 3 Central Service Pump was sent in to be rehabbed on 01/06 and returned/placed back in service on 02/13/06.
- Cleaned accumulated debris out of all four Intake Pump Basket Strainers. Completed by Plant maintenance Staff. (4/06)

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Provide safe, reliable drinking water and fire protection volume to the citizens of Lawrence at an affordable price and within compliance of the State and Federal regulations.
2. Complete design and begin construction of Clinton Water Plant Phase II Expansion.
3. Continue new security improvements to maintain public confidence in our ability to safeguard the facilities and water quality.
4. Continue to provide training to staff on existing and future regulatory requirements.

WATER AND WASTEWATER FUND

KAW WATER TREATMENT ACCOUNT 501-7220-582

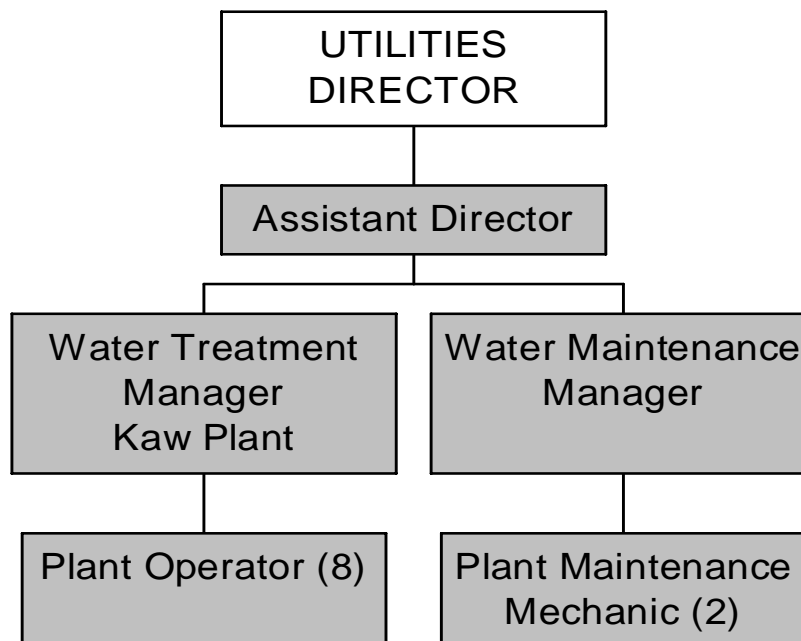
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 803,608	\$ 877,302	\$ 877,302	\$ 1,030,029
Contractual Services	665,067	816,500	816,500	855,000
Commodities	324,000	489,230	489,230	518,524
Capital Outlay	10,277	80,000	80,000	76,000
Debt Service	-	-	-	-
Transfers	18,900	20,000	20,000	21,000
Contingency	-	154,000	154,000	154,000
Total	\$ 1,821,852	\$ 2,437,032	\$ 2,437,032	\$ 2,654,553

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	14.00	14.00	14.00	15.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The mission of the Kaw Water Treatment division is to operate and maintain the 16.5 million-gallon per day capacity water treatment facility located at 3rd and Indiana. The division must also process drinking water in compliance with the Safe Water Drinking Act. The water treatment division includes the Assistant Director for Water/Water Systems Engineer, Operation Supervisors, Maintenance Supervisor, Plant Operators and maintenance staff at both plants.

Significant Issues for 2007 - The increase in Personal Services can be attributed to merit increases for eligible employees, a 3% general wage adjustment and an increase in the City's share of employee health care costs. Increased costs for utilities, equipment/building maintenance and miscellaneous services account for the increase in Contractual Services.

CURRENT YEAR ACCOMPLISHMENTS

- Treated and pumped a combined total of 1.13 billion gallons of water from January 1st to April 30th, 2006 within compliance of all regulations
- Started assessment for repair of brick exterior walls of existing buildings at Kaw Plant
- Started process for replacement of existing elevator in main building at Kaw Plant
- Cleaned accumulated debris out of wet well in Low Service No. 2 utilizing Water Treatment and Collection Systems staff
- Began process to clean Low Service #1 wet well

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Provide safe, reliable drinking water and fire protection volume to the citizens of Lawrence at an affordable price and within compliance of the State and Federal regulations.
2. Continue working with the KDHE and Wastewater staff on the operations of the Kaw Lime Residuals Monofill for final disposal.
3. Continue new security improvements to maintain public confidence in our ability to safeguard the facilities and water quality.
4. Continue to provide training to staff on existing and future regulatory requirements.

WATER AND WASTEWATER FUND

WASTEWATER TREATMENT ACCOUNT 501-7310-583

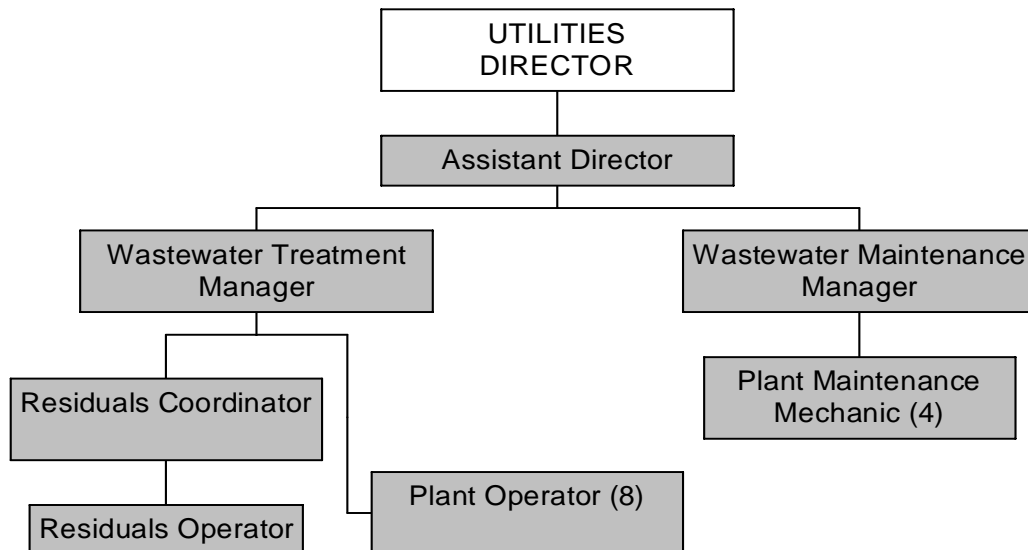
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 985,472	\$ 1,069,076	\$ 1,069,076	\$ 1,238,943
Contractual Services	1,309,522	1,208,000	1,208,000	1,291,000
Commodities	530,591	673,651	673,651	681,906
Capital Outlay	60,550	80,000	80,000	110,000
Debt Service	-	-	-	-
Transfers	21,000	25,000	25,000	26,250
Contingency	-	240,000	240,000	240,000
Total	\$ 2,907,135	\$ 3,295,727	\$ 3,295,727	\$ 3,588,099

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	17.00	17.00	17.00	20.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The mission of the Wastewater Treatment division is to operate and maintain the Wastewater Treatment facility located on east 8th Street. The wastewater treatment division includes the Assistant Director for Wastewater, Treatment and Maintenance Supervisors, Plant Operators, Plant Maintenance Mechanics, and Residuals Coordinator and Operator.

Significant Issues for 2007 -The increase in Personal Services can be attributed to merit increases for eligible employees, a 3% general wage adjustment and an increase in the City's share of employee health care costs. Other significant issues facing the division in 2007 include continued preparation for the Wakarusa Wastewater Reclamation Facility, completion of various rehabilitation and expansion projects including Kentucky lift station and digester rehab project, and integration of collections staff facility with wastewater treatment plant site.

CURRENT YEAR ACCOMPLISHMENTS

- Installment of SCADA instrumentation in lift stations is near completion
- Updated Process and maintenance database is completed, installed and operational
- Sighting of the Wakarusa Water Reclamation Facility complete and now is in the site acquisition stage
- Integration of lift station operations and maintenance from collections/line maintenance work group to wastewater treatment work group

MAJOR GOALS AND OBJECTIVES FOR 2007

1. ISO 14001 Implementation for WW Utilities and OSHAS 18001 Implementation for WW Utilities.
2. Select Site for Wakarusa Water Reclamation Facility or Facilities.
3. Complete 5-Year Staffing Plan 2006-2011.
4. Comply with NPDES Permit – Have No Deviations.
5. Complete 100% of Planned O&M Work. Use O&M Budget to do needed work.
6. Sustain Class-A Project and Meet Demands.
7. Correction of all Non-conformances and implement reasonable Opportunities from EMS Audit.
8. Beneficially Reuse 100% Lime/Biosolids Residuals at WWTP.
9. Develop and Sustain Existing HAL Technical Capabilities.
10. Complete shift of Lift Station operations' responsibility to Operations Division – (2 Year).
11. Develop and Expand Public and School Education Program.

WATER AND WASTEWATER FUND

SANITARY SEWER COLLECTION ACCOUNT 501-7410-583

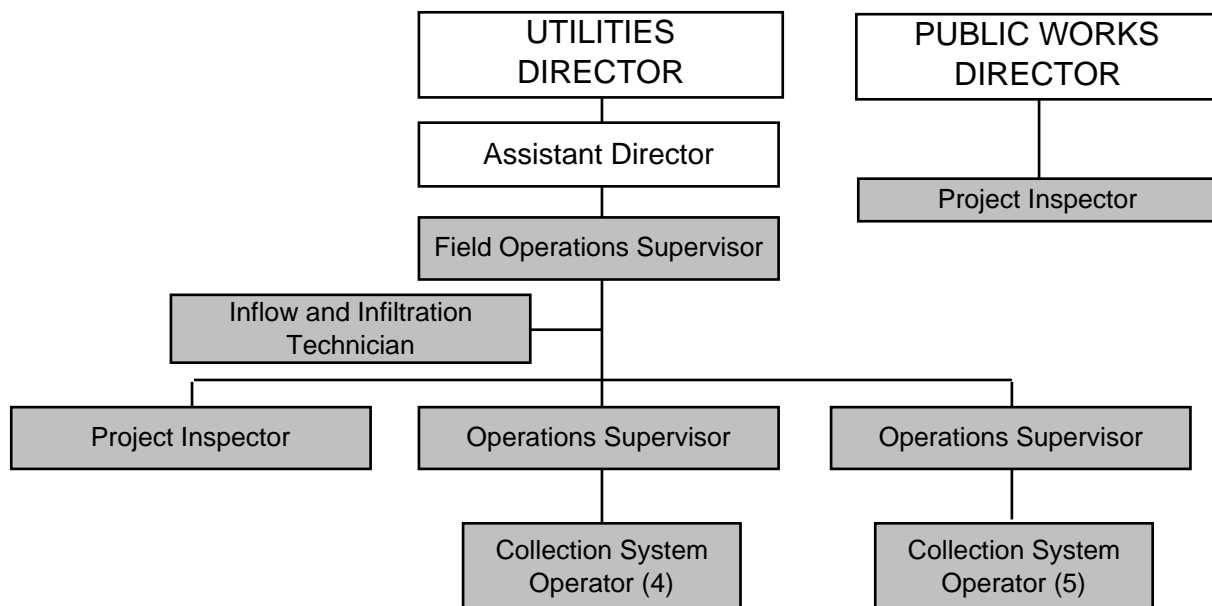
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 823,854	\$ 959,960	\$ 959,960	\$ 867,840
Contractual Services	895,317	827,000	827,000	941,000
Commodities	171,815	217,319	217,319	218,100
Capital Outlay	155,081	245,000	245,000	245,000
Debt Service	-	-	-	-
Transfers	149,625	158,000	158,000	250,000
Contingency	-	227,000	227,000	227,000
Total	\$ 2,195,692	\$ 2,634,279	\$ 2,634,279	\$ 2,748,940

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	16.00	16.00	16.00	14.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The mission of the Sanitary Sewer Collection division is to operate and maintain the Sanitary Sewer Collection System that is composed of gravity flow sewer lines, lift stations and force mains. The City has approximately 310 miles of sanitary sewer lines and 40 lift stations.

Significant Issues for 2007 - The decrease in personal services is due to a reorganization of the department moving staff from this division to the Engineering division. Additional maintenance due to a substantial increase in service area accounts for the increase in contractual services. Other significant issues include launching of the Permanent Flow Monitoring Program and identifying the most advantageous locations for cured-in-place-pipe (CIPP) and manhole rehab programs.

CURRENT YEAR ACCOMPLISHMENTS

- Reduction in number of public sewer stoppages
- Closed Circuit Television Inspection (CCTV) of 25.7 miles of sanitary sewer pipe
- Cleaning of 22% of the gravity system
- Replace remaining plastic manholes in the inventory with concrete structures
- Flow monitoring and data analysis of 24 sites

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Clean 25% of the gravity system
2. Televis 30 miles of gravity sewer
3. Provide relevant and accurate flow meter data
4. Continue to provide a safe work environment for staff

WATER AND WASTEWATER FUND

QUALITY CONTROL ACCOUNT 501-7510-585

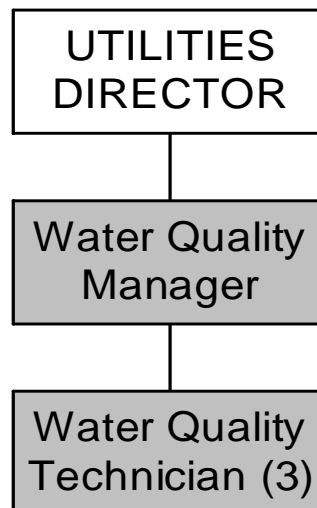
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 243,214	\$ 344,397	\$ 344,397	\$ 328,286
Contractual Services	73,026	136,000	136,000	147,000
Commodities	121,757	142,683	142,683	153,000
Capital Outlay	15,529	68,000	68,000	12,000
Debt Service	-	-	-	-
Transfers	10,500	11,000	11,000	11,550
Contingency	-	-	-	-
Total	\$ 464,026	\$ 702,080	\$ 702,080	\$ 651,836

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	4.00	5.00	5.00	5.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The mission of the Quality Control division is to assure compliance with the Clean Water Act and the Safe Drinking Water Act. The division operates the department's three certified laboratories. The division is responsible for monitoring, reporting and knowledge of drinking water and wastewater parameters required for compliance for both state and federal regulations.

Significant Issues for 2007 - Additional staff responsibilities for assisting the Department with Security and Distribution Water Quality. The Operating expense will decrease in 2007 due to a reduction in needed equipment and a reorganization

CURRENT YEAR ACCOMPLISHMENTS

- Pretreatment Programs- Annual Compliance Summary no deviations
- Water and Wastewater Compliance Reports submitted on time
- Preparation of Consumer Confidence Report for 2006
- NELAP State Audit successful; maintained accreditation

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Achieve compliance with the Safe Drinking Water Act and the Clean Water Act.
2. Improve operation and efficiency of division.
3. Track customer calls, locations and trend problems.
4. Identify potential water quality issues in the distribution system.
5. Implement Grease Control Program/ adoption of Grease Ordinance.

WATER AND WASTEWATER FUND

DISTRIBUTION

ACCOUNT 501-7610-586

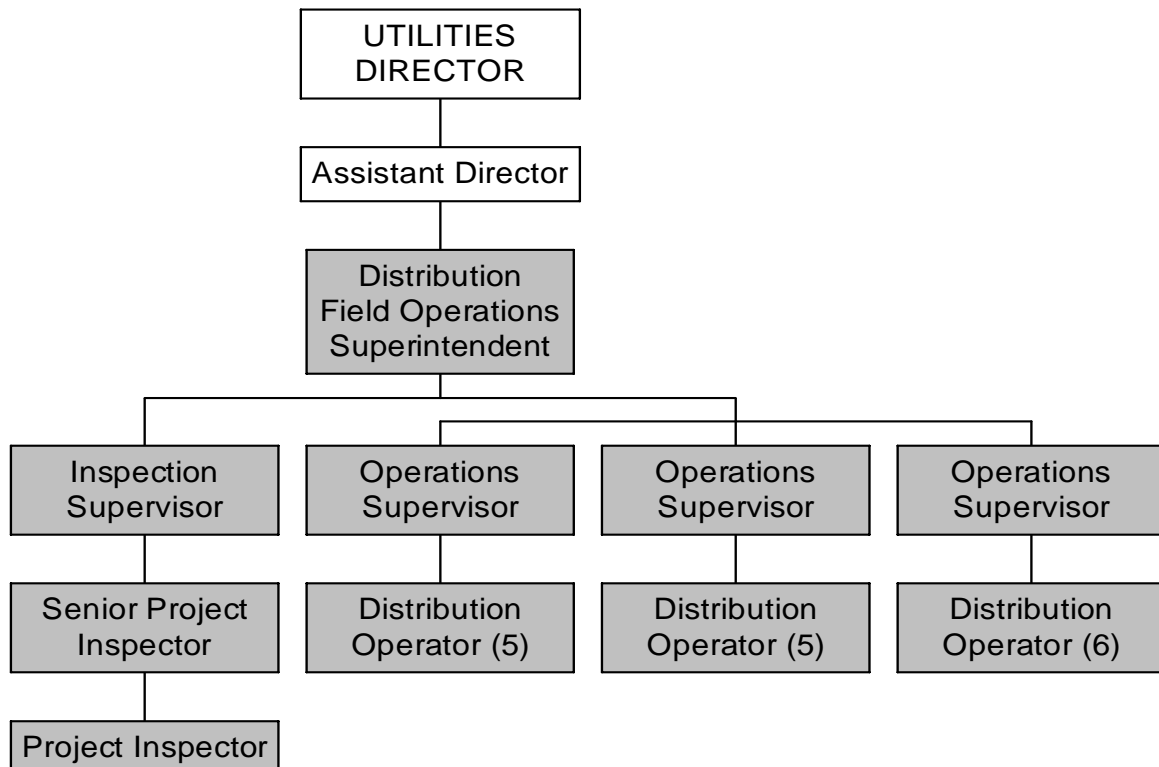
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 1,244,672	\$ 1,409,683	\$ 1,409,683	\$ 1,372,919
Contractual Services	137,442	120,000	120,000	298,000
Commodities	515,711	598,416	598,416	662,700
Capital Outlay	65,679	115,000	115,000	100,000
Debt Service	-	-	-	-
Transfers	252,000	265,000	265,000	500,000
Contingency	-	100,000	100,000	100,000
Total	\$ 2,215,504	\$ 2,608,099	\$ 2,608,099	\$ 3,033,619

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	23.00	23.00	23.00	22.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The mission of the Distribution division is to provide for the installation, maintenance and repair of the water distribution system. The distribution system is a network of pipes that serve as conduits to deliver clean, safe potable water for consumption to residences, businesses, industries and rural water districts. The system also provides water for fire protection throughout the City.

Significant Issues for 2007- The decrease in personal services is due to a reorganization of the department moving staff from this division to the Engineering division. Increased meter vault and transmission valve rehab accounts for the increase in contractual services. Rising fuel costs contribute to the increase in commodities. Additional funds are being transferred to the General Fund in response to an increase in general overhead expenses.

CURRENT YEAR ACCOMPLISHMENTS

- Installed 183 water services to new customers and repaired 10 main leaks
- Completed waterline design for Kasold Bob Billings Pkwy to 22nd Street
- Replaced 1750 ft of water mains
- Completed bidding and started construction of Downtown waterline project
- Performed maintenance/repairs on 521 fire hydrants and 650 water main valve and valve boxes
- Waterline design complete for Downtown Waterline Project Massachusetts 7th to 9th Street

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Continue to provide quality water service and fire protection to the citizens of Lawrence
2. Complete Downtown waterline rehabilitation project from 9th Street to North Park Street
3. Continue in house water rehabilitation projects
4. Implement large valve replacement program
5. Complement current valve and hydrant program with the addition of two new staff
6. Complete 100% of distribution capital improvement projects

WATER AND WASTEWATER FUND

DEBT SERVICE

ACCOUNT 501-7700-587

2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	3,924,114	7,161,000	7,161,000	9,100,000
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,924,114	\$ 7,161,000	\$ 7,161,000	\$ 9,100,000

PERSONNEL	0	0	0	0
Authorized Positions	0.00	0.00	0.00	0.00

WATER AND WASTEWATER FUND

NON-BONDED CONSTRUCTION

ACCOUNT 501-7800-588

2007 DEPARTMENT / DIVISION SPENDING SUMMARY

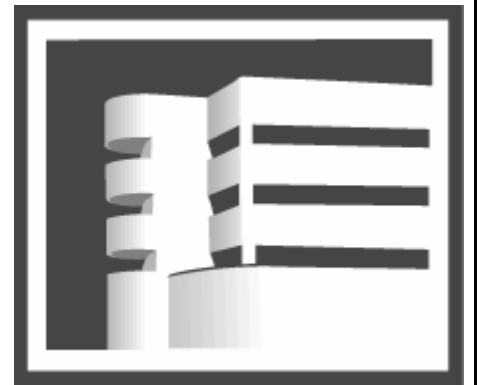
EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	10,000,000	6,000,000	6,000,000	8,000,000
Contingency	-	-	-	-
Total	\$ 10,000,000	\$ 6,000,000	\$ 6,000,000	\$ 8,000,000

PERSONNEL	0	0	0	0
Authorized Positions	0.00	0.00	0.00	0.00

Solid Waste Fund



**City of
Lawrence, Kansas**



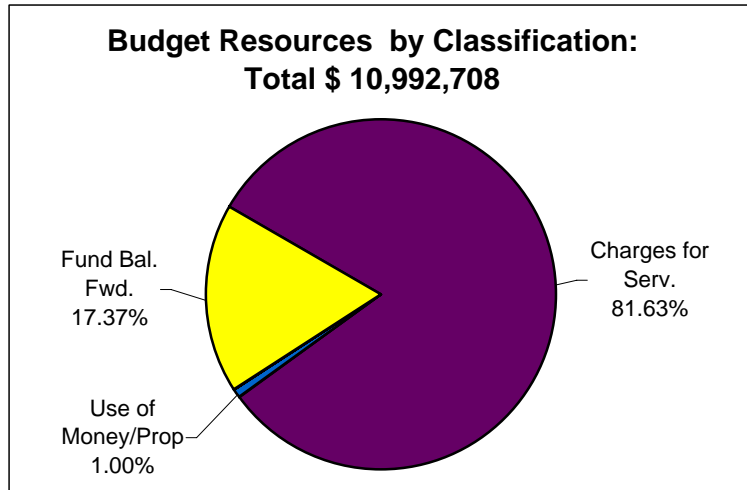


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Solid Waste Fund

**Chuck Soules, P.E.
Public Works Director**

Fund 502 - SOLID WASTE FUND



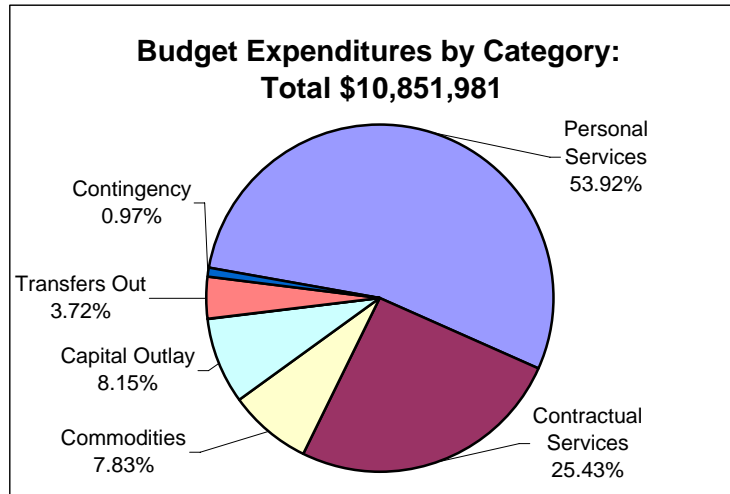
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Sanitation Service Charge	\$ 6,671,437	\$ 6,832,000	\$ 6,832,000	\$ 7,073,000
Roll Off	1,360,109	1,260,000	1,260,000	1,400,000
Extra Pickups, Miscellaneous	494,373	387,500	387,500	500,000
State Grants	-	-	-	-
Interest on Investments	111,356	45,000	45,000	110,000
TOTAL RECEIPTS	8,637,275	8,524,500	8,524,500	9,083,000
Balance, January 1	3,844,138	2,021,989	3,762,580	1,909,708
TOTAL RESOURCES AVAILABLE	\$ 12,481,413	\$ 10,546,489	\$ 12,287,080	\$ 10,992,708

Revenue Sources - Descriptions and Trends

Revenue Sources- The Solid Waste Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (recycling, solid waste, and disposal of refuse) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for this fund is the charges for sanitation services, followed by roll-off charges to commercial and some residential customers. A two percent (2%) increase in both residential and commercial solid waste fees was recommended by staff and approved by the City Commission for 2007. This increase, as part of a planned incremental approach to matching revenue to anticipated expenditures each year, will allow service levels to be maintained in light of the anticipated growth of the system.

Trends- As indicated, the solid waste revenues are projected conservatively and incrementally, to avoid large jumps in service charges in any one year. Increased maintenance and operating costs, as well as the growth in the number of customers and geographic size of the service area, continue to impact the revenue requirements for this fund.

Fund 502 - SOLID WASTE FUND



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	\$ 4,820,384	\$ 5,385,511	\$ 5,385,511	\$ 5,851,013
Contractual Services	2,332,154	2,817,821	2,817,821	2,759,328
Commodities	714,691	751,240	751,240	849,340
Capital Outlay	664,104	946,800	946,800	884,000
Debt Service	-	-	-	-
Transfer to Other Funds	187,500	296,000	296,000	403,300
Contingency	-	180,000	180,000	105,000
TOTAL EXPENDITURES	8,718,833	10,377,372	10,377,372	10,851,981
FUND BALANCE FORWARD	\$ 3,762,580	\$ 169,117	\$ 1,909,708	\$ 140,727

Expenditures - Descriptions and Trends

Personal Services- Cost of providing wages, salaries, retirement, and other fringe benefits for City employees. Increases continue due to projected merit increases for eligible employees, a 3% general wage adjustment, and an increase in the City's share of the per employee health care costs. Three new positions have also been added in 2007 to keep up with demand for service in the growing community.

Commodities - Goods and supplies for operating the divisions and providing the services of the department. The steady increases since 2005 can be attributed in part to rising fuel costs as well as steel costs.

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

Transfer to Other Funds - These funds are transferred to the City's Worker's Comp Fund and have increased steadily each year.

Contingency - Budgeted funds to cover emergency repairs or weather related situations that increase operating costs.

SOLID WASTE FUND

RESIDENTIAL SOLID WASTE ACCOUNT 502-3510-571

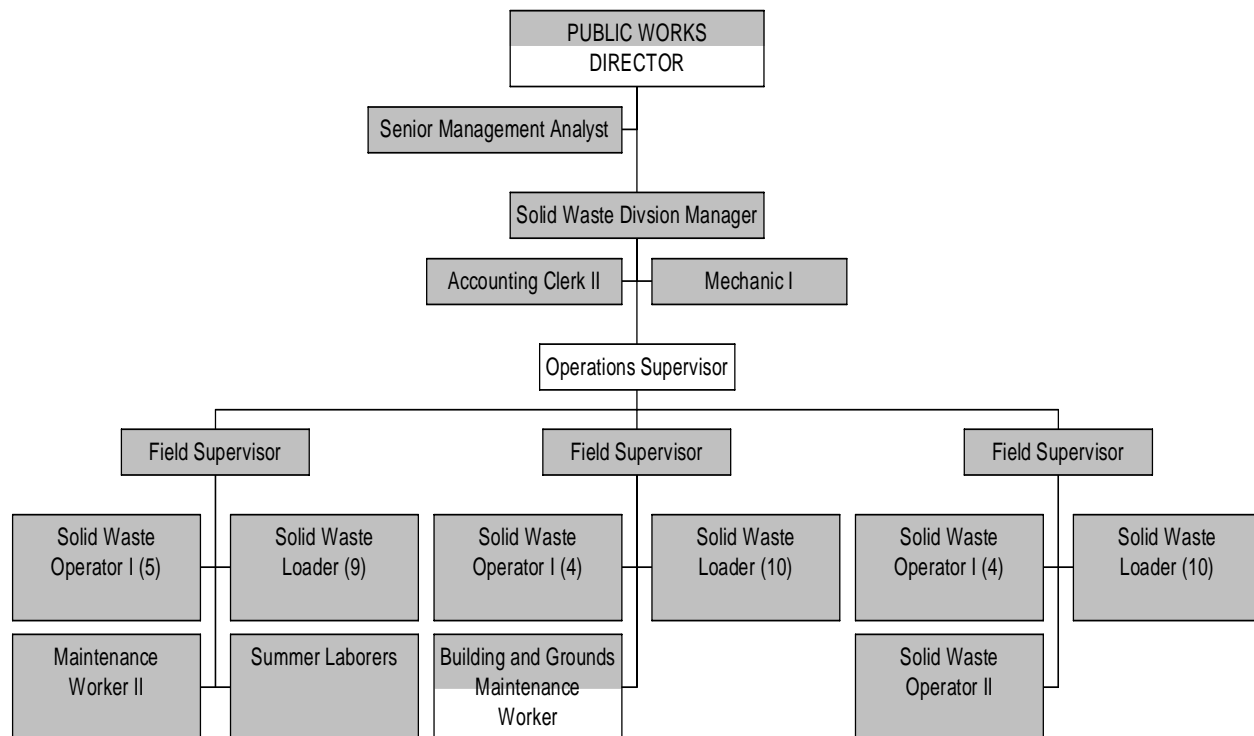
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 2,590,257	\$ 2,852,195	\$ 2,852,195	\$ 3,102,161
Contractual Services	959,862	1,194,247	1,194,247	1,113,288
Commodities	274,179	295,500	295,500	347,500
Capital Outlay	431,983	455,600	455,600	327,000
Refunds	-	-	-	-
Transfers	110,000	165,000	165,000	219,500
Contingency	-	70,000	70,000	50,000
Total	\$ 4,366,281	\$ 5,032,542	\$ 5,032,542	\$ 5,159,449

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	52.84	52.84	52.84	55.84

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Solid Waste Residential Collection Division of the Public Works Department is charged with collection of refuse generated from residential areas. Residential Collection is on Tuesday, Wednesday, and Thursday. Monday is used for yard waste pick-up and Friday is for training, equipment maintenance, bulk pick-up and special projects such as alley cleaning and neighborhood clean-ups.

Residential collection service is one of three divisions that make up this financially self-supporting enterprise fund. The Department of Finance handles billing in conjunction with their water and sewer utility billings. Other services include separate collection of tires from residential sources, collection of appliances, and neighborhood and alley clean-ups.

Significant Issues for 2007- The increase in Personal Services for 2007 can be attributed to the addition of Solid Waste Operator and Solid Waste Loader positions, merit increases for eligible employees, a 3% general wage adjustment, and increased costs for health care benefits. Transfers to the General Fund are increased over 2006 levels to provide continued support for workers' comp and general overhead. Rising fuel costs continue to be a challenge and account for the increase in commodities.

CURRENT YEAR ACCOMPLISHMENTS

- Implementation of a preferred container program for the collection and processing of yard waste
- Provided residential solid waste services to approximately 31,000 residential and multi-family accounts
- Use of the poly-cart program increased, providing a convenience to customers and reducing the potential for injuries to Solid Waste employees

MAJOR GOALS AND OBJECTIVES FOR 2007

1. To provide efficient collection of residential solid waste in a challenging environment, given a growing customer base and an expanding geographic service area.
2. To improve efficiency and effectiveness of grass and leaf collection processes from residential areas.
3. Continue increasing use of poly-carts for collection of residential solid waste.

SOLID WASTE FUND

COMMERCIAL SOLID WASTE ACCOUNT 502-3520-572

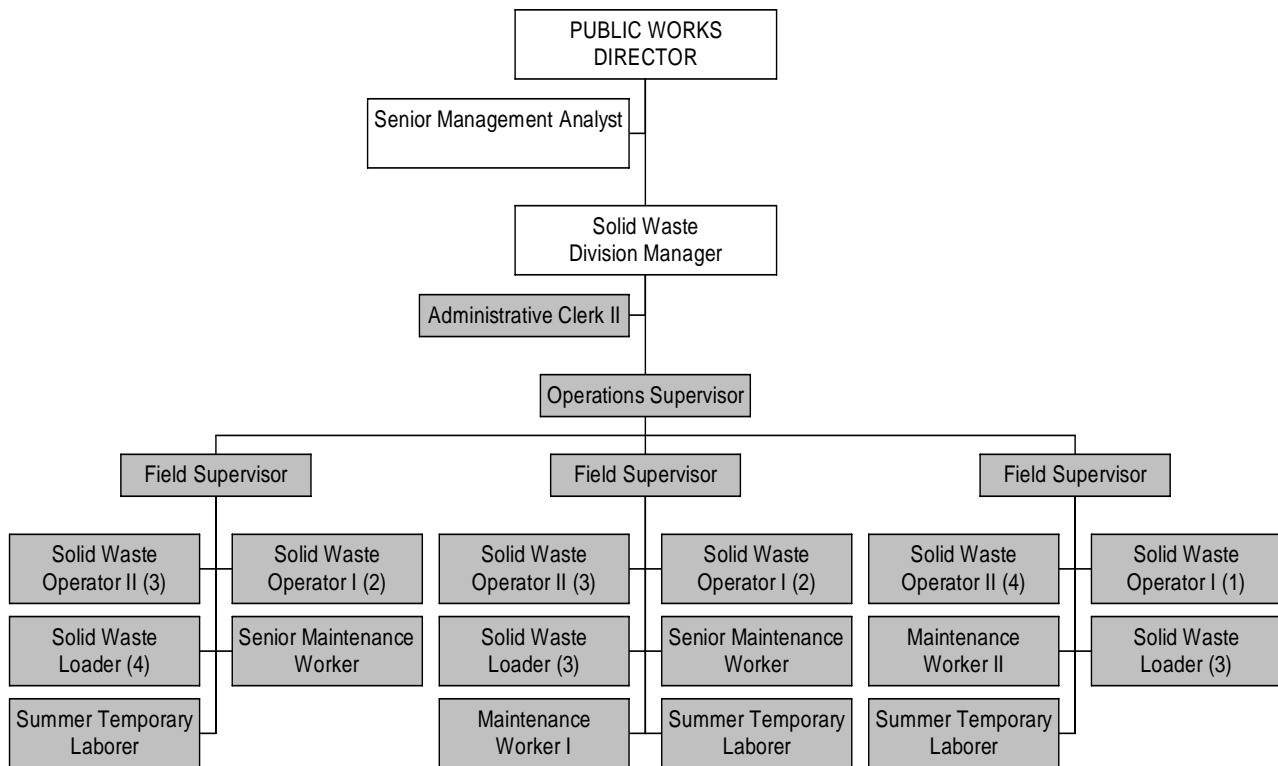
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 1,871,640	\$ 2,108,900	\$ 2,108,900	\$ 2,255,766
Contractual Services	1,168,377	1,387,738	1,387,738	1,400,604
Commodities	330,534	369,200	369,200	409,700
Capital Outlay	44,892	340,600	340,600	435,000
Debt Service	-	-	-	-
Transfers	75,000	128,000	128,000	155,650
Contingency	-	70,000	70,000	35,000
Total	\$ 3,490,443	\$ 4,404,438	\$ 4,404,438	\$ 4,691,720

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	38.00	38.00	38.00	38.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Solid Waste Commercial Collection Division of the Public Works Department is responsible for the collection and disposal of all refuse and solid waste generated by commercial establishments, apartment complexes, industry, and most of the University of Kansas. The division uses various types of equipment to handle the large volume of trash generated by these establishments. Regular rear-loading packer trucks are used where limited space prohibits the use of more highly mechanized equipment. Where possible, commercial accounts are served with front-loader trucks and the use of special containers. Industries and large commercial trash generators may be served by roll-off units, which provide for compaction of the refuse in the container before disposal, or with open top containers. Most Commercial accounts are serviced on a fixed scheduled basis with extra pick-ups available on request. Roll-off accounts may be served on a scheduled basis or on-call. Billing is handled through the Department of Finance in conjunction with regular water and sewer utility billing.

Significant Issues for 2007- The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees, a 3% general wage adjustment, and increased costs for health care benefits. Transfers to the General Fund are increased over 2006 levels to provide continued support for workers' comp and general overhead. Increases to Contractual Services include increased refuse disposal fees. Rising fuel and steel costs account for the increase in commodities. Scheduled equipment replacements in 2007 are noted in the capital outlay expenditures.

CURRENT YEAR ACCOMPLISHMENTS

- Use of the roll-off program increased significantly and the division increased its capacity to provide compactor units for lease to large users
- Provided commercial solid waste services to over 1400 customers and industrial accounts

MAJOR GOALS AND OBJECTIVES FOR 2007

1. To accommodate growth in commercial sector with greater number of dumpsters.
2. To address increase in roll off service demands.
3. Reconstruct two downtown trash enclosures per year.
4. Coordinate with the University of Kansas for dormitory closings and openings to handle large volumes of waste generated in an efficient and effective manner.

SOLID WASTE FUND

WASTE REDUCTION/RECYCLING ACCOUNT 502-3530-573

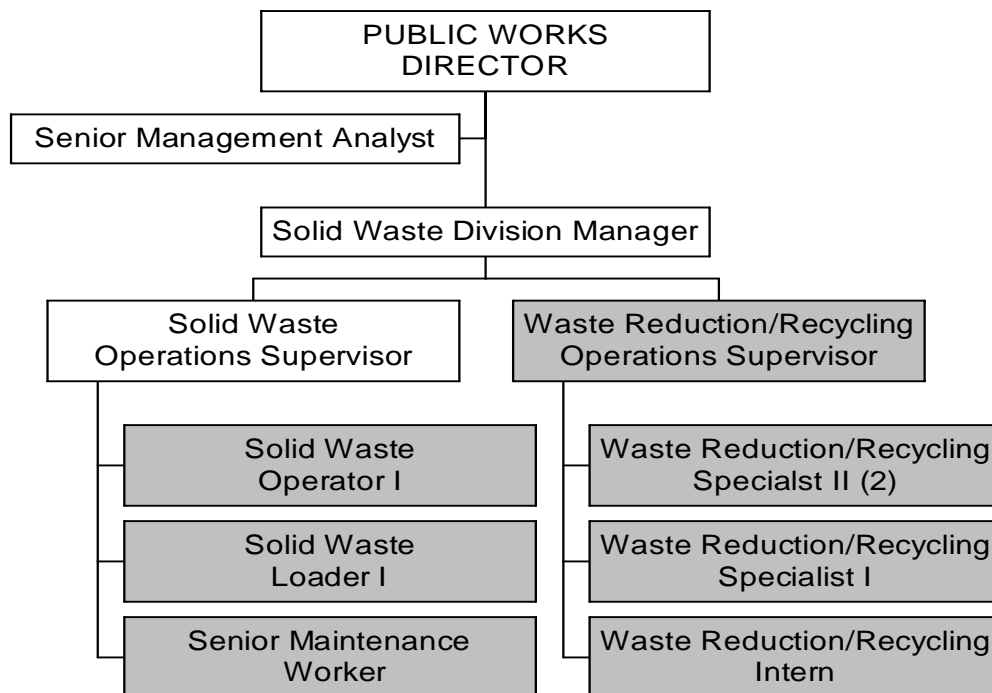
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 estimate	2007 Budget
Personal Services	\$ 358,487	\$ 424,416	\$ 424,416	\$ 493,086
Contractual Services	203,915	235,836	235,836	245,436
Commodities	109,978	86,540	86,540	92,140
Capital Outlay	187,229	150,600	150,600	122,000
Debt Service	-	-	-	-
Transfers	2,500	3,000	3,000	28,150
Contingency	-	40,000	40,000	20,000
Total	\$ 862,109	\$ 940,392	\$ 940,392	\$ 1,000,812

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	7.00	7.00	7.00	8.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Solid Waste Reduction Division is responsible for coordinating the recycling and waste reduction efforts of the City. Within this division are extensive public education and community awareness programs.

The division manages the household hazardous waste program, newspaper recycling program, the composting of yard wastes, and cardboard recycling for small businesses program. The division also manages the small quantity generator program for managing hazardous wastes. An office waste paper recycling program is also underway. Staff are actively engaged in making professional presentations to community and school groups, as well as presenting at state or national conferences.

Significant Issues for 2007- The increase in Personal Services for 2007 can be attributed to the addition of a household hazardous waste technician, merit increases for eligible employees, a 3% general wage adjustment, and increased costs for health care benefits. Transfers to the General Fund are increased over 2006 levels to provide continued support to workers' comp and general overhead. Increases to Contractual Services include additional refuse disposal fees.

CURRENT YEAR ACCOMPLISHMENTS

- Over 11,700 tons of material were recycled by the Solid Waste Division, including grass and leaves, newspaper, cardboard, brushy wood waste, holiday trees, and metals
- Revenue from the sale of recycled materials exceeded \$65,000 and avoided landfill disposal costs exceeded \$200,000
- Special education and outreach programs were designed for effective management of grass and leaf debris for residents and hazardous material disposal for small commercial entities

MAJOR GOALS AND OBJECTIVES FOR 2007

1. To provide an appropriate level of recycling and waste reduction for the community.
2. To increase the number of households served by the Household Hazardous Waste program.
3. To expand the Small Quantity Generator program to assist with the appropriate management of hazardous wastes in the community.
4. To provide quality education and outreach on recycling and waste reduction opportunities in the community.
5. To complete the new wood recycling and compost facility.

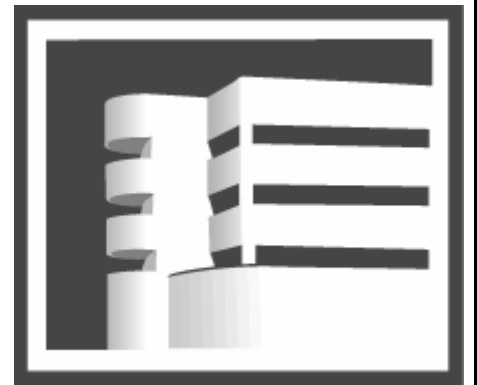


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Public Parking Fund



City of
Lawrence, Kansas

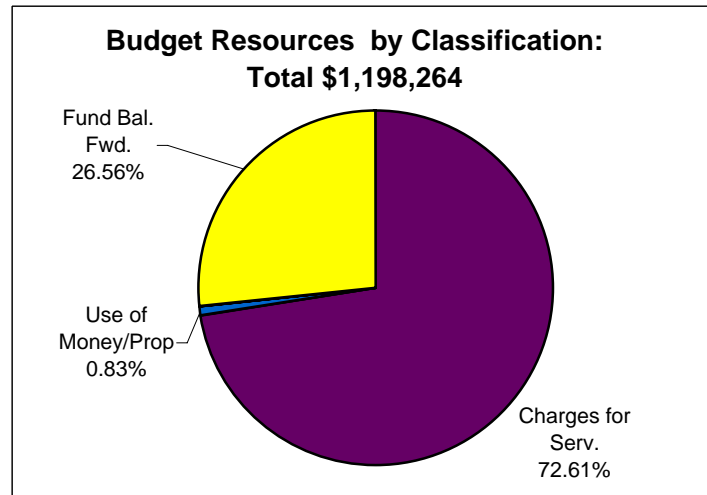




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Public Parking System Fund

Fund 503- PUBLIC PARKING SYSTEM



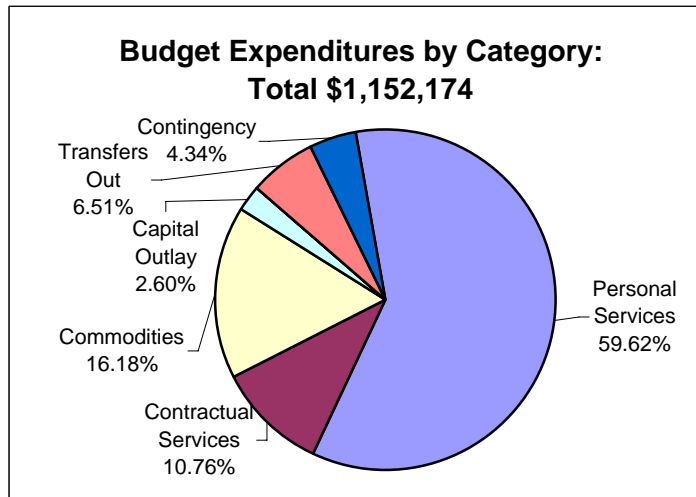
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Meter	\$ 382,757	\$ 350,000	\$ 350,000	\$ 380,000
Overtime Parking	292,915	325,000	325,000	300,000
Riverfront Garage	180,446	110,000	110,000	175,000
9th & New Hampshire Garage	15,290	15,000	15,000	15,000
Interest on Investments	9,097	5,000	5,000	10,000
Lease Payment	-	-	-	-
Miscellaneous	1,547	-	-	-
TOTAL RECEIPTS	882,052	805,000	805,000	880,000
Balance, January 1	416,092	182,186	456,934	318,264
TOTAL RESOURCES AVAILABLE	\$ 1,298,144	\$ 987,186	\$ 1,261,934	\$ 1,198,264

Revenue Sources - Descriptions and Trends

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

Trends- The City Commission has not raised the fines for overtime parking since 2004. Ongoing review of system-wide parking rates is recommended in order to assure adequate maintenance and operation support for the system. Increased revenue from the Riverfront garage can be attributed to increased permits sold to employees of the businesses located in the Riverfront building.

Fund 503- PUBLIC PARKING SYSTEM



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	\$ 654,663	\$ 642,070	\$ 642,070	\$ 686,879
Contractual Services	100,083	124,100	124,100	123,925
Commodities	36,464	95,500	95,500	186,370
Capital Outlay	-	30,000	30,000	30,000
Debt Service	-	-	-	-
Transfer	50,000	27,000	27,000	75,000
Contingency	-	25,000	25,000	50,000
TOTAL EXPENDITURES	841,210	943,670	943,670	1,152,174
FUND BALANCE FORWARD	\$ 456,934	\$ 43,516	\$ 318,264	\$ 46,090

Expenditures - Descriptions and Trends

Personal Services- Cost of wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. This fund provides the funding for staff from four separate departments involved in public parking operations: police officers, parking control officers, a parking control technician, a maintenance worker, court clerks, and part-time seasonal employees. Due to revenue issues, funding for one of the police officer positions was moved from this fund to the General Operating Fund in 2006, however an increase is budgeted for 2007 for increased health care costs and wage adjustments for eligible employees.

Commodities- Per Commission direction to enhance beautification efforts in the downtown parking areas, an increase is budgeted in 2007.

Capital Outlay - An increase is included for 2007 in this area for replacement of equipment.

Transfer - These funds are transferred into a reserve fund for maintenance and repairs to parking facilities. The increase reflects the increased need for repairs to these facilities as they age.

PUBLIC PARKING SYSTEM FUND

PARKING CONTROL

ACCOUNT 503-2300-503

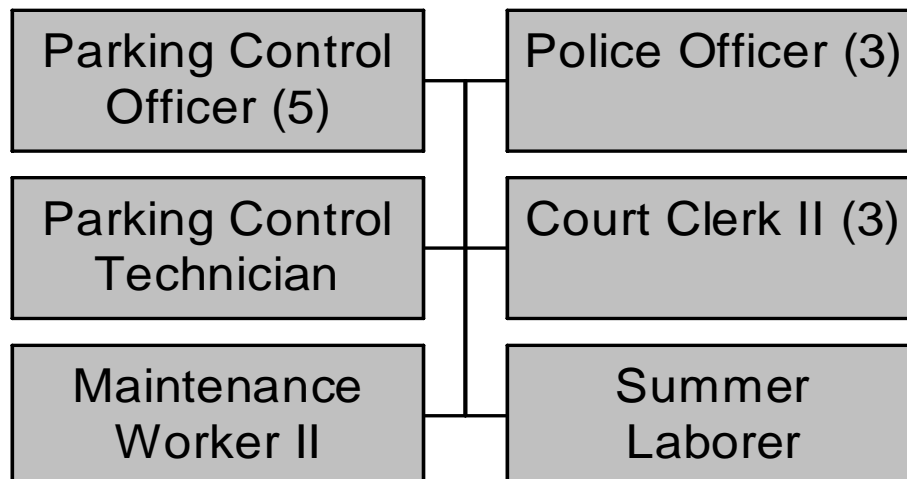
2007 DEPARTMENT / DIVISION SPENDING SUMMARY

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 654,663	\$ 642,070	\$ 642,070	\$ 686,879
Contractual Services	100,083	124,100	124,100	123,925
Commodities	36,464	95,500	95,500	186,370
Capital Outlay	-	30,000	30,000	30,000
Debt Service	-	-	-	-
Transfers	50,000	27,000	27,000	75,000
Contingency	-	25,000	25,000	50,000
Total	\$ 841,210	\$ 943,670	\$ 943,670	\$ 1,152,174

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	14.00	14.00	14.00	13.00

DEPARTMENT / DIVISION ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

The Public Parking Division is charged with the responsibility of enforcing parking regulations and meter time limits in the Central Business District to provide adequate parking turnover in the downtown area. The parking meter program includes meter and zone enforcement, meter maintenance, meter collections and debt service. In conjunction with the Public Works and Parks and Recreation Departments, the division maintains existing lots and landscapes the arcades and planters along Massachusetts Street. This division also maintains the Riverfront Garage as well as the New Hampshire Parking Garage. Revenues from the garage are used to finance operations and make transfers to the parking reserve fund to finance maintenance and improvements in the overall public parking system.

Significant Issues for 2007 - In 2007, Personal Services will include merit increases for eligible employees, a 3% general wage adjustment, and increased costs for employee health care coverage. Increased funding for downtown landscaping, meter parts and misc. supplies (Commodities) are also anticipated.

CURRENT YEAR ACCOMPLISHMENTS

- Provided janitorial, repair, landscaping, and maintenance services for parking lots owned and operated by the City of Lawrence. Enhanced appearances of downtown landscaping via increased plantings and seasonal color efforts.
- Worked with downtown businesses and DLI to maximize signage during waterline project for patrons to locate parking facilities easily and continue to access businesses during construction.
- Completed major repairs to both the Riverfront and 9th/New Hampshire Garage facilities.

MAJOR GOALS AND OBJECTIVES FOR 2007

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

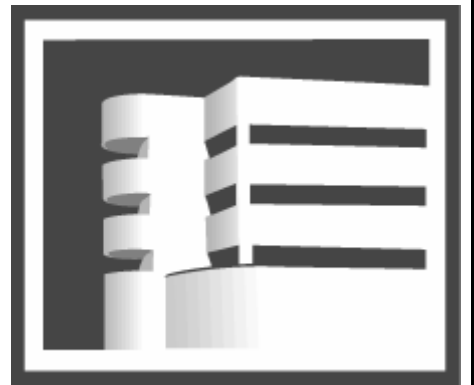


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Stormwater Utility Fund



City of
Lawrence, Kansas



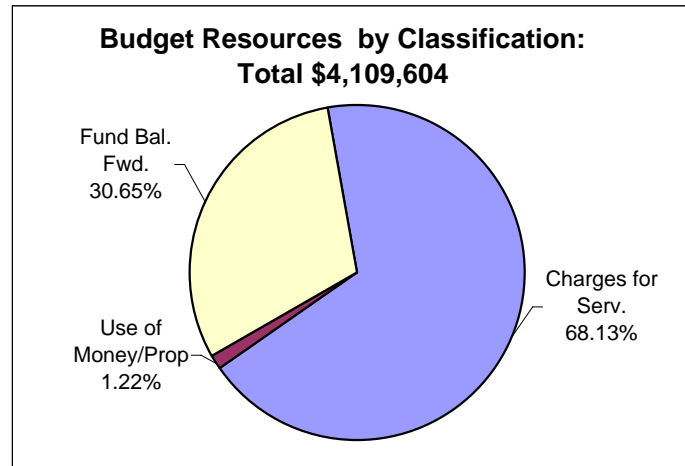


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Stormwater Utility Fund

**Chuck Soules, P.E.
Public Works Director**

Fund 505- STORMWATER UTILITY



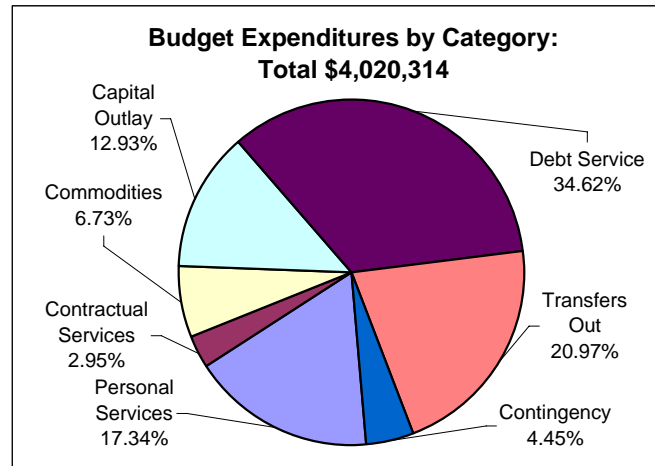
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Stormwater Utility Charges	\$ 2,767,975	\$ 2,650,000	\$ 2,650,000	\$ 2,800,000
Interest on Investments	65,664	23,500	23,500	50,000
Miscellaneous	68,081	-	-	-
Debt Proceeds	5,212,859	-	-	-
TOTAL RECEIPTS	8,114,579	2,673,500	2,673,500	2,850,000
Balance, January 1	\$ 2,370,732	\$ 1,130,353	\$ 2,324,462	\$ 1,259,604
TOTAL RESOURCES AVAILABLE	\$ 10,485,311	\$ 3,803,853	\$ 4,997,962	\$ 4,109,604

Revenue Sources - Descriptions and Trends

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

Trends- The City Commission approved a \$1.00 increase in the stormwater fees effective January 1, 2003. This increase brought the rate to \$4.00 per equivalent residential unit (ERU) and is based on a rate study completed in 2000. There is no rate increase approved for 2007. Adequate revenue is necessary in order to complete priority stormwater projects. Maintenance of the stormwater system is a priority, including meeting the NPDES permit requirements.

Fund 505- STORMWATER UTILITY



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	644,566	659,592	659,592	697,129
Contractual Services	85,141	90,103	90,103	118,740
Commodities	223,408	269,920	269,920	270,450
Capital Outlay	683,727	664,000	664,000	520,000
Debt Service	6,064,259	1,479,743	1,479,743	1,391,745
Contingency	9,748	150,000	150,000	179,000
Transfer	450,000	425,000	425,000	843,250
TOTAL EXPENDITURES	\$ 8,160,849	\$ 3,738,358	\$ 3,738,358	\$ 4,020,314
FUND BALANCE FORWARD	\$ 2,324,462	\$ 65,495	\$ 1,259,604	\$ 89,290

Expenditures - Descriptions and Trends

Personal Services- Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Increases in 2007 are due to projected merit increases for eligible employees and a 3% general wage adjustment. Additionally, the City's share of the per employee health care costs have increased for 2007.

Debt Service- Debt Service expenditures allow for the payment of bonded debt at the completion of construction for major improvement projects. The division will pay debt service on two major phases of stormwater project construction until 2009.

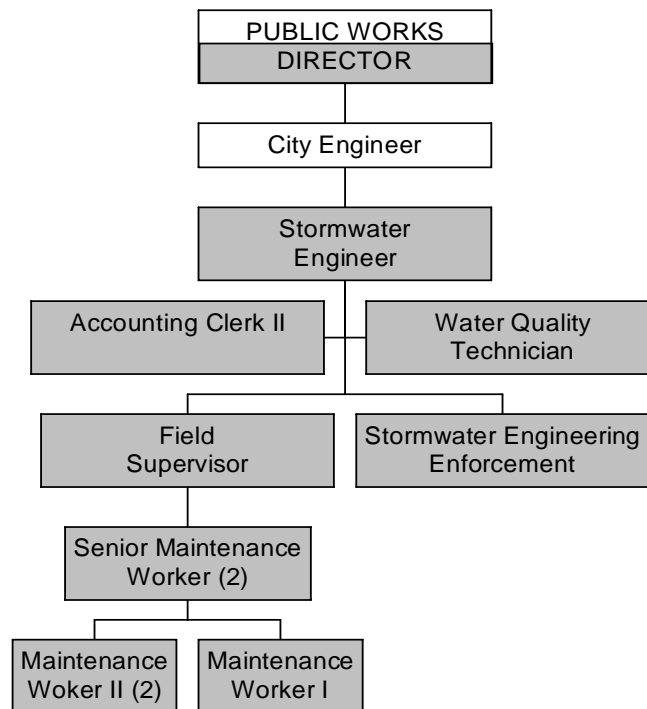
Transfer- Transfers to the General Fund will allow for additional funding for the Workers Comp Reserve Fund as well as continued funding of the curb repair program.

STORMWATER UTILITY FUND**STORMWATER UTILITY****ACCOUNT 505-3900-579****2007 DEPARTMENT / DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	\$ 644,566	\$ 659,592	\$ 659,592	\$ 697,129
Contractual Services	85,141	90,103	90,103	118,740
Commodities	223,408	269,920	269,920	270,450
Capital Outlay	683,727	664,000	664,000	520,000
Debt Service	6,064,259	1,479,743	1,479,743	1,391,745
Transfers	450,000	425,000	425,000	843,250
Contingency	9,748	150,000	150,000	179,000
Total	\$ 8,160,849	\$ 3,738,358	\$ 3,738,358	\$ 4,020,314

DEPARTMENT / DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	10.50	10.50	10.50	10.50

DEPARTMENT / DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded from this account.

DEPARTMENT / DIVISION PROFILE

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

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees, a 3% general wage adjustment, and increased costs for employee benefits, including health care benefits. Commodities are expected to increase due to fuel costs and energy issues. Transfers to the General Fund are similar to 2006 levels due to continued funding of the Workers Comp reserve fund and curb and gutter repair program. Debt service payments are also similar to 2006 levels because the debt requirements are similar.

CURRENT YEAR ACCOMPLISHMENTS

- Completed construction of major capital improvements program initiated in 2002 / 2003.
- Continued implementation of federal water quality regulations (NPDES)
- Crew projects continued focus on inlet maintenance and open channel debris removal
- Completion of the North Lawrence Water Shed Drainage Study

MAJOR GOALS AND OBJECTIVES FOR 2007

1. Comprehensive planning for next phase of construction of capital improvement projects.
2. Continue implementation of the Storm water Pollution Prevention Ordinance.
3. Initiate remaining NPDES requirements to be completed by 2008, including pollutant discharge detection, City employee training, possible land use regulations and construction standards.

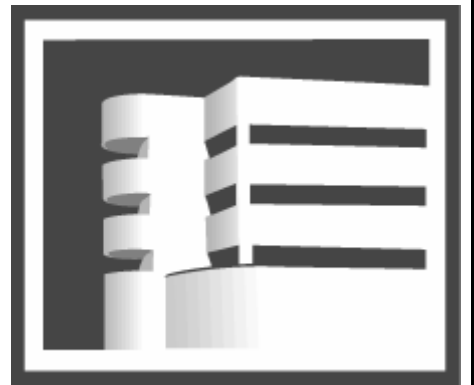


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Public Golf Course Fund



City of
Lawrence, Kansas



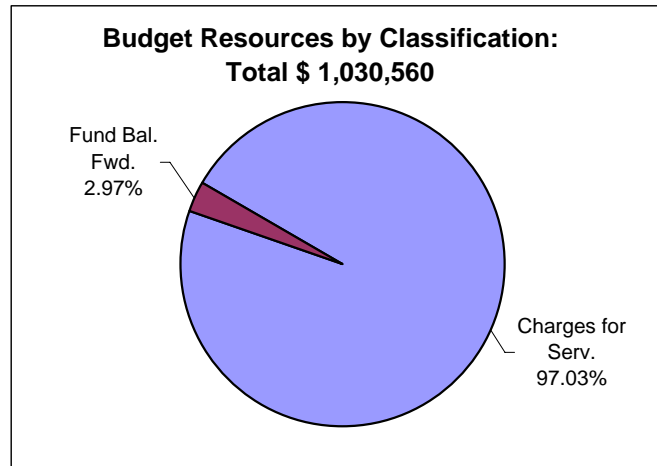


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Public Golf Course Fund

**Fred DeVictor, Director
Parks and Recreation**

Fund 506- PUBLIC GOLF COURSE



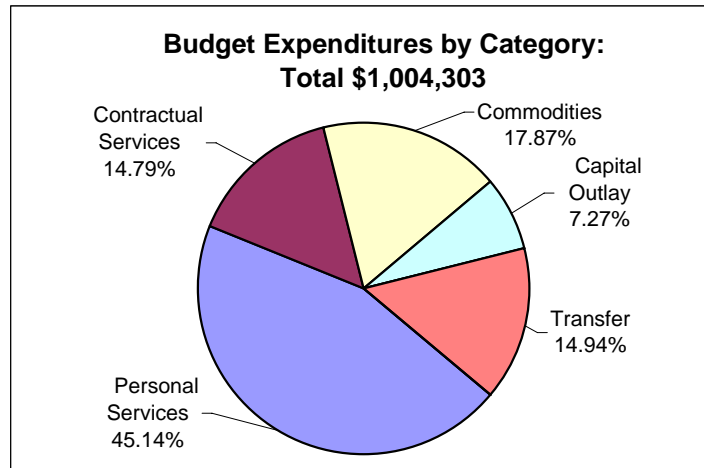
RECEIPTS	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Golf Course Fees	\$ 934,826	\$ 1,091,250	\$ 1,091,250	\$ 1,000,000
Interest on Investments	-	-	-	-
Miscellaneous	1,138	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	935,964	1,091,250	1,091,250	1,000,000
Balance, January 1	\$ (29,322)	\$ (29,814)	\$ (37,904)	\$ 30,560
TOTAL RESOURCES AVAILABLE	\$ 906,642	\$ 1,061,436	\$ 1,053,346	\$ 1,030,560

Revenue Sources - Descriptions and Trends

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

Trends- As a weather-dependent entity, this fund sees fluctuations depending on the availability of good weather for golfers.

Fund 506- PUBLIC GOLF COURSE



EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimated	2007 Budget
Personal Services	\$ 396,021	\$ 425,251	\$ 425,251	\$ 453,303
Contractual Services	121,677	148,700	148,700	148,500
Commodities	158,569	159,600	159,600	179,500
Capital Outlay	-	-	-	73,000
Debt Service	268,279	289,235	289,235	-
Transfer	-	-	-	150,000
Contingency	-	-	-	-
TOTAL EXPENDITURES	\$ 944,546	\$ 1,022,786	\$ 1,022,786	\$ 1,004,303
FUND BALANCE FORWARD	\$ (37,904)	\$ 38,650	\$ 30,560	\$ 26,257

Expenditures - Descriptions and Trends

Personal Services - Personnel costs have increased due to cost of living adjustments and merit increases for eligible employees, as well as rising health care costs.

Commodities - Expenses are somewhat weather dependent for maintenance/care of the grounds.

Capital Outlay - Funds are needed to purchase equipment for the maintenance of the golf course. No equipment has been purchased for a number of years so the amount of spending in 2007 represents a significant increase in this line item.

Debt Service - Beginning in 2007, debt service payments will no longer be made from this fund. Instead, debt service payments will be made from the Sales Tax Reserve Fund, which funds all other parks and recreation debt.

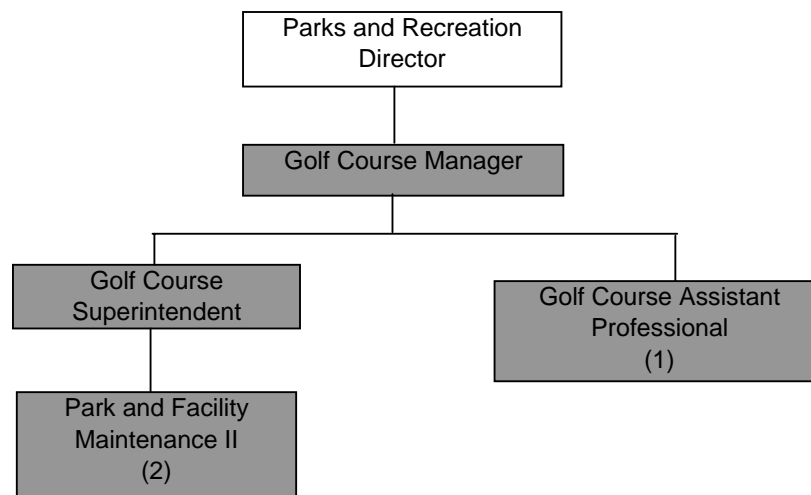
Transfer - Beginning in 2007, funds will be transferred in the Equipment Reserve Fund in order to fund vehicle and other equipment replacements as needed.

PUBLIC GOLF COURSE FUND**GOLF COURSE****ACCOUNT 506-4900-599****2007 DIVISION SPENDING SUMMARY**

EXPENDITURES	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Personal Services	396,021	425,251	425,251	453,303
Contractual Services	121,677	148,700	148,700	148,500
Commodities	158,569	159,600	159,600	179,500
Capital Outlay	-	-	-	73,000
Debt Service	268,279	289,235	289,235	-
Contingency	-	-	-	150,000
Transfers	-	-	-	-
Total	\$ 944,546	\$ 1,022,786	\$ 1,022,786	\$ 1,004,303

DEPARTMENT/DIVISION PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	6.00	6.00	6.00	5.50

DEPARTMENT/DIVISION ORGANIZATIONAL CHART

* Shading indicates positions funded through this account.

DEPARTMENT / DIVISION PROFILE

The municipal golf course division is responsible for the operation and maintenance of Eagle Bend Golf Course and related facilities. The \$3.2 million dollar, 18 hole municipal golf course, in its eight year of operation, is located east of the Clinton Lake Dam in the southwest quadrant of the City. A marketing program, begun in 2004, is designed to increase exposure to area residents to the attributes of the course as well as increase the number of participants in the sport.

Significant Issues for 2007 - The increase in Personal Services for 2007 can be attributed to merit increases for eligible employees, a 3% general wage adjustment, and increased costs for employee benefits, including health care benefits. Another significant issue will be the reorganization of staff. The golf maintenance staff will now report to the Superintendent of Parks and Maintenance while the Pro Shop Staff will report to the Superintendent of Recreation and Operations. Maintaining the golf course and offering continued excellent service for customers within the confines of the projected revenue estimates will be a challenge, particularly if weather is a factor in number of rounds played.

CURRENT YEAR ACCOMPLISHMENTS

- Completion of GPS Contract
- Completed improvements to clubhouse
- Opened 2nd driving range
- Purchased new mowing equipment
- Certification approved in fourth category of Audubon program
- Improved drainage on #1 fairway; irrigation in certain areas; four new tees on #17; additional cart path improvements

MAJOR GOALS AND OBJECTIVES FOR 2007

1. To operate the Eagle Bend Golf Course facility with golf course fees and receipts.
2. Implement marketing plan to strive to increase rounds and revenues from previous years.

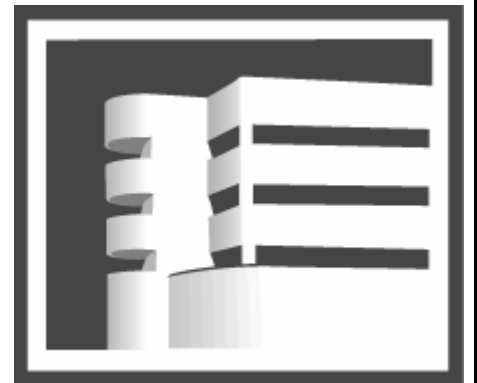


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Capital Improvement Budget



**City of
Lawrence, Kansas**





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Capital Improvement Budget

CAPITAL IMPROVEMENT BUDGET SUMMARY

Introduction

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

Capital Project Defined

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

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

Capital Improvement Process

Each year, capital project lists are submitted by various City departments, agencies, and the public. The projects are reviewed by the Capital Improvement Administrative Review Committee made up of representatives from several departments, as well as a City Commissioner and a member of the Planning Commission. The Committee uses the set of **scoring criteria** and the **scoring matrix** found on page P-4 to determine a score for every project submitted. The scores are translated into priority rankings.

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

Capital Improvement Budget

Each year, a **Capital Improvement Budget** is prepared each year in conjunction with the City's **Annual Operating Budget**. The Capital Improvement budget has a number of revenue sources, including current revenues, state and federal grants, special assessment benefit districts, and the issuance of debt. The Capital Improvement Budget can be found on page P-6.

Capital Improvement Budget Process

Each year, the City Commission select projects from the Capital Improvement Plan to include in the Capital Improvement Budget. First, the Administrative Review Committee projects the funding available from property taxes levied for bond and interest payments using a three tier system. The first tier is a projected level of funding if the property tax levy for debt support from the previous year was maintained. The second tier is a projected level of funding with an increase of 0.25 mill over the debt levy from the previous year. The third tier is a projected level of funding that would be available if the debt levy from the previous year was increased by 0.50 mill.

Next the Committee projects the portion of the Countywide sales tax that the City receives each year that will be used to fund capital projects. Historically, these funds have been used to cash finance as well as debt finance projects related to Parks and Recreation.

The project ranking list, the funding tiers, and the sales tax projections are used to develop the City Manager's Recommended Capital Improvement Budget along with the Operating Budget which is submitted for adoption by the City Commission.

CAPITAL IMPROVEMENT BUDGET SUMMARY

Impact of Capital Budget on Operating Budget

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

Additional detail regarding anticipated impacts from these projects on the operating budget can be found beginning on pages P-8.

2007 CAPITAL IMPROVEMENT BUDGET SCORING MATRIX

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

ADMINISTRATIVE REVIEW COMMITTEE SCORES FOR 2007 PROJECTS

Projects To Be Funded in 2007 Capital Budget		
SUBMITTED BY	PROJECT TITLE	TOTAL SCORE
PW	23rd Access Mgt.	20
P&R	Clinton Park Improvements	20
PW	KLINK-Iowa, Yale to 6th St./Irving Hill to 23rd St.	19
PW	N. 2nd & Locust - Intersection	18
PW	Traffic Signal Modernization	18
FM	Replace Apparatus - Quint 4	15
PW	N. Michigan / N. Iowa Bridges - KTA Sidewalks	15
Airport	Improve Runway 15-33 Safety Area to C-II	14
PW	Sidewalk Connectivity and Traffic Calming	13
P&R	Rails to Trails	13
P&R	Centennial Skate Park Improvements	10
Develop	George Williams Way - City Participation	10
Commission	31st Street - Haskell to O'Connell Rd. - concept design and property acquisition	*
PW	Kasold - Peterson to KTA	*
P&R	Harvard Rd. Park Improvements	*
P&R	Road to Sesquicentennial Point	*
Utilities	Bowersock Dam Maint & Improvements	NS
Utilities	Indiana 5th to 8th Main Replacement	NS
Utilities	Indiana Kaw Plant to 5th Main Replacement	NS
Utilities	West 6th Street Elevated Tank	NS
Utilities	Repaint Clinton WTP Ground Storage Tanks	NS
Utilities	Waterline Rehab & Replacement	NS
Utilities	Security Improvements	NS
Utilities	Misc Water System Improvements	NS
Utilities	Pipe Project KR4-4 Kansas River Basin	NS
Utilities	Improve PS#27 from 0.43mgd to 1.0 mgd	NS
Utilities	6.9 mgd WWTP with BNR & Solids Processing	NS
Utilities	I/I Removal	NS
Utilities	General Sanitary Sewer Improvements	NS
Utilities	General Pumping Station Improvements	NS
Utilities	General WWTP Improvements	NS
Projects Not Able to Be Funded in 2007 Capital Budget		
PW	Downtown Light Pole Replacement	17
PW	Wakarusa/Harvard - Intersection Improvement	16
PW	Louisiana & W. 27th Terrace - Roundabout	16
P&R	Park & Open Space Acquisition	16
Develop	Queens Road	14
FM	Station No. 1 Remodel - Design/Construction	13
PW	Wakarusa Service Center, Phase 1	13
PW	Bob Billings Prkwy - Rec Path	13
P&R	Roadways in Clinton Lake Regional Park	13
P&R	Memorial Park Cemetery	13
PD	900 East 15th Street Renovation Phase 1 (Planning/Design & Initial Facility Upgrades and Security)	12
Develop	8th and Pennsylvania Neighborhood Redevelopment	12
Develop	Bullene St- Homewood to Lynn	12
Develop	Homewood St - Bullene to Haskell	12
Develop	George Williams Way - South of 6th	12
PW	Computer Room HVAC for ITC	11
PW	Separate AC for Computer Room/City Hall	11
Transit	Paratransit (T-Lift) Bus Replacement (2 vehicles)	11
Develop	Overland Drive	11
FM	Pump Test Area	10
PD	ITC Renovation Phase 1 (Planning/Design & Purchase/Installation of Emergency Generator)	10
Transit	Bus Maintenance/Operations/Administration Facility - Design & Land Acquisition	10
Develop	31st street - east from Haskell Ave	10
Develop	Champion Lane	10
P&R	Fieldhouse Facility	10
PW	Fire Station #1 / Douglas Co. Senior Ctr. -Roof Replacement	6
Planning Comm.	East / West Arterial North of 6th Street and West of Folks Rd.	*

NS indicates a project that was not scored by the Administrative Review Committee. Instead the project was prioritized through the development of a department Master Plan.

* Project was added to the Plan following the review of the Administrative Review Committee and therefore did not receive a score.

2007 CAPITAL IMPROVEMENT BUDGET

Project	Cash	General Obligation Bonds Backed By				Water and Sewage Revenue Bonds*	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
Previously Committed Projects								
Kasold - Peterson to KTA		1,600,000					\$ 2,400,000	\$ 4,000,000
23rd Access Mgt.		500,000					\$ 500,000	\$ 1,000,000
KLINK-Iowa, Yale to 6th St./Irving Hill to 23rd St.		450,000					200,000	\$ 650,000
N. 2nd & Locust - Intersection		450,000					1,200,000	\$ 1,650,000
N. Michigan / N. Iowa Bridges - KTA Sidewalks		700,000						\$ 700,000
Clinton Park Improvements			250,000					\$ 250,000
Harvard Road Park Improvements			200,000					\$ 200,000
Rails to Trails			300,000					\$ 300,000
Road to Sesquicentennial Point			100,000					\$ 100,000
Skate Board Park Improvements			50,000					\$ 50,000

Additional Recommended Projects								
Traffic Signal Modernization		150,000						\$ 150,000
Replace Apparatus - Quint 4		600,000						
Improve Runway 15-33 Safety Area to C-II		64,165					1,219,135	\$ 1,283,300
31st Street - Haskell to O'Connell Rd. - concept design and property acquisition							800,000	\$ 800,000
Sidewalk Connectivity and Traffic Calming		250,000						\$ 250,000
George Williams Way - City participation in construction		200,000						\$ 200,000

Water and Wastewater Utility Fund Projects								
Bowersock Dam Maint & Improvements	1,169,900							\$ 1,169,900
Indiana 5th to 8th Main Replacement	231,100							\$ 231,100
Indiana Kaw Plant to 5th Main Replacement	236,900							\$ 236,900
West 6th Street Elevated Tank						1,684,700		\$ 1,684,700
Repaint Clinton WTP Ground Storage Tanks	795,600							\$ 795,600
Waterline Rehab & Replacement						1,170,000		\$ 1,170,000
Security Improvements	585,000							\$ 585,000
Misc Water System Improvements						1,170,000		\$ 1,170,000
Pipe Project KR4-4 Kansas River Basin	500,000							\$ 500,000
Improve PS#27 from 0.43mgd to 1.0 mgd	321,000							\$ 321,000
Wakarusa Water Reclamation Facility						5,499,000		\$ 5,499,000

2007 CAPITAL IMPROVEMENT BUDGET

Project	Cash	General Obligation Bonds Backed By				Water and Sewage Revenue Bonds*	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
I/I Removal	761,000							\$ 761,000
General Sanitary Sewer Improvements	702,000							\$ 702,000
General Pumping Station Improvements	234,000							\$ 234,000
General WWTP Improvements	234,000							\$ 234,000

TOTAL FOR ALL RECOMMENDED PROJECTS	\$5,770,500	\$4,964,165	\$900,000	\$0	\$0	\$9,523,700	\$6,319,135	\$27,477,500
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* Master Plan calls for issuing Revenue Bonds in odd numbered years. Bonds required for 2008 projects will be issued in 2007 as well.

Function	Cash	General Obligation Bonds Backed By				Water and Sewage Revenue Bonds*	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
General Government	\$ -	\$ 4,964,165	\$ -	\$ -	\$ -	\$ -	\$ 6,319,135	\$ 11,283,300
Parks and Recreation	\$ -	\$ -	\$ 900,000	\$ -	\$ -	\$ -	\$ -	\$ 900,000
Water Utility	\$ 3,018,500	\$ -	\$ -	\$ -	\$ -	\$ 4,024,700	\$ -	\$ 7,043,200
Wastewater Utility	\$ 2,752,000	\$ -	\$ -	\$ -	\$ -	\$ 5,499,000	\$ -	\$ 8,251,000
Storm Water Utility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 5,770,500	\$ 4,964,165	\$ 900,000	\$ -	\$ -	\$ 9,523,700	\$ 6,319,135	\$ 27,477,500

* Master Plan calls for issuing Revenue Bonds in odd numbered years. Bonds required for 2008 projects will be issued in 2007 as well.

2007 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

The following projects are slated for the 2007 construction year. Included are project costs and a description of any anticipated operating budget and/or related service impacts.

Kasold - Peterson Road to KTA

Project Description: Rebuild two lane road to city standards with sidewalk and rec path , curb and gutter, landscaped median, as well as roundabouts at Tillerman and Grand Vista.

City Cost: \$1,600,000

Operating Budget Impact: staff time to review plans and bid documents, monitor progress of project; operating budget impact minimal in year one; potential decrease in maintenance costs in subsequent years

23rd Access Management

Project Description: Consolidation of entrances to businesses along 23rd Street to improve traffic flow and reduce accidents.

City Cost: \$500,000

Operating Budget Impact: staff time to review plans and bid documents, monitor progress of project; operating budget impact minimal in year one; potential decrease in vehicle accident costs in subsequent years

KLINK - mill and overlay on Iowa- Yale to 6th Street and Irving Hill Bridge to 23rd St.

Project Description: The connecting link project scheduled for 2007 is the improvement of Iowa Street from Yale to 6th Street and from the Irving Hill Bridge to 23rd Street.

City Cost: \$450,000

Operating Budget Impact: staff time to review plans and bid documents, monitor progress of project; operating budget impact minimal in year one; potential decrease in maintenance costs in subsequent years

N. 2nd & Locust

Project Description: Reconstruction of the intersection of North 2nd Street and Locust, including the installation of a southbound left turn lane.

City Cost: \$450,000

Operating Budget Impact: staff time to review plans and bid documents, monitor progress of project; operating budget impact minimal in year one; potential decrease in maintenance costs in subsequent years

N. Michigan / N. Iowa Bridges over KTA - sidewalks

Project Description: The Kansas Turnpike Authority is funding the installation of two bridges over the Kansas Turnpike- N. Michigan St. and N. Iowa Street. They will fund the installation of one 6' sidewalk on the Iowa bridge and bike lanes on the N. Michigan Bridge. These funds will pay for the additional cost of sidewalks on both sides of both bridges.

City Cost: \$700,000

Operating Budget Impact: staff time to review plans and bid documents, monitor progress of project; operating budget impact minimal in year one; negligible increase in sidewalk maintenance costs in subsequent years

Clinton Park Improvements

Project Description: This project will fund improvements to the restroom and shelter at Clinton Park, located at 901 W. 5th Street.

City Cost: \$250,000

Operating Budget Impact: No impact to personnel costs is anticipated and maintenance costs are likely to decrease due to replacement of failing facilities.

Harvard Road Park Improvements

Project Description: Design and construction of a park located on Harvard Road, adjacent to Langston Hughes Elementary School. The park may include playground equipment.

City Cost: \$200,000

2007 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Operating Budget Impact: No impact to personnel costs is anticipated however, maintenance costs are likely to increase due to additional facilities to maintain.

Rails to Trails

Project Description: Add bike and recreation trails along former railroad right of way between 15th street and 23rd Street, connecting neighborhoods to Parks per the Parks and Recreation Comprehensive Plan.

City Cost: \$300,000

Operating Budget Impact: No impact to personnel costs is anticipated however, maintenance costs are likely to increase due to additional facilities to maintain.

Road to Sesquicentennial Point

Project Description: Design and construction of an improved surface to serve as a road to sesquicentennial point.

City Cost: \$100,000

Operating Budget Impact: No impact to personnel costs is anticipated however, maintenance costs are likely to increase due to additional facilities to maintain.

Skate Board Park Improvements

Project Description: Design, construction and installation of a bowl at the skate board park located in Centennial Park.

City Cost: \$50,000

Operating Budget Impact: No impact to personnel costs is anticipated however, maintenance costs are likely to increase imperceptively due to additional facilities to maintain.

Traffic Signal Modernization

Project Description: Improvements to various intersections throughout the city including upgrading of traffic signals to LED and installation of battery backups, video detection systems, mast arm replacements, new wiring, and pedestrian countdown timers.

City Cost: \$150,000

Operating Budget Impact: The City should experience some cost savings from more efficient LED signals, as well as more efficient wiring. No additional staff or equipment will be required to install or maintain these improvements so there should be no impact on personnel costs.

Replace Apparatus - Quint 4

Project Description: Purchase of a Quint unit to replace the existing apparatus that is 14 years old, has 49,471 miles and 7598 operation hours. A Quint carries a pump, a water tank, hoses, an aerial ladder, and ground ladders.

Cost: \$600,000

Operating Budget Impact: The impact on the operating budget should be a decrease in maintenance costs. Downtime of this apparatus should be decreased as well.

Improve Runway 15-33 Safety Area to C-11

Project Description: This is the City's 5% match to FAA funding for a project to upgrade and improve the existing safety areas for Runways 15-33 to meet current C-11 FAA standards as recommended by the Airport Advisory Board and the Municipal Airport Master Plan. The project will include widening, obstruction removal, and grading.

City Cost: \$64,165

Operating Budget Impact: staff time to adhere to FAA requirements and progress through design, bidding and construction phases. Potential for improved safety related cost savings.

31st Street from Haskell to O'Connell Rd. - concept design and property acquisition

Project Description: This project will plan and design an east-west arterial to respond to continued growth in the southeast area of the City. The City has obtained federal funds for planning and design of this project.

City Cost: \$0.00

2007 CAPITAL IMPROVEMENT BUDGET

IMPACT ON CITY'S OPERATING BUDGET

Operating Budget Impact: no impact to personnel cost or maintenance costs is anticipated however, staff time will be required to review specifications, plans, and bid documents, and monitor progress of projects.

Sidewalk Connectivity / Traffic Calming

Project Description: Address sidewalk connectivity and pedestrian transportation by completing sidewalk network on BOTH sides of arterial streets with highway designations. Install traffic calming measures in areas previously identified as having a high priority.

City Cost: \$250,000

Operating Budget Impact: No impact to personnel costs is anticipated however, increased maintenance costs are expected due to additional feet of sidewalks that the City will maintain. Increased commodities such as painting, signage, etc. are expected due to traffic calming.

George Williams Way - City participation in construction

Project Description: This project will provide funds for the City to participate in a benefit district to build George Williams Way.

City Cost: \$200,000

Operating Budget Impact: No impact to personnel costs is anticipated however, increased maintenance costs are expected due to additional feet of streets that the City will maintain (snow removal, street sweeping, etc.).

Bowersock Dam Maint & Improvements

Project Description: Improvements to the Bowersock Dam over the Kansas River.

City Cost: \$1,169,900

Operating Budget Impact: No impact on personnel costs is anticipated, and by making improvements should reduce the amount of maintenance needed thereby reducing maintenance costs associated with the dam.

Indiana 5th to 8th Main Replacement

Project Description: Installation of 30" water main to improve system reliability.

City Cost: \$231,100

Operating Budget Impact: No impact to personnel costs is anticipated however, maintenance costs are likely to increase due to additional facilities to maintain.

Indiana Kaw Plant to 5th Main Replacement

Project Description: This project replaces the main line from the Kaw Plant to 5th street and includes parallel supply siphon and CS discharge piping.

City Cost: \$236,900

Operating Budget Impact: No impact to personnel costs is anticipated however, maintenance costs are likely to increase due to additional facilities to maintain.

West 6th Street Elevated Tank

Project Description: Installation of 1.5 million gallon water storage tank to serve growth in community and improve system reliability.

City Cost: \$1,684,700

Operating Budget Impact: No impact to personnel costs is anticipated however, maintenance costs are likely to increase due to additional facilities to maintain.

Repaint Clinton WTP Ground Storage Tanks

Project Description: Repaint Clinton Water Plant Ground Storage Tanks

City Cost: \$795,600

Operating Budget Impact: Decrease in preventative maintenance due to new coating on tanks.

2007 CAPITAL IMPROVEMENT BUDGET

IMPACT ON CITY'S OPERATING BUDGET

Waterline Rehabilitation and Replacement

Project Description: Replacement of existing waterlines to improve the quality, quantity, and reliability of water distributed.

Cost: \$1,170,000

Operating Budget Impact: Projects are performed by contractor. Staff involvement would include selection of design engineer, review of plans/specs, project inspection, and customer service during project. Reduced maintenance, including line flushing, response to customer complaints, and improved system reliability are project outcomes. Projects are selected annually and are typically in older neighborhoods, due to the age of existing infrastructure.

Security Improvements

Project Description: Improvements within water supply and distribution system to reduce vulnerability and improve security/safety/reliability of system.

Cost: \$585,000

Operating Budget Impact: Staff time to work with a design consultant to review design and specs, provide assistance during installation phase and administration of service contract. Some inspection time for staff is also anticipated. Ongoing maintenance of system costs will become part of the operating budget as well.

Misc. Water System Improvements

Project Description: General water system improvements and replacements, such as pump replacements, chemical feed equipment upgrades/replacement, etc.

Cost: \$1,170,000

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

KR-4-4 Pipe Project- Kansas River Basin

Project Description: Pipe improvement project in Kansas River Basin.

Cost: \$500,000

Operating Budget Impact: Projects performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.) Potential for reduced frequency of repairs to pipe and appurtenances.

Improve PS#27 from 0.43 mgd to 1.0 mgd

Project Description: Expansion of pump station capacity from .43mgd to 1.0 mgd

Cost: \$321,000

Operating Budget Impact: Project performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.) Additional capacity may increase volume of wastewater to be treated, therefore, increasing the costs of operation of the Wastewater Treatment Plant.

Wakarusa Water Reclamation Facility

Project Description: Continue work associated with designing and engineering Wakarusa River Water Reclamation Facility.

Cost: \$5,630,000

Operating Budget Impact: Eventual construction of new WWTP on Wakarusa River will require personnel, equipment, vehicles, commodities, contractual services, etc. to allow for ongoing operations and maintenance of facility when it comes online in 2011.

Inflow/Infiltration Reduction Program

Project description: Projects designed to reduce the inflow and infiltration of storm water into the sanitary sewer system based on system monitoring results and flow data.

Cost: \$761,000

2007 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Operating Budget Impact: Projects are performed by contractors. Staff involvement would include determination of appropriate projects from priority list, selection of design engineer, review of plans/specs, project inspection, and customer service during project. Reduced maintenance, including reduced wear/tear on pump stations (due to reduced flow), fewer responses to customer complaints, and improved system reliability are project outcomes. Projects are selected annually and are typically in older neighborhoods, due to the age of existing infrastructure.

General Sanitary Sewer System Improvements

Project Description: General sanitary sewer collection system improvements throughout the City.

Cost: \$702,000

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

General Pumping Station Improvements

Project Description: Miscellaneous improvements to sanitary sewer pumping stations located throughout the system, as per prioritized project list, to improve reliability.

Cost: \$234,000

Operating Budget Impact: Projects performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.) Potential for reduced frequency of repairs to pumps, equipment, etc.

General WWTP Improvements

Project Description: Miscellaneous improvements to WWTP located throughout the facility, as per prioritized project list, to improve reliability.

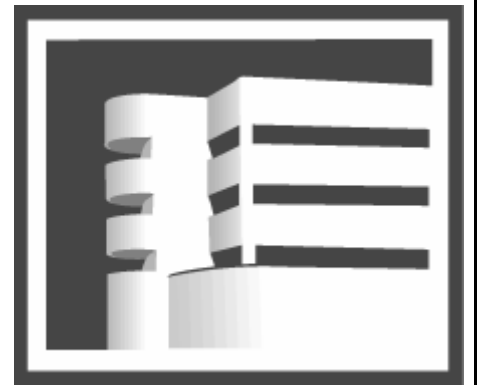
Cost: \$234,000

Operating Budget Impact: Projects performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.) Potential for reduced frequency of repairs to pumps, equipment, etc.

Performance and Progress



**City of
Lawrence, Kansas**





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Performance and Progress

PERFORMANCE AND PROGRESS

Introduction

In the spring of 2006, the City of Lawrence began working to implement a new performance management system based on a balanced scorecard and performance measures. The purpose of the system is to regularly assess progress toward the achievement of the City Commission's goals as well as efficiency and effectiveness in service delivery.

What are Performance Measures?

Performance Measures are statistical indicators of the performance of the City's sixty-four programs. There are three major types of measures.

- **Outcome/effectiveness** measures indicate how well a service is accomplishing its intended purposes. Examples include quality, cycle time and customer satisfaction indicators.
- **Efficiency** measures indicate how well resources are being used. Cost-per-unit or units-per-employee are examples of efficiency measures.
- **Workload** measures provide a count of activities or the outputs of a particular operation or function. Number of street miles paved or number of acres of parks maintained by the City are examples.

These measures assess performance in four critical areas - Operational Performance, Customer Feedback, Employee Readiness & Growth, and Financial Performance.

What is a Balanced Scorecard?

The Balanced Scorecard, beginning on page Q-3, is the tool the City Manager uses to communicate progress to the City Commission and the public. The scorecard provides the performance measures as well as some of the priority projects related to each of the Commission goals. As of the publication of this budget document, the scorecard is blank as the departments are just beginning their data collection efforts. As data becomes available, it will be entered into the Balanced Scorecard. Quarterly updates and an Annual Report will be presented to the City Commission and the public.

Other Management Tools

In addition to the family of measures for each department and the Balanced Scorecard, the City Manager's office will hold monthly meeting with each department director to review the four critical areas of their operations. This meeting will give the department directors an opportunity to communicate what is going right with their operations as well as areas where additional resources may be needed. These meeting will also give department directors and the City Manager a chance to discuss how data collection and reporting efforts are going.

Conclusion

The implementation of a new management system does not happen overnight. It is reasonable to expect a long transition period. Staff needs time and resources to develop methods to collect all the needed data to produce the set of measures. In addition, staff needs time and resources to use the data in a meaningful way.

Properly implemented, a performance management system based on performance measures will help inform the community about the level of service they receive for their tax and rate dollar, help managers better manage their operations, and provide the City Commission the ability to make informed decisions.



City of Lawrence

Report on Performance and Progress

January 2007

DRAFT



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Economic Development

Promoting the economic development of Lawrence

Economic Development Priority Projects

- Consider and adopt a cooperation agreement with Douglas County concerning the redevelopment of the Farmland Site
- Continue support of bioscience initiative

Economic Development Success Indicators

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Operational Performance				
Business vacancy rate <ul style="list-style-type: none">o Industrialo Commercial				
Business retention, by business category				
Number of new jobs created				
Percent change in income of average resident				
Customer Feedback				
Percent of survey respondents rating the City's economic development efforts as good or excellent <ul style="list-style-type: none">o Residentso Business owners				
Financial Performance				
Percent change in assessed value for: <ul style="list-style-type: none">o Warehouse and distributiono Industrial/business/research parkso Commercialo Residential				
Percent change in non-residential tax base				
Percent change in retail sales tax collected				

Planned Growth

Encouraging growth that enhances our environment, neighborhoods, and cultural amenities while benefiting all of our citizens.

Planned Growth Priority Projects

- Implementation of new development code
- Adopt TND Code with appropriate community involvement
- Implement recommendations from development review process
- Begin the Community Visioning Process
- Consider, adopt and implement the Fiscal Impact of Growth Study

Planned Growth Success Indicators

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Operational Performance				
Percent of complete applications presented to the Planning Commission within 60 days <ul style="list-style-type: none"> o Final plats o Rezoning o Development plans 				
Percent of residential permits issued within 5 business days of a complete application submittal				
Percent of commercial permits issued within 15 business days of a complete application submittal				
Percent change in the number of inspections completed <ul style="list-style-type: none"> o Residential o Commercial 				
Percent of Comprehensive Plan chapter updates completed as scheduled				
Customer Feedback				
Percent of respondents (residents) satisfied or very satisfied with the quality of new development in the City				
Percent of respondents (residents) satisfied or very satisfied with how well the City is planning growth				

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Percent of respondents (applicants) rating the following components of the development review process as good or excellent: <ul style="list-style-type: none"> o Responsiveness o Timeliness o Clarity of rules/regulations o Clarity of staff comments and recommendations 				
Employee Readiness and Growth				
Average number of hours of continuing education per planner				
Percent of building inspectors with more than one certification				
Financial Performance				
Cost per planning application processed <ul style="list-style-type: none"> o Final plat o Rezoning o Development plan o Site plan 				
Percent of development review expenses recovered through fees				

Transportation

Improving transportation access for all citizens.

Transportation Priority Projects

- Finish the South Lawrence Traffic (SLT) Route
- Launch efforts for computer coordinated traffic signals
- Continue consolidation of access points on 23rd
- Plan for southeast area road network
- Continue study of possible coordination with Kansas University

Transportation Success Indicators

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Operational Performance				
Percent of pavement rated as acceptable or above in the pavement condition index <ul style="list-style-type: none"> ○ Residential ○ Arterial ○ Collector 				
Percent of traffic signal heads converted to LED				
Percent change in total lane miles of street overlay completed				
Percent change in transit ridership from prior period				
Percent of engineering plan reviews completed within 10 business days				
Percent of downed signs reinstalled within 24 hours of locate				
Percent of potholes on arterial roadways filled within 24 hours of notification				
Percent of priority gap sidewalk projects completed				
Percent of Integrated Traffic Signals projects completed annually				
Average number of hours spent completing roadway maintenance activities per Street Maintenance FTE				
Percent on-time performance				
Number of FTA defined accidents <ul style="list-style-type: none"> • Major • Minor 				

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Percent change in number of passengers per revenue hour				
Customer Feedback				
Percent of survey respondents (residents) who feel that local traffic enforcement is good or excellent				
Percent of survey respondents (residents) rating the condition of streets as acceptable				
Percent of respondents rating condition of sidewalks in their neighborhood as good or excellent				
Financial Performance				
Cost per lane mile of street maintained <ul style="list-style-type: none"> o Arterial o Collector o Residential 				
Percent of total transit operating cost recovered from fare box revenue <ul style="list-style-type: none"> o Fixed route o Paratransit 				
Cost per transit passenger per revenue hour <ul style="list-style-type: none"> o Fixed route o Paratransit 				

Downtown Development

Protecting the integrity of downtown while maintaining it as a unique community resource.

Downtown Development Priority Projects

- Monitor Downtown Lawrence Inc. agreement
- Enhance downtown Farmers Market
- Site and fund the Library
- Establish/Enhance Guidelines, Vision and Strategic Plan incentives for downtown redevelopment
- Develop incentive program to encourage downtown businesses to install sprinkler systems

Downtown Development Success Indicators

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Operational Performance				
Downtown vacancy rate				
Percent change in available parking spaces				
Percent change in number of downtown buildings with fire sprinklers installed				
Customer Feedback				
Percent of respondents (residents) rating satisfaction with retail and entertainment mix in the downtown business district as good or excellent				
Percent of respondents (downtown business owners) rating the cleanliness of public areas as good or excellent				
Percent of respondents (residents) rating downtown safety as good or excellent				
Percent of respondents (business owners) rating the beautification of the downtown as good or excellent				
Percent of respondents rating the availability of downtown parking as good or excellent <ul style="list-style-type: none"> • Business owners • Residents 				

Service Delivery

Provide excellent city services consistent with resources available.

Service Delivery Priority Projects

- Hire city auditor to monitor effectiveness and efficiency
- Implement performance measurement system
- Implement energy audit

Service Delivery Success Indicators

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Operational Performance				
Percent of potholes on arterial roadways filled within 24 hours of notification				
Percent of Capital Improvement Plan projects completed as scheduled				
Percent of samples in compliance with regulations <ul style="list-style-type: none"> ○ Water ○ Wastewater 				
Percent of scheduled time major information systems are fully operational <ul style="list-style-type: none"> ○ E-mail ○ Network ○ Internet Connectivity ○ E-Government applications 				
Average operational readiness of the fleet <ul style="list-style-type: none"> ○ Fire Department ○ Police Department ○ All other heavy duty ○ All other light duty 				
Percent of fleet units that meet APWA/NAFA recommended utilization rates				
Number of public outreach projects completed by the Public Information Office				
Crime clearance rate <ul style="list-style-type: none"> ○ Part 1 crimes ○ Part 2 crimes 				
Percent of time police officers are available for calls for service				
Percent change in number of crimes per 1,000 population <ul style="list-style-type: none"> ○ Part 1 crimes ○ Part 2 crimes 				
Average EMS emergency response time in Douglas County, outside Lawrence city limits (from PSAP dispatch to arrival on scene)				

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Average fire emergency response time within the city limits of Lawrence from Public Safety Answering Point (PSAP) dispatch to arrival on scene) <ul style="list-style-type: none"> Station 1 Station 2 Station 3 Station 4 Station 5 Station 11 				
Average EMS emergency response time within the city limits of Lawrence (from PSAP dispatch to arrival on scene) <ul style="list-style-type: none"> Station 1 Station 2 Station 3 Station 4 Station 5 Station 11 				
Cost per case prosecuted <ul style="list-style-type: none"> OUI Non-OUI traffic Misdemeanor 				
Percent change in number of calls regarding missed refuse pick ups <ul style="list-style-type: none"> Residential Commercial 				
Percent of payrolls processed on time				
Average number of days from vacancy until hiring: <ul style="list-style-type: none"> Officials/Administrators Professionals Technicians Protective Services (Police & Fire) Offie/Clerical Skilled Craft Service/Maintenance 				
Percent change in number of claims against the city <ul style="list-style-type: none"> General Liability Auto Liability 				
Percent of parks and recreation programs/events held at capacity <ul style="list-style-type: none"> Youth Sports Adult Sports Aquatics Golf Special Populations 				
Percent change in total attendance <ul style="list-style-type: none"> Indoor Aquatic Center Outdoor Aquatic Center Carl Knox Natatorium South Park Wading Pool 				

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Percent change in participation level for parks and recreation programs, by program				
Percent of utility payments processed within 1 business day of receipt				
Customer Feedback				
Percent of survey respondents (water utility customers) rating customer service as good or excellent <ul style="list-style-type: none"> o Professionalism of staff o Responsiveness of staff 				
Percent of survey respondents (customers) rating Fire/Medical Department emergency services as good or excellent <ul style="list-style-type: none"> o Responsiveness o Professionalism o Quality of care/service provided o Level of service provided 				
Percent of survey respondents (business owners/contractors) rating Fire Prevention services as good or excellent <ul style="list-style-type: none"> o Professionalism of inspectors o Timeliness of response 				
Percent of survey respondents (clients) rating EMS services as good or excellent <ul style="list-style-type: none"> o Timeliness of arrival o Quality of medical care o Professionalism of staff 				
Percent of survey respondents (residents) rating street maintenance services as good or excellent <ul style="list-style-type: none"> o Snow removal o Street sweeping services o Timeliness of response 				
Percent of survey respondents (City employees) rating Finance Department staff as good or excellent <ul style="list-style-type: none"> o Responsiveness of staff o Knowledge of staff 				
Percent of survey respondents (customers) rating meter reading services as good or excellent <ul style="list-style-type: none"> o Timeliness of response to turn on/off orders o Courteousness 				
Percent of survey respondents (adjacent property owners) in construction project areas rating site management as good or excellent <ul style="list-style-type: none"> o Timeliness of information provided o Cleanliness and upkeep of work area o Staff responsiveness to resident requests 				
Percent of respondents (media representatives) who rate access to information about the City's activities as good or excellent				

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Percent of respondents (residents) rating the availability of information about the City's activities as good or excellent				
Percent of respondents (residents) rating parks and recreation facilities as good or excellent <ul style="list-style-type: none"> o Parks o Recreation facilities o Aquatics facilities o Golf course 				
Percent of Public Information Office budget leveraged by funds from other departments for community outreach				
Percent of survey respondents (employees) rating telecommunications as good or excellent <ul style="list-style-type: none"> o Availability of systems o Ease of use for telephone and voicemail features o Responsiveness of help desk personnel (for telecommunications problems only) o Satisfaction with problem resolution o Availability of training opportunities 				
Percent of survey respondents (employees) rating the network and computer systems services as good or excellent <ul style="list-style-type: none"> o Availability of the internet o Availability of e-mail o Reliability of the network o Responsiveness of staff 				
Employee Readiness and Growth				
Employee turnover rate (full-time employees) <ul style="list-style-type: none"> o Retirement o Disability o Death o Separation o Resignation 				
Number of workforce development, training, and educational activities provided by Personnel staff				
Percent change in the number of lost time, work-related injuries reported				
Percent of respondents (staff) who rate overall safety program as good or excellent <ul style="list-style-type: none"> o Overall feeling of safety in facilities o Quality of safety training o Relevance of safety training o Availability of personal safety equipment 				
Percent of time per FTE city-wide <ul style="list-style-type: none"> o Lost due to injury o Spent on safety related training o Spent on non-safety related training 				

Financial				
Operations cost per million gallons of wastewater treated				
Cost per mile of water line maintained (includes all personnel and equipment for maintenance)				
Operations cost per million gallons of water distributed <ul style="list-style-type: none"> o Clinton plant o Kaw plant 				
Power consumption (KW hours) per million gallons of water produced				
Average rate of return on investments				
Cost per fire response				
Cost per EMS response				
Cost per police response				
Percent of recreation program costs covered by program fees				
Municipal bond rating				

Neighborhood Quality

Improving the livability of all Lawrence neighborhoods.

Neighborhood Quality Priority Projects

- Develop a Sidewalk Plan
- Neighborhood based pan brick streets/stone curbs maintenance
- Identify incentives for neighborhood revitalization
- Support Housing Needs Task Force

Neighborhood Quality Success Indicators

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Operational Performance				
Percent of sidewalk infrastructure rated as <ul style="list-style-type: none"> o Good o Fair o Poor o Critical 				
Percent of curb and gutter infrastructure rated as <ul style="list-style-type: none"> o Good o Fair o Poor 				
Percent of residential lane miles swept as scheduled				
Percent change in owner-occupied housing units in targeted neighborhoods				
Percent change in repeat weed/lawn ordinance offenders				
Percent change in number of historic properties annually listed in the <ul style="list-style-type: none"> o Lawrence Register of Historic Places o State of Kansas Register of Historic Places o National Register of Historic Places 				
Percent of local historic landmark nominations completed on schedule				
Percent change in nuisance abatement hearings				
Percent of Community Development projects completed in target neighborhoods <ul style="list-style-type: none"> o Brook Creek o East Lawrence o North Lawrence o Oread o Pinckney o At Large 				

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Percent change in the number of Community Development projects completed <ul style="list-style-type: none"> o Comprehensive rehabilitations o Emergency loans o Weatherization o First time homebuyer o Property Acquisition o Infrastructure o Special projects 				
Percent change in Part 1 crimes committed per 1,000 population <ul style="list-style-type: none"> o Property crime o Violent crime 				
Number of crime prevention presentations made at area schools				
Customer Feedback				
Percent of survey respondents (public) rating the safety of their neighborhood as good or excellent				
Percent of survey respondents (residents) rating street maintenance services as good or excellent <ul style="list-style-type: none"> o Snow removal o Street sweeping services 				
Percent of respondents (parents) rating their perception of school safety as good or excellent				
Percent of respondents (residents) rating the number of parks and recreation facilities located in their neighborhood as good or excellent				
Percent of survey respondents (customers) rating customer service from municipal court staff as good or excellent				
Financial Performance				
Cost per Community Development project managed <ul style="list-style-type: none"> o Comprehensive rehabilitations o Emergency loans o Weatherization o First time homebuyer o Property Acquisition o Infrastructure o Special projects 				
Percent change in residential assessed value				

Environmental Issues

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

Environmental Issues Priority Projects

- Implement the Climate Control Agreement
- Integrate North Lawrence Stormwater Plan with city's master plan
- Adopt the International Energy Code
- Expand bike paths and walking trails
- Implement Energy Audit

Environmental Issues Success Indicators

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Operational Performance				
Percent of waste diverted from landfills				
Percent of municipal solid waste recycled				
Percent of biosolids reused for beneficial use (fertilizer)				
Percent of transit fleet using alternative fuel sources				
Percent of City fleet using alternative fuel sources				
Percent of Master Plan projects initiated within plan year <ul style="list-style-type: none"> ○ Water ○ Wastewater 				
Percent change in the total pounds of household hazardous waste collected				
Percent of environmental complaints inspected within 1 business day of complaint				
Percent change in miles of <ul style="list-style-type: none"> ○ Bike paths ○ Bike lanes ○ Bike routes ○ Walking trails 				
Percent change in the number of rusty water calls received				
Customer Feedback				
Percent of survey respondents (residents) rating solid waste services as good or excellent <ul style="list-style-type: none"> ○ Information concerning recycling opportunities 				

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
<ul style="list-style-type: none"> ○ Satisfaction with solid waste collection ○ Satisfaction with yard waste collection services 				
Percent of customers rating water quality as good or excellent <ul style="list-style-type: none"> ○ Taste ○ Odor ○ Clarity 				
Financial Performance				
Cost savings from waste diverted to land fill				
Cost per pound of hazardous waste collected				
Percent change in energy consumption per square foot (city facilities) <ul style="list-style-type: none"> ○ Electricity (kilowatts) ○ Natural gas (thermos) 				
Cost per Solid Waste program activity <ul style="list-style-type: none"> ○ Refuse collection and disposal ○ Yard waste collection and processing ○ Recycling collection and processing ○ Household Hazardous Waste collection and disposal 				

Community Building

Creating social capital and celebrating our heritage.

Community Building Priority Projects

- Implement reuse Carnegie Building
- Complete road to Sesquicentennial Park
- Monitor Homeless Task Force implementation
- Monitor Downtown Lawrence Inc. (DLI) agreement
- Receive federal heritage designation

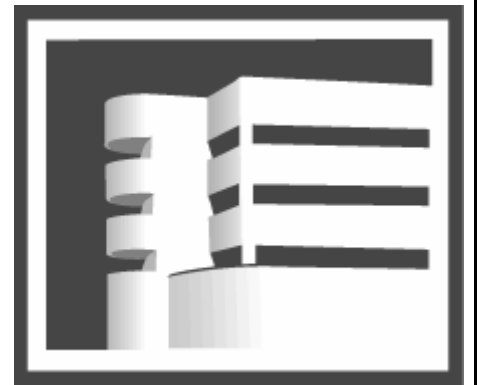
Community Building Success Indicators

Focus Area	Results 2006	Results 2007	Our Goal	Goal Met or Exceeded
Operational Performance				
Percent of Public Information Office budget leveraged by funds from other departments for community outreach				
Customer Feedback				
Percent of respondents (media representatives) who rate access to information about the City's activities as good or excellent				
Percent of respondents (residents) rating the availability of information about the City's activities as good or excellent				
Percent of residents rating parks as good or excellent				

Appendix



**City of
Lawrence, Kansas**





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Appendix

List of Acronyms

Glossary of Terms

Budget Transfer Explanation and Attachment

Reserve Fund Practices Document and Table

Sales Tax Revenue Summary

City - County Funding Relationships Memo

Social Service Accounting

Program Improvement Commentary

LIST OF ACRONYMS

ADA	Americans with Disabilities Act
CASA	Court Appointed Special Advocate
CC	City Commission
CCTV	Closed Circuit Television
CIP	Capital Improvement Plan
CVB	Lawrence Convention and Visitors Bureau
D2000	Downtown 2000
DCCCA	Douglas County Citizens Committee on Alcoholism
ERC	Employee Relations Committee
ERU	Equivalent Residential Unit
FAA	Federal Airport Administration
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO Bonds	General Obligation bonds
GPS	Global Positioning System
HHW	Household Hazardous Waste
HVAC	Heating Ventilation and Air Conditioning
IAFF	International Affiliation of Fire Fighters
ITC	Investigative Training Center
KDOT	Kansas Department of Transportation
KU	University of Kansas
LAVTR	Local Ad Valorem Tax Relief
LDCHD	Lawrence Douglas County Health Department
LEAP	Lawrence Excellence Award Program
LED	Light Emitting Diode
LPD	Lawrence Police Department
LPOA	Lawrence Police Officers Association
NAIA	National Association of Intercollegiate Athletics
NELAP	National Environmental Laboratory Accreditation Program
NPDES	National Pollutant Discharge Elimination System
PVC	Poly Vinyl Chloride
RFP	Request For Proposals
ROW	Right of Way
RS District	Single Family Residential District
SLT	South Lawrence Trafficway
SWAN	Solid Waste Annex North
T2025	Transportation 2025
TIF	Tax Increment Financing
USD497	Unified School District 497
WTCS	Women's Transitional Care Services
WWTP	Wastewater Treatment Plant

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

CAPITAL IMPROVEMENT PROGRAM (CIP)	A multi-year plan for capital expenditures needed to maintain and expand the public infrastructure. It projects the infrastructure needs for a set number of years and is updated annually to reflect the latest priorities, cost estimates, or changing financial strategies.
CAPITAL IMPROVEMENTS	Expenditures related to the acquisition, expansion or rehabilitation of an element of the City's infrastructure.
CAPITAL OUTLAY	Equipment valued at more than \$1,000 and having a useful life of more than one year.
CASH BASIS RESERVE	An amount of funds set aside to insure that sufficient cash is available to pay principal and interest payments in case the receipt of property taxes is delayed in Fund 301, the Bond and Interest Fund.
CLASS ENROLLMENT	Revenue collected for providing class instruction in Fund 211, the Recreation Fund.
COMMISSION / POSTAGE	Expenses related to bond issuance including attorney fees, printing fees, and financial advising in Fund 301, the Bond and Interest Fund.
COMMODITIES	Consumable goods, such as office supplies, that are used by the City.
CONCESSIONS	Revenues generated from the sale of concession products at parks and recreation facilities in Fund 211, the Recreation Fund.
CONTRACTUAL SERVICES	Services provided to the City by firms, individuals, or other City departments.
DEBT SERVICE	Payment of interest and principal on an obligation resulting from the issuance of bonds.
DEVELOPMENT CHARGES	Charges levied at the time building permits are required, to help offset the costs for increased capacity in the water and/or wastewater systems in Fund 501, the Water and Wastewater Fund.
ENCUMBRANCE	A transaction designed to set aside money for a specific future use. Funds can be encumbered by a purchase order or contract.
ENCUMBRANCE ACCOUNTING	Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities under generally accepted accounting principles.

GLOSSARY OF TERMS

ENTERPRISE FUND	A type of Fund which is accounted for in a manner similar to a private business enterprise. Usually the governmental entity intends for enterprise funds to fully recover their costs through user fees.
EXPENDITURES	Current cash operating expenses and encumbrances.
EXTRA PICKUPS, MISCELLANEOUS	Fees for service to the University of Kansas, polycart rental fees, and revenue from the sale of collected newspaper and cardboard in Fund 502, the Solid Waste Fund.
FARE BOX RECEIPTS	Fares collected from transit system users placed in Fund 210, the Public Transportation Fund.
FEES	Revenues collected for Adult and Youth Sports Programs as well as fees for programs and classes at the Nature Center in Fund 211, the Recreation Fund.
FIELD RENT	Fees collected from rental of ball diamonds, soccer fields, and multipurpose field to the public in Fund 211, the Recreation Fund.
FISCAL YEAR	A twelve-month period to which the operating budget applies. In the City of Lawrence this period is from January 1 to December 31.
FRANCHISE FEES	An amount charged to a utility in exchange for the rights to provide utility services within the City and to operate within the public right-of-way.
FUND	An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities, and fund balances.
FUND BALANCE	The excess of fund's assets over its liabilities and reserves.
GENERAL OPERATING FUND	Often referred to as the General Fund, this Fund accounts for the revenues and expenditures associated with all services traditionally associated with local governments, except for those services that are required to be accounted for in some other fund. Examples include police and fire services, park maintenance, planning, and building inspection/code enforcement services.
GENERAL OBLIGATION BOND	Long-term debt payable from the full faith and credit of the City. Typically such bonds are payable from property taxes.
GENERAL OBLIGATION BOND - PRINCIPAL	The money owed as long-term debt payable from the full faith and credit of the City.

GLOSSARY OF TERMS

GENERAL OBLIGATION BOND - INTEREST	The charge for issuing long-term debt payable from the full faith and credit of the City.
GOAL	A statement of broad direction, purpose, or intent based on the needs of the community.
GOVERNMENTAL FUND	A Fund used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities - except those account for in proprietary or fiduciary funds. There are four types of governmental funds: general, special revenue, debt service, and capital projects.
GRANTS	Contributions or gifts of cash or other assets from another governmental unit (typically state or federal) to be used or expended for a specified purpose, activity, or facility.
INFRASTRUCTURE	The physical assets of the city (e.g. streets, water/sewer lines, public buildings, and parks).
INTEREST ON INVESTMENTS	Revenue received from the purchase of securities including certificates of deposit, treasury notes and federal agency notes.
INTERFUND TRANSFER	Transfer of resources between funds that are not recorded as revenues to the fund receiving or expenditures to the fund providing.
INTERGOVERNMENTAL REVENUE	Grants or distributions received from other governments including distributions from the countywide sales tax as well as statutory transfers from the State.
LAVTR	"Local Ad Valorem Tax Reduction". Revenues received from the State to help reduce local property taxes.
LINE ITEM	An individual expenditure category listing in the budget (personal services, commodities, contractual services, etc.)
MILL LEVY	The tax rate to apply when calculating property taxes. A mill represents 1/10 of 1 cent. The mill levy is typically expressed as an amount per \$1000 of assessed valuation, (i.e., a mill levy of 1.00 would result in a tax of \$1.00 per each \$1,000 in assessed valuation.)
MODIFIED ACCRUAL BASIS OF ACCOUNTING	Under this method of accounting, revenues are recognized when they are both measurable and available within a certain time period. Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. The General Fund and Special Revenue Funds follow this method of accounting.

GLOSSARY OF TERMS

OPERATING BUDGET	The budget that applies to all expenditures except capital improvement projects.
PAYMENT-IN-LIEU-OF TAXES	An amount charged enterprise operations equivalent to the City property taxes that would be due on a plant or equipment if the enterprise operations were for profit companies.
PERSONAL SERVICES	Cost of wages, salaries, retirement, and other fringe benefits for City employees.
PROGRAM	A group of related activities performed by one or more organizational unit for the purpose of accomplishing a function for which the City is responsible.
RESERVES	An account used to indicate that a portion of a fund balance is restricted or set aside for emergencies or unforeseen expenditures not otherwise budgeted for.
REVENUE	Income for the fiscal year. The major categories of revenue include taxes, state shared revenues, fees and charges, interest on investments, and fines and forfeits.
REVENUE BONDS	Long-term debt payable from a designated revenue source such as water revenue or sales tax revenue.
ROLL OFF	Fees for roll-off services including container charges, delivery and pick up fees, as well as landfill charges in Fund 502, the Solid Waste Fund.
SANITATION SERVICE CHARGE	Normal solid waste collection fees for industrial and commercial dumpster services and residential solid waste collection in Fund 502, the Solid Waste.
SPECIAL ASSESSMENTS	Property taxes incurred by property owners within a designated area for improvements that benefit the area. A majority of the affected property owners must approve the formation of the benefit district.
SPECIAL POPULATIONS	Fees collected for recreation programs provided for special needs populations in Fund 211, the Recreation Fund.
SPECIAL REVENUE FUNDS	A type of Fund used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.
STATE GRANTS	Moneys received through the Kansas Department of Health and Environment Solid Waste Implementation Grant awarded on a project specific basis in Fund 502, the Solid Waste Fund.

GLOSSARY OF TERMS

STATE-SHARED REVENUES	Revenues levied and collected by the State but shared on a predetermined basis with local governments.
TAX LEVY	The total amount to be raised by general property taxes for the purposes specified in the approved city budget.
TAX RATE	The amount of tax levied for each \$1,000 of assessed valuation.
USER FEES	The payment of a fee for direct receipt of a public service by the party benefiting from the service.
WATER AND SEWER CHARGES	The charge to customers receiving water and sewer services provided by the city's treatment, distribution, and collection systems that pays for operational and capital costs in Fund 501, the Water and Wastewater Fund.
WATER TAPS	Charges paid, according to size of connection, by developers / property owners for connection to the city's existing water mains in Fund 501, the Water and Wastewater Fund.
WATER MAIN EXTENSIONS	Charges for materials, labor, and equipment related to the extension of the city's water distribution system (up to and including twelve inch water mains), typically paid by developers and/or property owners in Fund 501, the Water and Wastewater Fund.

Memorandum

City of Lawrence

City Manager's Office

To: Dave Corliss
Interim City Manager
From: Debbie Van Saun
Asst. City Manager
cc: Casey Liebst, Budget Manager
Ed Mullins, Finance Director
Date: June 30, 2006
Re: Transfers and Achieving Fund Balance Goals

Within the General Fund, there is a portion of the Finance Department budget that accounts for various transfers that are made from the General Fund to other funds. These transfers are described below.

Employee Health Insurance

This line item provides a transfer of funding to the employee health insurance fund for all City employees funded through the General Fund. For the other operating funds (recreation, water and sewer, golf course, etc.), transfers are similarly budgeted to the Employee Health Insurance fund to cover employee health insurance costs. Each year, the Health Care Committee submits for City Commission approval a health care plan that provides a per employee cost for current employees, retirees, and new positions. Once approved these costs are then allocated within each operating fund based on the number of employees. For 2007, those costs are \$7,211/FTE, \$1,339/FTE, and \$7,834/FTE respectively. The total transfer for 2007 from this line item in the General Fund is budgeted at \$3,576,669 - \$3,435,104 for current employees, \$74,976 for retirees, and \$66,589 for new positions.

Liability Reserve

In 2006, we began a practice of paying all general liability claims out of the Liability Reserve fund in order to account for all activity relative to this function in one fund. To provide ongoing resources to that fund, annual transfers from the General Fund and other funds to the Liability Reserve fund are being made. In 2007, we have budgeted \$200,000 for this transfer from the General Fund. The Water and Sewer fund is budgeting a \$50,000 transfer in 2006 to this fund.

Worker's Compensation Reserve

Similar to the practice that was initiated in 2006 for the Liability Reserve fund, we began paying all worker's compensation claims out of the Worker's Compensation Reserve fund in 2006. In 2007, we have budgeted a \$300,000 transfer from the General Fund to the Worker's Compensation Reserve fund. The Water and Sewer, Solid Waste, and Stormwater funds also make transfers to this fund. The 2007 transfers from these funds total \$300,000, \$250,000, and \$60,000, respectively.

Housing Trust Fund

An annual transfer of \$10,000 from the General Fund has been made for several years to the Housing Trust Fund and we have \$10,000 budgeted for 2007.

Relationship Between Transfers and Fund Balance

The unencumbered fund balance should be in the range provided by the City Commission policy (15% to 30%) rather than the statutorily required budgeted fund balance of 5%. The higher fund balance is recommended to provide liquidity, protect against revenue shortfalls, and enhance our bond rating. To achieve this requirement, but still follow the City Commission's fund balance policy of a 15 – 30% fund balance for the General Fund, we have historically underestimated revenues. For the 2007 budget, we have proposed budgets for all funds that provide our actual revenue estimates. In order to have no more than a 5% budgeted fund balance in the General Fund, we have budgeted some transfers that will not be made, unless we significantly exceed our revenue predictions. This budgeting for transfers which may not be made to achieve our fund balance goals is further detailed below.

Sales Tax Reserve

The City's portion of the County-wide sales tax is receipted into the General Fund then a portion is transferred to the Sales Tax Reserve Fund. The Sales Tax Reserve fund is a resource for parks/rec and health facility improvements as well as payment for debt service on sales tax bonds. In order to determine how much to budget for this transfer, we take the total anticipated revenue from the County-wide sales tax and subtract the following:

- An amount equal to approximately five mills of property tax; the sales tax was passed to provide some property tax relief to City property owners
- A transfer to provide funding for the operations of the sales tax funded recreation.
- The City's share (50%) of the operating costs for the Lawrence/Douglas County Health Department facility. The County pays the remaining 50%.
- The estimated revenue loss from the motor vehicle tax due to the previously noted property tax relief (the motor vehicle tax is calculated based on the property tax mill levy).
- In 2007, a \$1,000,000 transfer is budgeted from the County-wide sales tax to the Capital Improvement Reserve Fund in order to meet the statutory requirements for a fund balance not to exceed 5%. It is probable that this transfer will not be made in 2007 if our revenue estimates are accurate. If the transfer is not made, the revenue (County-wide sales tax) remains in the General Fund as part of the fund balance going into fiscal 2008. In past budgets, we under-estimated sales tax revenue in order to meet the statutory requirements for the budgeted fund balance.

Equipment Reserve

The Equipment Reserve fund provides resources for major equipment purchases not allocated through the operating budgets. Examples are fire apparatus, a back up generator, and computer hardware/software purchases. In order to provide these resources, annual transfers from the General Fund are made to the Equipment Reserve fund. The 2007 budget anticipates a \$300,000 transfer to the equipment reserve fund.

Capital Improvement Reserve

Each year, a transfer is budgeted from the General Fund to the Capital Improvement Reserve fund to provide resources for unexpected or unpredictable funding for improvement projects for City facilities, such as parking garage repairs, design work for certain public improvements, etc. In 2006, we funded some of the street mill and overlay project from this fund, due to higher than expected bids. The 2007 budget has a \$1,500,000 transfer budgeted, but it is probable that only \$300,000 of that transfer will be made. The remaining \$1,200,000 may be available to the fund balance going into fiscal 2008. The \$300,000 transfer to the Capital Improvement Reserve fund can be attributed to proposed increased franchise fee rates and will be used in 2007 for additional street maintenance projects.

Details regarding the transfers for the [2006](#) and [2007](#) budgets are provided for review.

2006 Budget

ACCOUNT	ELE	OBJ	ACCOUNT DESCRIPTION	2003 ACTUAL	2004 ACTUAL	2005 BUDGET	2005 Y-T-D	2006 REQUEST	JUSTIFICATION
001-1068-558	12	05	HEALTH INSURANCE	2,434,101	2,913,805	3,155,766	525,961	3,441,505	3,317,650+72,500 ret+51.355 pt/xbd
			TOTAL PERSONAL SERVICES	2,434,101	2,913,805	3,155,766	525,961	3,441,505	
001-1068-558	90	04	TRANSFER TO EQUIP RESERVE	0	200,000	200,000	33,333	480,875	
001-1068-558	90	05	TRANSFER TO CAP. IMP. RES	0	200,000	200,000	33,333	480,875	
001-1068-558	90	06	TRANSFER TO SALES TAX RES	2,547,000	1,972,206	2,760,000	460,000	2,700,000	See notes below
001-1068-558	90	08	TRANSFER TO RECREATION	1,000,000	1,200,000	1,304,000	217,333	1,400,000	
001-1068-558	90	10	TRANSFER TO LIAB. RESERVE	0	0	0	0	200,000	
001-1068-558	90	12	TRANS./HEALTH INS. FUND	0	0	0	0	0	
001-1068-558	90	15	TRANSFER TO CAP. PROJ.	0	0	0	0	0	
001-1068-558	90	18	TRANSFER TO WORK COMP RES	0	0	0	0	500,000	
001-1068-558	90	21	HOUSING TRUST FUND	10,000	10,000	10,000	10,000	10,000	
001-1068-558	90	25	TRANSFER TO GOLF FUND	150,000	0	0	0	0	
			TOTAL TRANSFERS	3,707,000	3,582,206	4,474,000	754,000	5,771,750	
			TOTAL BUDGET	6,141,101	6,496,011	7,629,766	1,279,961	9,213,255	

Notes: The City's portion of the County-wide sales tax is receipted into the General Fund, then a portion is transferred to the Sales Tax Reserve fund, primarily for funding park/rec and health facility improvements and payment of debt service on sales tax bonds. A portion of the sales tax remains in the General Fund. For the 2006 budget, that portion is determined as follows:

Estimated revenue from tax		9,000,000
Property tax relief (estimated)	3,885,000	
Recreation operating costs	1,400,000	
Estimated revenue loss (mv tax)	150,000	
City share Health Dept. Operating	197,000	
Add. Deduct for property tax	668,000	
Sales tax remaining in GF	<u>6,300,000</u>	
Transfer to Sales Tax Reserve		2,700,000

2007 Budget

ACCOUNT	ELE	OBJ	ACCOUNT DESCRIPTION	2004 ACTUAL	2005 ACTUAL	2006 BUDGET	2006 Y-T-D	2007 REQUEST	JUSTIFICATION
001-1068-558	12	05	HEALTH INSURANCE	2,913,805	3,155,766	3,441,505	573,584	3,584,119	7211x476.37+74,592 ret+ 9.5 new
			TOTAL PERSONAL SERVICES	2,913,805	3,155,766	3,441,505	573,584	3,584,119	
001-1068-558	90	04	TRANSFER TO EQUIP RESERVE	200,000	200,000	480,875	80,146	300,000	
001-1068-558	90	05	TRANSFER TO CAP. IMP. RES	200,000	200,000	480,875	80,146	1,500,000	
001-1068-558	90	06	TRANSFER TO SALES TAX RES	1,972,206	2,760,000	2,700,000	450,000	2,296,000	See notes below
001-1068-558	90	08	TRANSFER TO RECREATION	1,200,000	1,304,000	1,400,000	233,333	1,400,000	
001-1068-558	90	10	TRANSFER TO LIAB. RESERVE	0	0	200,000	33,333	200,000	
001-1068-558	90	12	TRANS./HEALTH INS. FUND	0	0	0	0	0	
001-1068-558	90	15	TRANSFER TO CAP. PROJ.	0	0	0	0	0	
001-1068-558	90	18	TRANSFER TO WORK COMP RES	0	0	500,000	83,333	300,000	
001-1068-558	90	21	HOUSING TRUST FUND	10,000	10,000	10,000	10,000	10,000	
001-1068-558	90	25	TRANSFER TO GOLF FUND	0	0	0	0	0	
			TOTAL TRANSFERS	3,582,206	4,474,000	5,771,750	970,292	6,006,000	
			TOTAL BUDGET	6,496,011	7,629,766	9,213,255	1,543,876	9,590,119	

Notes: The City's portion of the County-wide sales tax is receipted into the General Fund, then a portion is transferred to the Sales Tax Reserve Fund, primarily for funding parks/rec and health facility improvements and payment of debt service on sales tax bonds. A portion of the sales tax remains in the General Fund. For the 2007 budget, that portion is determined as follows:

Estimated revenue from tax		9,250,000
Property tax relief (estimated)	4,197,000	
Recreation operating costs	1,400,000	
City share Health Dept. operating	207,000	
Estimated revenue loss (mv tax)	150,000	
Fund balance adjustment	1,000,000	
Sales Tax remaining in GF	<u>6,954,000</u>	
Transfer to Sales Tax Reserve		2,296,000

Memorandum

City of Lawrence

City Manager's Office

To: Dave Corliss
Interim City Manager
From: Debbie Van Saun
Asst. City Manager
cc: Casey Liebst, Budget Manager
Ed Mullins, Finance Director
Date: June 28, 2006
Re: Reserve funds

The purpose of this memo is to provide descriptions of the various reserve funds held by the City of Lawrence, summaries of recent expenditures, and plans on the formation of future use of these funds.

Descriptions

Reserve funds are unbudgeted, and used for extraordinary or non-predictable expenditures. An accounting of the various funds is included in the annual Comprehensive Financial Accounting Report (CAFR) produced by the Finance Department. Please find below a description of each reserve fund.

Capital Improvement Reserve

The Capital Improvement Reserve Fund is authorized by KSA 12-1,118 and may be used to finance any public improvement in the adopted capital improvement plan (CIP) as well as maintenance of existing facilities. The City of Lawrence's fund is financed by transfers from the General Fund and by interest earnings.

Equipment Reserve

The Equipment Reserve Fund is authorized by KSA 12-1,117 and is used by the City of Lawrence for the acquisition of equipment that is not purchased through the operating budget, e.g. fire trucks, large back-up generators, etc. This fund is financed by transfers from the General Fund and by interest earnings.

Sales Tax Reserve

Another capital improvement reserve fund, this one is financed through the transfer of a portion of the County-wide sales tax revenue that is initially deposited in the General Fund. Expenditures are typically for parks and recreation and health facility projects as well as payment of debt service on sales tax bonds.

Guest Tax Reserve

Established by Charter Ordinance No. 30, a portion of the 5% transient guest tax revenues are transferred from the Transient Guest Tax Fund to this reserve fund for expenses associated with economic development and the promotion of tourism.

Liability Reserve

The Liability Reserve Fund is authorized by KSA 75-6110 and allows for a special property tax to be levied, although the City of Lawrence finances its fund by transfers from operating funds (General, Water and Sewer, etc.) and interest earnings. As a government that self-insures some or all of our tort liability expenses, we attempt to keep this fund at a level that allows for absorption of unpredictable liability claims.

Workers Compensation Reserve

This fund is authorized by KSA 44-505f and used by cities that self-insure for workers compensation claims. The unpredictability of expenditures is a factor in establishing a reasonable fund balance. Transfers from operating funds and interest earnings are sources of funding for all of the expenses associated with workers compensation claims handled by the City.

Expenditures

Attached please find information concerning [expenditures](#) from the Capital Improvement Reserve, Equipment Reserve, and Sales Tax Reserve funds for the past five years.

Policy Recommendations

Due to the lack of predictability in forecasting expenditures for the liability and workers compensation reserve funds, the recommendations for these two funds would be to 1) establish fund balance policies for each fund based upon historical claims experience, and 2) develop an equitable method of assessing "per employee" or "per claim experience" costs to departments within the various funds as an alternative to our current practice. Incentives to manage employee work-related injury risk would be associated with the "per claim experience" method.

For the remaining funds, policies will be developed with an emphasis on maintaining reserves for emergencies and/or unforeseen expenditures while still providing annual funding for various maintenance projects and equipment purchases. Further detail for the capital improvement, equipment, and sales tax reserve fund is provided below.

Capital Improvement Reserve

A portion of funds could be used to finance maintenance projects that are currently being bonded, once a policy for a fund balance level has been developed. The chart below illustrates an example for how funding for street maintenance and other large maintenance projects could be established in 2007:

Projected Fund Balance (01/01/07)	\$2,717,050
Transfers in from General Fund	300,000
Interest earnings	50,000
<i>Total resources in 2007</i>	<i>3,067,050</i>
Estimated expenditures in 2007*	1,034,050
Street maintenance in 2007	233,000
<i>Total expenditures in 2007</i>	<i>1,267,050</i>
Projected Fund Balance (12/31/07)	1,800,000

*An example of expenditures in 2006 is parking garage repairs/maintenance

Sales Tax Reserve

In addition to paying the debt service on sales tax supported general obligation bond issues, this fund would continue funding the construction/maintenance of recreation facilities and improvements. A fund balance for unforeseen projects (roofs, Memorial Park, etc.) should be maintained as well. Key to the development of a policy for this fund is establishing a five-year plan for the financing of future recreation projects from all sources (debt, cash, operating, etc.). For 2007, we are recommending the use of some sales tax funds for street maintenance projects:

Projected Fund Balance (01/01/07)	\$2,666,023
Transfers from General Fund (county sales tax)	2,296,000
Interest earnings	55,000
<i>Total resources in 2007</i>	<i>5,017,023</i>
Estimated expenditures in 2007*	700,000
Debt Service payments in 2007**	1,650,114
Street maintenance in 2007	866,909
<i>Total expenditures in 2007</i>	<i>3,217,023</i>
Projected Fund Balance (12/31/07)	1,800,000

*An example of expenditures in 2006 is painting the outdoor aquatic center.

** Will include \$900,000 in new parks & rec projects:

- Clinton Park improvements – shelter & restroom
- Skate Board Park improvements
- Road to Sesquicentennial Point
- Harvard Road park improvements – equipment & landscaping
- Rails to Trails – engineering

Equipment Reserve

Recommendations for this reserve fund include the development of a five year equipment replacement schedule for the organization, with the intent that this fund along with other sources (operating budgets, debt, federal/state funds, etc.) would be identified as funding sources. Once the long term equipment needs are identified, a policy on fund balance and annual replacement schedules would be developed.

Projected Fund Balance (01/01/07)	\$2,078,159
Transfers from General Fund	300,000
Interest earnings	50,000
<i>Total resources in 2007</i>	<i>2,428,159</i>
Estimated expenditures in 2007*	850,000
<i>Total expenditures in 2007</i>	<i>850,000</i>
Projected Fund Balance (12/31/07)	1,578,159

*An example of expenditures in 2006 is a back-up generator for the City Hall computer system.

City of Lawrence
Reserve Fund Expenditures

Expenditures	Capital Improvement Reserve	Equipment Reserve	Sales Tax Reserve
2001			
Seminars			
Engineering	123,905		100,457
Other Contractual Serv	6,008		986,990
Utilities			39,239
Software		59,880	
Other Supplies		11,232	160,880
Computers		19,179	
Vehicles		481,606	
Equipment		58,922	226,872
Employee Purchase			
General Improvement	61,773	24,543	137,187
Streets			
Construction Contracts	292,752		(249,872)
Land	76,000		3,000
Debt Service			2,081,184
Total 2001	560,438	655,362	3,485,937
2002			
Seminars			
Engineering	421,450		37,170
Other Contractual Serv	5,800		392,882
Equipment Rental		7,438	
Software		27,431	
Other Supplies		27,483	55,617
Computers		50,389	
Vehicles		393,983	
Equipment		324,802	14,330
Employee Purchase			
General Improvement		65,858	440,784
Buildings		28,794	
Streets	10,208		
Construction Contracts	76,458		123,183
Land			342,866
Debt Service			2,094,834
Total 2002	513,916	926,178	3,501,666
2003			
Engineering	224,494		35,913
Other Contractual Serv	5,750		304,933
Equipment Rental		8,868	
Software		12,128	

Other Supplies			31,343
Computers			
Vehicles			
Equipment	4,440	14,760	26,631
Employee Purchase			
General Improvement		65,858	
Buildings			
Streets	27,665		
Construction Contracts	14,197		33,120
Land	168,103		
Debt Service			2,495,730
Total 2003	444,649	101,614	2,927,670

2004

Engineering	245,423		33,594
Other Contractual Serv	4,174		306,583
Equipment Rental			
Software		10,658	
Other Supplies			59,086
Computers			
Vehicles		307,571	
Equipment		196,241	9,904
Employee Purchase		180,458	
General Improvement			
Buildings			
Streets		20,673	
Construction Contracts	157,947		10,000
Land			
Debt Service			2,090,788
Total 2004	407,544	715,601	2,509,955

2005

Engineering	160,535		
Other Contractual Serv	2,970		172,028
Equipment Rental		17,432	
Software		10,658	
Other Supplies			55,722
Computers			
Vehicles	15,753	39,665	
Equipment		241,142	172,903
Employee Purchase		159,670	
General Improvement	23,815		35,053
Buildings	85,662		11,078
Streets			
Construction Contracts	7,017		
Land			
Debt Service			2,095,532
Total 2005	295,752	468,567	2,542,316

Memorandum

City of Lawrence

City Manager's Office

To: Dave Corliss
Interim City Manager
From: Debbie Van Saun
Asst. City Manager
cc: Casey Liebst, Budget Manager
Ed Mullins, Finance Director
Date: June 28, 2006
Re: Sales Tax Revenues

The General Fund relies on revenues from a variety of sources to provide for the operations of the twenty-six departments/divisions that are budgeted from this fund. The 2007 recommended budget for the General Fund anticipates 41% of the revenues to come from two sources of sales tax: city-wide and the City's share of a County-wide sales tax. This compares with the 23% of revenue anticipated to come from ad valorem property taxes in 2007.

City-wide Sales Tax

A city retailer's sales tax of 0.5% was instituted July 1, 1971, followed by an additional 0.5% being approved and going into effect October 1, 1990. All of this 1% City-wide sales tax is receipted revenue for the General Fund. The County-wide sales tax of 1% was approved in November, 1994 and became effective in 1995. The City of Lawrence receives a share of this County-wide sales tax, and that share is also receipted into the General Fund.

Anticipated revenue from the local sales tax is budgeted at \$13,800,000 for 2007. This revenue, along with the other revenue sources for the General Fund (property taxes, franchise fees, permits, fines and forfeits, etc.) provides a funding source for the operating budgets of the various General Fund departments. There has been an ongoing upward swing in this revenue source for the past twenty years. Note the significant increase in 1991 (when the additional 0.5% became effective) and the static level (lack of growth) in 2002.

City's Share of County-wide Sales Tax

A portion of the City's share of the County-wide sales tax is transferred to the Sales Tax Reserve Fund, primarily for funding parks/rec and health facility improvements as well as payment of debt service on sales tax bonds. In 2007, the sales tax reserve fund will provide \$867,000 in funding for street maintenance.

The remaining portion of this sales tax revenue will be used in 2007 to provide revenue for the following:

- Property tax relief

- Recreation Fund operating costs
- City's share (50%) of Lawrence/Douglas County Health Department facility operating costs
- Estimated revenue loss from the motor vehicle tax due to previously noted property tax relief (the motor vehicle tax is calculated based on the property tax mill levy)
- A \$1,000,000 transfer (budgeted) to the Capital Improvement Reserve Fund in order to meet the statutory requirements for a fund balance not to exceed 5% of budgeted expenditures. It is probably that this transfer will not be made in 2007 if our revenue estimates are accurate. If the transfer is not made, the revenue (City's share of County-wide sales tax) remains in the General Fund as part of the fund balance going into fiscal 2008. In past budgets, we under-estimated sales tax revenue in order to meet the statutory requirements for the budgeted fund balance.

Memorandum

City of Lawrence

TO:

Mayor and City Commissioners

FROM: David L. Corliss, Interim City Manager

CC: Debbie Van Saun, Assistant City Manager

Date: July 3, 2006

RE: City – County Funding Relationships for Certain Joint Departments and Programs

The Lawrence and Douglas County community are fortunate to have a strong history of cooperation and partnership in production of a number of municipal services. I am recommending that we continue this strong history with a reexamination of the agreements and funding relationships which exist for our shared programs and departments and look for additional opportunities to cooperate in the future.

Background and History

Emergency Communications

In 1994, the City and the County agreed to combine their emergency communications services with the costs of the combined operations to be shared as follows: City (66%) and County (34%). This agreement was modified in 1997 following the combination of the County emergency medical services and the City fire department in 1996 discussed below.

Emergency Medical Services

In 1996, the County emergency medical services and the City fire department were combined with the City paying 74.36% and the County paying 25.64% of the operating costs of the combined operations. The County pays all the cost of buildings and equipment of the ambulance service and the City pays all the cost of buildings and equipment of the fire department except as provided for in the construction of Fire Station #5 discussed below. As of the effective date of the 1996 agreement all buildings, equipment, and furniture were to be transferred to the ownership of the City. This agreement was later modified in 1997, 1998, and 2005. In 2004, the County agreed to pay 25.64% of the costs of construction of Fire Station #5 to be built by the City.

Health Department

In 1996, the City and the County agreed to share equally in the cost of construction of a health facility to house the Lawrence-Douglas County Health Department, the Bert Nash Community Mental Health Center and the Douglas County Visiting Nurses Association.

The agreement provided that on completion the building, equipment, and furniture would be owned by the City. This health facility was completed and occupied in 1997. A related agreement provides for the City and the County to pay half of the health facility maintenance and operating expenses. Additionally, the City pays 40% and the County pays 60% of the operating expenses of the Health Department.

Planning Department

Douglas County pays 1/6th of the cost of the City's planning department. A review of the costs paid previously indicates that the City has failed to charge the full cost of the personnel in the department (no health insurance was allocated to the County's contribution) which will be altered in the 2007 budget allocation.

Analysis and Policy Options

An important policy consideration is the appropriate level of funding from the City and County for the above services. Because all City of Lawrence property owners are also property owners within Douglas County, City of Lawrence property taxpayers will be charged both as a County property owner and a City property owner in situations where both the City and the County pay for the production of a particular service. For certain services, this may be appropriate; for other services there should be concern about taxpayer and service burdens.

Policy questions and considerations are abundant in this area: Do Lawrence property owners receive a special service which requires them to pay 40% of the cost of the Health Department and 66% of the emergency communications center; while also paying as a County resident? Should Lawrence be the only city within Douglas County which funds these services within the County? Should the County's contribution to the Planning Department be based on demands required for planning services for the unincorporated area (inside or outside of the urban growth area)? As Douglas County urbanizes it is appropriate to plan for the funding relationships and the governance relationships of these services.

If we embark on these discussions it is important to note the substantial service that all of these departments and programs provide to both the Lawrence and Douglas County community. Our review of these funding relationships is meant to plan for appropriate cost-sharing as Lawrence and the rest of Douglas County grows and to seek cost equity for these services among all taxpayers.

City of Lawrence
Social Service Spending
2005-2007

	2005 Actual	2006 Budget	2007 Budget
Jayhawk Area Agency on Aging			
General Fund	7,750.00	7,750.00	7,830.00
Building Maintenance	3,685.62		
agency total	11,435.62	7,750.00	7,830.00
The Shelter, Inc.			
General Fund	33,725.00	34,737.00	34,737.00
Warm Hearts			
General Fund	6,000.00	60,000.00	6,000.00
Douglas County Legal Aid			
General Fund	37,500.00	37,500.00	40,000.00
Douglas County CASA, Inc.			
General Fund	13,300.00	20,000.00	20,000.00
Women's Transitional Care Serv.			
General Fund	6,000.00	6,000.00	6,000.00
Special Alcohol	-	-	17,000.00
State Grant Funding	7,431.00		
CDBG funding	20,198.36		
Other funding	101.00		
agency total	33,730.36	6,000.00	23,000.00
Douglas County Visitation Center			
General Fund	7,500.00	7,500.00	7,500.00
Special Alcohol	7,000.00		
agency total	14,500.00	7,500.00	7,500.00
Housing & Credit Counseling			
General Fund	8,367.00	9,000.00	19,000.00
Other funding	800.00		
CDBG funding	20,880.00		
agency total	30,047.00		
Ballard Community Center			
General Fund	6,000.00	7,500.00	7,500.00
Special Alcohol			15,000.00
agency total	6,000.00	7,500.00	22,500.00
Salvation Army			
General Fund	30,000.00	30,000.00	30,000.00
Homeless Initiative funds			11,000.00
State Grant Funding	13,029.00		
CDBG funding	31,185.00		
agency total	74,214.00	30,000.00	41,000.00
Health Care Access-Pharmacy			

City of Lawrence
Social Service Spending
2005-2007

	2005 Actual	2006 Budget	2007 Budget
General Fund	17,000.00	17,000.00	28,000.00
Moodie Rd Facility (not budgeted or tracked separately)			
agency total			
Boys & Girls Club of Lawrence			
General Fund (001)	82,000.00	143,722.00	143,722.00
Special Alcohol (213)	101,278.00	101,278.00	100,000.00
Special Recreation (216) red dog run sponsor	250.00		
agency total	183,528.00	245,000.00	243,722.00
Ecumenical Minister's Fellowship	5,000.00	5,000.00	5,000.00
Juneteenth Celebration	5,000.00	5,000.00	5,000.00
Van Go Mobile Arts			
General Fund	30,000.00	31,800.00	35,000.00
Special Alcohol	25,000.00	40,300.00	40,300.00
CDBG funding	5,000.00		
Agency Total	60,000.00	72,100.00	75,300.00
Lawrence Community Shelter			
General Fund Homelessness Initiatives			22,000.00
Special Alcohol	5,000.00	15,000.00	30,000.00
State Grant Funding	12,000.00		
CDBG funding	13,671.96		
agency total	30,671.96	15,000.00	52,000.00
Bert Nash (WRAP)			
General Fund Homelessness Initiatives		160,000.00	160,000.00
WRAP program			
General Fund			250,000.00
Special Alcohol	118,000.00	115,000.00	100,000.00
agency total	118,000.00	275,000.00	510,000.00
Lawrence Arts Center			
General Fund - Bldg Maintenance	107,142.00	134,410.00	146,810.00
General Fund - Operations	105,000.00	95,000.00	95,000.00
Special Rec - Operations	22,500.00	25,000.00	25,000.00
Debt Service	258,111.00	255,636.00	252,836.00
Agency total	492,753.00	510,046.00	519,646.00
DCCCA outpatient	72,563.00	79,819.00	79,819.00
DCCCA d/b/a First Step House			
Special Alcohol (213)	26,500.00	29,150.00	29,150.00
State Grant Funding	3,851.00		
CDBG funding	5,000.00		
DCCCA Com. Coord.	18,105.00	19,380.00	19,380.00
Headquarters, Inc - First Call			

City of Lawrence
Social Service Spending
2005-2007

	2005 Actual	2006 Budget	2007 Budget
General Fund - resource directory	30.00		
special alcohol	23,750.00	23,750.00	23,750.00
CDBG funding - resource directory	30.00		
agency total	23,810.00	23,750.00	23,750.00
Hearthstone			
special alcohol	6,500.00	6,500.00	7,500.00
KU - Center for Research			
special alcohol	5,000.00	-	-
KU-Organizations and Activities	20,000.00	20,000.00	25,000.00
Lawrence USD 497			
special alcohol	54,344.00	54,344.00	60,000.00
Big Brothers/Big Sisters CORE			
special alcohol	30,000.00	30,000.00	30,000.00
Lawrence Memorial Hospital			
special alcohol	35,000.00	35,000.00	40,000.00
Heartland Regional Alcohol/Drug	-	30,500.00	-
Pelathe Community Resource Cent.			
Special alcohol	0	-	25,000.00
State Grant Funding	10,700.00		
agency total	10,700.00	-	25,000.00
Health Department			
operations	535,286.00	580,320.00	618,569.00
building maintenance (city- 50%, county-50%)	273,295.00	394,015.00	415,506.00
debt service			
agency total	808,581.00	974,335.00	1,034,075.00
	2005 Actual	2006 Budget	2007 Budget
General Fund	1,319,580.62	1,626,254.00	2,114,174.00
Special Alcohol	548,040.00	600,021.00	641,899.00
Special Recreation	22,750.00	25,000.00	25,000.00
Other Funding/support	258,212.00	255,636.00	252,836.00
TOTAL	2,148,582.62	2,506,911.00	3,033,909.00
1 mill equivalent	\$ 717,554	\$ 777,237	\$ 824,213
liquor tax in general fund	\$ 530,707	\$ 525,000	\$ 550,000
State Grant Funding	47,011.00	-	-
CDBG/HOME funding	95,965.32	-	-

**CITY OF LAWRENCE
SUMMARY OF PROGRAM IMPROVEMENTS
RECOMMENDED FOR THE 2007 BUDGET**

The table below shows the improvements included in the 2007 Operating and Capital Improvement Budget. Comments on each of these improvements, along with those improvement submitted by the various City departments that were not recommended for funding are also provided.

**PROGRAM IMPROVEMENTS INCLUDED IN INTERIM
CITY MANAGER'S RECOMMENDED BUDGET**

Department	Program Improvement Description	2007 Cost	Positions
GENERAL FUND			
Neighborhood Resources	Plans Examiner *	49,978	1.00
	Building Inspector II *	46,174	1.00
Planning	Planner II - Historic Preservation / Downtown Redevelopment *	62,359	1.00
Police	Add Two Sergeant Positions to Command Structure	120,000	2.00
	Dispatch Operator	24,400	1.00
Public Works	3 Street Division Maintenance workers with truck	140,852	3.00
	SUBTOTAL FOR GENERAL FUND	\$443,763	9.00
WATER AND WASTEWATER FUND			
Utilities	Water Treatment Maintenance Staff	45,171	1.00
	2 Distribution System Operators	80,000	2.00
	Laborer Positions for Wastewater Utility	5,845	3.00
Finance	Admin Support IV- Utility Billing Collections	35,000	1.00
	Interactive Voice Response System for Utility Billing	50,000	0.00
	SUBTOTAL FOR WATER AND WASTEWATER FUND	\$216,016	7.00
RECREATION FUND			
Parks and Recreation	Louie Holcom Amateur Baseball League - Fall	11,000	0.00
	Louie Holcom Amateur Baseball League - Summer	20,000	0.00
	SUBTOTAL FOR RECREATION FUND	\$31,000	0.00
SOLID WASTE FUND			
Public Works	Rear Load Crew (Operator, 2 loaders, truck)	283,412	3.00
	Hazardous Waste Technician	40,959	1.00
	SUBTOTAL FOR SOLID WASTE FUND	\$324,371	4.00
CAPITAL IMPROVEMENT BUDGET			
Public Works	Sidewalk connectivity program	\$250,000	0.00
	TOTAL RECOMMENDED IN ALL FUNDS (ESTIMATED)	\$1,015,150	20.00

**Neighborhood Resources and Planning positions will be funded depending upon any adopted recommendations from the development process review being currently conducted by Matrix.*

Department: Administrative Services

Cost: \$42,108 **FTEs:** 1.00

Program Improvement Description: Risk Management Claims Specialist

Comments: Additional staff resources should await further study to determine program goals and measurement standards for this important City function.

Department: Administrative Services

Cost: \$42,000 **FTEs:** 0.00

Program Improvement Description: Stream Video City Commission meetings

Comments: This program improvement needs additional study to determine a comprehensive goal for broadcasting of Commission meetings, including improved audio, captions, etc. This might be a priority for funding depending upon equipment reserve funding levels.

**CITY OF LAWRENCE
SUMMARY OF PROGRAM IMPROVEMENTS
RECOMMENDED FOR THE 2007 BUDGET**

Department: Administrative Services

Cost: \$35,539 **FTEs:** 0.00

Program Improvement Description: Library Special Election

Comments: If the Commission seeks to proceed with a special election in 2007 contingency funding can be used.

Department: Finance

Cost: \$50,000 **FTEs:** 0.00

Program Improvement Description: Workflow system for invoice processing

Comments: This item may be available for funding depending upon equipment reserve funding levels during 2007.

Department: Human Resources

Cost: \$58,920 **FTEs:** 1.00

Program Improvement Description: Human Relations Technician

Comments: I recommend that program improvements for this Department be further reviewed upon the finalization of performance measurement tools. The Human Relations Department should also be involved in the proposed social service needs assessment.

Department: Human Resources

Cost: \$60,085 **FTEs:** 1.00

Program Improvement Description: Human Relations Specialist

Comments: I recommend that program improvements for this Department be further reviewed upon the finalization of performance measurement tools. The Human Relations Department should also be involved in the proposed social service needs assessment.

Department: Info Systems

Cost: \$72,000 **FTEs:** 0.00

Program Improvement Description: Application Enabler module

Comments: Given other funding priorities, improved graphics capability is not viewed as a high priority in 2007. We should further study this item to determine possible efficiencies achieved with this program improvement.

Department: Info Systems

Cost: \$170,000 **FTEs:** 0.00

Program Improvement Description: Telco system replacement for City Hall

Comments: While the current telephone system is servicable, this will likely need to be a future budget item because repair of the existing system will become a challenge.

Department: Legal Services

Cost: \$38,715 **FTEs:** 1.00

Program Improvement Description: Court Security Officer

Comments: Attempts will be made to supplement existing part-time security for court operations. This will likely need to be revisited in future budget years.

**CITY OF LAWRENCE
SUMMARY OF PROGRAM IMPROVEMENTS
RECOMMENDED FOR THE 2007 BUDGET**

Department: Fire/Medical

Cost: \$39,800 **FTEs:** 1.00

Program Improvement Description: 1 Inspector for Prevention/ Public Educator

Comments: This function should be further reviewed to determine if existing personnel resources can be used to supplement existing prevention and public education efforts.

Department: Fire/Medical

Cost: \$107,500 **FTEs:** 0.00

Program Improvement Description: 25 portable tablets for inspection

Comments: If funding levels in the Equipment Reserve fund allow, partial funding of this item may be warranted in 2007.

Department: Neighborhood Resources

Cost: \$85,146 **FTEs:** 1.00

Program Improvement Description: Structural Blight Program - Zoning Enforcement Officer

Comments: This program has merit, however, we should first absorb Development Process recommendations and achieve full staffing in the department. This should be a priority item in future budgets.

Department: Neighborhood Resources

Cost: \$46,174 **FTEs:** 1.00

Program Improvement Description: Building Inspector II

Comments: Funds are placed in the 2007 budget to respond to the Development Process and if this position is a priority recommendation the Commission can direct implementation.

Department: Neighborhood Resources

Cost: \$49,978 **FTEs:** 1.00

Program Improvement Description: Plans Examiner

Comments: Funds are placed in the 2007 budget to respond to the Development Process and if this position is a priority recommendation the Commission can direct implementation.

Department: Parks & Recreation

Cost: \$72,609 **FTEs:** 1.00

Program Improvement Description: Electrician

Comments: This position will likely need to be funded in future budget years, existing resources will need to respond to existing needs at this time.

Department: Parks & Recreation

Cost: \$91,944 **FTEs:** 1.00

Program Improvement Description: Memorial Park Cemetery Operations

Comments: The State remains hopeful that the continuing litigation concerning Memorial Park can be resolved soon, allowing the City to access State held funds to support work at Memorial Park. General fund expenditures are not recommended at this time.

**CITY OF LAWRENCE
SUMMARY OF PROGRAM IMPROVEMENTS
RECOMMENDED FOR THE 2007 BUDGET**

Department: Parks & Recreation

Cost: \$34,300 **FTEs:** 0.50

Program Improvement Description: 2nd Generation Parks Maintenance

Comments: As we add to our Park system, additional resources will be needed in future budget years to ensure appropriate service levels. This will likely need to be a future budget item.

Department: Planning

Cost: \$62,359 **FTEs:** 1.00

Program Improvement Description: Planner II - Historic Preservation / Downtown Redevelopment

Comments: Funds are placed in the 2007 budget to respond to the Development Process and if this position is a priority recommendation the Commission can direct implementation.

Department: Planning

Cost: \$62,359 **FTEs:** 1.00

Program Improvement Description: Planner II - Subdivision Regulation

Comments: If the County funds this position 100%, this position will be utilized.

Department: Police

Cost: \$504,230 **FTEs:** 0.00

Program Improvement Description: Ten Additional Patrol Cars

Comments: This is a lower equipment priority than video recorders.

Department: Police

Cost: \$107,800 **FTEs:** 0.00

Program Improvement Description: Digital Video Recorders for All Marked Patrol Vehicles

Comments: As funding in the Equipment Reserve Fund is monitored, staff will make a recommendation on partial funding of this important enhancement to our police service.

Department: Police

Cost: \$30,760 **FTEs:** 1.00

Program Improvement Description: Admin Support II - Alarm and Neighborhood Noise Complaints

Comments: Staff plans a further review of our alarm ordinance. If additional revenues from fees can support additional staff, staff can be added in the future.

Department: Police

Cost: \$300,000 **FTEs:** 0.00

Program Improvement Description: Records Management Software Package

Comments: This program improvement needs additional analysis, particularly determining its integration into other City information systems.

Department: Police

Cost: \$35,000 **FTEs:** 0.00

Program Improvement Description: Fingerprint Scanner for LEC

Comments: As funding in the Equipment Reserve funds is monitored, this may be a funding priority.

**CITY OF LAWRENCE
SUMMARY OF PROGRAM IMPROVEMENTS
RECOMMENDED FOR THE 2007 BUDGET**

Department: Police

Cost: \$80,000 **FTEs:** 2.00

Program Improvement Description: Add Two Sergeant Positions to Command Structure

The Department request was to add 6 sergeants. Funding for 2 is included in the 2007 budget.

Comments: The recommended budget includes funding 2 sergeant positions in 2007. Additionally, 2 existing officer positions will be staffed to respond to neighborhood oriented issues.

Department: Police

Cost: \$15,000 **FTEs:** 1.00

Program Improvement Description: Dispatch Operator

Comments: If the County funds its share of this one position under the current cost split, these funds will be available.

Department: Public Works

Cost: \$140,852 **FTEs:** 3.00

Program Improvement Description: 3 Street Division Maintenance workers with truck

Comments: Street maintenance is strong priority of the Commission, and this program improvement is recommended in the 2007 budget.

Department: Public Works

Cost: \$2,935,000 **FTEs:** 0.00

Program Improvement Description: Street Maintenance program (pavement mgt objectives)

Comments: Street maintenance is strong priority of the Commission, and this program improvement is recommended in the 2007 budget.

Department: Public Works

Cost: \$250,000 **FTEs:** 0.00

Program Improvement Description: Sidewalk connectivity program

Comments: Along with traffic calming; \$250,000 is placed in the 2007 debt budget for traffic calming and the sidewalk connectivity program .

Department: Public Works

Cost: \$38,854 **FTEs:** 1.00

Program Improvement Description: Custodian I - City Hall

Comments: This position would enhance service levels but other priorities are more important.

Department: Public Works

Cost: \$16,803 **FTEs:** 0.50

Program Improvement Description: 1/2 time clerical person in Street Division

Comments: This position would enhance service levels but other priorities are more important.

**CITY OF LAWRENCE
SUMMARY OF PROGRAM IMPROVEMENTS
RECOMMENDED FOR THE 2007 BUDGET**

Department: Public Works

Cost: \$935,000 **FTEs:** 0.00

Program Improvement Description: Equipment Replacement Program

Comments: Equipment reserve funding may be available for a small portion of these requests. Right sizing and long term planning of equipment needs - City wide - will be an important focus in the coming months.

Department: Transit

Cost: \$59,418 **FTEs:** 1.00

Program Improvement Description: Quality Assurance Specialist

Comments: Compliance with federal requirements should remain a priority. With our consultant's report on possible City/KU cooperation, this function should be further reviewed.

Department: Utilities

Cost: \$45,171 **FTEs:** 1.00

Program Improvement Description: Water Treatment Maintenance Staff

Comments: This position is needed to provide appropriate service levels in our water treatment division.

Department: Utilities

Cost: \$80,000 **FTEs:** 2.00

Program Improvement Description: 2 Distribution System Operators

Comments: These positions are funded as a priority for the water distribution system.

Department: Finance

Cost: \$35,000 **FTEs:** 1.00

Program Improvement Description: Admin Support IV- Utility Billing Collections

Comments: This position is funded. It will enhance service levels and increase collection efforts bringing additional revenue to the utility functions of the City .

Department: Finance

Cost: \$50,000 **FTEs:** 0.00

Program Improvement Description: Interactive Voice Response System for Utility Billing

Comments: This program improvement is recommended for funding and should enhance our service delivery to customers calling the Utility Billing office. Our drop call volume needs improvement.

Department: Utilities

Cost: \$38,288 **FTEs:** 0.00

Program Improvement Description: Department Incentive Programs

Comments: This program improvement needs further study to determine the impact to the Department and incentive equity issues throughout the City organization.

Department: Utilities

Cost: \$33,000 **FTEs:** 1.00

Program Improvement Description: Engineering Technician

Comments: Staff added in 2006 will enhance engineering efforts. This position is not needed at this time.

**CITY OF LAWRENCE
SUMMARY OF PROGRAM IMPROVEMENTS
RECOMMENDED FOR THE 2007 BUDGET**

Department: Utilities

Cost: \$30,000 **FTEs:** 1.00

Program Improvement Description: Cross Connection Control Technician

Comments: Existing staff will need to handle the requirements of this program. This is a lower funding priority in the Utility department given other staffing demands.

Department: Utilities

Cost: \$5,845 **FTEs:** 3.00

Program Improvement Description: Laborer positions for Wastewater Utility

Comments: For a relatively low cost, these positions will provide a significantly increased level of system maintenance including plant maintenance, manhole frame and grade repair, manhole and sewer line inspections, and lift station inspection and repairs. These positions are partially funded by reduced contracted work with outside vendors.

Department: Utilities

Cost: \$35,000 **FTEs:** 1.00

Program Improvement Description: Water Quality Technician

Comments: This position is not funded at this time. This is a lower funding priority in the Utility given other staffing demands.

Department: Parks and Recreation

Cost: \$11,000 **FTEs:** 0.00

Program Improvement Description: Louie Holcom Amateur Baseball League - Fall

Comments: This program improvement is revenue neutral and is recommended for funding .

Department: Parks and Recreation

Cost: \$20,000 **FTEs:** 0.00

Program Improvement Description: Louie Holcom Amateur Baseball League - Summer

Comments: This program improvement is revenue neutral and is recommended for funding .

Department: Public Works

Cost: \$283,412 **FTEs:** 3.00

Program Improvement Description: Rear Load Crew (Operator, 2 loaders, truck)

Comments: These positions will be supported by sanitation rates and are recommended to respond to growth needs within the community.

Department: Public Works

Cost: \$40,959 **FTEs:** 1.00

Program Improvement Description: Hazardous Waste Technician

Comments: This position will be supported by sanitation rates and will provide an enhanced service level for this important community program.



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