

CITY OF LAWRENCE KANSAS MISSION STATEMENT

Our Mission

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

Our Principles

We are committed to these basic values:

**Integrity
Courtesy
Fairness
Honesty**

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

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

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

Our Vision

We will provide leadership in preparing for the future.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lawrence
Kansas**

For the Fiscal Year Beginning

January 1, 2008

Oliver S. Cox

President

Jeffrey R. Enos

Executive Director

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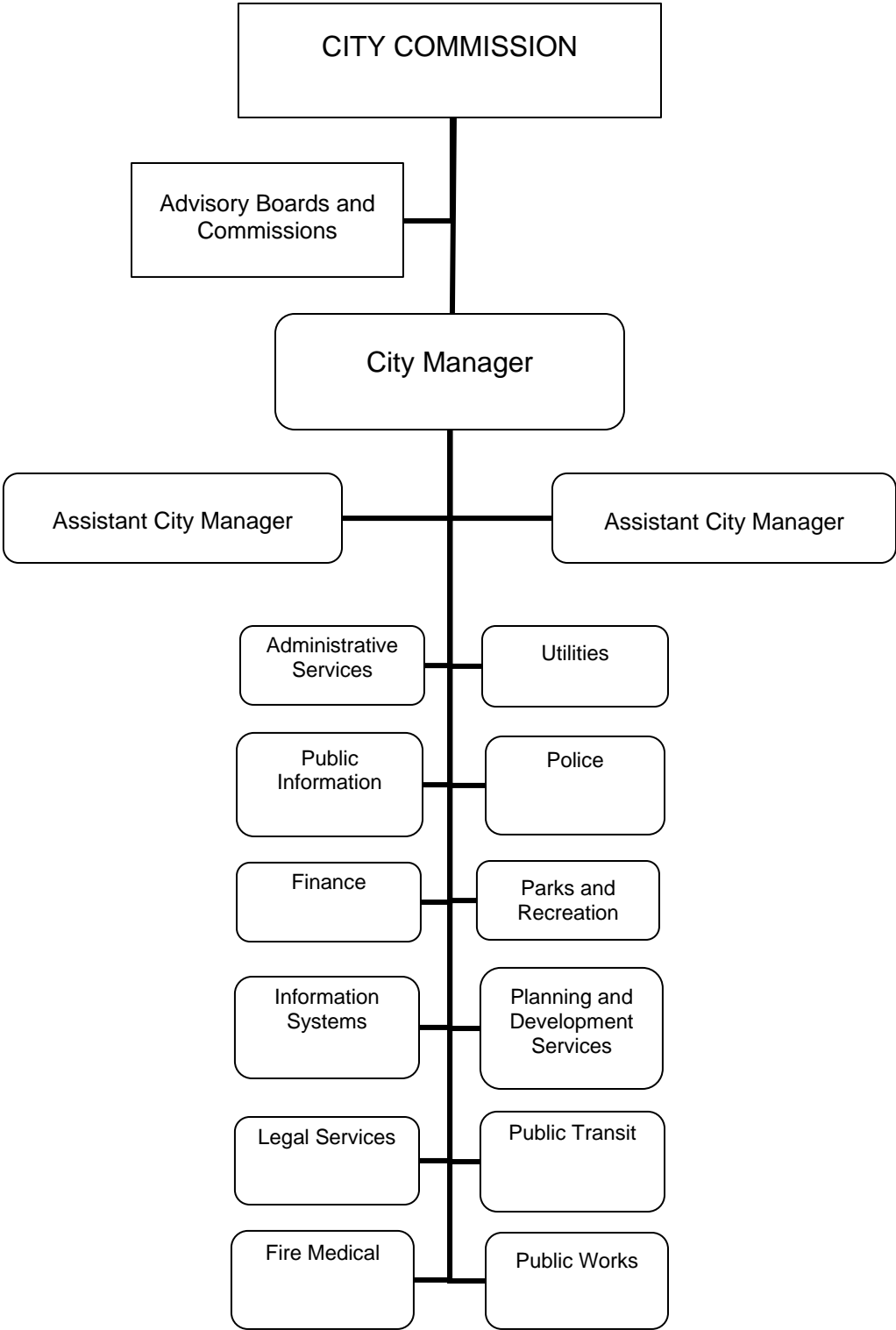
City of Lawrence

2009

Introduction



City of Lawrence Organizational Chart



City of Lawrence Elected Officials

MICHAEL DEVER, Mayor

ROB CHESTNUT, Vice Mayor

MIKE AMYX, Commissioner

SUE HACK, Commissioner

DENNIS "BOOG" HIGHBERGER, Commissioner

City of Lawrence Executive Staff

DAVID CORLISS, City Manager

CYNTHIA BOECKER, Assistant City Manager

DIANE STODDARD, Assistant City Manager

MARK BRADFORD, Fire/Medical Chief

SCOTT MCCULLOUGH, Planning and Development Services Director

ED MULLINS, Finance Director

RON OLIN, Chief of Police

FRANK REEB, Administrative Services Director

ERNIE SHAW, Interim Parks and Recreation Director

CHUCK SOULES, Public Works Director

DAVE WAGNER, Utilities Director

TONI WHEELER, Legal Services Director

JAMES WISDOM, Interim Information Systems Director

LAWRENCE AT A GLANCE*

Demographics

Population

1970	45,698
1980	52,738
1990	65,657
2000	80,098
2006 (est.)	88,587

Population by Gender

Male	51.0%
Female	49.0%

Median Age

26.6 years

Ethnic Composition

African American	4.7%
American Indian	2.2%
Asian	5.0%
Hispanic or Latino	4.6%
Other	1.8%
Two or more races	2.7%
White	83.1%

Population Distribution

65 and over	7.5%
45-64	18.4%
25-44	28.7%
18-24	27.7%
5-17	12.6%
Under 5	5.2%

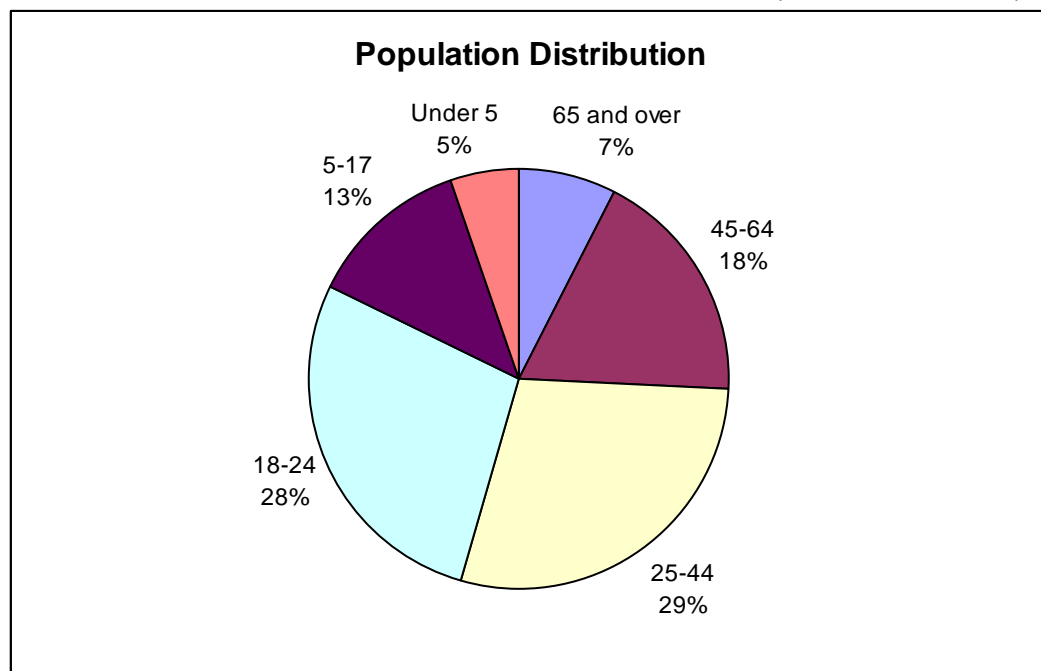
Educational Attainment (over age 25)

9-12, No Diploma	3.1%
High School Diploma	16.5%
Some College	21.3%
Associates Degree	5.5%
Bachelor's Degree	30.9%
Graduate Degree	21.2%

Other Census Information

Average Household size	2.4
Average Family Size	2.98
# of Owner-Occupied Units	17,577
# of Renter-Occupied Units	16,166
# of Vacant Units	2,424

*Information from Lawrence Chamber of Commerce, 2006 ACS 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.

Tax Information

2007 Mill Levies

City of Lawrence	26.787
Douglas County	29.995
School District	57.562
State Levy	1.500
Total	115.844

Tax Assessment Rates

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

2007 City

Assessed Valuation

Real Property	783,439,460
Personal Property	48,008,430
State Assessed	21,143,098
Total	853,590,988

Sales Tax

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

Crime

Crime Indices (per 1,000)

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

City Services (2008 Est.)

Building Permits

Single Family	100
Duplex	10
Multi-Family	50

Fire / Medical

Stations	5
Numbers of Calls	9,031
Staff	146
Number of Inspections	8,108
Fire Insurance Rating	2

Parks & Recreation

Recreation Centers	6
Parks	52
Park Acreage	3,501
Public Pools	4
Public Tennis Courts	18
Trails (miles)	70

Police

Stations	2
Police Officers	142
Patrol Units	35
Calls for Service	126,874

Sanitary Sewer

Plants	1
Miles of sewers	418
Service connections	32,522
Avg daily treatment	10.6 MGD
Pump stations	33

Water System

Plants	2
Miles of water mains	420
Service connections	32,522
Fire hydrants	3,285

Services Provided By Other Governmental Units

Education

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

Hospital

Lawrence Memorial Hospital

Library Services

Lawrence Public Library

Public Employment Agency

Kansas Job Service Center

Public Housing

Lawrence-Douglas County
Housing Authority

Transportation

Location

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

Alternative Means of Transportation:

Lawrence Transit System,
Greyhound, Trailways, Bus 62,
Lawrence Bus Company

Mean Travel Time to Work

18.4 minutes

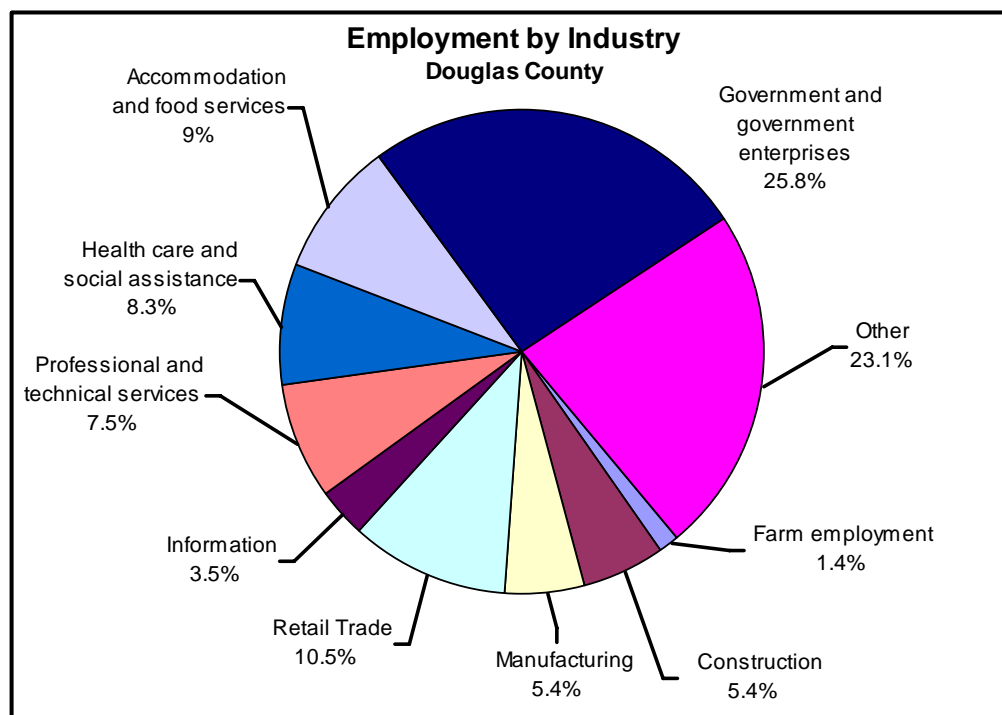
LAWRENCE AT A GLANCE*

Employment Statistics

<u>Unemployment Rate</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
City of Lawrence	3.5%	4.2%	5.1%	4.4%	4.3%	3.7%	3.9%
State of Kansas	4.3%	5.6%	5.4%	5.5%	5.1%	4.5%	4.1%
United States	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%

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
Vangent	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	814
The World Company	Information Services	600
Amarr Garage Doors	Manufacturing	588
K-Mart Distribution Center	Distribution	452
DCCCA Center	Health Services	425



Income Statistics (2005 American Community Survey, US Census Bureau)

<u>Personal Income per Capita</u>	<u>Median Household Income</u>	<u>Median Family Income</u>
\$24,061	\$35,989	\$55,537

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- 32 (general overhead), C-1 through C-3 (Guest Tax), G-1 through G-3 (Special Alcohol)].

The City Commission 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. A summary is published in the Lawrence Journal World and the recommended budget is available on the City's website.

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

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

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
Outside Agency Fund
Capital Improvement Reserve Fund
Wee Folks Scholarship Fund
Equipment Reserve Fund
Fair Housing Assistance Fund
Guest Tax Reserve Fund
Community Development Fund
Liability Reserve Fund

Rehabilitation Escrow Fund
Sales Tax Reserve Fund
Home Program Fund
Law Enforcement Grant Fund
Transportation Planning Fund
Worker's Compensation Reserve Fund
Law Enforcement Trust Fund
Summer Youth Fund

BUDGET CALENDAR

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

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

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

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

BASIS OF BUDGETING

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

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

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

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

- Capital outlay is budgeted as an expenditure in the year purchased.
- Depreciation is not budgeted.
- Encumbrances are treated as expenditures in the year they are encumbered, not when the expense occurs.
- Grants obtained for the construction of assets are considered to be revenues, not capital contributions.

- Gains or losses on the early retirement of debt are considered to increase or decrease the funds available in the year in which they occur and are not capitalized and amortized over the life of the bonds.

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

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

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

City Commission Goals

The City Commission has established a set of strategic goals to guide the work of City Staff. The departments use these goals, as well as their own goals, to prepare 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.

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 neighborhood planning that emphasizes non-automobile access to schools and shopping.
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.

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 cleaner).
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 listed below. The policies in their entirety are provided beginning on page xiv of this section.

- 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 Storm Water.



City of Lawrence

2009

Budget Message
and Overview





City of Lawrence

CITY MANAGER'S OFFICE

DAVID L. CORLISS
CITY MANAGER

City Offices
PO Box 708 66044-0708
www.lawrenceks.org

6 East 6th St
785-832-3000
FAX 785-832-3405

CITY COMMISSION

MAYOR
MICHAEL DEVER

COMMISSIONERS
ROBERT CHESTNUT
DENNIS "BOOG" HIGHBERGER
MIKE AMYX
SUE HACK

November 7, 2008

The Honorable Mayor Michael Dever and
Lawrence City Commissioners
City Hall
Lawrence, Kansas

Dear Mayor Dever and Commissioners,

Budgets reflect priorities. Priorities should change to reflect both the policy directions of elected officials and the necessities of local and national economic conditions. I am pleased to present the 2009 City of Lawrence budget, which seeks to: achieve the goals of the City Commission, balance the demands on public resources with necessary investments in our community, and continue to improve our organizational performance in challenging economic times.

Budget Development Goals

A successful budget is well calibrated to reflect the goals of the City Commission. Our goals in the budget preparation process are to ensure that the process is transparent, accessible, and understandable to the City Commission and the public. Recommended goals as we began preparation of the 2009 budget include:

- Given revenue challenges, strive to maintain 2008 budget levels for expenditures
- Strive to make progress on Commission priorities as they are defined
- Continue to reduce expenditures as possible

As the budget has been developed, we've also focused on:

- Providing a recommended general fund budget which balances projected expenditures to projected revenues
- Continuing to focus on maintaining quality services for residents
- Maintaining existing infrastructure
- Providing for appropriate upward movement in employee compensation while emphasizing pay for performance



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

Revenue Information

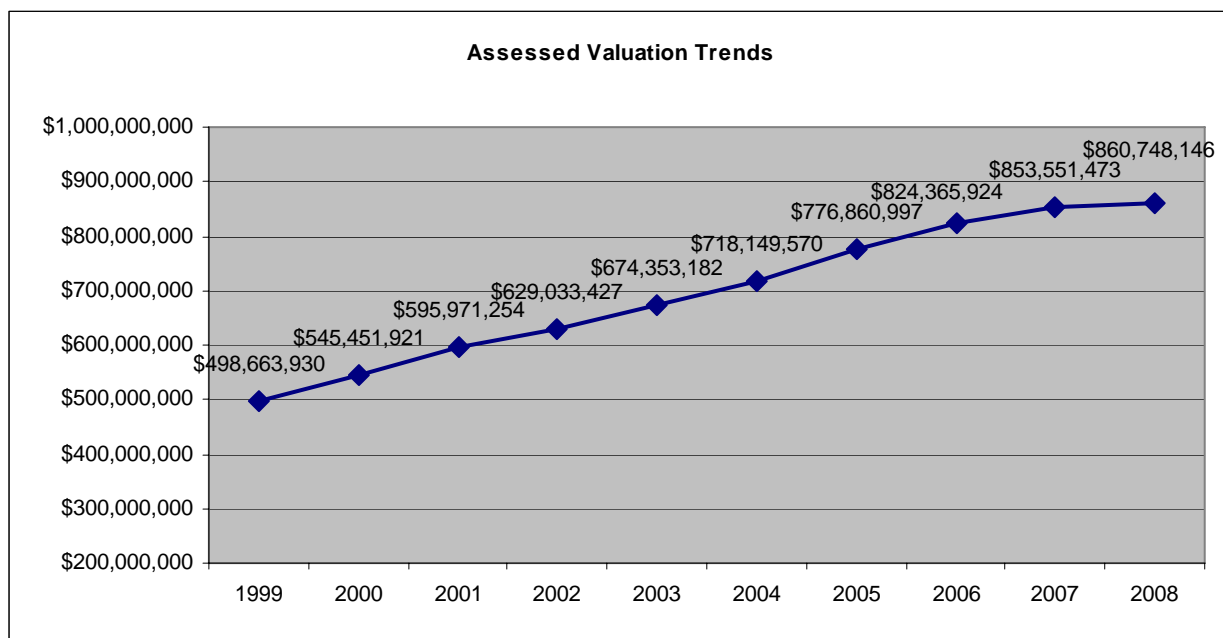
The 2009 budget projects resources from all funds to total \$152,571,143. Of this amount, \$24,730,846 is anticipated to come from property tax. Based on information from Douglas County, 2008 assessed valuation (AV) for the 2009 budget will increase by 0.84%. This results in a total anticipated increase in collections (in all property tax supported funds) of \$185,876. The impact of this increase by fund is illustrated below.

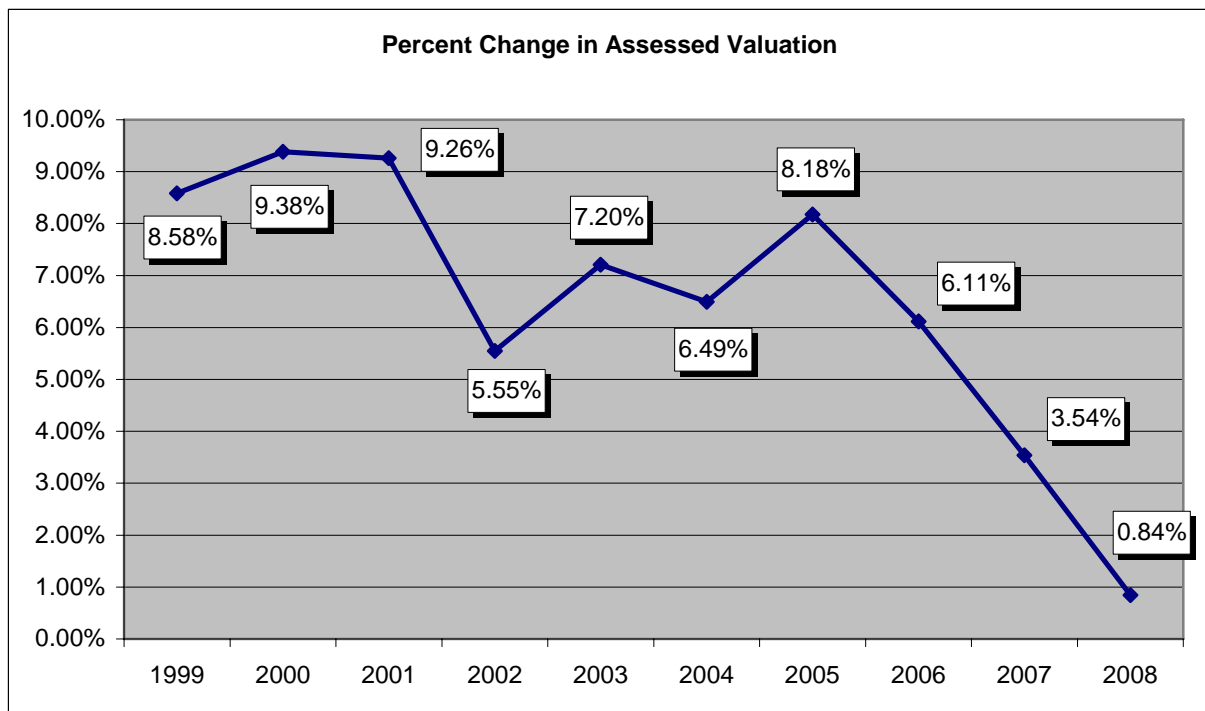
<u>Fund</u>	<u>no AV change</u>	<u>0.84% AV change</u>	<u>Difference</u>
General	\$13,089,558.95	\$13,199,922.86	\$110,363.91
Library	2,692,090.91	2,714,789.13	22,698.22
Transit	*	*	*
Recreation	398,981.26	402,345.24	3,363.99
Bond and Interest	5,864,941.85	5,914,391.79	49,449.94
Total	\$22,045,572.97	\$22,231,449.02	\$185,876.05

* reflects redistribution of transit mill levy

This is less growth than the City has experienced in the recent past. The impact of the slow down in assessed valuation growth is a significant change in our financial picture – as it is in many communities in Kansas and nationwide.

The charts below depict 10-year trends in assessed valuation growth. The first illustrates the increase in the dollar amount of assessed valuation. The second chart shows how growth in assessed valuation has changed. Over the past ten years, assessed valuation has grown at an annual average rate of 6.51%. As stated above, assessed valuation is projected to grow only 0.84% in 2009.





As the table below shows, the budget includes a reduction in the overall mill levy of 0.1 mill for 2009. This reduction is possible through redistribution of the mill currently levied for public transit.

Fund	2008 mill rate	2009 mill rate	Change
General	14.869	15.846	0.977
Library	3.259	3.259	0
Transit	1.171	0	-1.171
Recreation	0.483	0.483	0
Bond and Interest	7.006	7.1	0.094
Total	26.788	26.688	-0.1

Revenues in all funds are projected to increase in 2009 by \$6,630,319 or 4.5% over 2008 budget. The majority of this increase comes from two local sales tax initiatives approved by voters November 4 to fund public transit and streets, sidewalks, trails, equipment, and storm sewers. These taxes will become effective April 1, 2009, providing an additional \$3,759,875 in 2009. A third sales tax of 0.05 percent for transit system enhancements was also approved in November, however revenue from this sales tax was not included in the adopted budget. The 2009 budget will be amended to reflect this additional revenue, which is projected to be \$375,000 in 2009.

Some of this increase can also be attributed to charges for service. The budget contains adjustments to rates that customers will pay for some City provided services in 2009.

- **Solid Waste** - Sanitation rates increase an average of four percent. This increase is attributed to the increase in fuel costs, capital outlay for equipment replacements, and employee compensation.
- **Public Parking** - Revenues and fund balances should be sufficient to continue our current public parking system under the existing fee and fine structures. However, as we continue to draw down our fund balance in this fund, further review of expenditure and revenue projections is necessary. Staff will explore the options for potential fee increases to address long term stability of this fund.
- **Water and Wastewater** – An overall increase of five percent is budgeted for water and sewer services. More information can be found later in this letter.

The City also receives revenues from motor vehicle taxes, which are expected to grow in 2009. In addition, the City will receive a payment from the State to offset the impact of the recent exemption of machinery and equipment totaling \$252,925 in all property tax supported funds. While this is helpful, it is necessary to note that the City's assessed valuation for personal property has now decreased from \$49,008,430 in November 2007 to \$37,844,155 in July 2008.

Economic Trends Affecting Expenditures

Our budget challenges reflect the local and national economic challenges. We are budgeting 40% more for fuel in 2009 than our 2007 actual fuel expenses. The slow down in growth, particularly residential growth which has historically been a strong point, is impacting a number of City revenues. In the first half of 2009 we issued 47 single family building permits, compared to 95 permits in 2007, and 148 permits in 2006. The price of electricity remains a concern with Westar's proposal pending before the Kansas Corporation Commission to increase electricity rates 15% to 20% beginning next year. Material costs are also impacting City operations from the chemicals we purchase for utility facilities to the asphalt we obtain to patch potholes.

General Fund

The budget projects resources in the General Fund to be \$69,792,706. This is an increase over 2008 budget of 11.9% and includes \$3,759,875 of new sales tax revenues. However, this revenue will not remain in the General Fund but will be transferred into the Transportation Fund and Capital Improvement Reserve Fund to fund voter approved initiatives.

The budget also includes \$110,000 of new revenues from expansion of the rental registration program. Additional detail about this program enhancement is outlined below.

In order to balance projected 2009 expenditures with our anticipated 2009 revenues a number of cuts have been continued or made to the General Fund operating budget:

- Funding for the following 15 currently vacant non-public safety positions has been eliminated:
 - Administrative Support III (Administrative Services Department)
 - Planner II (Planning and Development Services Department)
 - Two Zoning Enforcement Officers (Planning and Development Services Department)
 - Management position in Development Services
 - Management Analyst (Finance Department)
 - Information Systems Technician (Information Systems Department)
 - Human Relations Staff Attorney (Legal Department)
 - Municipal Court Clerk (Legal Department)
 - GIS Analyst (Public Works Department)
 - Parks and Recreation eliminated five vacant positions with its budget submittals.

Vacancies in the Police and Fire/Medical Departments have been left funded.

- Additionally, department budget requests were reduced by almost \$3.3 million:
 - Requests of \$2.3 million for the purchase of a ladder truck and a quint in the fire department 2009 budget have been eliminated.
 - the KPERS retirement amount has been reduced based on revised calculations from the State;

- printing, contractual services, training and travel, advertising, and supplies line items in various departments has been reduced;
- replacement of four vehicles has been deferred per recommendations of the fleet manager (this includes two sedans in the fire department, one police vehicle and one public works inspection vehicle);
- contingencies for weather related events in the public works budget have been eliminated;
- transfers from the general fund to the worker's compensation, equipment capital and liability reserve funds have been reduced.

In addition to department reductions, the health department request has been reduced to reflect a 1% increase over 2008 budgeted levels (this amount does provide for an increase in health insurance). Requests from outside agencies are funded at \$1,369,984, which reflects City Commission direction on these funding levels.

The position and expenditure reductions will have an impact on City operations and services. Despite these impacts, it is our role to ensure that the Lawrence community continues to receive the highest level of services even during a difficult financial period.

Sales Tax Initiatives

As discussed earlier, the budget includes expenditures of \$3,759,875 from two proposed sales tax referenda: 0.2-percent for transit (\$1,503,950) and 0.3 percent for infrastructure and equipment (streets, sidewalks and trails, storm sewer, fire apparatus) (\$2,255,925). The creation of a Commission-appointed Sales Tax Audit committee composed of local citizens will occur early in 2009. The sole charge of the committee will be to confirm that all of these new revenue sources are being spent pursuant to authorized purposes.

With approval of the transit sales taxes, the City has the dedicated resources to combine our transit system with the University of Kansas transit system – ensuring substantial continuing resources to serve both community and KU student needs in an integrated system.

Our recent citizen survey indicated that street maintenance was among the highest priorities of our citizens – the voter approved infrastructure and equipment sales tax will provide the resources to “put our money where our mouth is.” With approval of this sales tax, the community will be able to make substantial progress on a backlog of needed infrastructure and equipment improvements. These improvements include: the North Lawrence Maple Street stormwater pump project; the Burroughs Creek rail/trail, fire apparatus, substantial additional investments in residential street maintenance and sidewalk gap projects, and the rehabilitation and rebuilding of several major arterial and collector streets.

Investments and Program Improvements

The 2009 budget reflects general City Commission direction on the following community investments.

Economic Development

A challenging budget situation requires us to generally pause in our ability to add services and programs. We should not add to permanent expenditures unless we can point to either a permanent reduction in other expenditures or a sustainable growth in revenues. An exception to this practice is generally in the area of economic development investment when investments in our future growth will

hopefully produce long term revenue growth for the City. The Lawrence-Douglas County Biosciences Authority is seeking a 10 year pledge of \$75,000 per year. The 2009 budget includes \$75,000 for the City's contribution for the Lawrence-Douglas County Biosciences incubator facility. We will be able to use general fund resources to pay the first installment in the first quarter of 2009. Future budgets will be built to fund this continuing commitment.

The 2009 capital improvement budget includes debt funding for future economic development infrastructure projects. In addition, the Water and Wastewater Fund includes \$200,000 for economic development-related infrastructure projects.

As in previous budget transmittal letters, I continue to urge perseverance in building our economic future. City staff stands ready to do its part in facilitating and growing our tax base and jobs for the community. While not all of our current economic conditions can be attributed to our local lethargy in economic growth, our failure to make substantial progress in economic growth in the future will hamper our ability to fund our needs and wants in the years to come.

Street Maintenance

Street maintenance should remain a top priority of the City Commission. While we have made some progress, in some areas – we are still not able to provide sufficient resources to maintain our streets and curbs. The budget provides slightly over \$5 million in our street maintenance budget for 2009. This is slightly more than in 2008.

Program Enhancements

The 2009 budget includes a number of department enhancements that will improve the effectiveness and efficiency of the organization. Some of these enhancements have associated costs, however, revenues or savings generated by the enhancements are anticipated to offset these costs. These enhancements are described below.

Residential Rental Inspection Program

The 2009 budget includes expansion of our current successful rental registration/inspection program (currently limited to rentals in single-family zoned neighborhoods) to include inspection of rental properties in the city constructed 50 years ago or more. Staff believes that the greatest threat to tenant health and safety exists in our oldest rental structures. We do not believe that the more recently constructed rental properties and apartments have an equal threat to tenant health and safety in comparison to older structures. Our experience in responding to tenant complaints and concerns from neighbors near or adjacent to older rental buildings strongly indicates that focusing on older structures is the best next step in ensuring the safety of rental housing and the integrity of structures used for those purposes.

Energy Conservation

Our Climate Protection Task Force continues their work at examining what our community and City government can do to respond to our changing climate and continuing environmental concerns. While the City has made progress on a number of energy conservation measures in the past, most of our work has been patchwork and without publicity. Staff plans to make energy conservation among City operations a top management priority in 2009. We are already gathering information on the possible

use of performance contracting to maximize any City expenditures in this area. We know that it may take City funds in order to save City funds.

Examples of other program enhancements in the 2009 budget include installation of VMWare, server consolidation, and creation of an onsite wellness clinic. Staff will also continue to explore other program enhancements such as document management and workflow, as well as false alarm fees for fire alarms. We will continue to look for opportunities to increase the efficiency and effectiveness of our organization – while improving the quality of life enjoyed by Lawrence citizens.

Employee Compensation

In 2008, the compensation program included a 2.0% general wage adjustment, for which all employees were eligible, and merit increases of 2½% to 5% for all employees who were not at the top of their pay range. Approximately 33% of employees city-wide are currently at the top of their pay range, and thus not eligible for merit increases.

Using the same parameters for 2009, the increase to the City's General Operating Fund alone would be more than \$1,000,000 requiring a property tax mill levy increase to the general fund or a reduction of expenditures.

In addition to the general wage adjustment and merit increases, employees with five or more years of employment are eligible to receive longevity. The longevity payment is discretionary and is calculated at a rate of \$48 per year. If funded at this level in 2009, this program would have cost an additional \$260,000 in the General Fund.

The 2009 budget includes \$880,000 for all compensation adjustments in the General Fund. Further, in 2009, we plan to emphasize pay for performance principles and recommend allocating the majority of our limited resources based on merit. As compensation is an on-going expense, funding through on-going revenues, like the mill levy, is preferable to one-time funding (e.g. transfers from reserve funds to purchase equipment or provide maintenance.) This compensation level requires revenues equivalent to approximately 1 mill. The current transit mill levy is 1.171, generating approximately \$1,000,000 annually. The bulk of the transit mill levy has been moved to the general fund.

We are budgeting for an increase to our self-funded healthcare program of \$190,978 for all funds (general fund portion of \$110,220.) The City's share of this increase will be funded through retained earnings in the health insurance fund. Additionally, City employee costs for single health insurance coverage remain unchanged while City employee premiums for family and dependant coverage will increase modestly to cover increasing health insurance costs.

Additional Notes on Other Major City Funds

Water and Wastewater Utility Fund – The budget includes a 12% increase in water rates and no increase in sewer rates. This equates to an overall increase in utility rates of 5%. The slow down in the local/national economy is also impacting our water/wastewater utility fund. We are not likely to meet our 2008 projected revenues and we are adjusting both operating and capital budgets to reflect this changing situation. As the Commission knows, we have delayed our planned construction of the wastewater facility along the Wakarusa River. Expansion of several sanitary sewer projects which will respond to anticipated growth in our community are included in the budget: the Four Seasons sewer holding facility, the enlargement of Pump Station No. 25 and force main located at East Hills, and the anaerobic digester improvements at the wastewater treatment plant. These projects were planned in

earlier master plans and are necessary to meet current and projected short-term growth needs. We are able to keep our sanitary sewer rates at the same rates as in 2008, by not proceeding with several other sanitary sewer projects in 2009 – including the Wakarusa facility and sewer improvements to the airport and airport area.

Our expanded Clinton Water Treatment facility along Wakarusa Drive is proceeding with construction. Full operation in 2009, along with service on the debt for this facility, is increasing our costs for the operation of the water utility and the rates necessary to pay these costs. Additionally, a rate increase is included for the water utility to respond to rising costs and to respond to one of two critical needs: either the rehabilitation of the raw water intake along the Kansas River or the first phase of the “Noreaster” waterline project to provide a secondary source of potable water to North Lawrence. We are unlikely to afford both projects at this time. The City Commission will be fully briefed on these projects – and the substantial list of other utility projects that we are deferring because of the slow down in utility revenue – prior to adoption of any change in utility rates to fund these projects.

Library - The City will provide a total of \$3,051,000 – the amount requested by the Library - in City resources in 2009. Because this fund is solely reliant on property tax revenue, the impact of relatively flat assessed valuation is significant. Use of fund balance may be necessary to provide sufficient resources to fund the Library without affecting the mill levy rate associated with this fund in 2009.

Recreation –Pool fees remain unchanged in 2009. We will need to continue to monitor the impact of general fund staff reductions on our recreation activities and our ability to support programming with reduced maintenance funding and staffing levels.

Guest Tax - For the 2009 budget, changes were made to the level of expenditures for the Sister Cities program and the Transient Guest Tax Reserve Fund. Adoption of the budget eliminated the previous administrative policy to reflect these changes.

Golf – While expenses and revenues are largely weather dependent, budgeted revenues are projected to meet or exceed projected expenditures at the golf course in 2009. An increase in contingency is budgeted for 2009 to achieve the state fund balance requirement.

We are not standing still with this budget. We are making progress and improvements in a number of areas. We asked the community to make a continuing investment in our transit system and in our infrastructure – and they responded with overwhelming support for all three ballot initiatives. We should also examine our assessed valuation projections and be prepared to adjust our projections in line with changing economic conditions.

I believe all City staff members seek to wisely use the public resources that are provided. The creation of the annual City budget in challenging economic times is also challenging. I want to specifically acknowledge the work of Cynthia Boecker and Casey Toomay, who along with Diane Stoddard, Jonathan Douglass and Ed Mullins, helped prepare this document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Corliss". The signature is stylized with a large, looping initial "D" and a cursive "Corliss".

David L. Corliss
City Manager

FUND OVERVIEW

CITY OF LAWRENCE, KANSAS FUND OVERVIEW

PROPERTY TAX SUPPORTED FUNDS

General Fund

The 2009 budget anticipates utilization of a portion of the transit mill levy, which was eliminated in 2009 based on voter approval of two sales tax referenda. Additionally, total revenues reflect collection of the new sales taxes, which will then be transferred into the Transportation Fund to fund the transit system and the Capital Improvement Reserve Fund for infrastructure and equipment programs. The budget also includes \$110,000 of new revenues from expansion of the rental registration program and \$880,000 for compensation adjustments. In order to balance projected 2009 expenditures with anticipated 2009 revenues a number of cuts have been continued or made to the General Fund operating budget, including elimination of 15 currently vacant non-public safety positions. Vacancies in the Police and Fire Medical Departments have been left funded. Requests from outside agencies are funded at \$1,444,984, which reflects City Commission direction on these funding levels. The General Fund (via the Public Works Department budget) continues to provide funding for an enhanced street maintenance program following previous City Commission.

Library

The City will provide a total of \$3,051,000 – the amount requested by the Library - in City resources to the Lawrence Public Library in 2009. Because this fund is solely reliant on property tax revenue, the impact of relatively flat assessed valuation is significant. Use of fund balance will be necessary to provide sufficient resources to fund the Library without affecting the mill levy rate associated with this fund in 2009.

Recreation

This fund benefits from the slight increase in assessed valuation but has no increase in the mill levy. Other revenue sources (costs for services and program, sales tax support) are anticipated to remain increase slightly based on number of program participants in 2009.

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 increases slightly, taking into reflecting the elimination of the transit mill levy.

SPECIAL REVENUE FUNDS

Guest Tax

According to information provided by the Lawrence Convention and Visitors Bureau in their 2009 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 2009 budget includes a reserve fund of slightly more than \$150,000 for additional events and attractions designed to bring sales tax dollars into the community.

Public Transportation

Due to the successful passage of the transit sales tax, the City will have the dedicated resources to merge our transit system with the University of Kansas transit system – ensuring substantial continuing resources to serve both community and KU student needs in an integrated system. The 2009 budget includes elimination of the transit mill levy.

Special Alcohol

Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. The 2009 budget estimates approximately 3% growth over the 2008 level. Expenditures related to the salary and benefits for three of the City's School Resource Officers, who provide drug and alcohol prevention training at Lawrence Public Schools, will be funded out of the Special Alcohol Fund. Additionally, \$312,150 is allocated to outside agencies.

CITY OF LAWRENCE, KANSAS FUND OVERVIEW

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. However, only a slight increase is projected for 2009 due to the continued fluctuation in fuel costs and the effects on sales statewide. Revenue projections are based on data from the Kansas League of Municipalities.

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 2009, expenditures are expected to be slightly less than 2008 levels due to increased capital needs.

ENTERPRISE FUNDS

Water and Wastewater Fund

The 2009 budget includes an overall increase in utility rates of 5%. The slow down in the local/national economy is impacting this fund. It is unlikely that 2008 projected revenues will be met. Adjustments have been made to both operating and capital budgets to reflect this changing situation. Planned construction of the wastewater facility along the Wakarusa River has been delayed. The budget does anticipate proceeding with the expansion of several sanitary sewer projects which will respond to anticipated growth in the community: the Four Seasons sewer holding facility, the enlargement of Pump Station No. 25 and force main located at East Hills, and the anaerobic digester improvements at the wastewater treatment plant. These projects were planned in earlier master plans and are necessary to meet current and projected short-term growth needs. Full operation of the Clinton Water Treatment Facility in 2009, along with service on the debt for this facility, is increasing costs for the operation of the water utility and the rates necessary to pay these costs. Two critical needs exist in the water system: rehabilitation of the raw water intake along the Kansas River and the first phase of the "Noreaster" waterline project to provide a secondary source of potable water to North Lawrence. Completion of both projects is not likely in 2009.

Solid Waste

Solid waste fees will increase \$0.51 monthly for residential customer for 2009. This increase in rates will provide revenue for operating the residential, commercial, and recycling divisions of this fund.

Public Parking

Revenues and fund balances should be sufficient to continue our current public parking system under the existing fee and fine structures. However, as we continue to draw down our fund balance in this fund, further review of expenditure and revenue projections is necessary. Staff will explore the options for potential fee increases to address long term stability of this fund in 2009.

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. Primary expenditures in this fund are debt service payments for previously completed projects.

Public Golf

Efforts continue to balance revenue with expenditures for this fund, which is subject to conditions such as weather and the economy in ways that can affect the bottom line.

2009 Budget Fund Summary of Resources by

	Property Tax Supported Funds			Debt Service Fund	Special Revenue Funds	
	General 001	Library 209	Rec. 211	Bond/Int. 301	Guest Tax 206	Pub. Tran. 210
RESOURCES						
Ad Valorem Taxes	14,722,087	3,006,239	447,600	6,554,920		0
Other Taxes	32,917,630			2,300,000	846,300	
Licenses/Permits	1,095,493					
Intergov. Revenue	4,184,972					595,000
Charges for Service	463,245		1,504,100			312,000
Fines /Forfeitures	2,600,000					
Use of Money/Prop	800,000		122,500	300,000		
Miscellaneous	314,577	32,179	4,768	169,173		
Spec. Assessment	0					
Transfers In	3,312,883	0	1,447,000	0		1,503,950
Fund Bal. Fwd.	9,381,818	72,047	350,204	4,332,918	39,019	129,065
TOTAL	\$ 69,792,705	\$ 3,110,465	\$ 3,876,172	\$ 13,657,011	\$ 885,319	\$ 2,540,015
EXPENDITURES						
Personal Services	37,957,720		2,937,700			90,070
Contractual Services	9,121,488	3,051,000	439,459		846,300	1,667,439
Commodities	5,134,732		271,967			667,975
Capital Outlay	394,800		-			-
Debt Service	-		-	13,065,000		-
Transfers Out	13,742,875		-			-
Contingency	200,000		50,000			-
TOTAL	\$ 66,551,614	\$ 3,051,000	\$ 3,699,126	\$ 13,065,000	\$ 846,300	\$ 2,425,484
further details available on pages	B-1 to B-63	D-1 to D-5	F-1 to F-5	J-1 to J-8	C-1 to C-3	E-1 to E-5

Resources by Classification for all Budgeted Funds 2007 - 2009

	2007	2008	2008	2009
RESOURCES	Actual	Adopted	Estimated	Budget
Ad Valorem Taxes	23,768,769	24,536,856	24,493,856	24,730,846
Other Taxes	34,098,089	34,614,489	34,765,026	40,041,247
Licenses/Permits	928,922	978,500	878,500	1,095,493
Intergov. Revenue	3,539,221	4,658,108	4,180,053	4,779,972
Charges for Serv.	44,435,606	47,013,650	46,280,841	46,969,080
Fines /Forfeitures	2,499,828	2,500,000	2,550,000	2,600,000
Use of Money/Prop	2,392,925	1,405,000	1,405,000	1,359,500
Miscellaneous	392,763	350,000	350,000	520,697
Spec. Assessment	-	-	-	-
Transfers In	5,791,362	4,623,880	4,631,588	6,263,833
Fund Bal. Fwd.	43,075,583	25,260,081	39,137,704	24,210,474
TOTAL RESOURCES	160,923,068	145,940,564	158,672,568	152,571,142

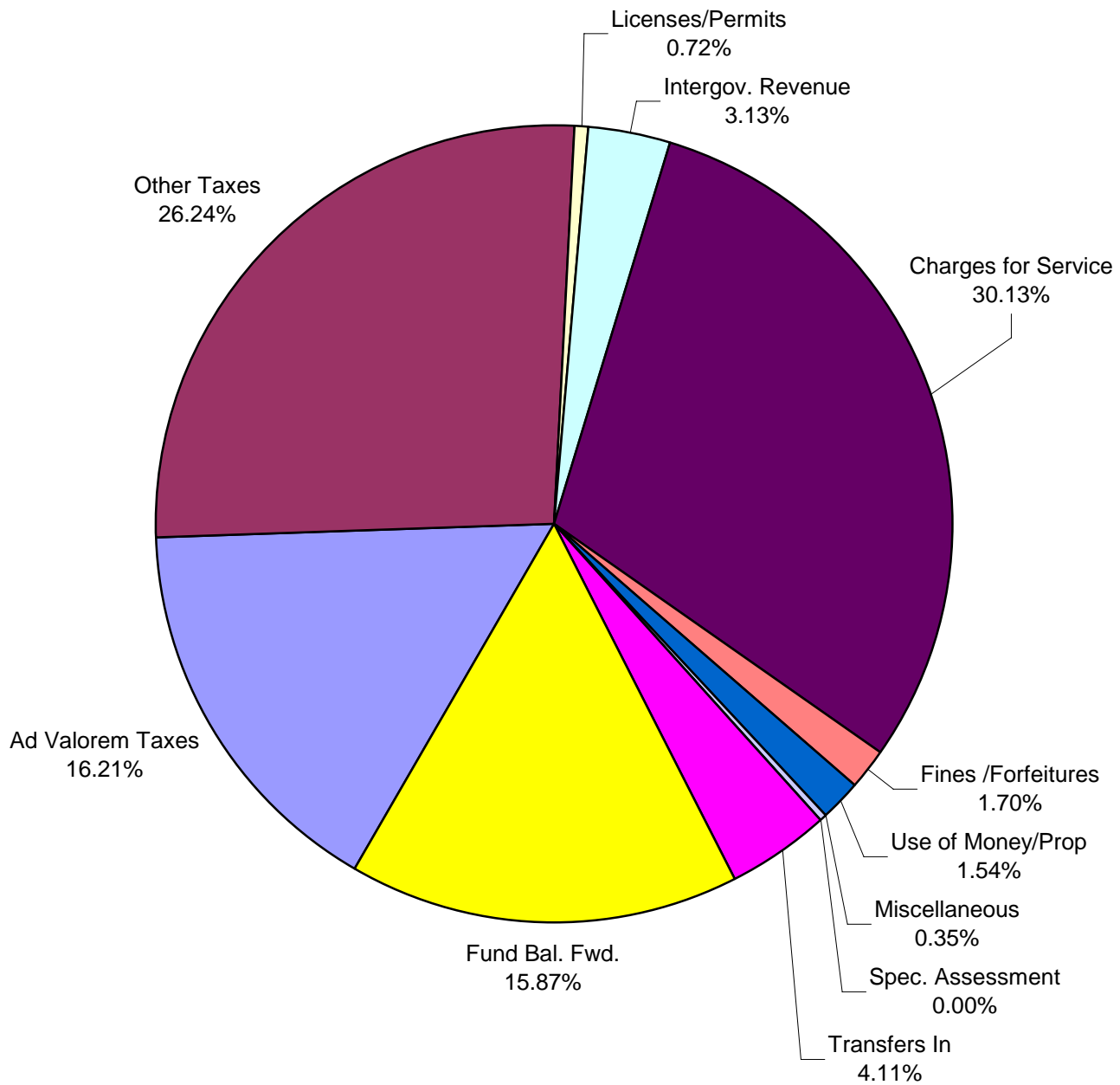
Classification and Expenditures by Category

			Enterprise Funds					
Spec. Alchl 213	Spec. Gas 214	Spec. Rec. 216	Wtr/ Wstwr 501	Solid Waste 502	Pub. Parking 503	Strm Water 505	Pub. Golf 506	TOTAL
594,228	2,788,861	594,228						24,730,846
								40,041,247
								1,095,493
								4,779,972
			29,228,400	9,695,335	935,500	2,850,000	980,500	45,969,080
								2,600,000
			1,000,000	100,000	10,000	20,000		2,352,500
						7,000		527,697
								0
								6,263,833
10,384	257,275	10,091	6,811,530	1,604,652	232,727	794,902	183,841	24,210,474
\$ 604,612	\$ 3,046,136	\$ 604,319	\$ 37,039,930	\$ 11,399,987	\$ 1,178,227	\$ 3,671,902	\$ 1,164,341	\$ 152,571,142
250,000	1,747,133	48,605	9,392,818	6,390,392	832,087	760,586	469,272	60,876,382
312,150	480	290,500	5,734,823	2,556,472	116,425	134,790	136,000	24,407,326
-	1,010,800	81,000	3,650,650	890,653	100,775	291,400	239,900	12,339,852
-	195,000	160,000	838,000	1,062,000	30,000	485,000	68,000	3,232,800
-	-	-	9,000,000	-	-	940,830	-	23,005,830
-	-	-	6,284,858	386,025	65,000	804,000	-	21,282,758
15,000	-	10,000	610,000	-	10,000	100,000	200,000	1,195,000
\$ 577,150	\$ 2,953,413	\$ 590,105	\$ 35,511,148	\$ 11,285,542	\$ 1,154,287	\$ 3,516,606	\$ 1,113,172	\$ 146,339,948
G-1 to G-3	H-1 to H-5	I-1 to I-4	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	

Expenditures by Category for all Budgeted Funds 2007 - 2009

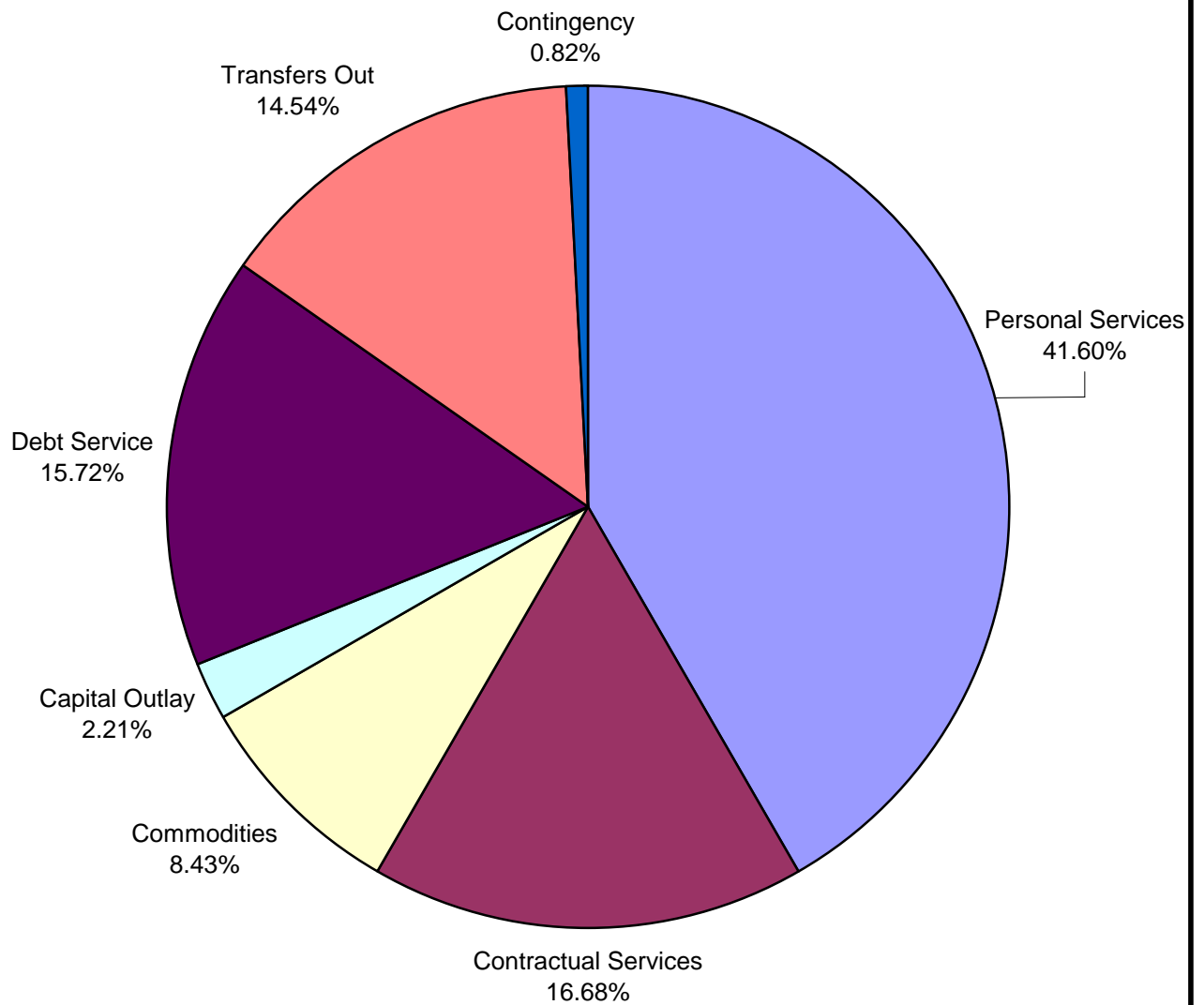
	2007	2008	2008	2009
EXPENDITURES	Actual	Adopted	Estimated	Budget
Personal Services	55,796,956	60,335,745	60,335,745	60,876,382
Contractual Services	22,263,621	24,032,780	23,143,217	24,407,326
Commodities	9,395,933	11,253,633	10,985,465	12,339,852
Capital Outlay	1,963,812	3,441,341	3,404,811	3,232,800
Debt Service	17,657,071	22,019,663	22,119,663	23,005,830
Transfers Out	14,831,600	18,494,588	13,294,588	21,282,758
Contingency	126,309	1,264,605	1,178,605	1,195,000
TOTAL EXPENDITURES	122,035,302	140,842,356	134,462,094	146,339,948

2009 Budgeted Resources by Classification:
Total - \$152,571,143

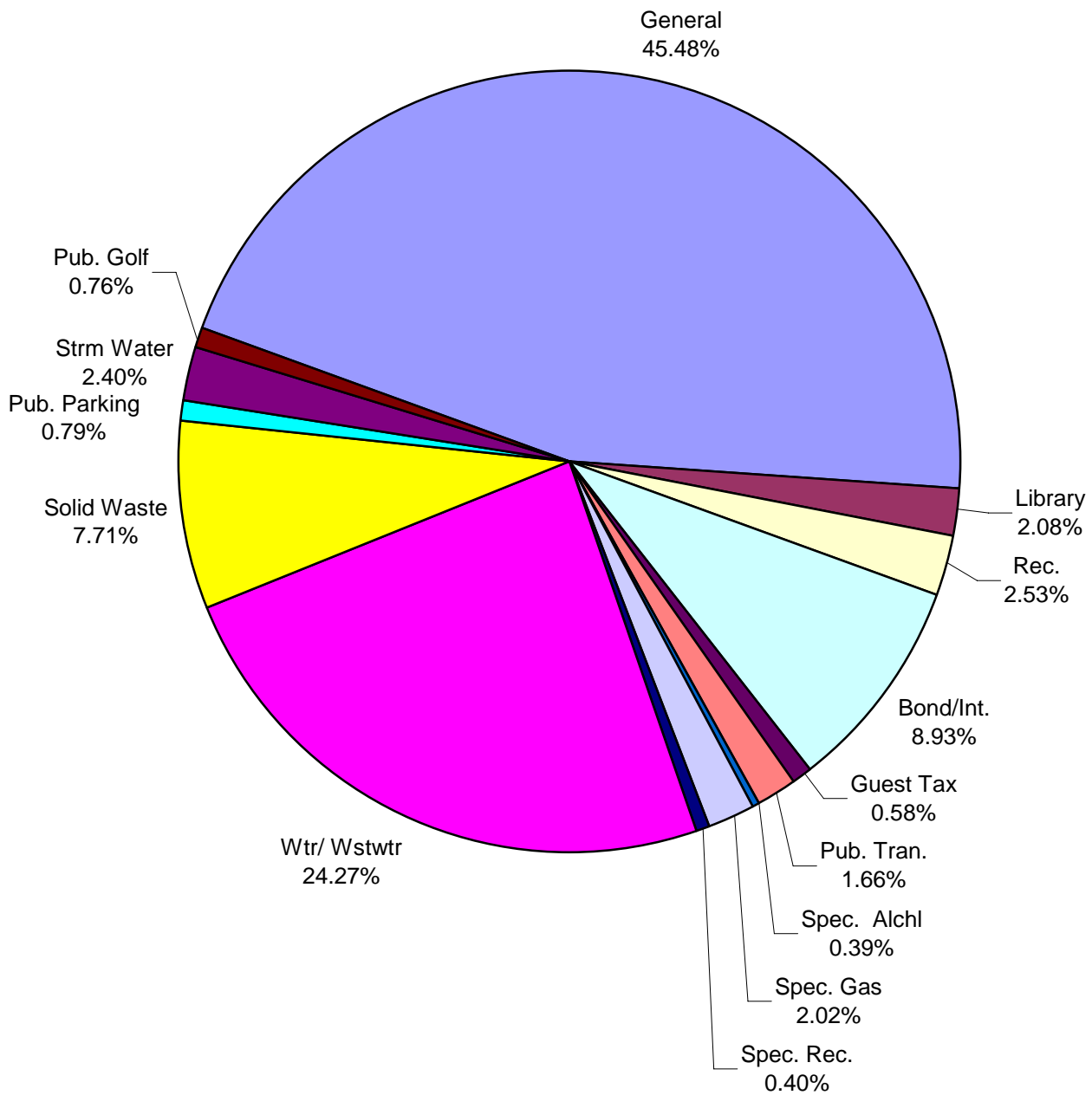


"Other Taxes" includes local and countywide sales tax, liquor tax, fuel tax, transient guest tax, etc.

2009 Budgeted Expenditures by Category:
Total - \$146,339,949



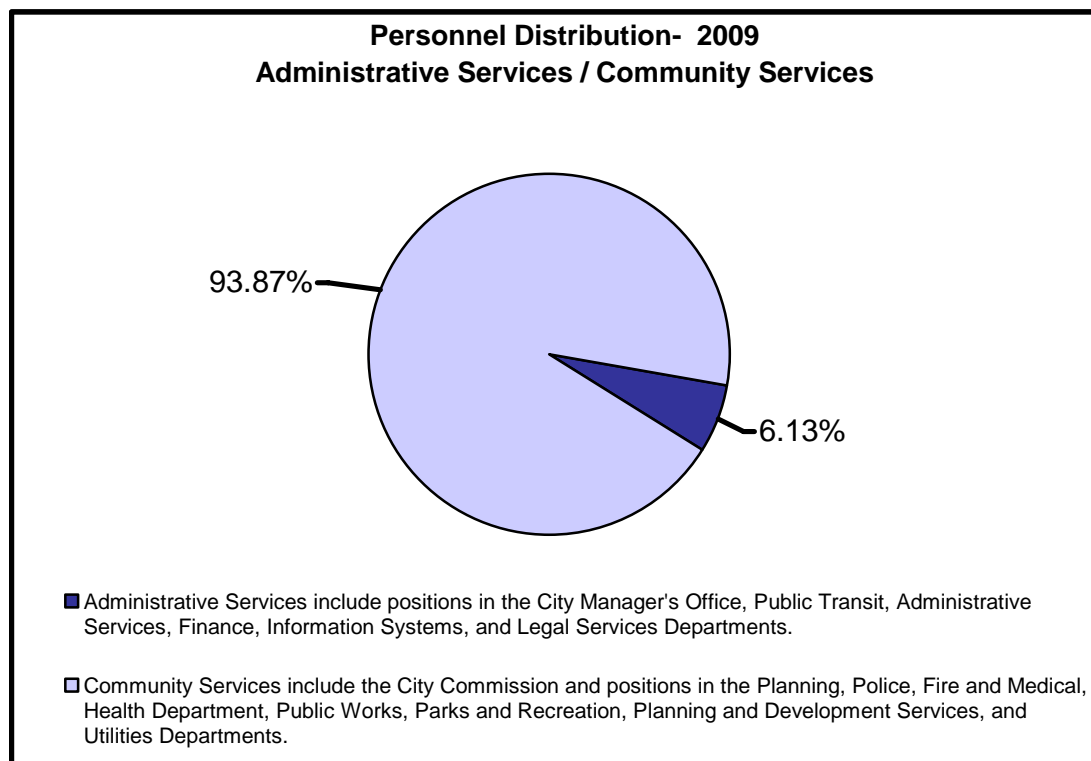
2009 Budgeted Expenditures by Fund:
Total - \$146,339,949



CITY OF LAWRENCE PERSONNEL SUMMARY

DEPARTMENT	<u>AUTHORIZED POSITIONS (FTEs)</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
City Commission	5.00	5.00	5.00
City Manager's Office	9.50	8.00	8.00
Planning and Development Services	31.65	30.12	29.72
Administrative Services	10.50	9.50	8.50
Finance	5.13	5.13	4.13
Information Systems	9.00	8.00	7.00
Legal Services*	26.00	24.00	22.00
Police	176.00	176.00	176.00
Fire and Medical	146.00	143.00	143.00
Health	1.00	1.00	1.00
Public Works	174.75	173.75	172.75
Parks and Recreation	76.28	76.28	71.78
Public Transit	0.40	0.40	0.40
Utilities	133.76	135.26	135.26
TOTAL	804.97	795.44	784.54

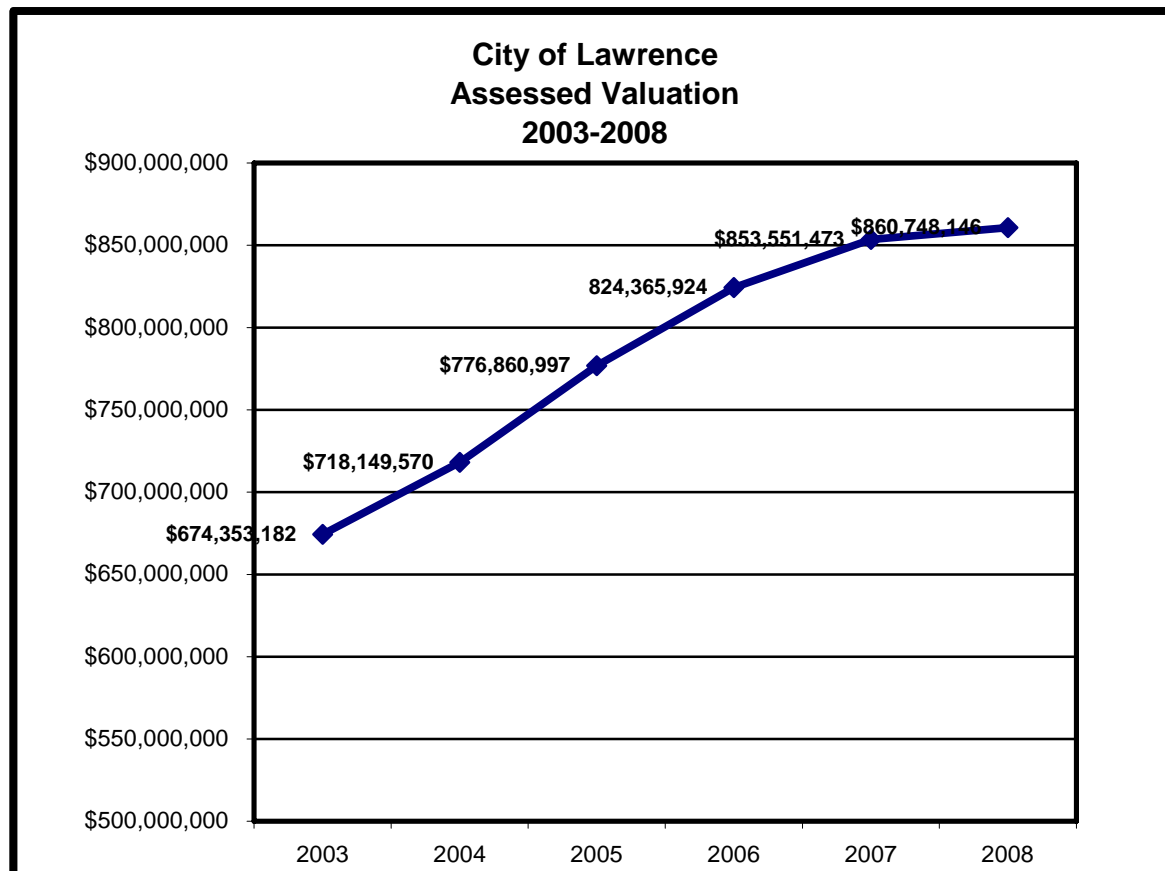
* Human Relations was merged with Legal Services in 2008.



COMPUTATION OF AD VALOREM TAX REQUIREMENTS AND MILL LEVY

2008 ESTIMATED ASSESSED VALUATION: \$ 860,748,146

FUND NUMBER	FUND	2009 REQUIREMENTS	ADD 3.2% DELIN- QUENT TAXES	AD VALOREM TAX REQUIREMENT	MILL RATE
Property Tax Levy Funds					
001	General Operating	13,199,923	439,492	13,639,415	15.846
209	Library	2,714,789	90,389	2,805,178	3.259
210	Public Transportation	0	0	0	0.000
211	Recreation	402,345	13,396	415,741	0.483
	<i>Sub Total Property Tax Levy Funds</i>	16,317,057	543,277	16,860,334	19.588
Supplemental Tax Levy Funds					
301	Bond and Interest	5,914,392	196,920	6,111,312	7.100
	<i>Sub Total Supplemental Tax Levy Funds</i>	5,914,392	196,920	6,111,312	7.100
	GRAND TOTAL	22,231,448	740,197	22,971,646	26.688



FUND EXPENDITURE SUMMARY

2007-2009

Fund #	Fund Description	2006 Mill Levy	Actual 2007 Expenditures	2007 Mill Levy	Budget 2008 Expenditures	2008 Mill Levy	Proposed 2009 Expenditures
Property Tax Levy Funds							
001	General Operating	14.869	\$ 52,979,452	14.869	\$ 58,070,229	15.846	\$ 66,551,614
209	Library	3.259	2,950,000	3.259	2,950,000	3.259	3,051,000
210	Public Transportation	0.746	1,457,535	1.171	1,754,423	0.000	2,425,484
211	Recreation	0.483	3,216,204	0.483	3,473,598	0.483	3,699,126
	<i>Sub Total Property Tax Levy Funds</i>	19.357	\$ 60,603,191	19.782	\$ 66,248,250	19.588	\$ 75,727,224
Supplemental Tax Levy Funds							
301	Bond and Interest	7.006	\$ 9,743,869	7.006	11,720,000	7.100	13,065,000
	<i>Sub Total Supplemental Tax Levy Funds</i>	7.006	\$ 9,743,869	7.006	\$ 11,720,000	7.100	\$ 13,065,000
Non-Property Tax Levy Funds							
206	Guest Tax		\$ 785,206		\$ 850,000		\$ 846,300
213	Special Alcohol		644,839		653,154		577,150
214	Special Gas Tax		2,730,098		2,851,711		2,953,413
216	Special Recreation		585,775		597,400		590,105
501	Water and Sewer		32,006,157		39,785,414		35,511,148
502	Sanitation		9,722,086		11,003,901		11,285,542
503	Public Parking		1,013,825		1,198,844		1,154,287
505	Storm Water Utility		3,434,092		3,503,149		3,516,606
506	Public Golf Course		765,414		972,940		1,113,172
	<i>Sub Total Non-Property Tax Levy Funds</i>		\$ 51,687,492		\$ 61,416,513		\$ 57,547,723
	GRAND TOTAL	26.363	\$ 122,034,552	26.788	\$ 139,384,763	26.688	\$ 146,339,948
	Taxes per \$1000 Valuation	26.36		26.788		26.688	

VALUE OF YOUR CITY OF LAWRENCE PROPERTY TAX DOLLAR

To estimate your City Property Tax bill for 2009:

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

$$\begin{array}{rcl} \text{Market value of home} & = & \$150,000 \\ & \times & 11.50\% \\ \hline \text{assessed valuation} & = & \$17,250 \end{array}$$

Second, multiple your assessed valuation by the 2009 mill rate levied by the City and divide by \$1,000:

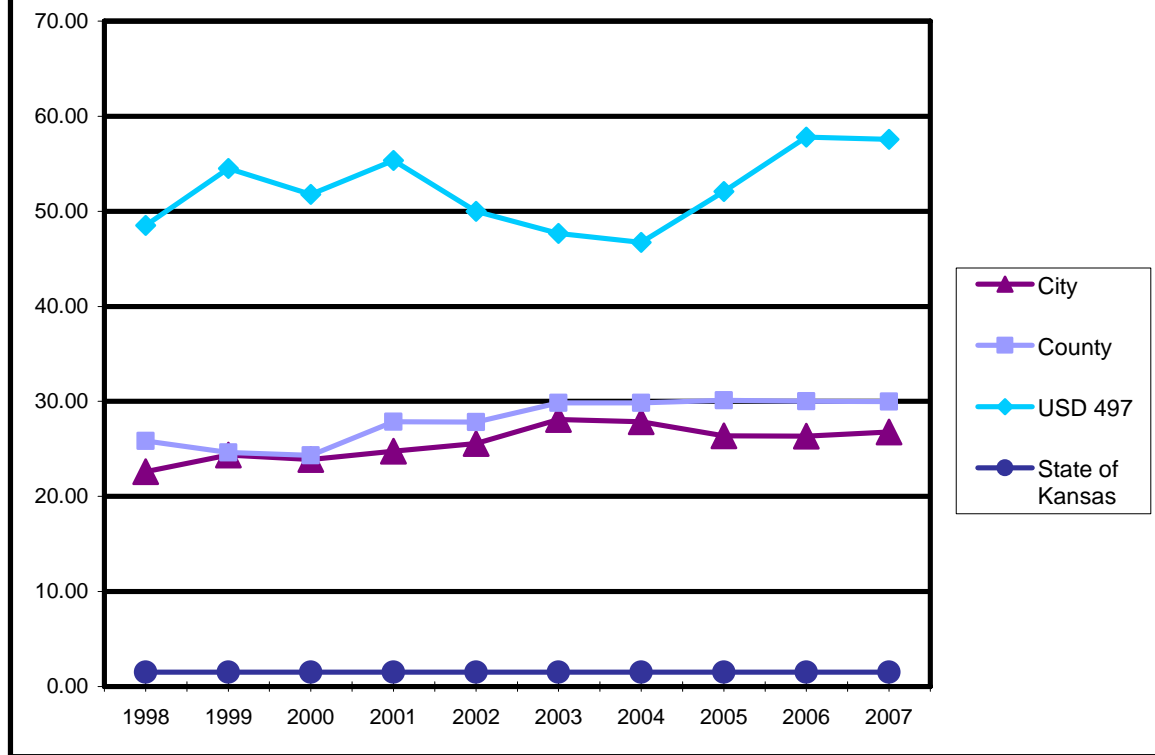
$$\begin{array}{rcl} \text{assessed valuation} & \$ & 17,250 \\ \times \text{ 2009 City mill rate} & & 26.688 \\ \hline & \$ & 460,368.00 / 1,000 = \end{array}$$

$$\text{Estimated 2009 City Tax liability} = \$ 460.37$$

For residential property, the City tax bill equates to approximately \$3.07 for each \$1,000 of the fair market value.

Fair Market Value of Home	Assessed Valuation	Approx. City Tax Bill	
		Mill Rate =	26.688
100,000	\$ 11,500.00	\$	306.91
125,000	\$ 14,375.00	\$	383.64
150,000	\$ 17,250.00	\$	460.37
175,000	\$ 20,125.00	\$	537.10
200,000	\$ 23,000.00	\$	613.82
225,000	\$ 25,875.00	\$	690.55
250,000	\$ 28,750.00	\$	767.28
275,000	\$ 31,625.00	\$	844.01
300,000	\$ 34,500.00	\$	920.74
350,000	\$ 40,250.00	\$	1,074.19
400,000	\$ 46,000.00	\$	1,227.65
450,000	\$ 51,750.00	\$	1,381.10
500,000	\$ 57,500.00	\$	1,534.56

Comparison of Local Levies - City, County, School District, and State: 1998-2007



Year	City	County	USD 497	State of Kansas	Total
1998	22.60	25.84	48.50	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	115.67
2007	26.79	29.99	57.56	1.50	115.84

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 2009 budget complies with this requirement. The budget also includes expenditure line items, which are not planned to be made to allow the City to project for a greater fund balance than what is required by State law.

A brief explanation is provided below for each significant change in fund balance. For purposes of this analysis, changes in fund balance of more than five percent are considered significant.

General Operating Fund - Increased personal services costs as well as an increase in commodities, and the transfers to other funds translate into a 4.87% fund balance.

Recreation – Increases in the costs associated with operating recreation facilities with little revenue growth will result in a projected fund balance of 4.79%.

Bond/Interest - The need for several City-at-large capital improvement projects will require spending some of the accumulated fund balance. However, the projected fund balance will be 4.53% of the budgeted expenditures.

Special Gas – The slight increase in expenditures for 2009 coupled with spending down the fund balance in previous years results in a fund balance of 3.14% in 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 2008, but at a level of 4.74% of the budgeted expenditures.

Solid Waste - Increases in personal services will result in a fund balance of just over 1% of the budgeted expenditures in this fund.

Public Parking – Increased personnel costs associated with operating and maintaining the public parking system result in a projected fund balance of 2.07%.

Storm Water Utility – No increase in revenues is expected and a slight increase is budgeted in expenditures, which includes a transfer to allow for the future construction of capital projects. The result is a projected fund balance of 4.42%.

Public Golf – Due to the weather dependent nature of golf operations, revenue projections are conservative for 2009. Budgeted expenditures have increased due to a large contingency in order to achieve the statutory limit on fund balance.

CITY OF LAWRENCE, KANSAS

PROJECTION OF FINANCIAL CONDITION

FUND	1/1/08 Balance	2008 Revenue	2008 Expenditures	12/31/08 Balance	Percent Fund Balance
General	\$11,449,526	\$54,763,418	\$56,831,125	\$9,381,819	16.51%
Library	134,748	2,958,299	3,021,000	72,047	2.38%
Transportation	546,504	1,365,405	1,782,844	129,065	7.24%
Recreation	495,308	3,445,508	3,590,612	350,204	9.75%
Bond/Interest	7,732,875	8,320,043	11,720,000	4,332,918	36.97%
Guest Tax	288,219	820,800	1,070,000	39,019	3.65%
Special Alcohol	88,538	575,000	653,154	10,384	1.59%
Special Gas Tax	448,595	2,660,391	2,851,711	257,275	9.02%
Special Recreation	32,491	575,000	597,400	10,091	1.69%
Water / Wastewater	12,971,944	29,625,000	31,965,338	10,631,606	33.26%
Solid Waste	2,888,553	9,600,000	10,883,901	1,604,652	14.74%
Public Parking	491,571	940,000	1,198,844	232,727	19.41%
Storm Water Utility	1,421,051	2,877,000	3,503,149	794,902	22.69%
Public Golf	147,781	1,009,000	972,940	183,841	18.90%
TOTAL	\$39,137,704	\$119,534,864	\$130,642,018	\$28,030,550	21.46%

FUND	1/1/09 Balance	2009 Revenue	2009 Expenditures	12/31/09 Balance	Percent Fund Balance
General	\$9,381,819	\$60,410,886	\$66,551,614	\$3,241,091	4.87%
Library	72,047	3,038,418	3,051,000	59,465	1.95%
Transportation	129,065	2,410,950	2,425,484	114,532	4.72%
Recreation	350,204	3,525,968	3,699,126	177,046	4.79%
Bond/Interest	4,332,918	9,324,093	13,065,000	592,011	4.53%
Guest Tax	39,019	846,300	846,300	39,019	4.61%
Special Alcohol	10,384	594,228	577,150	27,462	4.76%
Special Gas Tax	257,275	2,788,861	2,953,413	92,723	3.14%
Special Recreation	10,091	594,228	590,105	14,214	2.41%
Water / Wastewater	10,631,606	26,408,324	35,511,148	1,528,782	4.31%
Solid Waste	1,604,652	9,795,335	11,285,542	114,445	1.01%
Public Parking	232,727	945,500	1,154,287	23,940	2.07%
Storm Water Utility	794,902	2,877,000	3,516,606	155,296	4.42%
Public Golf	183,841	980,500	1,113,172	51,169	4.60%
TOTAL	\$28,030,550	\$124,540,592	\$146,339,948	\$6,231,194	4.26%

The 2009 funds shown above comply with the State law requirement that fund balance not exceed five percent of budgeted expenditures. The budget also includes expenditure line items, which are not planned to be made to allow the City to project for a greater fund balance than what is required by State law.

CITY OF LAWRENCE, KANSAS

SUMMARY OF OUTSIDE AGENCY FUNDING ALLOCATIONS

GENERAL OPERATING FUND	Budget 2008	Request 2009	Req. vs. 08 Budget	Budget 2009
<i>Vendor Provided City Services</i>				
Douglas County Legal Aid	\$ 40,000	\$ 40,000	0.0%	\$ 40,000
Lawrence Humane Society	267,000	256,320	-4.0%	256,320
<i>Economic Development</i>				
Downtown Lawrence	47,000	47,000	0.0%	42,500
ECO2 Operations	8,750	7,500	-14.3%	0
Lawrence Chamber of Commerce	195,000	195,000	0.0%	185,500
Lawrence Douglas County Bioscience Authority	200,000	200,000	0.0%	200,000
LDCBA Incubator*				75,000
<i>Human Services</i>				
Ballard Community Center	7,500	20,000	166.7%	7,500
Boys & Girls Club of Lawrence	143,722	148,722	3.5%	143,722
Douglas County CASA, Inc.	20,000	20,000	0.0%	20,000
Douglas County Visitation Center	7,500	7,500	0.0%	6,750
Ecumenical Minister's Fellowship	5,000	5,000	0.0%	4,000
Health Care Access-Pharmacy	28,000	27,686	-1.1%	26,000
Homeless Task Force Rc.				
Bert Nash City Homeless Outreach Team	164,000	164,000		164,000
Community Cooperation Committee	3,000	2,952		0
Salvation Army	11,000	11,000		10,000
Lawrence Community Shelter	9,000	10,000		8,000
subtotal	187,000	187,952	0.5%	182,000
Housing & Credit Counseling	19,000	19,000	0.0%	17,100
Jayhawk Area Agency on Aging	7,830	8,221	5.0%	7,400
Lawrence Arts Center	95,000	120,000	26.3%	90,000
Lawrence Community Shelter	0	20,680		19,000
Lawrence Douglas County Housing Authority	0	57,192		13,192
Salvation Army	30,000	30,000	0.0%	30,000
The Shelter, Inc.	34,737	34,737	0.0%	32,000
Van Go Mobile Arts	35,000	50,000	42.9%	35,000
Warm Hearts	6,000	6,000	0.0%	6,000
Women's Transitional Care Serv.	6,000	6,000	0.0%	6,000
Total	\$ 1,390,039	\$ 1,514,510	8.95%	\$ 1,444,984

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

** First of ten year pledge to support the LDCBA Incubator facility will come from carry forward 2008 funds for previously identified economic development projects.*

GUEST TAX FUND	Budget 2008*	Request 2009	Req. vs. 08 Budget	Budget 2009
Dest. Mgmt. Inc. / Convention & Visitors Bureau	\$820,000	\$684,300	-16.55%	\$684,300
Transient Guest Tax Reserve Fund	150,000	150,000	0.00%	154,500
Sister Cities Advisory Board	12,000	12,000	0.00%	7,500
Total	\$982,000	\$846,300	-13.82%	\$846,300

The Guest Tax Fund is supported by the 5% Guest Tax.

** In 2008,\$820,000 should have been the total amount budgeted for the Guest Tax fund (CVB should have been budgeted to receive \$658,000.)*

CITY OF LAWRENCE, KANSAS

SUMMARY OF OUTSIDE AGENCY FUNDING ALLOCATIONS

LIBRARY FUND	Budget 2008	Request 2009	Req. vs. 08 Budget	Budget 2009
Lawrence Public Library	\$3,021,000	\$3,051,000	0.99%	\$3,051,000

The Library Fund is supported by property tax and motor vehicle taxes.

SPECIAL RECREATION FUND	Budget 2008	Request 2009	Req. vs. 08 Budget	Budget 2009
Lawrence Arts Center Scholarship	\$25,000	\$25,000	0.00%	\$25,000
Arts Commission**	25,500	31,050	21.76%	25,500
Total	\$50,500	\$56,050	10.99%	\$50,500

The Special Recreation Fund is supported by the Liquor Tax.

** The Arts Commission has also requested \$8,163.06 for Two Percent for Art projects based on 2007 eligible projects.

It is the recommendation of the City Manager that the funds be carried forwarded and put toward future Two Percent for Art projects.

	Budget 2008	Request 2009	Req. vs. 08 Budget	Advisory Board Rec. 09	Budget 2009
SPECIAL ALCOHOL FUND					
Ballard Community Center	\$ 15,000	\$ 18,000	20.00%	\$ 4,000	\$ 4,500
Bert Nash (WRAP)	0	200,314		50,000	0
Big Brothers/Big Sisters CORE	30,000	41,923	39.74%	30,000	27,000
Boys & Girls Club of Lawrence	100,000	106,278	6.28%	95,000	100,000
DCCCA	79,819	83,011	4.00%	80,000	41,000
DCCCA d/b/a First Step House	29,150	29,150	0.00%	20,000	29,150
DCCCA Com. Coord.	18,435	18,685	1.36%	18,685	0
Douglas County Sheriff's Dpt.	0	8,500		8,500	0
Haskell Counseling Services	0	7,000		0	0
Headquarters, Inc - First Call	23,750	23,750	0.00%	23,750	22,500
Hearthstone	7,500		-100.00%		0
Lawrence Community Shelter	30,000	50,000	66.67%	40,000	27,000
Lawrence Police Department	250,000	255,000	2.00%	75,000	250,000
Lawrence Public Schools	0	57,698		57,698	0
Van Go Mobile Arts, Inc.	47,500	60,000	26.32%	47,500	44,000
Women's Transitional Care Services	17,000	29,092	71.13%	25,000	17,000
Total	\$648,154	\$988,401	52.49%	\$575,133	\$562,150

The Special Alcohol Fund is supported by the Liquor Tax.

** The Arts Commission has also requested \$8,163.06 for Two Percent for Art projects based on 2007 eligible projects.

It is the recommendation of the City Manager that the funds be carried forwarded and put toward future Two Percent for Art projects.



City of Lawrence



City of Lawrence

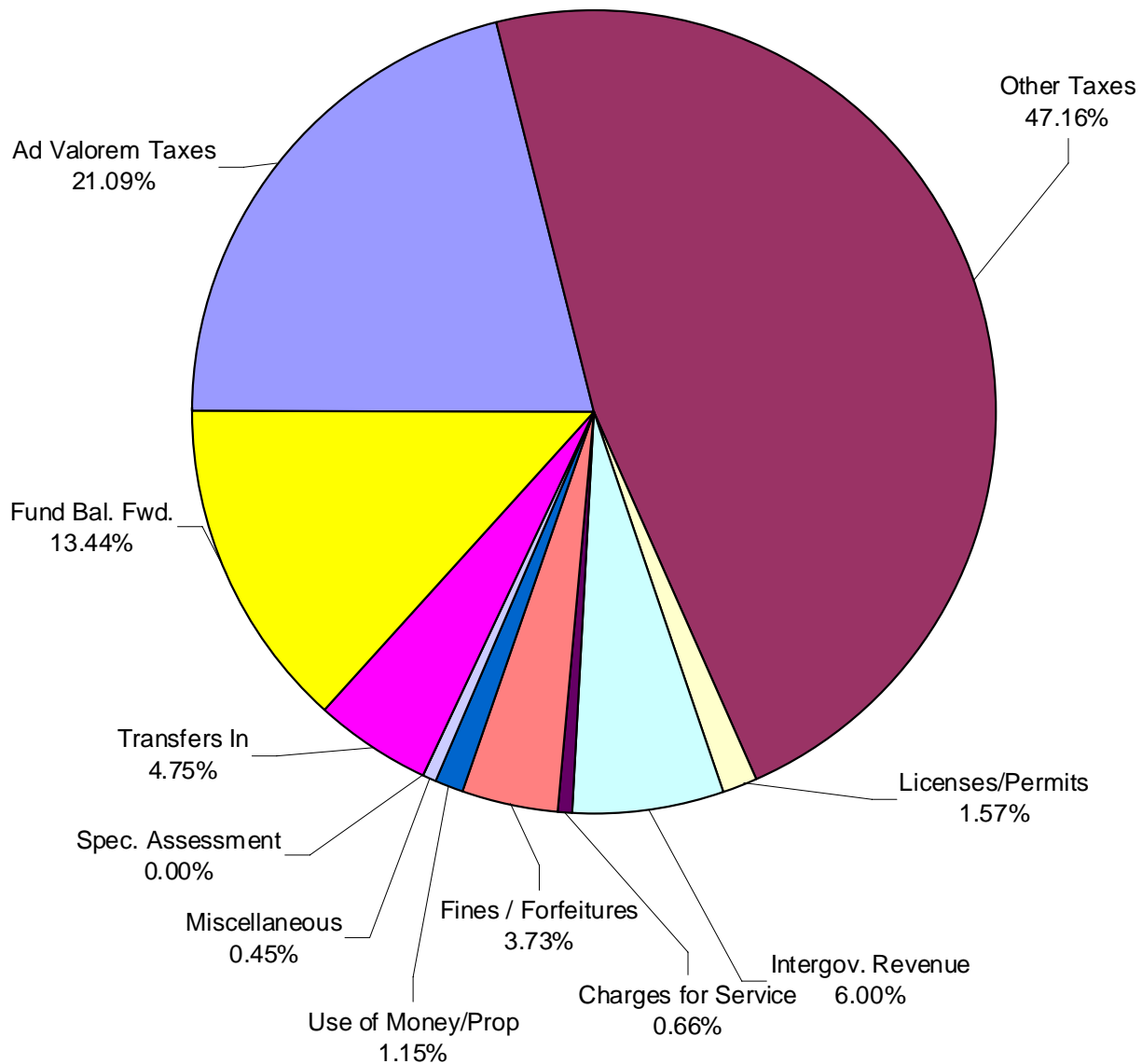
2009

General
Operating Fund



GENERAL OPERATING FUND

**2009 General Operating Fund
Resources by Classification:
Total - \$69,792,706**



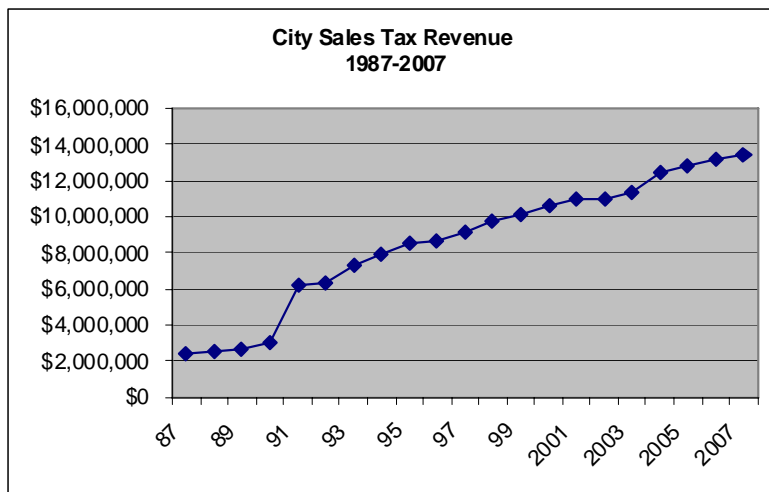
Fund 001 – General Operating

RECEIPTS	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Ad Valorem - Current Taxes	\$ 12,059,901	\$ 12,286,000	\$ 12,286,000	\$ 13,199,923
Ad Valorem - Delinquent Taxes	167,035	200,000	200,000	300,000
Motor Vehicle Taxes	1,116,637	1,078,251	1,078,251	1,135,972
Payment In Lieu of Tax	106,158	133,000	90,000	86,192
Franchise Fees	4,784,605	4,893,000	5,023,835	5,275,027
Local Sales Tax / Use Tax	13,475,013	13,599,989	13,599,690	13,871,685
County - Wide Sales Tax / Use Tax	8,697,548	9,075,309	9,075,310	9,256,815
Infrastructure Sales Tax				2,255,925
Transit Sales Tax				1,503,950
Special Liquor Tax	548,596	575,000	575,000	594,228
Highway Commission	159,641	140,000	160,000	160,000
Douglas Co. - Medical	3,156,202	4,238,055	3,760,000	3,778,923
Douglas Co. - Health Dept.	153,058	181,050	181,050	187,702
Licenses	231,821	178,500	178,500	345,493
Permit/Inspections	697,101	800,000	700,000	750,000
Fines and Forfeits	2,499,828	2,500,000	2,550,000	2,600,000
Township Fire Levy	55,000	45,000	65,000	75,000
Contractor Licensing Fees		100,000	100,000	40,000
Engineering Fees	203,304	200,000	200,000	100,000
Douglas Co. - Planning /Personnel	213,117	239,003	239,003	218,347
Lots and Foundation Charges	68,611	100,000	67,191	65,000
Burial	62,364	15,000	65,000	65,000
Kaw Drainage District	20,000	20,000	20,000	20,000
Interest on Investments	1,398,989	1,000,000	1,000,000	800,000
Other Charges	77,497	100,000	100,000	98,245
Miscellaneous	269,882	265,000	265,000	314,577
Transfers In	3,123,322	3,176,880	3,184,588	3,312,883
TOTAL REVENUES	53,345,230	55,139,037	54,763,418	60,410,887
Balance, January 1	11,083,748	7,253,676	11,449,526	9,381,818
TOTAL RESOURCES AVAILABLE	\$ 64,428,978	\$ 62,392,713	\$ 66,212,944	\$ 69,792,705

Fund 001 – General Operating

Major Revenue Source – Descriptions, 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 received almost forty-two percent (42%) of its revenue from sales tax in 2007. 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

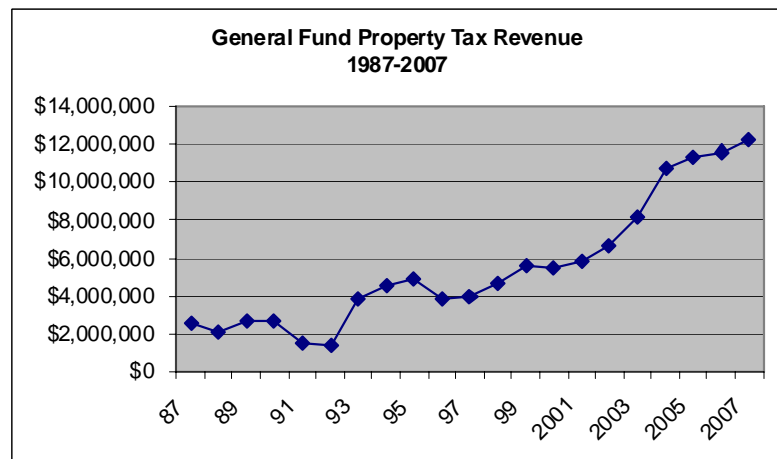
October 1, 1990. This one percent city retailer's sales tax has followed an upward swing throughout the last two decades (through 2007), as evidenced by the graph.

In November of 2008, voters approved three separate sales tax initiatives: 0.2% for the operation of the City's transportation system as it currently exists, 0.05% for transit expanded, and 0.3% to fund improvements to streets, sidewalks, and storm sewers. The adopted budget anticipates receiving an additional \$3,759,875 in sales tax revenues in the General Fund from the 0.2% and 0.3% sales taxes. The 0.05% sales tax was not anticipated when the budget was adopted. Therefore, the budget will be amended in 2009 to reflect this new revenue source, which is anticipated to generate \$375,988. However, these funds will be transferred to the Transportation Fund and the Capital Improvement Reserve Fund.

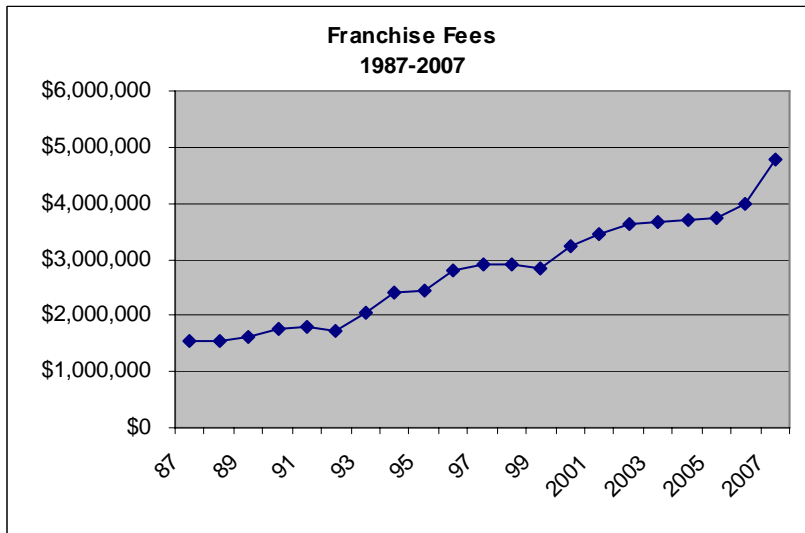
The County-wide sales tax of one percent was approved in a November, 1994 election and became effective in 1995. We are budgeting \$9,256,815 in revenue for 2009 from the City's share of the county-wide sales tax, which represents a six percent (6%) increase over the actual receipts for 2007 (\$8,697,548.) Assumptions behind this amount are related to a conservative approach to this somewhat unpredictable revenue source.

Property Tax

Twenty-one percent (21%) of the 2009 General Fund revenues are estimated to come from ad valorem property taxes. To generate the \$14,722,087 in property tax revenue needed for the 2009 budget, a mill levy of 15.846 is required. This is an increase in the General Fund mill levy of 0.977 mills. Assessed valuation is



expected to grow 0.84% in 2009 to \$860,748,146.



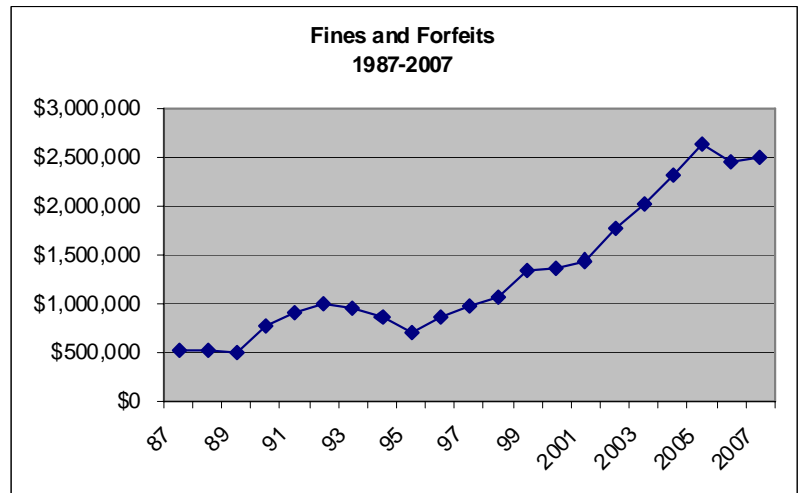
Franchise Fees

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.

Franchise agreements with investor owned utilities are presently at a 5% level for electricity, cable, natural gas, and telecommunications. Collections to date in 2008 and expected growth in gross receipts in 2009 translate to an increase in 2009 budgeted revenue over 2007 actual receipts of more than ten percent (10%.)

Fines and Forfeits

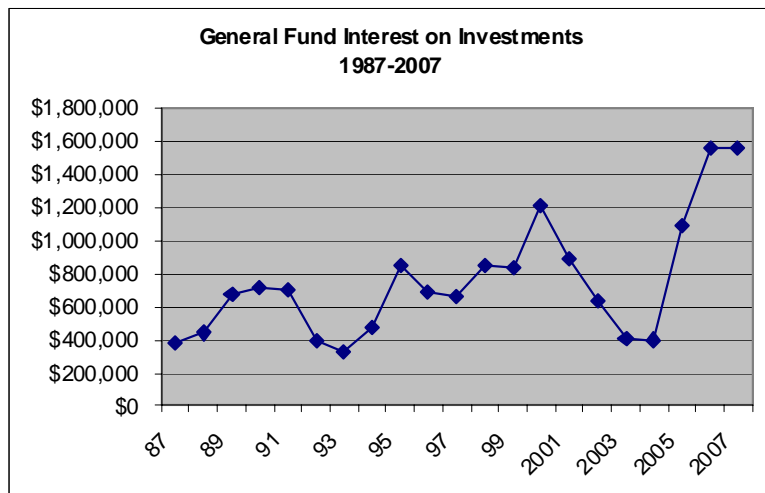
Almost five percent (5%) of General Fund revenues come from traffic fines and municipal court costs. The graph shows that while this revenue source has almost tripled from \$707,562 in 1995 to \$2,637,520 in 2006, recent growth has slowed significantly. This recent trend is reflected in the 2009 budgeted amount (\$2,600,000), which is four percent (4%) over 2007 actual receipts.



General Fund Interest on Investments

Interest earned on investments of City funds represented almost three percent (3%) of actual General Fund revenues in 2007. This revenue source has been impacted by the recent 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. This volatility is reflected in the 2009 budget (\$800,000), which is \$200,000 less than the 2008 budget.

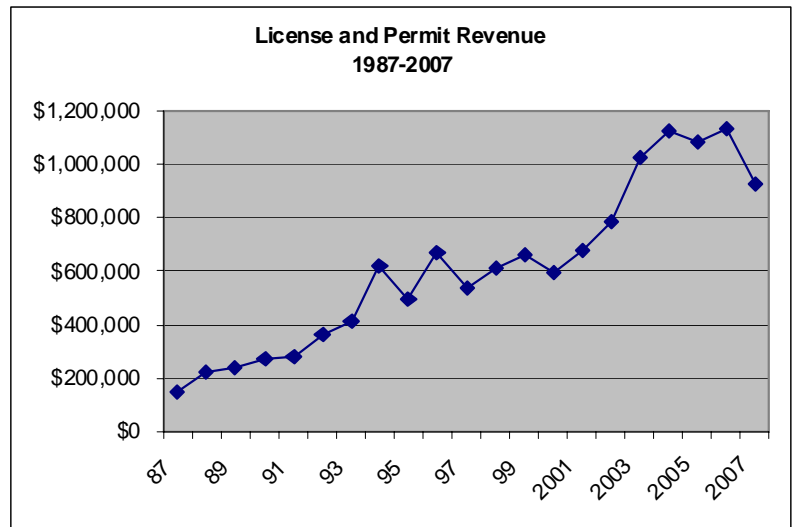


Licenses and Permits / Inspections Revenue

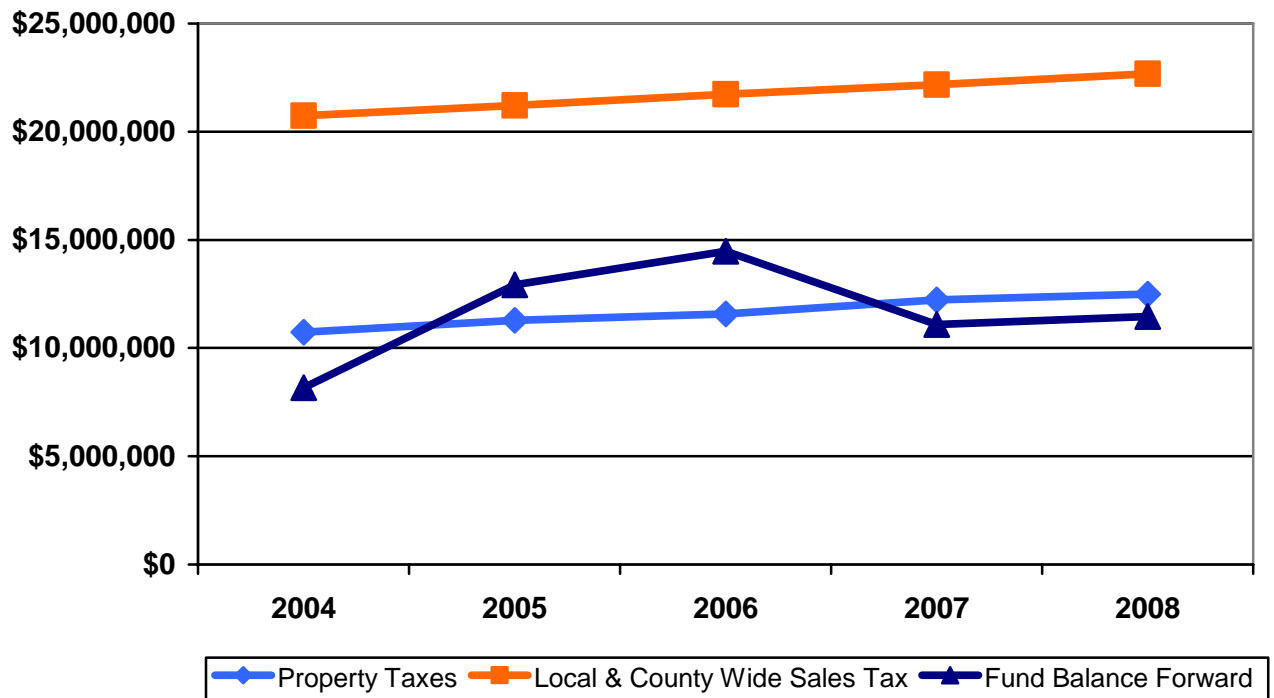
Revenues from licenses for businesses, registration of rental properties, and for occupations such as plumbers, electricians, and contractors, along with revenues from building permits and property inspections make up just below two percent (2%) of General Fund revenues.

Although the graph illustrates how the trend for this revenue source over the past two decades has been steady increases from 1988 through 1993, revenues have fluctuated considerably since 1993.

In 2009, we will expand the successful rental registration program to include rental properties in the City that were constructed 50 years ago or more. By increasing the license fee from \$25 to \$40 and increasing the number of units inspected, the expansion is expected to generate sufficient revenues to offset the additional cost of the program and accounts for \$110,000 of the increase over 2008 budget.

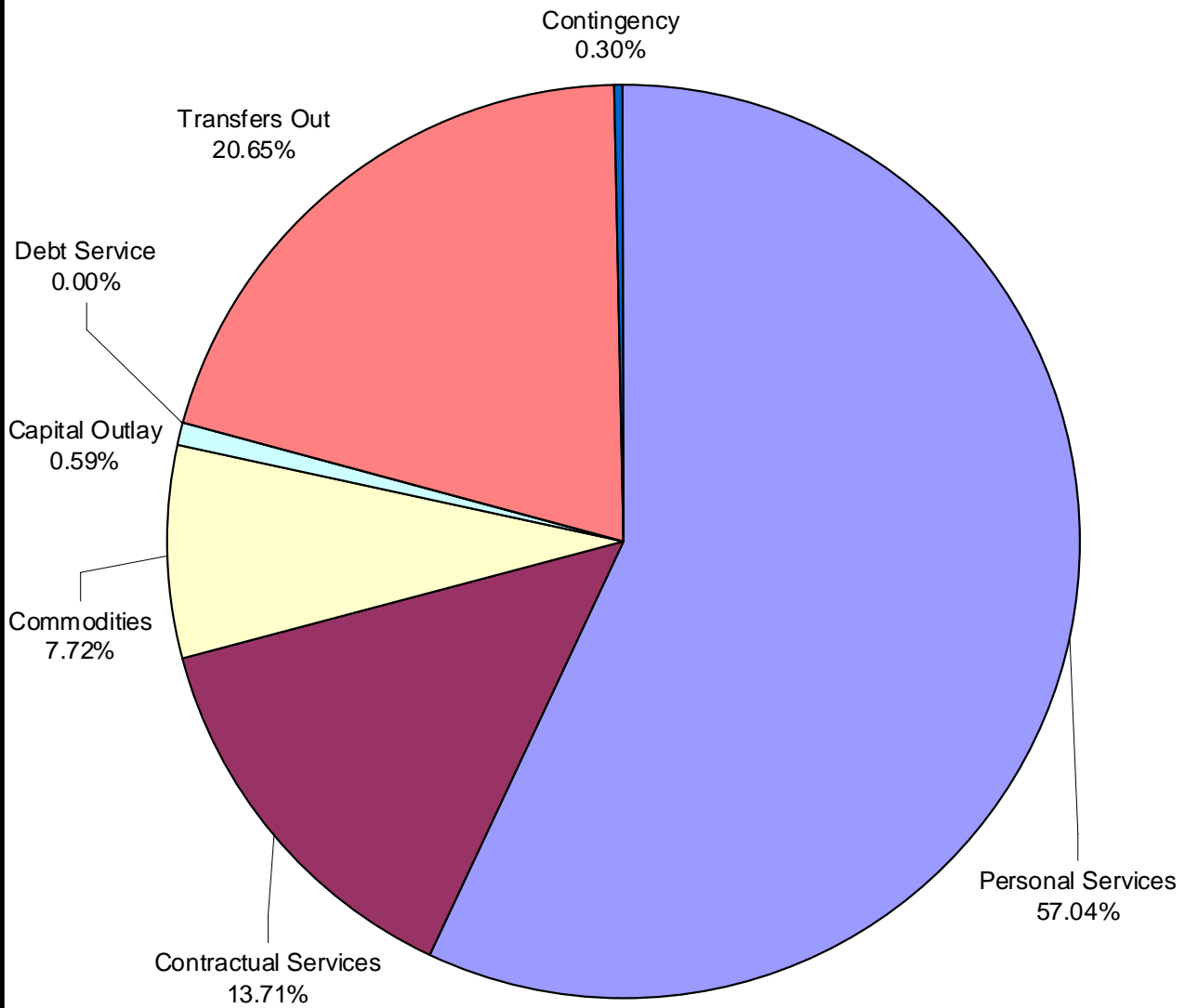


Major Resources 2004-2008

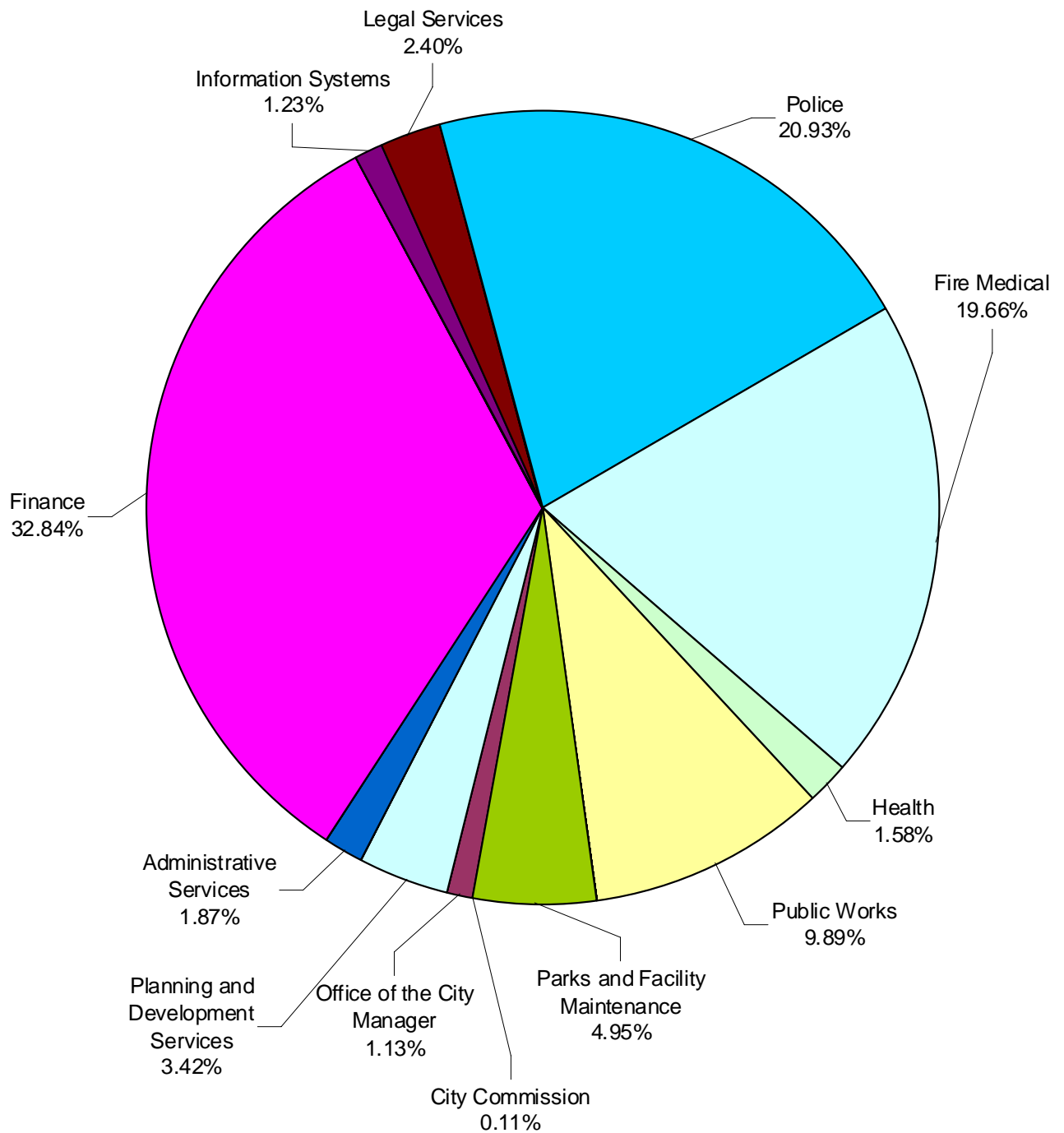


	2004 Actual	2005 Actual	2006 Actual	2007 Estimated	2008 Budget
Ad Valorem Property Tax	10,734,173	11,277,358	11,579,035	12,226,936	12,486,000
Local & County Wide Sales/Use Tax	20,740,305	21,318,108	21,733,540	22,172,561	22,675,298
Fund Balance Forward	8,164,583	12,922,924	14,472,880	11,083,748	11,449,526

**2009 General Operating Fund
Expenditures by Category:
Total - \$66,551,615**



**2009 General Operating Fund
Expenditures by Department:
Total - \$66,551,615**



Fund 001 – General Operating

SUMMARY OF GENERAL OPERATING FUND EXPENDITURES

Acct. #	Account Title	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
1010	City Commission	\$ 57,341	\$ 71,550	\$ 70,434	\$ 71,350
1020	City Manager	522,676	569,412	567,733	595,298
1025	Public Information	149,195	155,865	154,990	156,549
1030	Planning and Development	1,059,453	1,190,980	1,183,393	1,114,150
1032	Code Enforcement	335,303	482,086	477,598	478,767
1034	Building Inspection / Plan Review	714,608	741,041	731,275	685,684
1050	City Clerk	189,264	183,609	179,853	208,412
1053	Human Resources	476,340	511,478	501,753	466,725
1054	Risk Management	501,585	571,856	547,324	566,313
1060	Financial Administration	322,078	350,412	348,877	275,050
1065	General Overhead	3,188,161	3,068,614	2,263,614	4,121,713
1068	Transfers	7,272,669	10,119,889	8,919,889	17,455,764
1070	Information Systems	885,454	916,860	896,807	816,427
1080	City Legal Services	760,044	707,998	701,308	763,620
1085	Human Relations	209,089	290,468	287,628	184,605
1090	Municipal Court / Prosecutor's Office	667,459	691,135	678,242	648,429
2100	Police	13,346,085	14,346,191	14,235,750	13,931,644
2200	Fire and Medical	12,651,954	13,222,466	13,129,772	13,082,447
2500	Health Department	890,523	1,010,583	953,593	1,052,339
3000	Street Maintenance	2,563,915	3,383,778	3,204,766	3,293,785
3100	Engineering	839,507	970,031	961,497	892,574
3200	Traffic Engineering	591,733	632,180	620,708	581,269
3300	Airport Maintenance	94,618	126,177	121,140	139,390
3400	Building Maintenance	806,793	932,735	895,171	890,274
3600	Street Lights	539,961	630,000	630,000	630,000
3700	Levee Maintenance	142,489	146,156	142,418	156,776
4500	Parks / Facility Maintenance	3,201,155	3,487,835	3,425,595	3,292,262
	TOTAL EXPENDITURES	\$ 52,979,452	\$ 59,511,385	\$ 56,831,126	\$ 66,551,614

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:

DEPARTMENT	PAGE NUMBER
City Commission	B-12
Office of the City Manager	
▪ City Manager's Office	B-14
▪ Public Information	B-16
Planning and Development Services	
▪ Planning and Development Services	B-18
▪ Code Enforcement	B-20
▪ Building Safety / Plan Review	B-22
Administrative Services	
▪ City Clerk	B-24
▪ Human Resources	B-26
▪ Risk Management	B-28
Finance	
▪ Financial Administration	B-30
▪ General Overhead	B-32
▪ Transfers	B-33
Information Systems	B-34
Legal Services	
▪ City Legal Services	B-36
▪ Human Relations	B-38
▪ Municipal Court / Prosecutor's Office	B-40
Police	B-42
Fire Medical	B-44
Health Department	B-46
Public Works	
▪ Street Maintenance	B-48
▪ Engineering	B-50
▪ Traffic Engineering	B-52
▪ Airport Maintenance	B-54
▪ Building Maintenance	B-56
▪ Street Lights	B-59
▪ Levee Maintenance	B-60
Parks / Facility Maintenance	B-62

General Operating Fund

City Commission

Account 001-1010-511

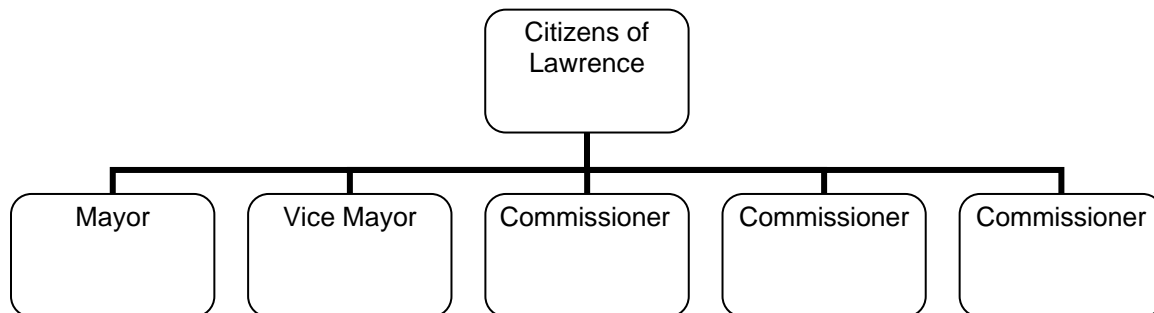
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 50,981	\$ 52,950	\$ 52,950	\$ 53,950
Contractual Services	5,303	17,600	16,544	16,300
Commodities	1,057	1,000	940	1,100
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 57,341	\$ 71,550	\$ 70,434	\$ 71,350

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	5.0	5.0	5.0	5.0

ORGANIZATIONAL CHART



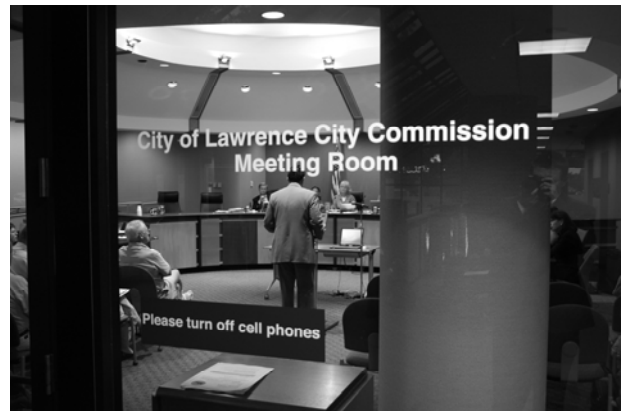
PROFILE

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

- Developed sales tax proposal to provide additional dedicated financial resources for public transportation and infrastructure.
- Established Mayor's Climate Protection Taskforce to recommend strategies to meet climate protection goals.
- Provided strong direction to seek efficiency and effectiveness in City Services.
- Awarded federal grant funding for Burroughs Creek Trail.



PERFORMANCE INDICATORS

Indicator	2007 Survey	2008 Estimated	2009 Target
Citizen satisfied with quality of life in Lawrence	84%	N/A	TBD
Citizens satisfied with overall quality of City services	72%	N/A	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Promote the economic development of Lawrence to provide quality work and business opportunities.
2. Encourage growth that benefits all of our citizens while protecting our environment, neighborhoods and cultural features.
3. Improve the livability of all Lawrence neighborhoods.
4. Provide excellent City services consistent with resources available.

CITY COMMISSION

General Operating Fund

City Manager's Office

Account 001-1020-512

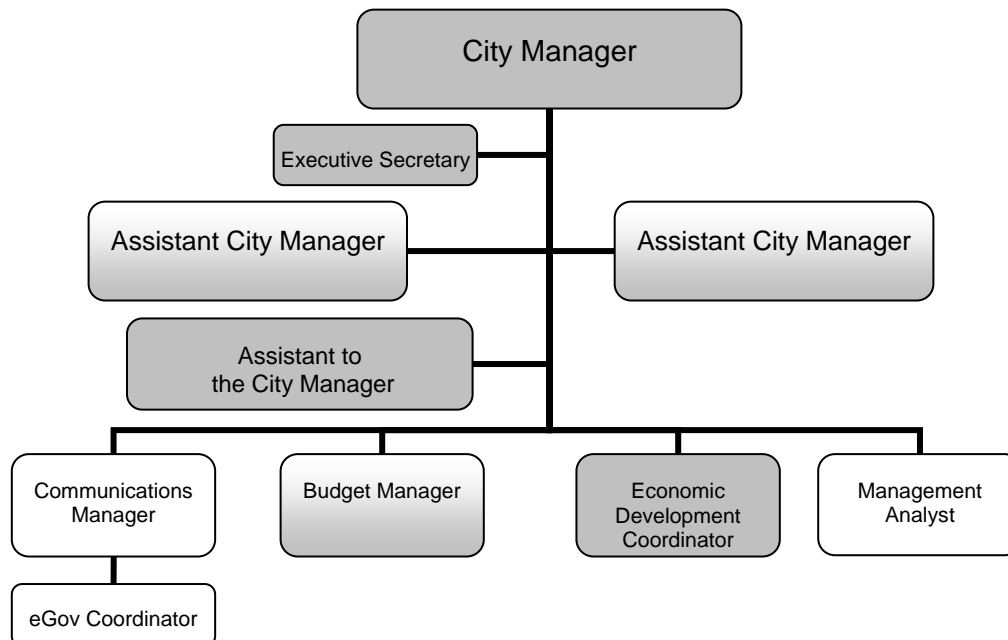
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 493,120	\$ 541,421	\$ 541,421	\$ 569,012
Contractual Services	23,446	17,500	16,450	20,936
Commodities	6,110	10,491	9,862	5,350
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 522,676	\$ 569,412	\$ 567,733	\$ 595,298

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	7.5	6.0	6.0	6.0

ORGANIZATIONAL CHART



Shading indicates positions funded through this account. Partially shaded positions are only partially funded through this account. In addition to the positions above, the City Auditor is partially funded through this account.

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 to be adopted by the Commission; (5) prepares and submits an annual budget and advises the City Commission on the financial condition of the City; (6) performs other duties prescribed by state or local laws.

Additionally, the 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.

CURRENT YEAR ACCOMPLISHMENTS

- Awarded the GFOA Budget Award for 2008 budget document.
- Hired Economic Development Coordinator and developed economic development policies.
- Established Oread Tax Increment Financing (TIF) District.
- Coordinated city involvement in community special events such as KU National Championship celebration, Lawrence Half Marathon, Lawrence Ironman, and downtowns concerts.

PERFORMANCE INDICATORS

Indicator	2007 Survey	2008 Estimated	2009 Target
Citizens satisfied with overall quality of City Services	72%	NA	TBD
Citizens indicating that City employees were courteous and polite	87%	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

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



General Operating Fund

Public Information Office

Account 001-1025-512

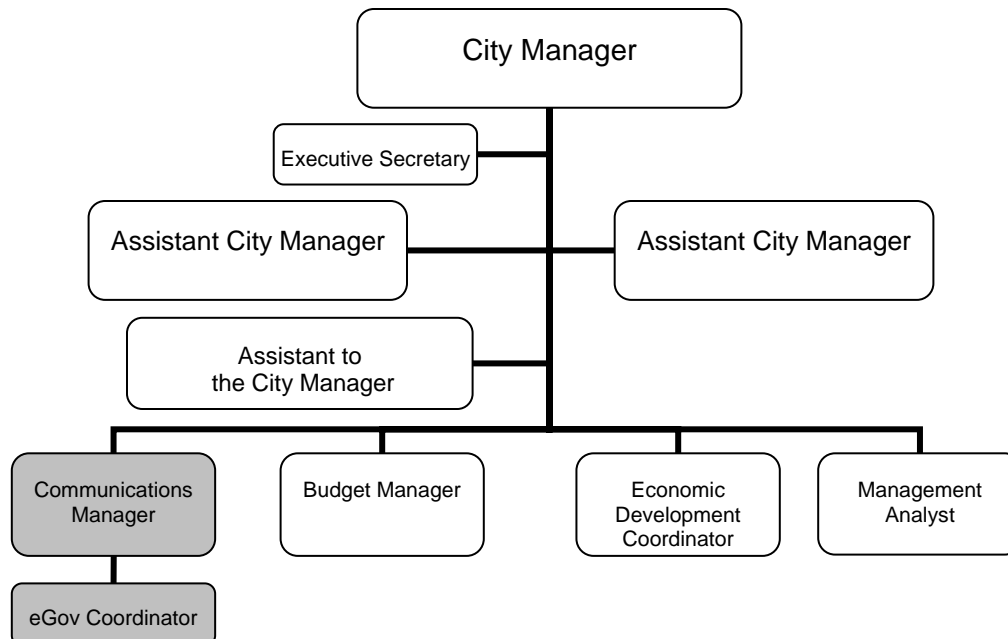
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 134,709	\$ 141,274	\$ 141,274	\$ 142,834
Contractual Services	13,077	9,150	8,601	8,600
Commodities	1,409	5,441	5,115	5,115
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 149,195	\$ 155,865	\$ 154,990	\$ 156,549

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	2.00	2.00	2.00	2.00

ORGANIZATIONAL CHART



Shading indicates positions funded from this account.

PROFILE

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

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

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

CURRENT YEAR ACCOMPLISHMENTS

- Released the 2007 City wide annual report.
- Produced "The Flame" – the City's monthly newsletter.
- Managed the "Share the Road" public education campaign for bicycle/vehicle safety.
- Implemented a content management system to support non-technical updates to department web pages.
- Provided media with access to special events such as airport open house and home energy conservation fair.
- Produced city services insert in Parks and Recreation Activities guide.
- Updated content at www.lawrenceks.org.
- Assisted in providing Planning Commission agendas online.



PERFORMANCE INDICATORS

Indicator	2007 Survey	2008 Estimated	2009 Target
Citizens satisfied with info available on City's web site	54%	NA	60%
Percent of managers rating PIO services as good or excellent	100%	NA	100%
Number of public outreach campaigns completed	84	87	88%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Provide timely, relevant and informative material to the media.
2. Inform the public about city services and programs.
3. Expand and enhance the web site, www.lawrenceks.org.
4. Work with departments to support development and expansion of web sites and online features.

General Operating Fund

Planning and Development Services

Account 001-1030-531

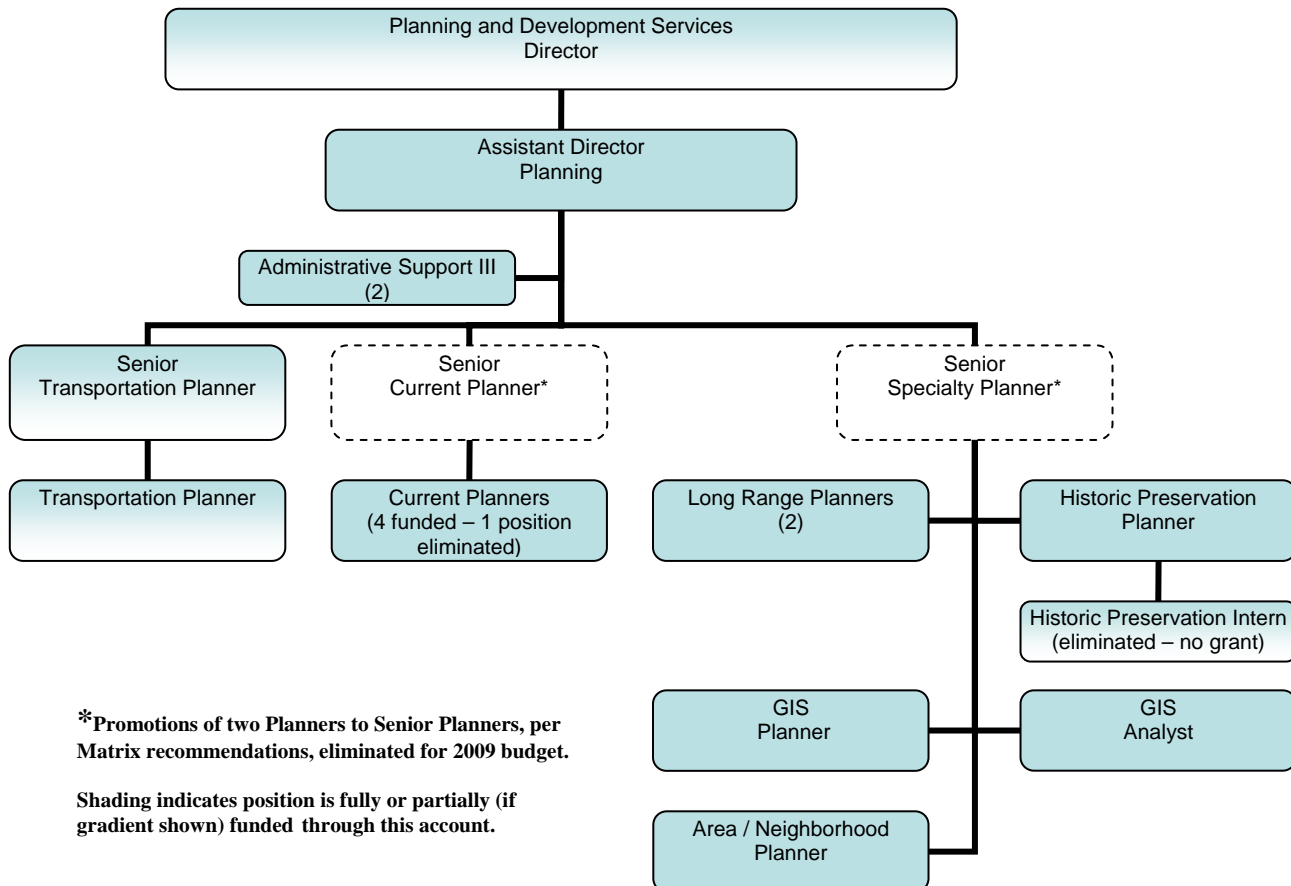
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 937,886	\$ 1,064,530	\$ 1,064,530	\$ 1,009,350
Contractual Services	82,947	71,600	67,304	59,600
Commodities	38,620	54,850	51,559	45,200
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 1,059,453	\$ 1,190,980	\$ 1,183,393	\$ 1,114,150

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	16.4	14.9	14.9	13.9

ORGANIZATIONAL CHART



PROFILE

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

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

This division was reorganized in 2007 as part of the Planning & Development Services Department and includes three work groups: Current Planning, Long Range Planning, and Transportation Planning. The Long Range Planning work group includes Long Range, Area/Neighborhood, Historic Resources and GIS/Web focuses.

CURRENT YEAR ACCOMPLISHMENTS

- Implemented online Planning Commission agenda packets to provide greater and more timely information to the public
- Completed drafts of two land use plans in the west and northwest areas of the Urban Growth Area
- Updated County zoning regulations
- Presentation of draft Industrial and Employment Related Land Use chapter to Horizon 2020
- Completion of Long Range Transportation Plan – T2030
- Completion of Transportation Improvement Program
- Continued participation in CRS rating program which results in reduction in flood insurance rates for community

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Percent of completed site plan applications approved administratively within 45 days	50%	NA	70%
Percent of completed applications presented to the PC within 60 days	75%	NA	80%
Percent of full commission design reviews presented to HRC within 60 days of completed application	75%	NA	80%
Percent of respondents satisfied with quality of planning/ & development services	32%	NA	75%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Adoption of land use plans for expected development areas within the Lawrence Urban Growth Area.
2. Continued implementation of recommendations of the Matrix Report to move towards a One Stop Shop.
3. Encourage and process the first SmartCode project.
4. Complete necessary updates to H2020 chapters, including the Environmental and Natural Resources chapter.
5. Provide training and professional development for commissions and staff.

SIGNIFICANT ISSUES FOR 2009

Educating several new members of the boards and commissions the department serves.

Prioritizing the many desired planning services given the resources provided.

General Operating Fund

Code Enforcement

Account 001-1032-532

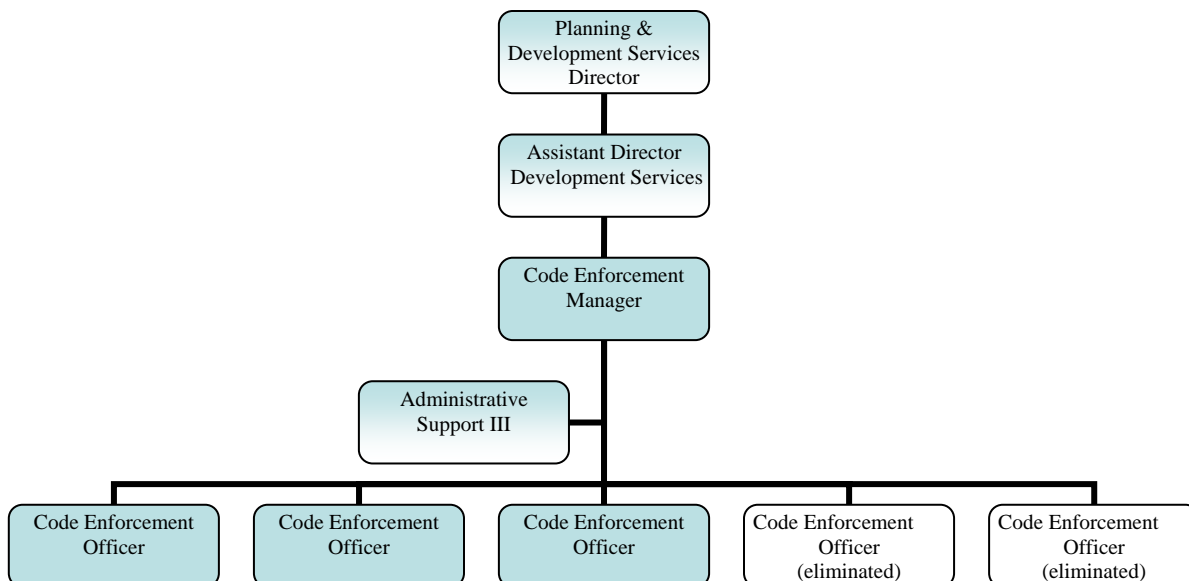
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 281,236	\$ 407,286	\$ 407,286	\$ 398,597
Contractual Services	44,867	50,850	47,799	51,900
Commodities	9,200	23,950	22,513	28,270
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 335,303	\$ 482,086	\$ 477,598	\$ 478,767

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	6.25	6.98	6.98	7.78

ORGANIZATIONAL CHART



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

PROFILE

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

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

CURRENT YEAR ACCOMPLISHMENTS

- Provided research on rental inspection expansion, demolition by neglect and accelerated trash abatement for possible implementation.
- Attended Kansas Association of Code Enforcement (KACE) spring conference.
- Completed phase one to the modification of the rental license renewal payment schedule.
- Implemented scanning training to staff to facilitate record keeping by storing code enforcement documents electronically and available for retrieval via OnBase.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Number of environmental blight inspections	680	380	400
Percent of residents surveyed who are satisfied with the livability of their neighborhood	NA	84%	TBD
Number of structural blight	70	50	50
Number of new rental properties identified	NA	125	100
Number of Rental Inspections & re-inspections	NA	500	500

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Continued training and professional development for all staff.
2. Become active member of the Kansas Association of Code Enforcement (KACE) by attending semi-annual conferences and participating in online code enforcement discussions.
3. Complete phase two of the modification to the rental license renewal payment schedule by fully implementing online renewal payment.
4. Implement accelerated trash/refuse code amendment and track effectiveness through code enforcement software.

SIGNIFICANT ISSUES FOR 2009

Two additional Code Enforcement Officers as well as an Administration Support position have been added in 2009 for the purpose of expanding the rental registration program. The expanded program should generate additional revenues to offset the cost.

General Operating Fund

Building Safety/Plan Review

Account 001-1034-534

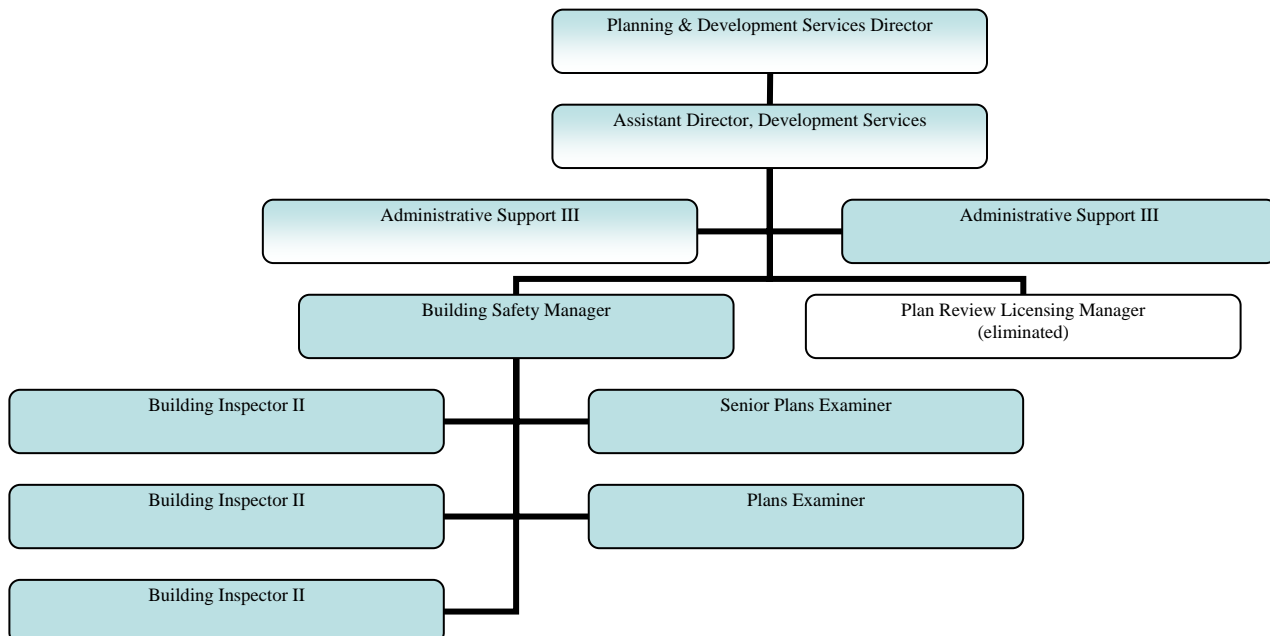
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 561,331	\$ 578,271	\$ 578,271	\$ 532,147
Contractual Services	129,443	134,860	126,768	124,800
Commodities	23,834	27,910	26,235	28,737
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 714,608	\$ 741,041	\$ 731,275	\$ 685,684

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	9.00	8.24	8.24	8.04

ORGANIZATIONAL CHART



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

PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

- Completed review and adoption of the 2006 International Code Council family of building codes, including the City's first energy conservation code - the International Energy Conservation Code.
- Implemented online scheduling of building inspections to provide another option for contractors to interact with the department and schedule inspections 24/7.
- Fully implemented imaging system so that all building permit applications, permits, plans and associated documents are stored electronically and available for recall via the OnBase system.
- Partnered with the Lawrence Home Builders Association (LHBA) to provide an educational seminar on the transition to the newly adopted 2006 International Residential Code. Approximately 200 contractors, design professionals and trades people attended the session.
- Participated with LHBA in other educational activities, including monthly articles for their monthly newsletter and maintained a booth in the 2007 LHBA Home Show.
- Created a code interpretation manual to assist contractors and professional designers in determining how various code requirements are implemented in Lawrence.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residential permits issued w/in 5 business days	52.06%	65%	75%
% of commercial permits issued w/in 15 business days	53.38%	60%	70%
% of inspections scheduled via Inspection Hotline (IH)	53.00%	57%	60%
% of inspections where results are entered from the field (via IH)	78.63%	78%	85%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Co-locate with Planning staff and work to improve efficiencies in development review process.
2. Improve the building permit application process by simplifying application forms, providing application checklists and common plan review corrections, and seeking efficiencies in the process. This includes working toward the goal of accepting only complete applications.
3. Streamline contractor licensing application and renewal programs so licenses will be processed and distributed more efficiently.
4. Review and adopt the 2009 International Code Council family of building codes for adoption in 2010.

SIGNIFICANT ISSUES FOR 2009

Co-location of staff of the Planning and Development Services Department and implementation of a common electronic tracking system continue to be significant issues. Other significant budget items include continuing education costs for licensed contractors, software license fees, and fuel for vehicles.

General Operating Fund

City Clerk

Account 001-1050-542

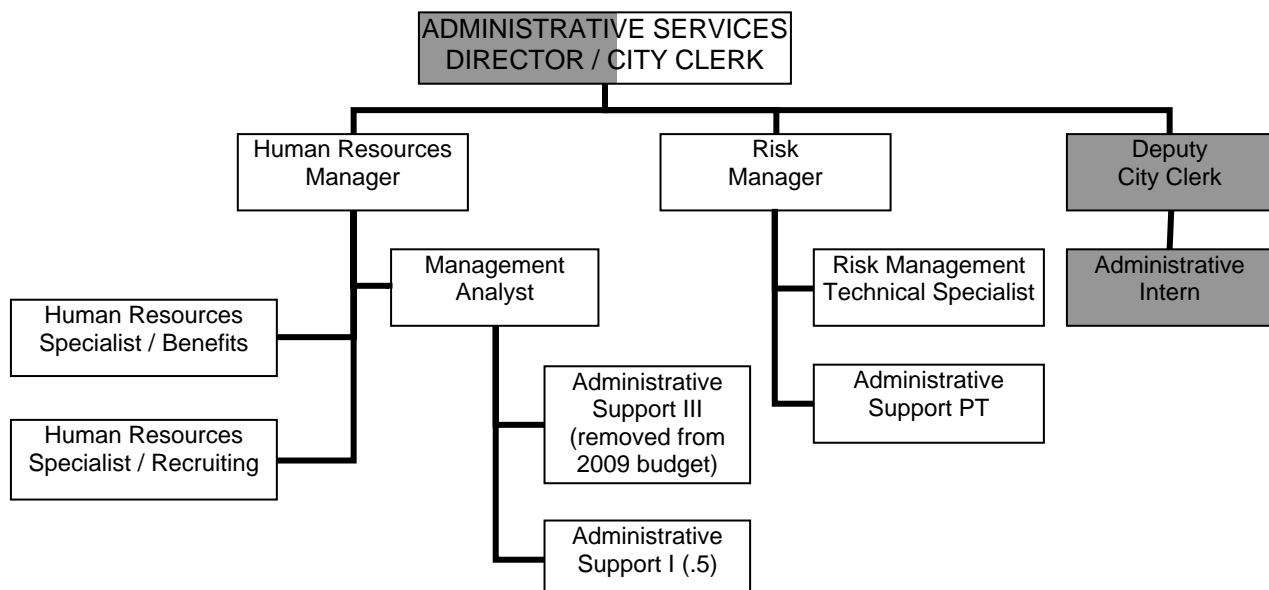
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 117,310	\$ 121,009	\$ 121,009	\$ 122,993
Contractual Services	62,796	51,400	48,316	74,319
Commodities	9,158	11,200	10,528	11,100
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 189,264	\$ 183,609	\$ 179,853	\$ 208,412

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	1.5	1.5	1.5	1.5

ORGANIZATIONAL CHART



* Shading indicates positions funded from this account. The Director position is funded 50% from this account, 25% from Personnel, and 25% from Risk Management.

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.

CURRENT YEAR ACCOMPLISHMENTS

- 2007 Tax Abatement Report on time to Public Incentives Review Committee (PIRC) and City Commission;
- Researched, implemented and maintained the City's Domestic Partner Registry;
- Continued scanning and electronically storing city documents.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Percent of minutes approved without correctional amendment	95	98	100
Avg. number of hours required to transcribe and distribute minutes	16.1	16	16
Avg. number of telephone questions answered	553	550	550
Avg. number of days to issue licenses and permits	12.5	10	8

MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

Significant issues include continuing to find ways to improve the effectiveness and efficiency of document management program and enhancing public access to City records (ordinances, resolutions, City Commission meeting minutes.)

General Operating Fund

Human Resources

Account 001-1053-543

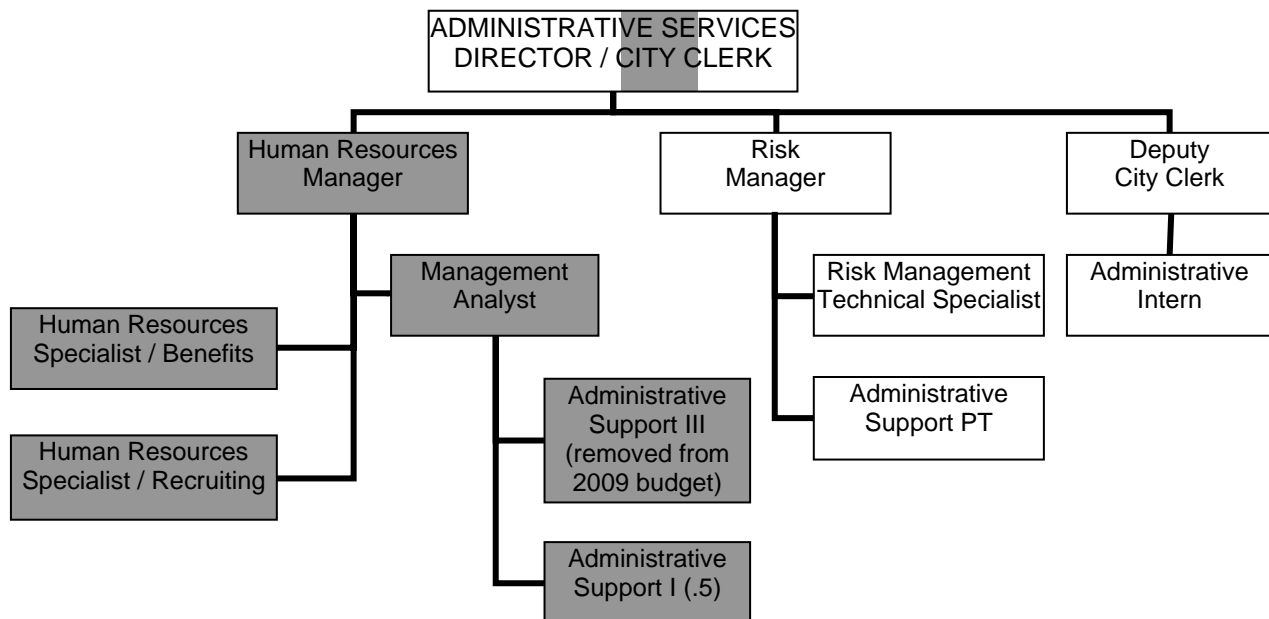
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 354,076	\$ 349,396	\$ 349,396	\$ 333,012
Contractual Services	112,658	138,014	129,733	111,960
Commodities	9,606	24,068	22,624	21,753
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 476,340	\$ 511,478	\$ 501,753	\$ 466,725

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	6.75	5.75	5.75	4.75

ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

- Completion of analysis of and provided recommendations for city performance review and merit program.
- Implementation of on-line position requisition phase of the automated job application and selection system (PCR).
- Implementation of new posting and recruitment requirements for new Kansas legislation regarding Veteran's preference.
- Projection of 2007 health care costs within 3% of actual using risk analysis.
- Implementation of automated health care and life insurance open enrollment changes.
- Conducted retirement education session for employees and spouses.
- In conjunction with Fire and Police, completion of comprehensive update of market benefit and compensation survey.
- In conjunction with Information Systems development and implementation of an updated and more comprehensive payroll projection system for citywide personnel budgeting.
- In conjunction with Information Systems redesign of the employee Intranet.
- Completed the third cycle of the employee satisfaction survey.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Percent of residents surveyed who were satisfied with the professional City service they received	87%	NA	TBD
Percent of employee turnover (full-time)	6.4%	8.8%	8.5%
Percent of pay grades that at 50 th percentile/better in market	56%	52%	100%
Percent of employees rating education activities meet/exceeds expectations	99%	98%	97%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Review and RFP for vendor services for the Health care program including reinsurance, administrator and provider networks for health, dental, vision and prescription drugs.
2. Conduct a RFP and implement an on-site disease management clinic.
3. Add a comprehensive Workforce Trends and Analysis to the Compensation Market Study and Health Care plan review be utilized in 2010 budget process.
4. Implement additional phases of electronic records management which includes scanning and electronic storage of Employee Personnel Files and electronic job opening approval process and develop a records retention policy to ensure proper storage and destruction of personnel related files.

SIGNIFICANT ISSUES FOR 2009

Adequate funding to maintain the employee health care program and implement an effective employee performance merit program.

General Operating Fund

Risk Management

Account 001-1054-544

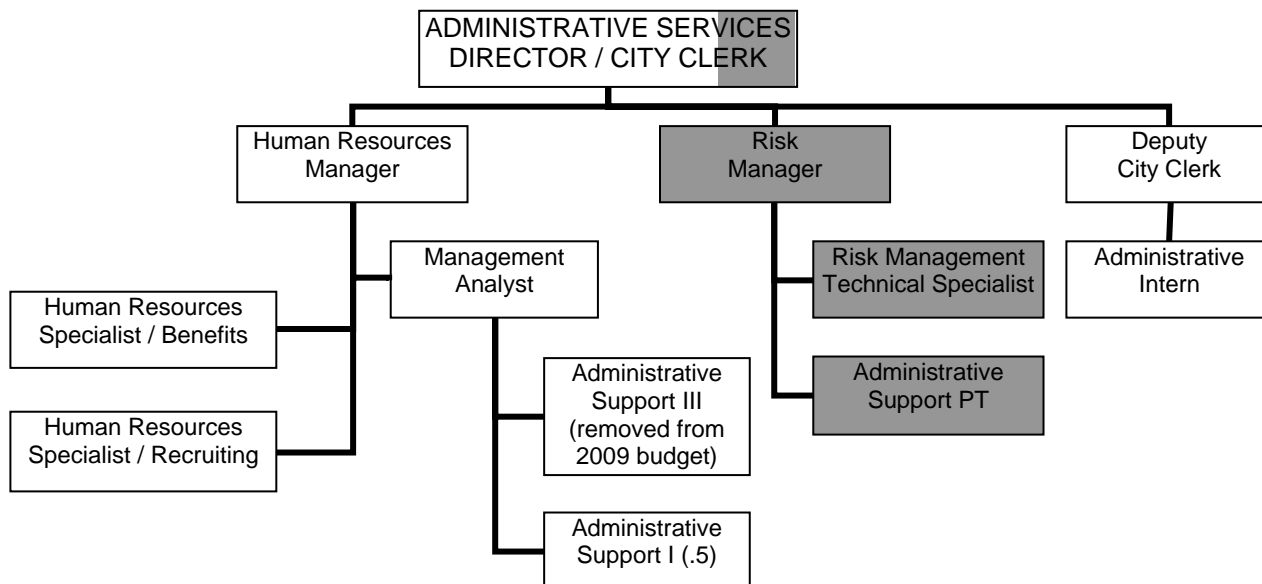
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 151,670	\$ 162,981	\$ 162,981	\$ 167,798
Contractual Services	342,685	393,375	369,773	377,915
Commodities	7,230	15,500	14,570	20,600
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 501,585	\$ 571,856	\$ 547,324	\$ 566,313

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	2.25	2.25	2.25	2.25

ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

- Completed installation and implementation of Business Intelligence reporting module to Risk Management Information System allowing for improved and enhanced data retrieval and reporting.
- Utilizing the new reporting module, analyzed 2007 losses and trends from 2000 on for presentation to Management Team.
- Introduced online training and loss control resources (Safety Cornerstones) provided by the City's current excess workers' compensation insurer to City Departments' management staff.
- Developed City of Lawrence Workers' Compensation Program information packet to provide required information to injured workers.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Percent change in General Liability Claims against the City	-26%	-7%	-5%
Percent change in Auto Liability claims against the City	29%	11%	-5%
Percent change in Workers' Compensation claims	25%	7%	-5%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Continue to implement reporting and data analysis improvements possible with the newly installed Business Intelligence module.
2. Continue to identify and recommend training and loss control resources from various sources.
3. Provide direction and coordination to assist in centralizing and standardizing necessary safety and loss control policies and/or procedures.

SIGNIFICANT ISSUES FOR 2009

The increase to Contractual Services in 2009 is primarily attributed to increased annual assessments from the Kansas Insurance Department and Kansas Department of Labor. These assessments are based upon reported workers' compensation claim expenditures. The City is seeing the impact of an aging workforce on our workers' compensation program. The advantages of older workers in the workforce are their skills and experience and generally they have a lower claim frequency than younger workers. However, national studies and our own losses are showing that older workers' claims are generally open longer and have a higher severity.

General Operating Fund

Financial Administration

Account 001-1060-551

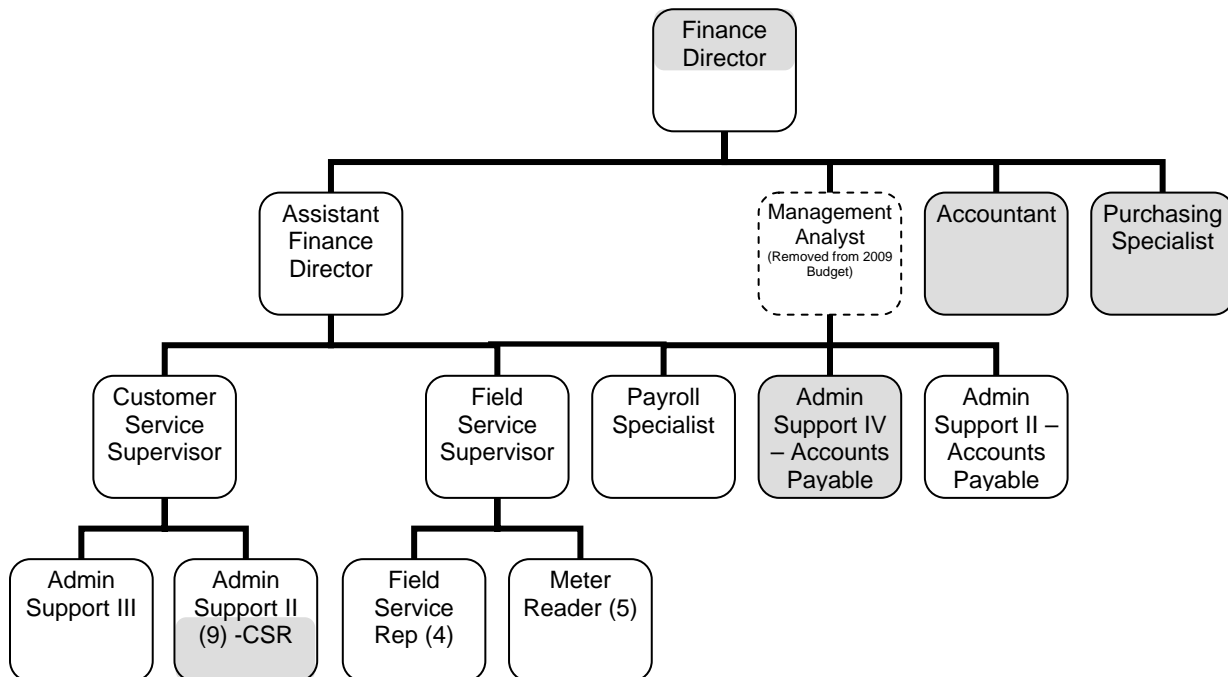
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 309,179	\$ 324,824	\$ 324,824	\$ 253,650
Contractual Services	7,831	11,200	10,528	\$ 8,600
Commodities	5,068	14,388	13,525	12,800
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 322,078	\$ 350,412	\$ 348,877	\$ 275,050

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	5.13	5.13	5.13	4.13

ORGANIZATIONAL CHART



Shading indicates funding from this account.

PROFILE

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

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

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Average rate of return on investment	5.22	3.39	1 Yr T-bill
Percent of bank reconciliations completed in 10 days	100	100	100
Percent of invoices paid within 30 days	86	85	85
Percent of payrolls processed on time	100	100	100

CURRENT YEAR ACCOMPLISHMENTS

- Received a Certificate of Achievement from the GFOA for the 2006 Comprehensive Annual Financial Report
- Prepared a draft of recommended changes to the Purchasing Policy including revised bidding requirements
- Prepared a draft of recommended changes to the Travel Policy
- Determined the City's post employment benefits obligation under GASB 45

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Maintain the City's general obligation debt rating.
2. Work with our investment firm to manage the City's portfolio.
3. Improve the Finance Department's system of managing its documents.

SIGNIFICANT ISSUES FOR 2009

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



General Operating Fund

General Overhead

Account 001-1065-555

EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ -	\$ -	\$ -	\$ 880,000
Contractual Services	3,141,679	2,936,039	2,131,039	3,016,713
Commodities	27,206	28,000	28,000	25,000
Capital Outlay	-	-	-	-
Refunds	-	-	-	-
Debt Service	19,276	4,575	4,575	-
Transfers	-	-	-	-
Contingency	-	100,000	100,000	200,000
Total	\$ 3,188,161	\$ 3,068,614	\$ 2,263,614	\$ 4,121,713

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

Personal Services – This division budget includes general fund total cost of compensation adjustment for merit increases and longevity for eligible employees.

Contractual Services - In addition to postage and overhead expenses such as auditing services, emergency dispatch service, and office leases, this division budget includes grants to the following outside agencies:

Ballard Community Center	7,500	Lawrence Chamber of Commerce	185,500
Bert Nash City Homeless Outreach Team	164,000	Lawrence Community Shelter	27,000
Boys & Girls Club of Lawrence	143,722	Law. Doug. Co. Bioscience Authority	275,000
Douglas County CASA, Inc.	20,000	Law. Doug. Co. Housing Authority	13,192
Douglas County Legal Aid	40,000	Lawrence Humane Society	256,320
Douglas County Visitation Center	6,750	Salvation Army	40,000
Downtown Lawrence	42,500	The Shelter, Inc.	32,000
Ecumenical Minister's Fellowship	4,000	Van Go Mobile Arts	35,000
Health Care Access-Pharmacy	26,000	Warm Hearts	6,000
Housing & Credit Counseling	17,100	Women's Transitional Care Services	6,000
Jayhawk Area Agency on Aging	7,400		
Lawrence Arts Center	90,000		

General Operating Fund

Transfers

Account 001-1068-558

EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 3,576,669	\$ 3,712,889	\$ 3,712,889	\$ 3,712,889
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	3,696,000	6,407,000	5,207,000	13,742,875
Contingency	-	-	-	-
Total	\$ 7,272,669	\$ 10,119,889	\$ 8,919,889	\$ 17,455,764

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

The Transfer Division is used to account for employer contributions to the City health care program and transfers from the General Fund to a number of City funds. The following transfers are budgeted for 2009:

<u>Health Insurance Fund</u> - This fund is used for the city's contribution to annual health insurance costs for employees and their families.	\$3,712,889
<u>Equipment Reserve Fund</u> - This fund is reserved to cover the cost of repair and purchase of equipment as necessary.	100,000
<u>Capital Improvement Reserve Fund</u> - This fund is reserved for capital improvement projects throughout the year. Revenue from the new local sales tax for infrastructure will also be transferred to this fund. A transfer is budgeted in order to meet the state fund balance requirement but will only occur if revenues meet or exceed projections in 2009.	7,605,925
<u>Sales Tax Reserve Fund</u> - This fund is historically reserved for capital projects related to Parks and Recreation throughout the year.	3,051,000
<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.	1,447,000
<u>Liability Reserve Fund</u> - This fund is reserved for liability claims that may occur throughout the year.	10,000
<u>Worker's Comp Fund</u> - This fund is reserved for worker's compensation claims that may occur throughout the year.	25,000
<u>Transportation Fund</u> - Revenue from the new local sales tax for public transportation will be transferred to this fund.	1,503,950
TOTAL	\$17,455,764

TRANSFERS

General Operating Fund

Information Systems

Account 001-1070-557

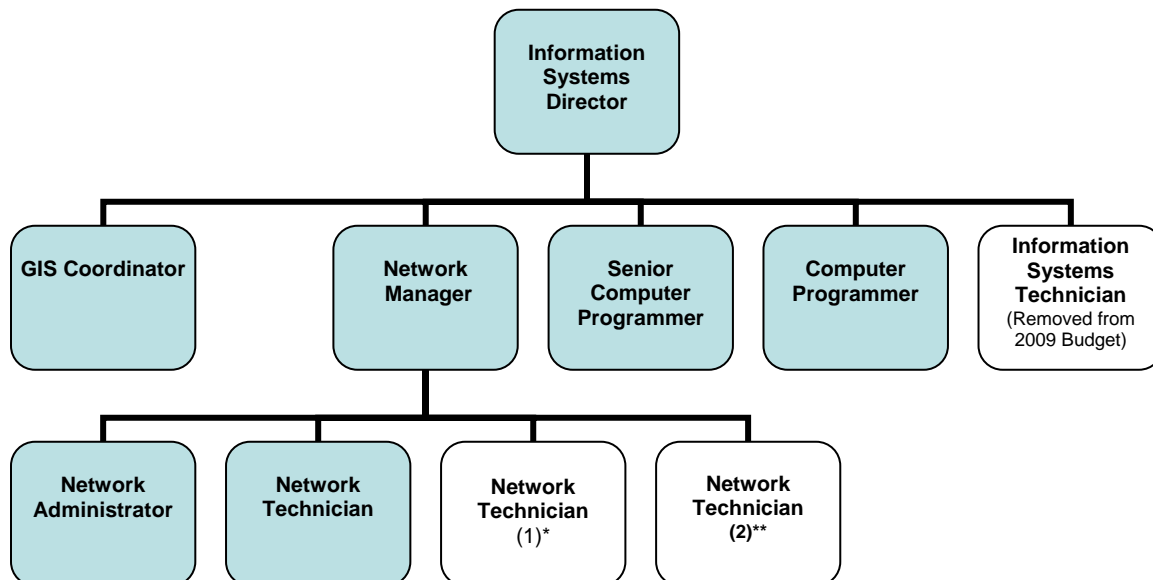
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 591,178	\$582,635	\$582,635	\$500,252
Contractual Services	239,383	263,380	247,577	248,432
Commodities	46,758	64,845	60,954	59,743
Capital Outlay	8,135	6,000	5,640	8,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 885,454	\$ 916,860	\$ 896,807	\$ 816,427

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	9.0	8.0	8.0	7.0

ORGANIZATIONAL CHART



* Funded by Utilities

** Funded by Fire and Medical

PROFILE

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

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

Much of the department's efforts are geared to maintaining a technology infrastructure extending to more than 40 facilities located around the city.

CURRENT YEAR ACCOMPLISHMENTS

- Completed a new cooperative agreement with Douglas County for reduced long distance service through AT&T.
- Transferred City web site to an internal City-hosted web server to improve services and lower cost.
- Implemented Interactive Voice Response (IVR) system to allow water customers to retrieve information about their water bill via telephone.
- Expanded the City's internal wireless network.
- GIS services were implemented on the City's web server giving citizens easy access to many layers of data.
- Implemented Firehouse software system for the Fire Department network.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Percent of scheduled time systems are fully operational:			
Email	99.98	99.99	100.00
Network	100.00	100.00	100.00
Internet	99.91	99.95	100.00
E-Gov systems	99.81	99.95	100.00
Number of PCs supported per FTE	92.5	93.0	90
Avg hours spent completing programming requests per FTE	24.5	22.0	20
Percent of time telco system is fully operational	100	100	100

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Implement VMWare technology to consolidate servers, reduce energy requirements, and reduce server downtime.
2. Continue with improvements in disaster recovery and business continuity planning.
3. Improve Utilities water plants' SCADA data networks.
4. Improve data connection bandwidth to city facilities that currently use ISDN .

SIGNIFICANT ISSUES FOR 2009

The decrease in personal services can be attributed to removal of the Information Systems Technician position for 2009. This position was vacated in 2008 and will not be filled in 2009.

INFORMATION SYSTEMS

General Operating Fund

City Legal Services

Account 001-1080-522

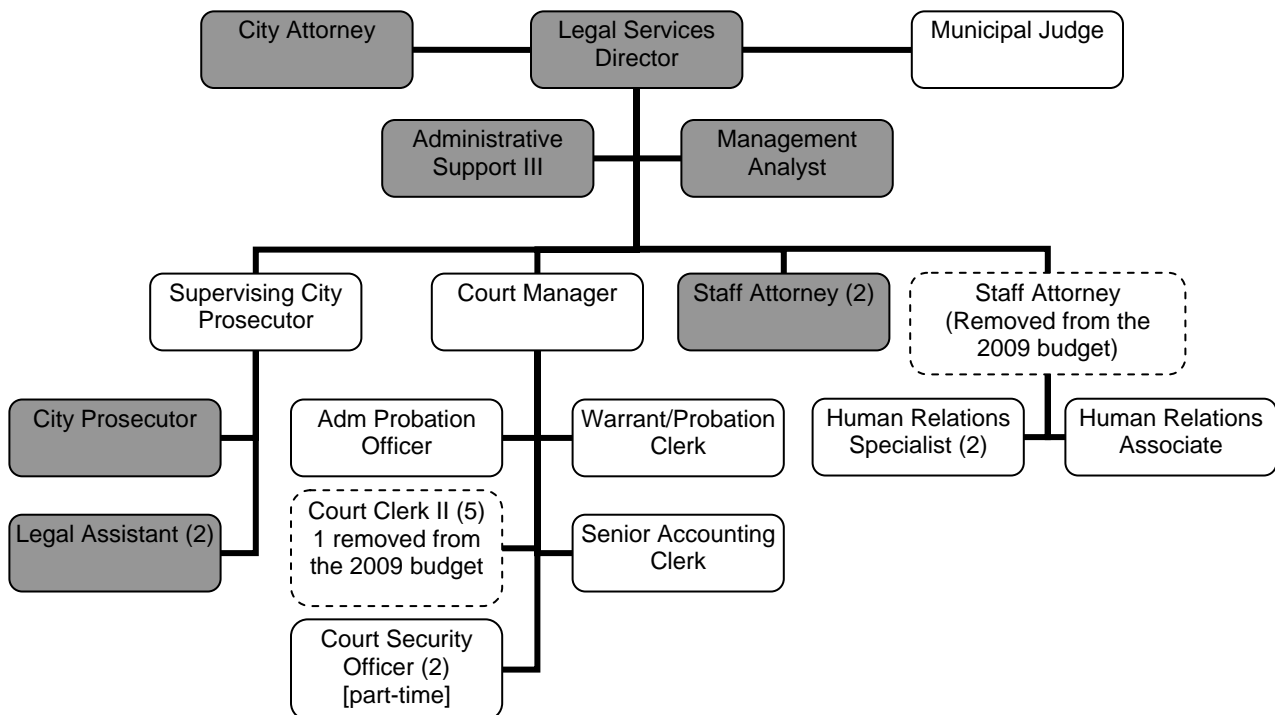
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 560,745	\$ 596,498	\$ 596,498	\$ 601,620
Contractual Services	193,656	89,200	83,848	142,750
Commodities	5,643	22,300	20,962	19,250
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 760,044	\$ 707,998	\$ 701,308	\$ 763,620

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	11.00	9.00	9.00	9.00

ORGANIZATIONAL CHART



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

PROFILE

The Legal Services Department is made up of four divisions: City Legal Services, Human Relations, 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.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Number of property acquisitions completed	36	NA	TBD
Number of online City Code updates made	15	NA	TBD
Number of ordinances prepared/reviewed per FTE	12.5	984	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

1. To professionally respond to the increased level and complexity of legal services demanded by the City within the constraints of available resources.
2. To continue professional development in the municipal court and prosecutor functions seeking greater responsiveness and better results for the community.
3. To assist various City departments, in a legal capacity, in achieving the goals set by the City Commission.

CURRENT YEAR ACCOMPLISHMENTS

- Provided legal support for public safety initiatives, including research and analysis on entertainment venue licensing and development of Police Department's Taser Use Policy;
- Provided legal support in the establishment of the Oread Redevelopment TIF District.
- Provided legal review of amendments to Development Code and Horizon 2020.
- Acquired property and interests for public improvement projects.

SIGNIFICANT ISSUES FOR 2008

The increase in contractual services can be attributed to an increase in the amount budgeted for fees paid to outside legal counsel.

General Operating Fund

Human Relations

Account 001-1085-541

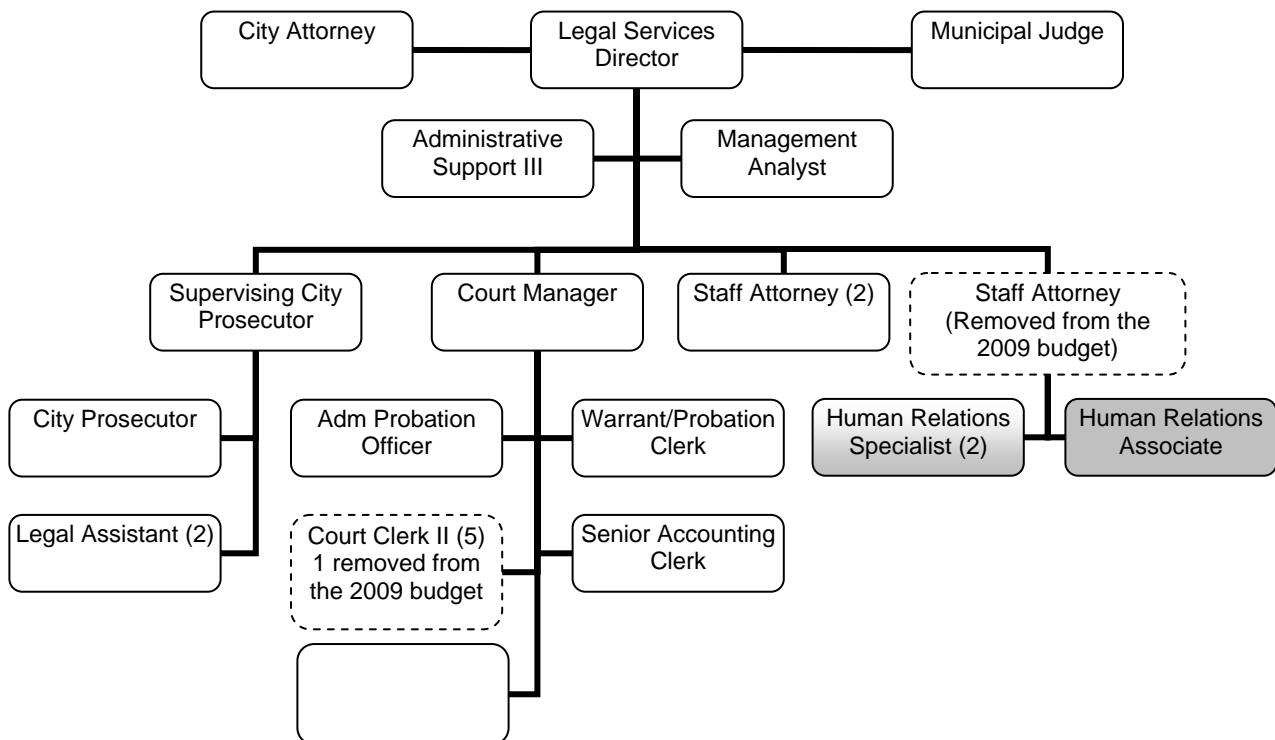
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 186,018	\$243,141	\$243,141	\$142,778
Contractual Services	11,452	29,170	27,420	27,170
Commodities	11,619	18,157	17,068	14,657
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 209,089	\$ 290,468	\$ 287,628	\$ 184,605

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	3.5	3.5	3.5	2.5

ORGANIZATIONAL CHART



Shading indicates positions funded from this account.
Partial shading indicates positions that are partially funded through this account.

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 provides training on Chapter 10 of the City Code. The department sponsors Fair Housing and Equal Opportunity Law Update Seminars for the general public and outreach services.

Staff members are state certified mediators and provide mediation services to City Departments, as needed.



CURRENT YEAR ACCOMPLISHMENTS

- Sponsored the annual Equal Opportunity Law Update Seminar for local legal and human resources professionals.
- Conducted training and outreach programs for community organizations.
- Created an Online Complaint Intake system, resulting in more efficient complaint processing for staff and the public.
- Developed and received training on improved investigative techniques and report writing for staff.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Number of formal complaints processed per FTE	17	15	17
Number of informal complaints processed per FTE	44	54	55
Number of seminars conducted	3	4	4

MAJOR GOALS AND OBJECTIVES FOR 2009

1. To investigate all formal complaints in a timely and professional manner.
2. To make available to the public clear and concise information regarding Chapter X and the City's complaint investigation process.
3. To provide high quality seminars, training and outreach in an economical and efficient manner.

SIGNIFICANT ISSUES FOR 2009

The decrease in personal services can be attributed to the elimination of a Staff Attorney position for the 2009 budget.

General Operating Fund

Municipal Court / Prosecutor

Account 001-1090-522

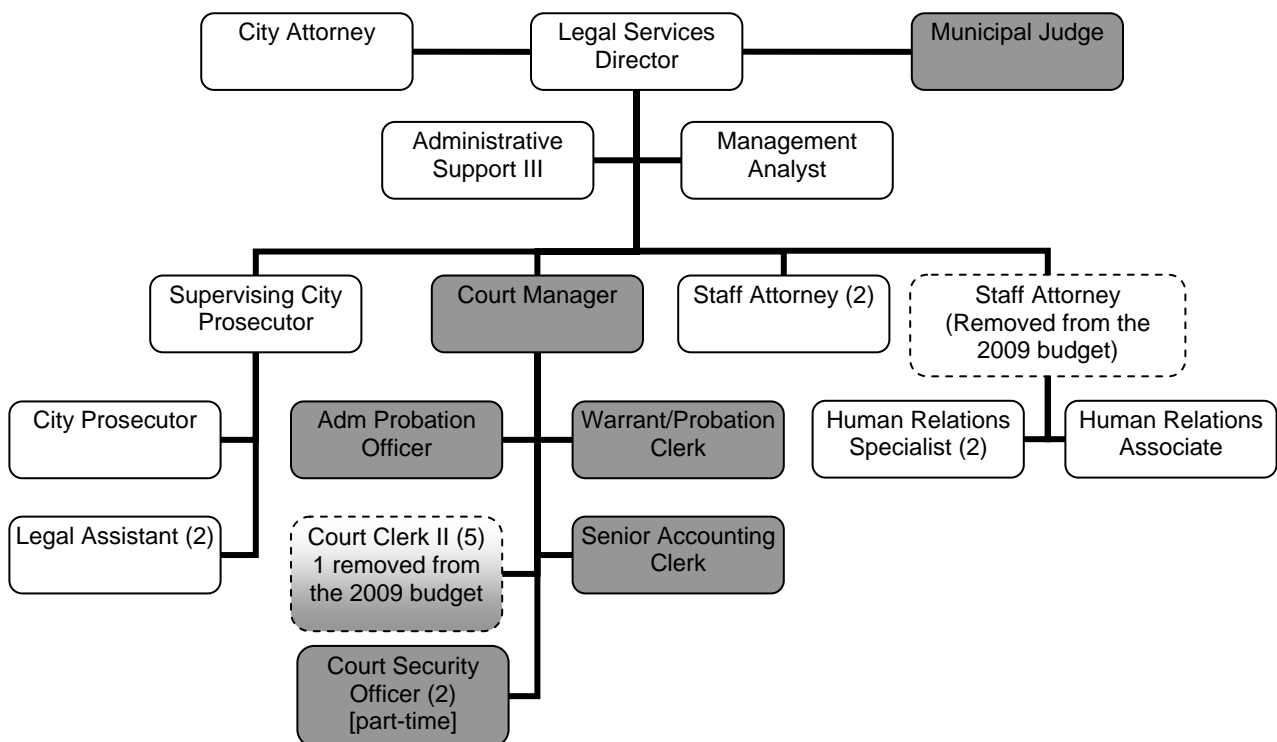
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 461,710	\$ 476,247	\$ 476,247	\$ 442,582
Contractual Services	174,054	185,760	174,614	185,642
Commodities	31,695	29,128	27,380	20,205
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 667,459	\$ 691,135	\$ 678,242	\$ 648,429

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	8.5	8.5	8.5	7.5

ORGANIZATIONAL CHART



Shading indicates positions funded from this account. Only one Court Clerk II position is funded out of this account while three are funded from the Public Parking Fund. The other non-shaded positions are from the City Legal Services account.

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.



CURRENT YEAR ACCOMPLISHMENTS

- Maintained a high level of accuracy and professional integrity amid the steady increase in citations, court appearances and diversions.
- Improved focus on collections, including overtime parking collections.
- Implemented internal controls to verify payment posting accuracy.
- Implemented new meter payment processing system that improves the accuracy and efficiency of posting large volumes of meter payments.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Percent of failure to appear notices mailed within 1 day of non-compliance	81%	85%	100%
Percent of warrants issued within 2 days of non-compliance	87%	90%	100%
Percent of drivers license suspensions issued within 35 calendar days of failure to appear notice	58%	70%	80%
Percent of case files retrieved within 15 minutes	88%	95%	100%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Continue to develop and improve court procedures, staff training, records management and fines collection methods.
2. Ensure an appropriate and timely disposition on all cases.
3. Dispose of all traffic and parking citations through payment, issuance of warrants or assignment to collections within 180 days of issue date.
4. Evaluate court's technology resources to ensure court is realizing maximum efficiency.

SIGNIFICANT ISSUES FOR 2009

Personal services reduction reflects elimination of one position.

The increase in contractual services can be attributed to an increase in the cost of the lease for the court, located at 10th and New Hampshire.

General Operating Fund

Police

Account 001-2100-561

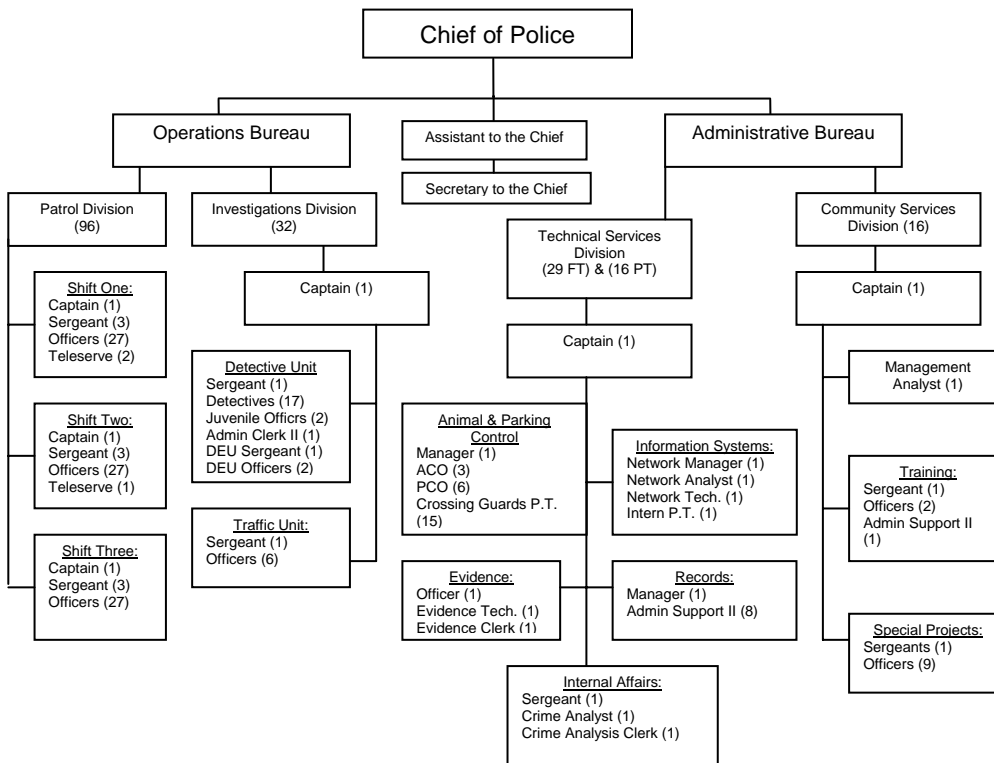
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 11,765,924	\$ 12,505,497	\$ 12,505,497	\$ 12,224,445
Contractual Services	943,033	1,069,837	1,005,647	993,369
Commodities	491,348	480,516	451,685	508,830
Capital Outlay	145,780	290,341	272,921	205,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 13,346,085	\$ 14,346,191	\$ 14,235,750	\$ 13,931,644

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	168.0	164.0	164.0	164.0

ORGANIZATIONAL CHART



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

CURRENT YEAR ACCOMPLISHMENTS

- Continued hosting a variety of law enforcement training programs including the Central States Law Enforcement Development Seminar, the Homicide Investigation School, Capital Area Major Case Investigation School, and Citizen's Academy.
- Implemented a Taser program in the Department.
- Continued working on technology issues including in car video systems, mobile computer data upgrades, and other computer forensics equipment.
- Tested a new personnel deployment assigning officers to a quadrant system.
- Recruited and prepared for 2008 Recruit Academy and conducted promotional activities for captain and sergeant openings.

SIGNIFICANT ISSUES FOR 2009

The significant issue in 2009 is how to maintain existing service levels while absorbing the inflationary pressures of gasoline prices, commodities, aging equipment and prisoner care.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimate	2009 Target
Percent of residents satisfied with the frequency of patrol in their neighborhood	56%	NA	TBD
% of residents satisfied with how well the City enforces traffic offenses	53%	NA	TBD
Percent of residents that feel safe in their neighborhood during the day	96%	NA	TBD
Calls for Service	126,874	130,000	135,000
Offense Cases	17,795	18,000	18,500
Accident Investigation	3,555	3,600	3,700
Custodial Arrests	2,661	2,700	2,750

MAJOR GOALS AND OBJECTIVES FOR 2009

1. To maintain personnel, equipment, and technology for efficiency and effectiveness in providing innovative, timely, and quality police 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 of service levels impacting our organization.
4. To continue high productivity by all employees engaged in emergency police response.
5. To address significant issues associated with evidence processing and storage and increasing levels of property storage.
6. Ongoing development of long-term planning for adequate personnel levels, facilities, and equipment.

General Operating Fund

Fire Medical

Account 001-2200-562

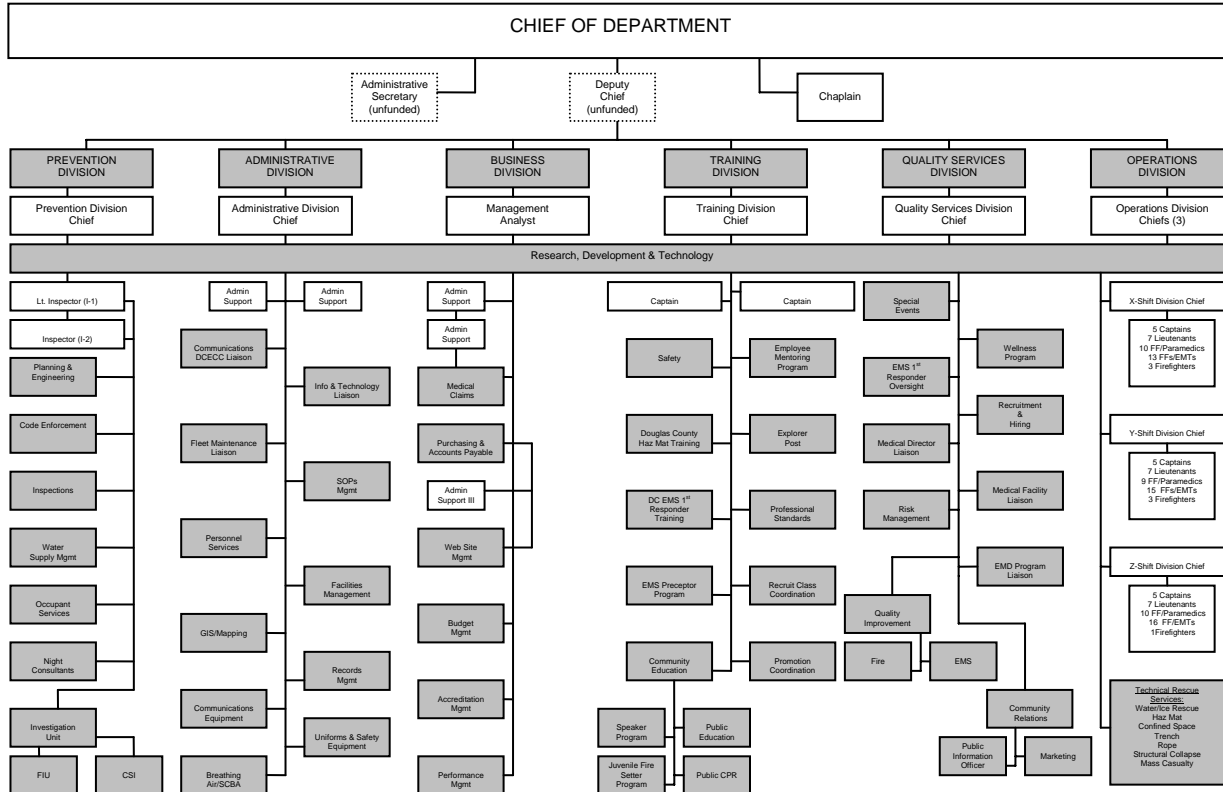
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 11,275,830	\$ 11,677,564	\$ 11,677,564	\$ 11,468,307
Contractual Services	754,079	922,748	867,383	1,020,324
Commodities	333,603	530,154	498,345	493,316
Capital Outlay	288,442	92,000	86,480	100,500
Refunds	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 12,651,954	\$ 13,222,466	\$ 13,129,772	\$ 13,082,447

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	146.0	143.0	143.0	143.0

ORGANIZATIONAL CHART



PROFILE

"WE ARE COMMITTED TO SAVING AND PROTECTING LIVES AND PROPERTY." The **Fire Medical** 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, with the City funding 74.36% and the County funding 25.64% according to an agreement. The City funds 75% of the shared costs. Fire services are only provided within the City of Lawrence while emergency medical services and hazardous material responses are provide County-wide.

The Administrative Division is responsible for communications, fleet maintenance, personnel services, GIS/mapping, information and technology, Standard Operating Procedures, facilities, records, and uniform/safety equipment. The Business Division is responsible for medical claims and billing, purchasing and accounts payable, web site management, budget management, accreditation, and performance management. The Operations Division is comprised of firefighters and paramedics who work traditional 24-hour shifts and are on duty three shifts in each nine-day cycle. Operations equipment includes engines, quints, aerial ladders, medic units, squads, one tender and a hazardous materials vehicle distributed among five stations located throughout Lawrence and one medic station in Baldwin. Prevention is responsible for planning and engineering, enforcement of the Uniform Fire Code and Life Safety Code, water supply management, investigations, and night consultants. Quality Services provides oversight for special events, the EMS First Responder Program, the Wellness Program, recruitment and hiring, risk management, and community relations. Training is responsible for all training and education of department and community members, the Explorer Program, professional standards, recruit class training and the EMS Preceptor Program.

CURRENT YEAR ACCOMPLISHMENTS

- Responded to 9,031 incidents, 76% EMS.
- Completed the accreditation process and was awarded accredited agency status by the Commission on Fire Accreditation International.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Average fire emergency response time within the city limits	3:09	4:33	Within 6:00 80% of the time*
Average EMS emergency response time within the city limits	2:24	3:56	Within 6:00 80% of the time*
Percent of citizens indicating satisfied or very satisfied with department's professionalism	89%	NA	TBD
Percent of citizens indicating satisfied or very satisfied with department's quality of fire services	90%	NA	TBD

* As a result of the accreditation process, we are no longer using averages and are using fractiles to measure response time instead.

MAJOR GOALS AND OBJECTIVES FOR 2009

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

General Operating Fund

Health Department

Account 001-2500-565

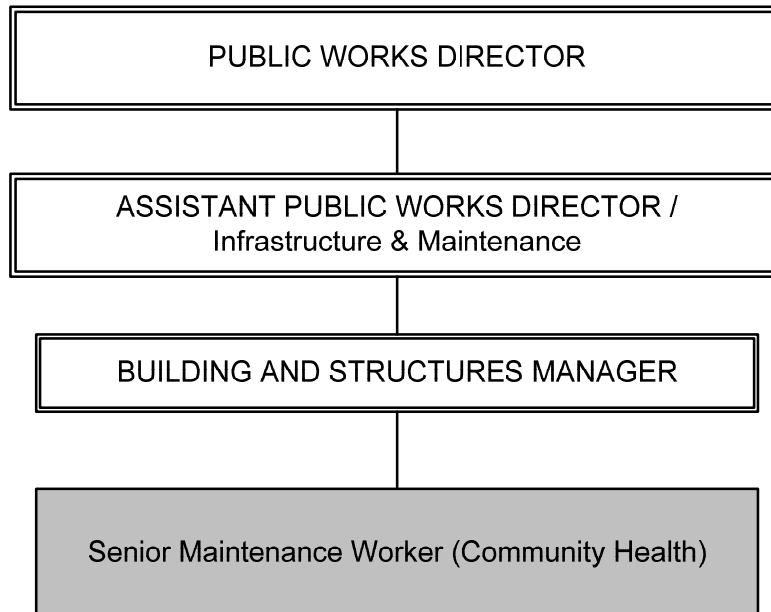
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 66,214	\$ 60,753	\$ 60,753	\$ 70,057
Contractual Services	811,323	931,230	875,356	963,682
Commodities	12,986	18,600	17,484	18,600
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 890,523	\$ 1,010,583	\$ 953,593	\$ 1,052,339

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	1.0	1.0	1.0	1.0

ORGANIZATIONAL CHART



Shading indicates positions funded through this account.

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%. 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.

CURRENT YEAR ACCOMPLISHMENTS

- Continued to emphasize essential public health services related to disease prevention through immunizations, communicable disease investigation, public health emergency preparedness, nutrition and case management services to maternal and child health populations as well as child care facility and environmental health inspections.
- Promoted wellness within the community through public education efforts using a variety of channels including health fairs, community forums, individual instruction and mass media.
- Continued to monitor the community's health notifying the community of an increase in the number of mumps cases and working with health care providers, schools, cases and contacts to limit the spread of this disease.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Projected
Total Immunizations	9,770	7,735	7,735
MCH Service Visits	2,532	2,525	2,575
WIC Caseload at end of Year	1,472	1,509	1,539
Child Care Facility Visits	443	420	420
Care Management for Seniors Visits	1,524	1,550	1,560
Swimming Pool Inspection Visits	516	500	500
Percent of 2 year old clients completing the primary immunization series	84%	82%	85%
Public Swimming Closure Rate	16%	13%	13%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. **Safeguard community health and safety**
 - By protecting individuals of all ages against vaccine-preventable diseases.
 - By evaluating compliance with child care licensing regulations.
 - By enforcing local environmental health codes and regulations.
2. **Identify urgent and everyday health problems**
 - In order to prevent or reduce the spread of communicable diseases.
 - In order to improve the health outcomes for pregnant women and their infants.
3. **Assess health problems and promote wellness**
 - By helping teen parents become self-sufficient through goal setting and life skills development.
 - By helping mothers and pregnant women meet their nutritional needs and those of their children.
4. **Work with the community to protect health and control costs**
 - By assisting seniors to remain living safely in their own homes.
 - By working with local and state partners to prepare for potential public health emergencies.

HEALTH DEPARTMENT

General Operating Fund

Street Maintenance

Account 001-3000-571

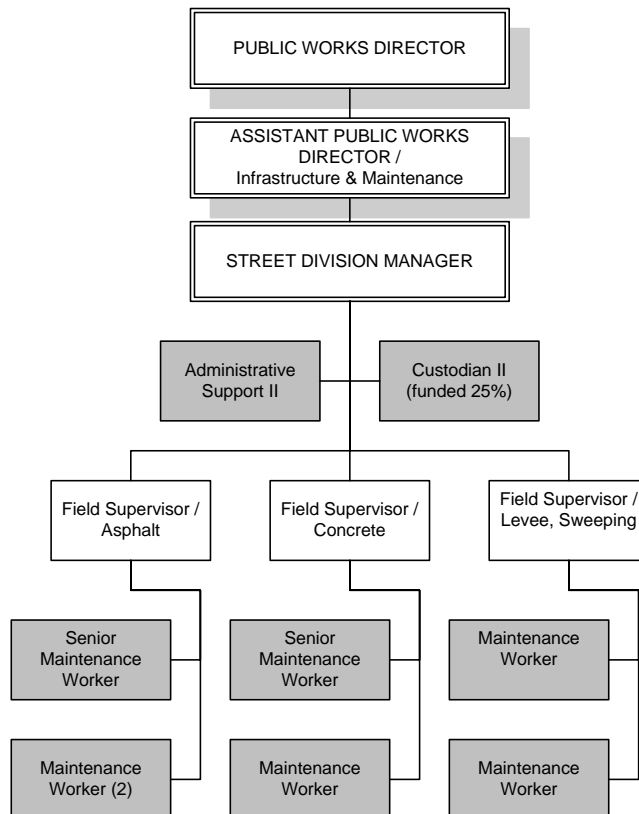
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 363,699	\$ 400,248	\$ 400,248	\$ 390,589
Contractual Services	296,341	295,490	277,761	290,490
Commodities	1,903,875	2,588,040	2,432,758	2,612,706
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	100,000	94,000	-
Total	\$ 2,563,915	\$ 3,383,778	\$ 3,204,766	\$ 3,293,785

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	8.25	8.25	8.25	8.25

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account.

PROFILE

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

The City maintains slightly over 318 centerline miles of streets. Core street maintenance services continue to be a priority focus. In 2006, the Public Works Department completed a reorganization to align resources and priorities, such that all pavement management functions would fall under a single division. The organizational changes are resulting in more comprehensive planning for pavement rehabilitation and maintenance.

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

CURRENT YEAR ACCOMPLISHMENTS

- Concrete and asphalt maintenance projects including resurfacing, base failure repairs, valley gutters and intersections, curb repairs and replacement, pedestrian and sidewalk issues, and special projects.
- Provided excellent snow and ice control during winter operations.
- In-house crack-sealing project along major arterials.
- Street sweeping for approximately 6,000 lane miles.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of pavement rated as acceptable or better (PCI)			
Arterials	62.5%	60 %	TBD
Collectors	75.1%	73 %	TBD
Residentials	75.8%	73 %	TBD
% of potholes on arterials filled within 24 hours (arterial streets)	83%	85%	85%
% of residents satisfied with street maintenance	26%	NA	26%
% of residents satisfied with snow removal on arterials streets	76%	NA	76%

MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

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

STREET MAINTENANCE

General Operating Fund

Engineering

Account 001-3100-571

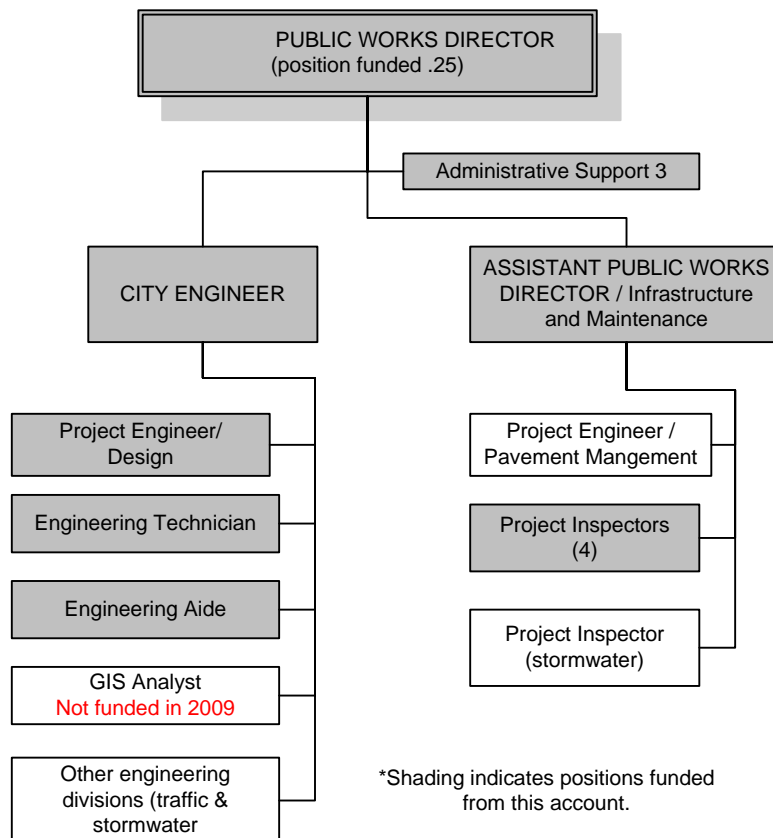
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 749,490	\$ 827,796	\$ 827,796	\$ 773,789
Contractual Services	31,719	43,785	41,158	44,785
Commodities	35,014	57,450	54,003	57,700
Capital Outlay	23,284	41,000	38,540	16,300
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 839,507	\$ 970,031	\$ 961,497	\$ 892,574

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	11.66	11.66	11.66	10.66

ORGANIZATIONAL CHART



PROFILE

The **Engineering** Division is responsible for the review and approval of all plans for streets, sidewalks, and storm sewers. The division administers projects and inspects project construction, evaluates pavement condition and contracts for major pavement restoration and replacement. The Engineering Division solicits grants and other funding for major reconstruction or new construction projects. The City Engineer provides supervision for the traffic and stormwater engineering programs. The Public Works Department recently reorganized to align resources and priorities, such that all pavement management functions would fall under a single division. The organizational changes result in more comprehensive planning for pavement rehabilitation and maintenance.

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 were supported through this division, but the position is not budgeted in 2009.

CURRENT YEAR ACCOMPLISHMENTS

- Completion of reorganization to align resources and priorities for infrastructure development and management.
- In-house design of small projects, including geometric intersection improvements and a brick street reconstruction project.
- Established a centralized project review process, facilitating the coordinated review of plans by various workgroups.
- Completion of major reconstruction projects, such as Kasold, 15th to 22nd, and Kasold, north of Peterson Road.
- Completion of plan and design for improvements at 19th and Louisiana.
- Reviewed and updated technical specifications including sections on pavement, subgrade materials, and maintenance activities.
- Continued work on 23rd Street Access Management Project.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of pavement rated as acceptable or better (PCI)			
Arterials	62.5%	60 %	TBD
Collectors	75.1%	73 %	TBD
Residentials	75.8%	73 %	TBD
% of engineering plans reviews completed within 10 business days	78%	90%	100%
% of residents satisfied with street maintenance	26%	26%	26%
Total lane miles of street resurfacing completed			
Overlay	8.7	8.0	TBD
Micro-surfacing	12.9	13.5	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

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

General Operating Fund

Traffic Engineering
Account 001-3200-572

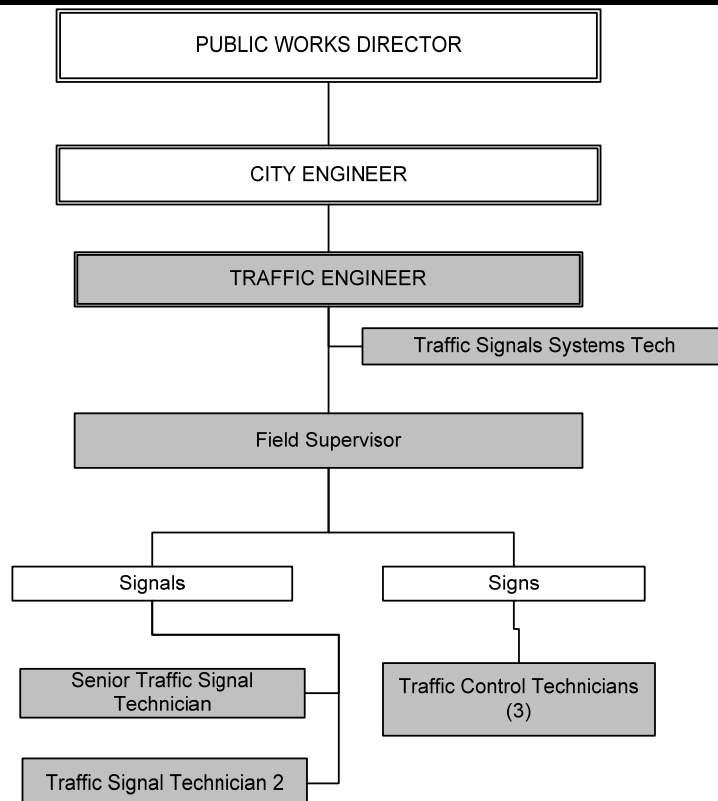
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 426,414	\$ 440,980	\$ 440,980	\$ 450,069
Contractual Services	36,791	40,350	37,929	39,800
Commodities	120,533	93,350	87,749	91,400
Capital Outlay	7,995	57,500	54,050	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 591,733	\$ 632,180	\$ 620,708	\$ 581,269

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	8.0	8.0	8.0	8.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

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

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

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

CURRENT YEAR ACCOMPLISHMENTS

- Worked with neighborhoods and localized areas on traffic calming plans.
- Optimized traffic signal coordination plans throughout the city.
- Continued installation of battery back-up systems at major signalized intersections.
- Continued program installing countdown timers at signalized pedestrian crossings.
- Continued LED upgrade program for pedestrian signals.
- Initiate contract for professional services in the design of the architecture for intelligent transportation systems within the city.
- Updated signal wiring at 15th and Kasold.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of downed signed reinstalled within 3 days of completed locates	99.17%	99%	100%
% of traffic signal heads converted to LED	58%	60%	62%
% of residents satisfied with ease of east/west travel (survey)	30%	30%	30%
% of residents satisfied with ease of north/south travel (survey)	49%	49%	49%
% of residents satisfied with maintenance of street signs	72%	72%	72%

MAJOR GOALS AND OBJECTIVES FOR 2009

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 Systems (ITS) Plan.
3. To inventory approximately 20% of traffic control signs in place.
4. To complete installation of LED's in all pedestrian signals.
5. To continue working with neighborhood organizations to provide solutions to traffic problems that can improve the quality of life within the neighborhood.

SIGNIFICANT ISSUES FOR 2009

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

General Operating Fund

Airport Maintenance

Account 001-3300-573

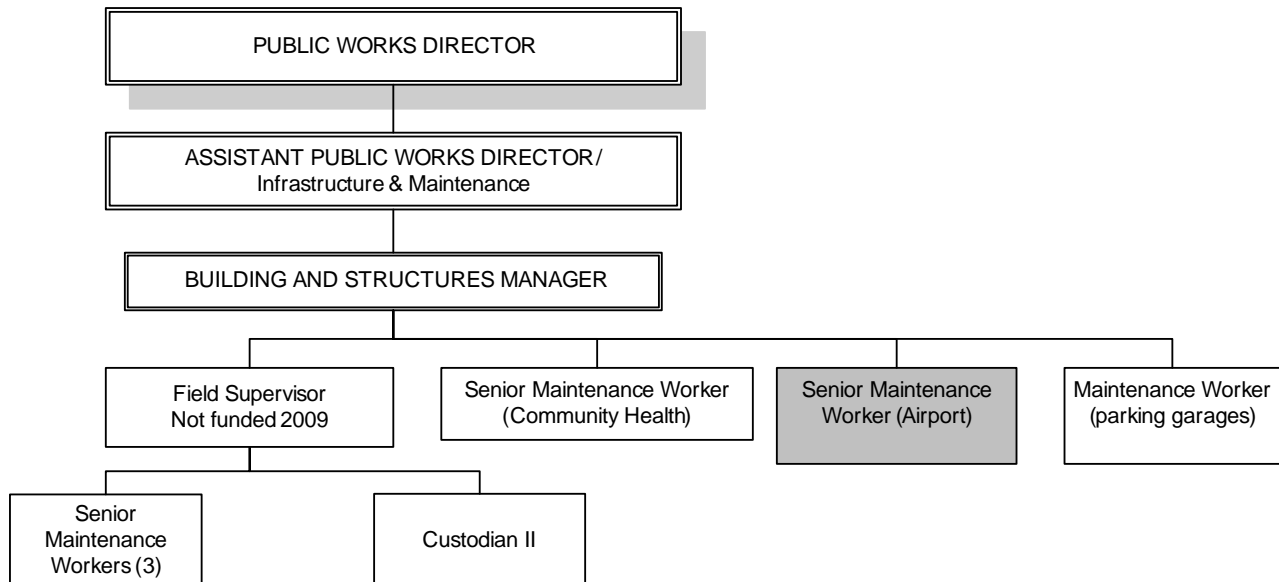
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 40,996	\$ 42,227	\$ 42,227	\$ 60,690
Contractual Services	51,918	60,250	56,635	58,000
Commodities	1,704	3,700	3,478	3,700
Capital Outlay	-	20,000	18,800	17,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 94,618	\$ 126,177	\$ 121,140	\$ 139,390

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	1.0	1.0	1.0	1.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

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

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

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

CURRENT YEAR ACCOMPLISHMENTS

- Reorganization of functions to assign maintenance staff to airport operations on a daily basis.
- On-going project to widen the safety area for the runway, including grading and drainage modifications.
- Evaluate alternative snow removal and ice control methodologies for runways.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% occupancy of t-hanger space	100%	100 %	100 %
% of construction inspection services provided in-house	100%	100%	100%
% of monthly safety inspections completed on time	80%	85%	90%
Waiting list for t-hanger space	Yes	Yes (32)	yes



MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

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

AIRPORT MAINTENANCE

General Operating Fund

Building Maintenance

Account 001-3400-574

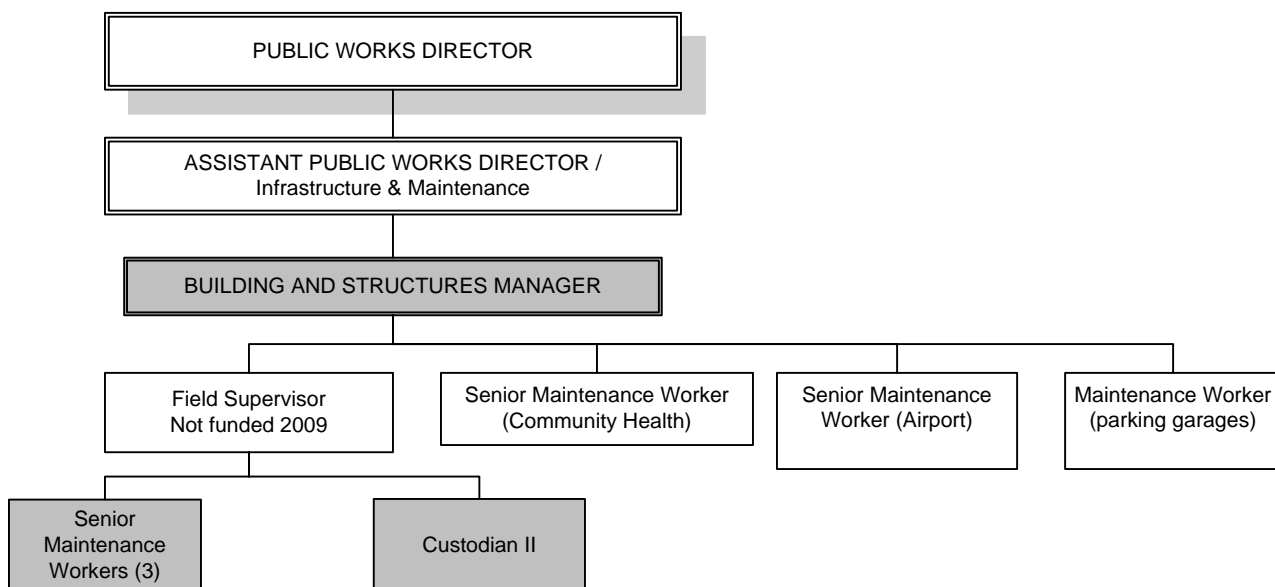
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 287,527	\$ 306,665	\$ 306,665	\$ 305,527
Contractual Services	470,724	592,370	556,828	549,547
Commodities	32,642	33,700	31,678	35,200
Capital Outlay	15,900	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 806,793	\$ 932,735	\$ 895,171	\$ 890,274

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	5.0	5.0	5.0	5.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

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

In 2007, one of the existing maintenance worker positions was restructured to provide a field supervisor, as seen on the organization chart. The position has not yet been filled due to financial constraints. The organizational changes provide more direct supervision of maintenance activities. The division manager is responsible for program planning for maintenance, custodial, parking garage functions, and operational support for the Lawrence Municipal Airport.

CURRENT YEAR ACCOMPLISHMENTS

- Completion of generator project, installing back up systems in two fire stations and City Hall, for primary computer room.
- Completion of maintenance on the two parking garage structures, including structural T repairs on Riverfront Parking Garage.
- Completion of downtown projects including support of lighting and electrical improvements, plus rehabilitation of bus shelter roof structure at 9th and Massachusetts.
- Continued to provide core maintenance functions for municipal building infrastructure.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of scheduled repairs completed on time	78%	80%	90%
% of emergency requests responded to within 2 hours	94%	95%	95%
% of respondents rating cleanliness of facilities as good or excellent	Na	Na	Na
% of respondents rating timeliness of repairs as good or excellent	Na	Na	Na

MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

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



City of Lawrence

General Operating Fund

Street Lights

Account 001-3600-576

EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	539,961	630,000	630,000	630,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 539,961	\$ 630,000	\$ 630,000	\$ 630,000

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	NA	NA	NA	NA

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 2009

Maintaining contractual services despite 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

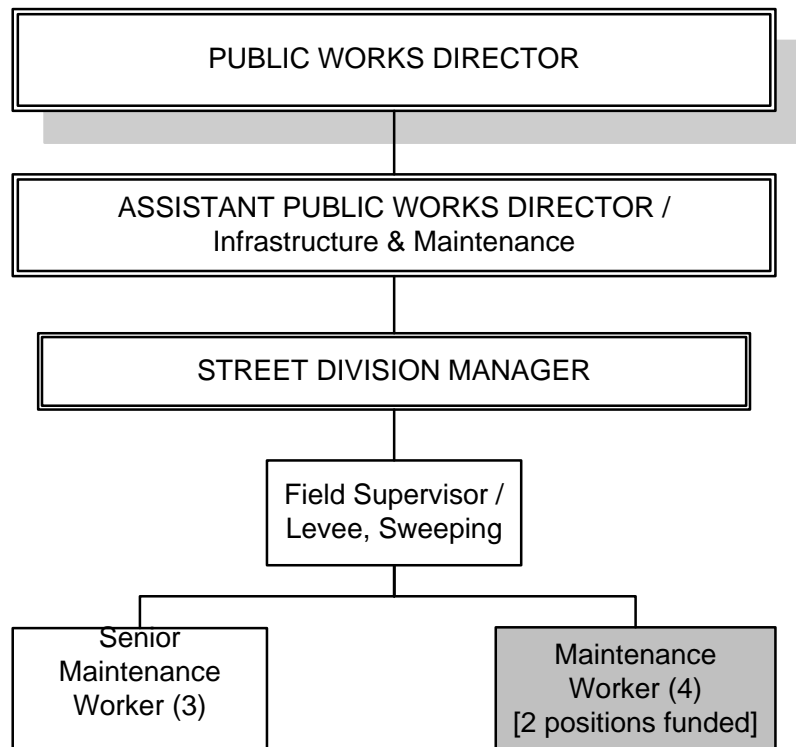
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 78,503	\$ 83,856	\$ 83,856	\$ 85,976
Contractual Services	41,953	21,000	19,740	33,500
Commodities	22,033	21,300	20,022	21,300
Capital Outlay	-	20,000	18,800	16,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 142,489	\$ 146,156	\$ 142,418	\$ 156,776

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	2.0	2.0	2.0	2.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

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. Maintenance requirements for the levee are regulated by the U.S. Army Corps of Engineers and inspected annually.

CURRENT YEAR ACCOMPLISHMENTS

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



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
# of events requiring flood gate closures	NA	3	1
# of events requiring 24 hour flood patrol	NA	1	1
% of 24-hour mandatory flood patrol completed on time	100%	100%	100%
# of major violations identified in USACE inspection	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

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

LEVEE MAINTENANCE

General Operating Fund

Parks / Facility Maintenance

Account 001-4500-595

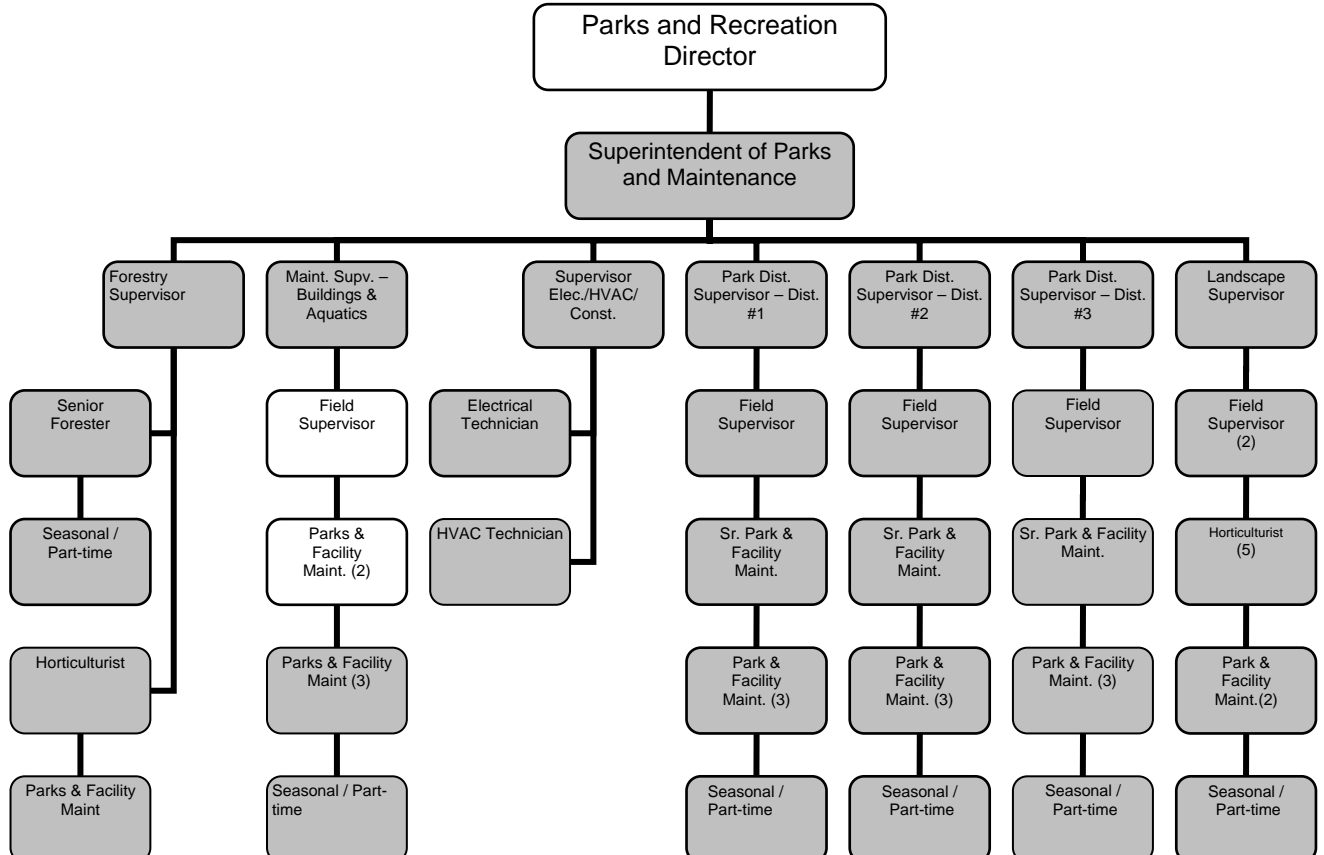
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 2,264,774	\$ 2,450,505	\$ 2,450,505	\$ 2,264,808
Contractual Services	611,966	635,900	597,746	652,354
Commodities	311,151	319,430	300,264	343,100
Capital Outlay	13,264	82,000	77,080	32,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,201,155	\$ 3,487,835	\$ 3,425,595	\$ 3,292,262

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	41.0	41.0	41.0	36.5

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account. The Director is partially funded from this account.

PROFILE

This budget provides maintenance funding for the divisions of **Parks and Recreation** 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 four recreation centers, depot, nature center, four pools and three fountains),
- Horticulture (city-wide landscape maintenance and downtown streetscape),
- Forestry (city-wide street tree maintenance and management of right-of-way mowing contracts),
- 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.

CURRENT YEAR ACCOMPLISHMENTS

- Increased use of contract mowing in parks & right-of way
- Completed multiple maintenance projects on the recreation centers and park facilities
- Assumed full ownership of Memorial Park Cemetery
- Completed multiple upgrades to ball diamonds
- Completed Phase I of DeVactor Park
- Started construction on Burroughs Creek Park
- Completed Playground renovation Clinton Park
- Completed replacement of the HVAC unit for the East Lawrence Center Gym

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with appearance / cleanliness of city parks	88.3%	NA	TBD
% of residents satisfied with the condition of equipment at city parks	80.7	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

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 General Fund & Sales Tax.
3. Continue to evaluate the benefits of contractual labor vs. in-house labor.

SIGNIFICANT ISSUES FOR 2009

The increases in contractual services and commodities can be attributed to the increased cost of gasoline and diesel fuel, utilities, and equipment repairs. These increases are necessary to maintain service levels. In addition, operations of Memorial Park Cemetery has been added to department responsibility.

To offset these increases, the difficult decision was made to eliminate positions. Staff cuts do not come easy and will cause us to prioritize maintenance in the parks and the facilities. However, the alternative would be to keep the staff but not provide the resources needed to successfully do their jobs.

The proposed budget eliminates the following 5 positions (1- horticulturist, 2 - park maintenance, 1 - senior park maintenance, 1 – part-time admin support).



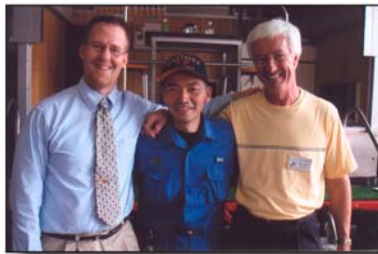
City of Lawrence



City of Lawrence

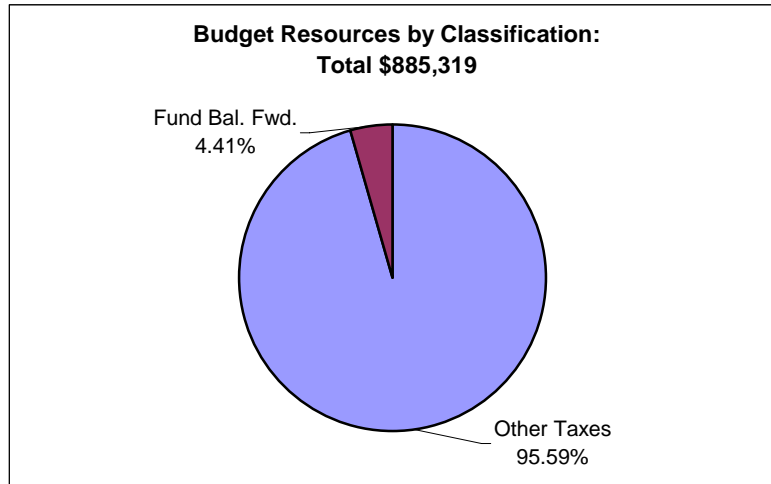
2009

Guest Tax Fund



GUEST TAX FUND

Fund 206- GUEST TAX



	2007 Actual	2008 Budget	2008 Estimated	2009 Budget
RECEIPTS				
5% Guest Tax Income	785,956	820,800	820,800	846,300
TOTAL RECEIPTS	785,956	820,800	820,800	846,300
Balance, January 1	288,219	188,219	288,219	39,019
TOTAL RESOURCES AVAILABLE	1,074,175	1,009,019	1,109,019	885,319

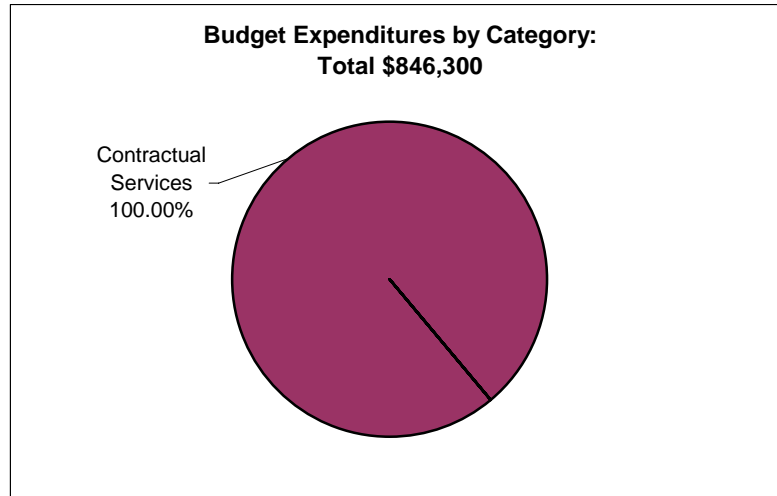
Revenue Sources - Descriptions and Trends

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, 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	2007 Actual	2008 Budget	2008 Estimated	2009 Budget
DMI /CVB Contract	725,206	820,000	658,000	684,300
Sister Cities	12,000	12,000	12,000	7,500
Reserve	48,750	150,000	400,000	154,500
TOTAL EXPENDITURES	785,956	982,000	1,070,000	846,300
FUND BALANCE FORWARD	288,219	27,019	39,019	39,019

Expenditures - Descriptions and Trends

DMI/CVB Contract- Under a contract between the City and the Lawrence Destination Management, Inc. (DMI), transient guest tax funds are used principally to operate the Lawrence Convention and Visitors Bureau (CVB). The CVB seeks to attract visitors to Lawrence and promote Lawrence as a destination for tourism, convention, film and group tour industry. Expenditures are based on available revenues and have seen a steady increase over the years. In 2009, the CVB plans to increase advertising efforts in targeted markets.

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.

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.



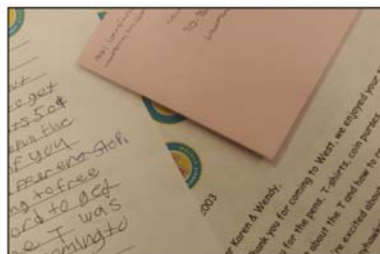
City of Lawrence



City of Lawrence

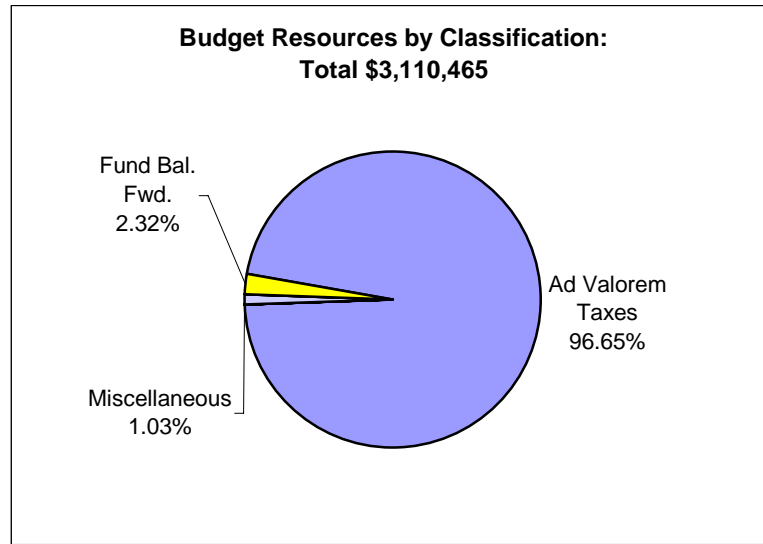
2009

Library Fund



LIBRARY FUND

Fund 209- LIBRARY



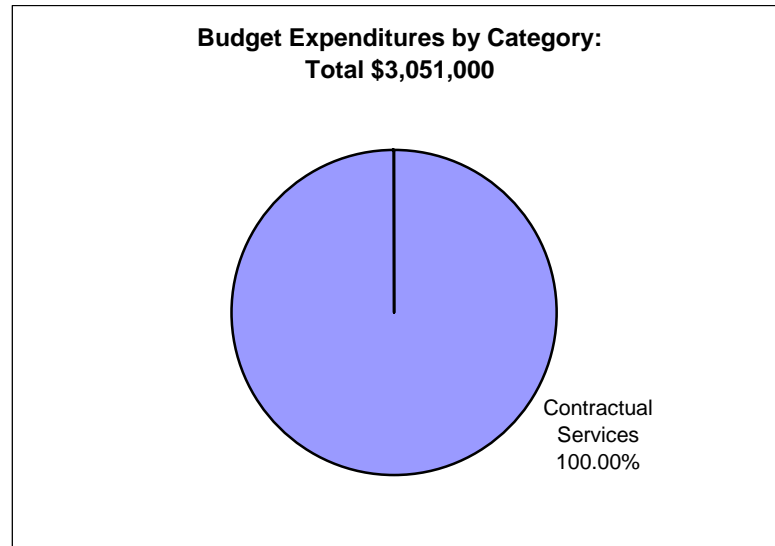
RECEIPTS	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Taxes - Current	2,642,847	2,693,000	2,693,000	2,714,789
Taxes - Delinquent	35,674	20,000	20,000	40,000
Motor Vehicle Taxes	242,539	236,299	236,299	248,997
Payment in Lieu of Taxes	5,854	9,000	9,000	2,453
Miscellaneous	-	-	-	32,179
Transfer In	-	-	-	-
TOTAL RECEIPTS	2,926,914	2,958,299	2,958,299	3,038,418
Balance, January 1	157,834	67,548	134,748	72,047
TOTAL RESOURCES AVAILABLE	3,084,748	3,025,847	3,093,047	3,110,465

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 miscellaneous category includes a payment from the State of Kansas to offset the impact of the recent exemption of machinery and equipment from property taxes. The Lawrence Public Library anticipates receiving almost 91% of their 2009 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. With only a slight increase in assessed valuation, use of fund balance may be necessary to provide sufficient resources to fund the Library without affecting the mill levy rate associated with this fund in 2009.

Fund 209- LIBRARY



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	-	-	-	-
Contractual Services	2,950,000	3,021,000	3,021,000	3,051,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve	-	-	-	-
TOTAL EXPENDITURES	2,950,000	3,021,000	3,021,000	3,051,000
FUND BALANCE FORWARD	134,748	4,847	72,047	59,465

Expenditures - Descriptions and Trends

Contractual Services - Under City Charter Ordinance 16, the Governing Body of the City of Lawrence shall annually levy Ad Valorem and Motor Vehicle property taxes for the equipping, operating and maintenance of the Free Public Library of the City of Lawrence. The tax is not to exceed 4.5 mills. The 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.

Fund 209- LIBRARY

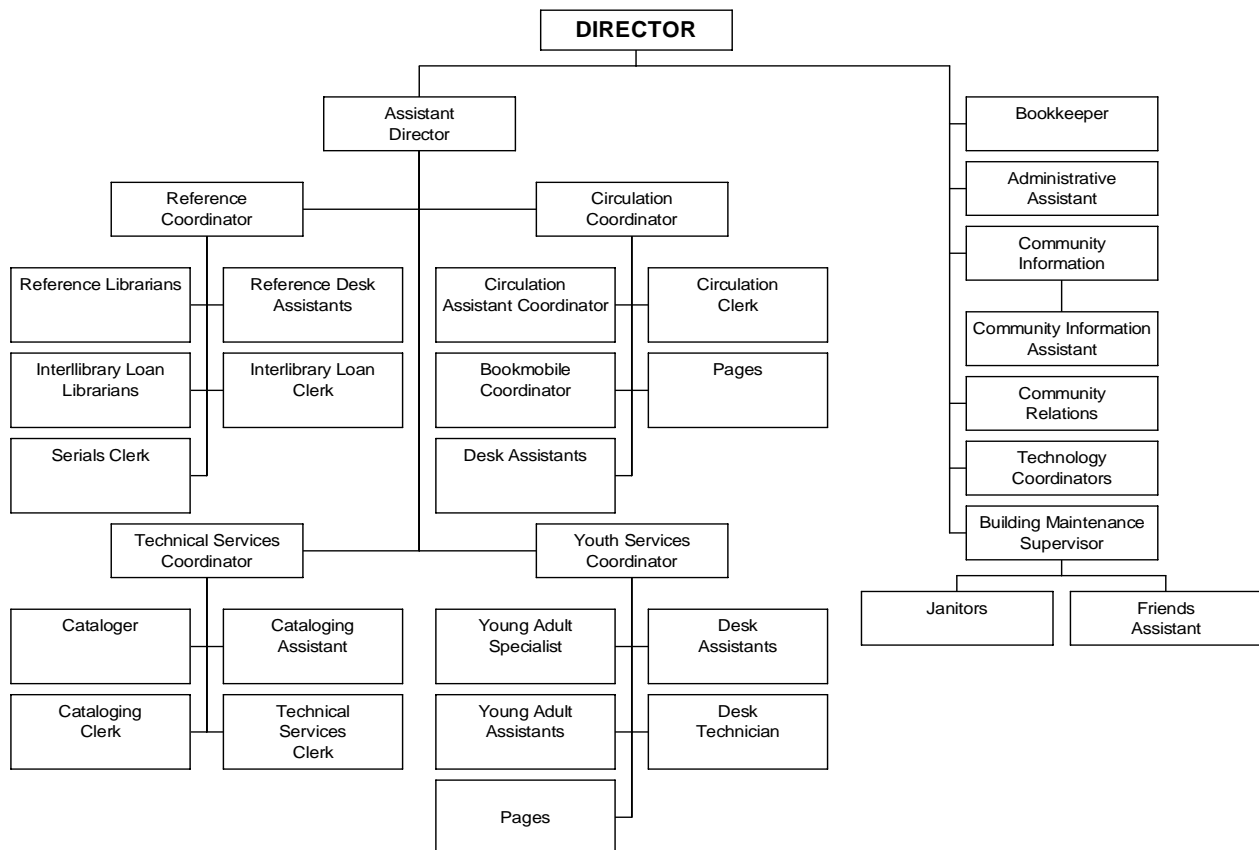
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	2,950,000	3,021,000	3,021,000	3,051,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 2,950,000	\$ 3,021,000	\$ 3,021,000	\$ 3,051,000

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	N/A	N/A	N/A	N/A

ORGANIZATIONAL CHART



PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

- Enhanced library services marketing and promotional outreach through: (a) participation in major community events, (b) stronger partnerships with allied groups such as the Library Foundation and Friends, (c) the development of library speaking points for use by library staff and others, and (d) use of the library website.
- Enhanced staff customer service skills by developing and delivering a variety of educational workshops for library employees.
- Increased public usage of library technology through the development and delivery of a series of public training sessions.
- Enhanced circulation services by: (a) expanding the security camera system, (b) reconfiguring the checkout desk, (c) implementing open reserve pick-up shelves, and (d) implementing new self-check technology.
- Enhanced library computing services by: (a) increasing Internet bandwidth, (b) upgrading hardware, and (c) implementing videoconferencing services.
- Created a more welcoming library environment by implementing security guidelines.
- Updated library collections by: (a) completing the weeding of VHS- and cassette-based materials, (b) replacing VHS television shows with DVD versions and moving that collection to the Media Room, and (c) reorganizing, weeding and repackaging the adult, YA and YS music CD collections.
- Extended library services to the community by: (a) enhancing the library website's usability and functionality, and (b) developing new Web 2.0 services. Maintain active Web Development Committee oversight and departmental content development.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Circulation	1,099,444	1,150,000	1,200,000
User Visits	475,775	480,000	500,000
Website Visits	158,932	170,000	200,000
Reference transactions	39,221	40,000	43,000

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Implement building renovations and space reallocations in order to make services and collections more effective within the very limited space provided by the existing library building.
2. Implement new marketing initiatives in order to further increase library usage in the community.
3. Implement expanded volunteer coordination in order to vastly increase volunteer assistance opportunities at the library.
4. Expand the availability of Internet access through the installation of additional public-access computer workstations. Expand access to online subscription databases for business research. Continue to look for opportunities to offer digitally-based library services. Continue to enhance the library website.
5. Explore opportunities to better serve business startups and local entrepreneurial ventures through information resource support and office technology support.

SIGNIFICANT ISSUES FOR 2009

We wish to provide superior service, and are committed to doing so, even with limited per capita funding support that ranks eighth among the public libraries in the ten largest Kansas communities. We also are severely challenged by the limitations posed by the library building, which will be 37 years old in 2009.

LIBRARY



City of Lawrence



City of Lawrence

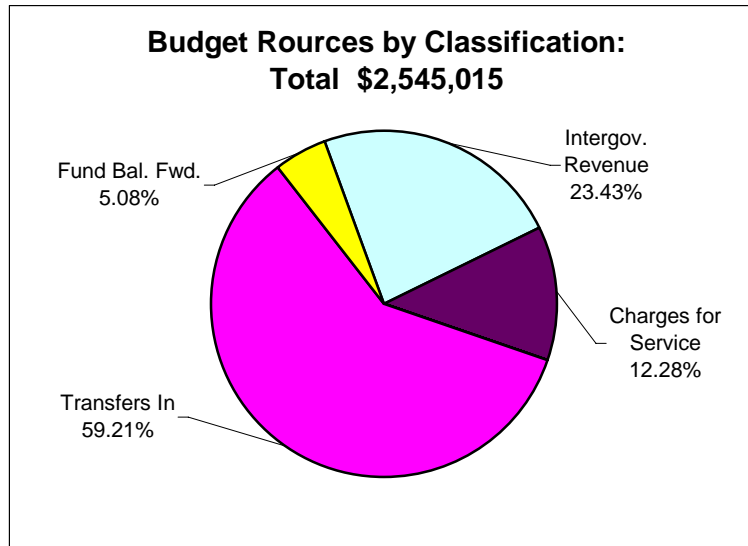
2009

Public Transit
Fund



TRANSPORTATION FUND

Fund 210 –TRANSPORTATION



	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Ad Valorem - Current Taxes	605,155	967,500	967,500	-
Ad Valorem - Delinquent Taxes	11,904	30,000	30,000	-
Motor Vehicle Taxes	47,298	54,105	54,105	-
Payment in Lieu of Taxes	1,340	1,500	1,500	-
Intergovernmental Revenues	232,000	-	-	595,000
Fare Box Receipts	216,789	312,300	312,300	312,000
Interest on Investments	-	-	-	-
Miscellaneous	14,068	-	-	-
Transfers In	-	-	-	1,503,950
TOTAL RECEIPTS	1,128,554	1,365,405	1,365,405	2,410,950
Balance, January 1	875,485	209,260	546,504	129,065
TOTAL RESOURCES AVAILABLE	2,004,039	1,574,665	1,911,909	2,540,015

Revenue Sources - Descriptions and Trends

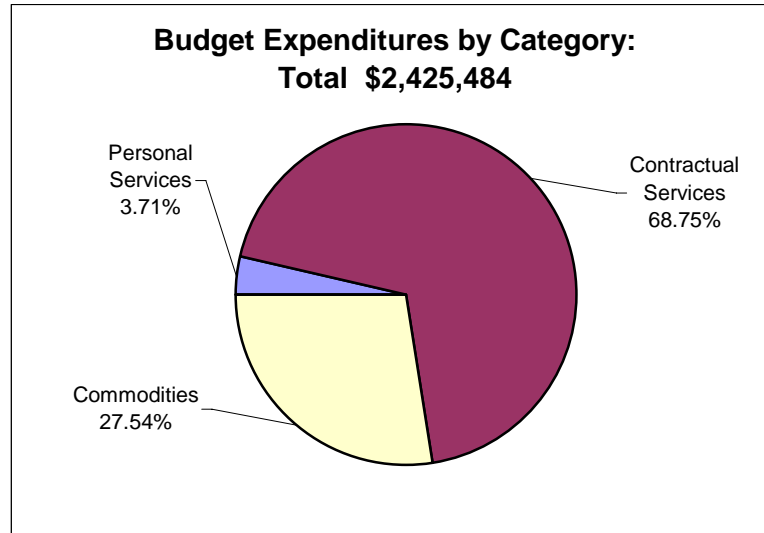
Transfer In – Due to the rising cost to provide fixed route and Paratransit service, property tax revenues were insufficient to maintain the existing service levels. In November of 2008, voters approved a 0.20% local sales tax to fund the operations of the transit system as it currently exists. An additional 0.05% sales tax for transit expanded was also approved, however, was not anticipated when the 2009 budget was adopted. Therefore, the budget will be amended in 2009 to reflect this additional revenue source, which is anticipated to generate \$375,988 in 2009. According to State law, all proceeds from sales tax must be deposited in the City's General Operating Fund then transferred into the Transportation Fund for system operations.

Intergovernmental Revenue - Because of the first distribution of sales tax will not occur until July, it will be necessary to use reserve funds to cover the cost of operations for the first six months of 2009.

Fare Box Receipts – Fares collected from passengers as well as proceeds from the sale of bus passes are accounted for here. Fares were raised in 2007 which accounts for some of the increase in 2008 and 2009.

*Funding from state and federal grants, anticipated to be approximately \$1.7M in 2009, is not reflected in the revenue sources for this fund, but is tracked through a non-budgeted fund.

Fund 210 –TRANSPORTATION



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	43,374	53,493	53,493	90,070
Contractual Services	1,413,376	1,496,853	1,728,851	1,667,439
Commodities	785	500	500	667,975
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	1,457,535	1,550,846	1,782,844	2,425,484
FUND BALANCE FORWARD	546,504	23,819	129,065	114,532

Expenditures - Descriptions and Trends

Personal Services - The cost of providing wages, salaries, retirement, and other fringe benefits for City employees. The increase in 2009 is due to a change in the percentage of these costs eligible to be paid with outside agency funding (e.g. state and federal grants.)

Contractual Services – 2009 will be the first year of a new contract with MV Transportation, Inc. (MV) for the provision of public transit services. MV was selected by the City Commission based on their response to a joint Request for Proposal made by the City and the University of Kansas in 2008.

Commodities – The cost of fuel is accounted for here. Previously, the cost of fuel was paid by our service provider.

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

Fund 210 –TRANSPORTATION

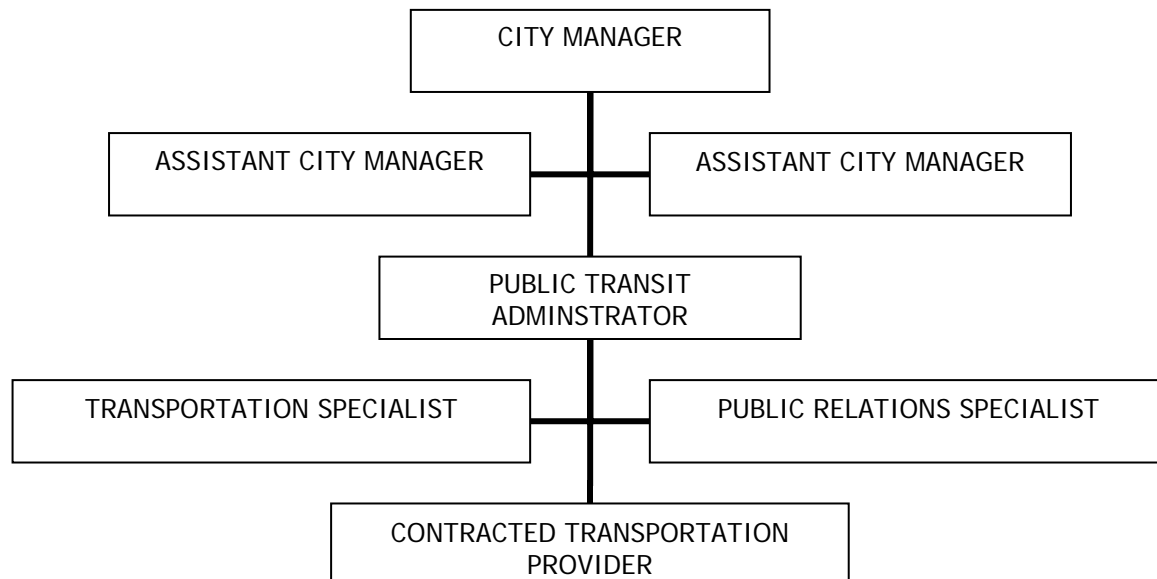
EXPENDITURE SUMMARY

Expenditures	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 43,374	\$ 53,493	\$ 53,493	\$ 90,070
Contractual Services	1,413,376	1,496,853	1,728,851	1,667,439
Commodities	785	500	500	667,975
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 1,457,535	\$ 1,550,846	\$ 1,782,844	\$ 2,425,484

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	0.40	0.40	0.40	0.40

ORGANIZATIONAL CHART



PROFILE

The Public Transit Department is responsible for all aspects of the City's transit program including providing safe, accessible and reliable transportation service in the community. The department primarily provides oversight activities of the public transit provider contract which operates our fixed route and 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; short and long-range planning and implementation of service improvements; public education/outreach, travel training, and marketing activities to increase public awareness about service availability and its benefits; and coordination of transit needs in the community.

CURRENT YEAR ACCOMPLISHMENTS

- Worked with University of Kansas in jointly drafting a RFP and soliciting the services of contracted transportation service provider to operate both City and University transportation systems with the goal to achieve both short and long-term operational and cost efficiencies.
- Successfully obtained approximately \$500,000 in Job Access Reverse Commute (JARC) funding to support ongoing efforts to transport low income individuals to and from employment in the community. Such funds will be used specifically to help address transit system fixed-route fleet replacement needs.
- Continue to meet with and conduct travel training with various school groups, employers, neighborhood associations, citizen organizations, as well as seniors about the availability of transit services in the community and how the service can benefit them.
- Launched Google Transit, a free web-based tool to assist transit patrons in planning transit trips. Lawrence will be the first transit system in Kansas to offer such a service.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Passengers per vehicle hour on fixed route	9.07	9.50	10
Passengers per vehicle hour on paratransit	2.41	2.47	2.5
On-time performance of fixed-route	97.19%	98.37%	98.5%
Passenger complaints per 1,000 riders	.04	.07	.05
% residents satisfied with service frequency	38%	NA	TBD
% of residents satisfied with # of destinations served	39%	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Initiate new operating contract for fixed-route and paratransit services with a contracted transportation service provider effective January 1, 2009.
2. Merge City and University of Kansas transit services by July 1, 2009.
3. Continue to pursue sufficient Federal, state and local funding needed to replace fixed-route and paratransit vehicles that have fulfilled their manufacturer useful service requirements.

SIGNIFICANT ISSUES FOR 2009

Steadily increasing fuel prices are adversely impacting the transit budget. Working with the University of Kansas on initiating a new joint contracted transportation service operating contract; fully merging transit systems with KU by July 1, 2009 and making any necessary service adjustments or changes working through the public participation process; and obtaining the funding necessary to address transit system capital needs such as the replacement fixed-route transit vehicles that have reached their useful service lives.



City of Lawrence



City of Lawrence

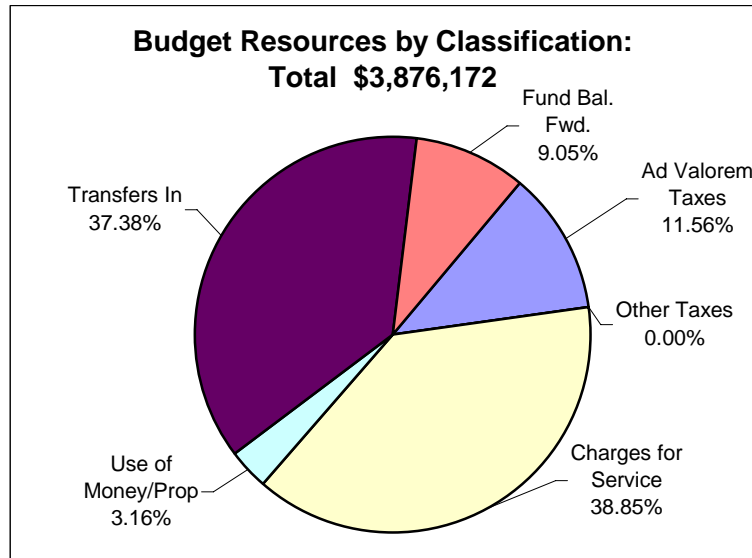
2009

Recreation Fund



RECREATION FUND

Fund 211 – RECREATION



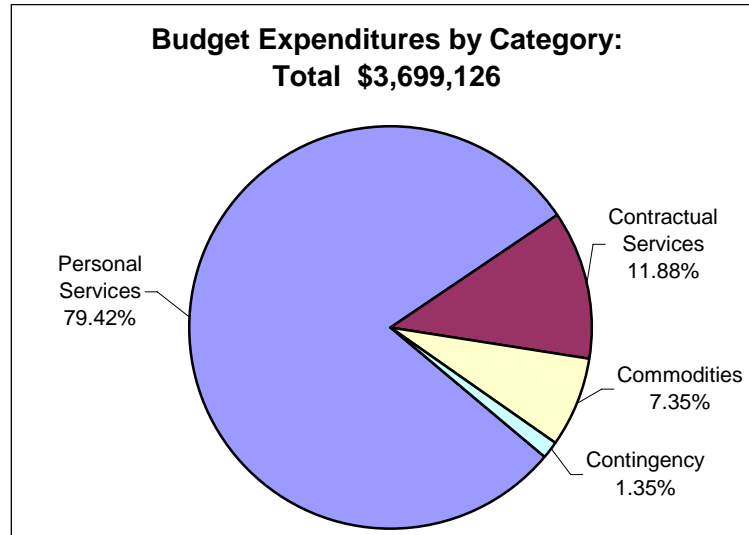
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Taxes - Current	391,000	399,000	399,000	402,345
Taxes -Delinquent	5,805	8,000	8,000	8,000
Motor Vehicle Taxes	30,245	34,958	34,958	36,892
Payment in Lieu of Taxes	866	1,200	1,200	363
Fees	513,404	503,000	503,000	550,000
Aquatic Programs	585,157	644,350	644,350	647,100
Building Rental	99,274	95,000	95,000	102,500
Concessions	4,614	6,000	6,000	5,000
Special Populations	48,179	52,000	52,000	55,000
Field Rent	19,495	23,000	23,000	20,000
Class Enrollment	260,884	232,000	232,000	247,000
Miscellaneous	662			4,768
Transfer from General Fund	1,400,000	1,447,000	1,447,000	1,447,000
TOTAL RECEIPTS	3,359,585	3,445,508	3,445,508	3,525,968
Balance, January 1	351,927	149,633	495,308	350,204
TOTAL RESOURCES AVAILABLE	3,711,512	3,595,141	3,940,816	3,876,172

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 countywide 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 2009 and a very modest growth in attendance is expected to continue. While the mill levy has remained relatively stable, assessed valuation for 2009 anticipates slight growth, which translates to a slight increase in budgeted revenues for this fund.

Fund 211 – RECREATION



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	2,618,646	2,884,057	2,884,057	2,937,700
Contractual Services	390,804	434,655	434,655	439,459
Commodities	206,754	241,900	241,900	271,967
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	30,000	30,000	50,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	3,216,204	3,590,612	3,590,612	3,699,126
FUND BALANCE FORWARD	495,308	4,529	350,204	177,046

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.

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

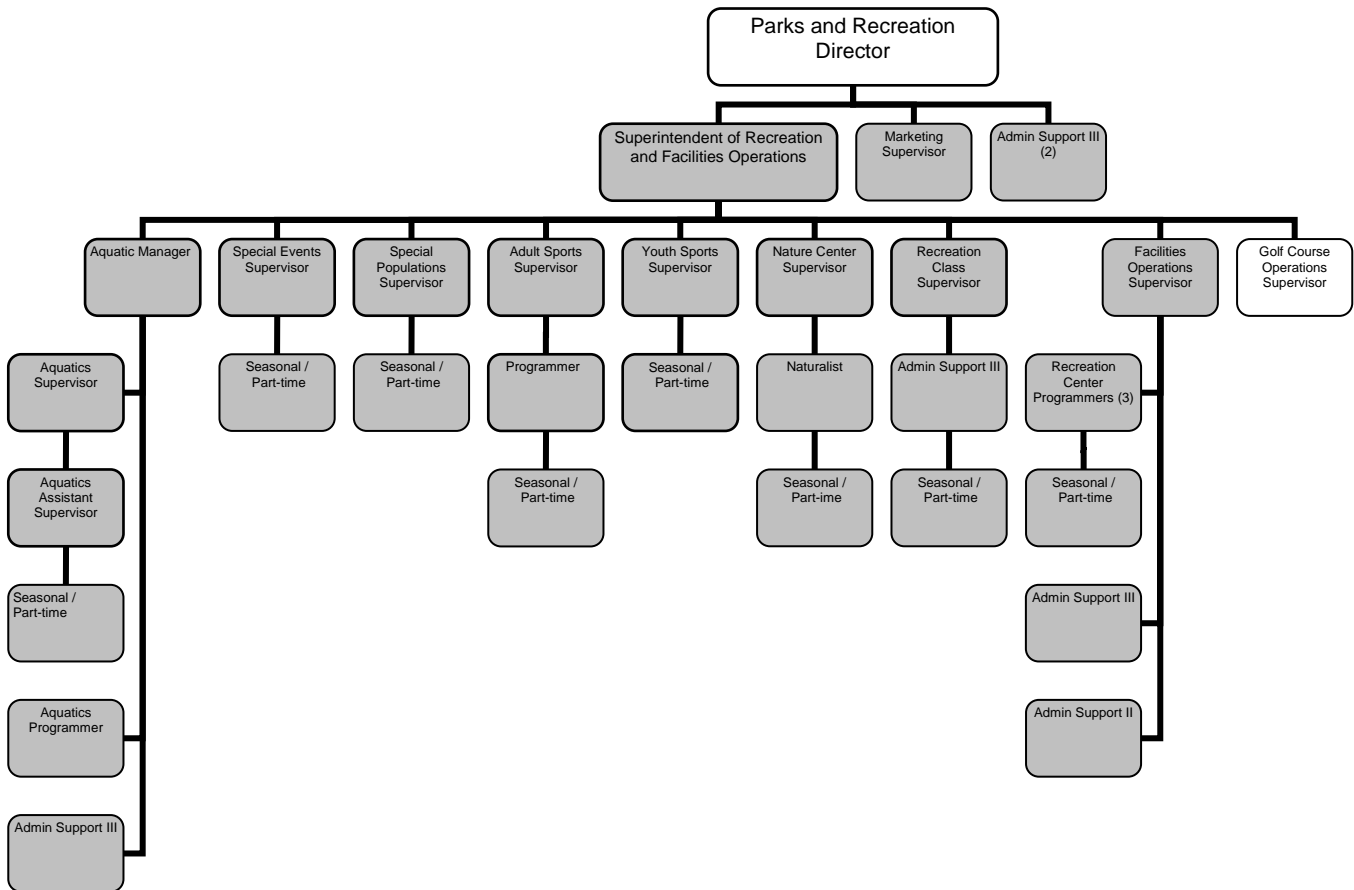
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 2,618,646	\$ 2,884,057	\$ 2,884,057	\$ 2,937,700
Contractual Services	390,804	434,655	434,655	439,459
Commodities	206,754	241,900	241,900	271,967
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	30,000	30,000	50,000
Total	3,216,204	3,590,612	3,590,612	3,699,126

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	28.78	28.78	28.78	28.78

ORGANIZATIONAL CHART



Shaded Positions are funding in this budget.
Director's position is half funded in this budget.

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/soccer/football complexes and a wide variety of multipurpose play areas.

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

CURRENT YEAR ACCOMPLISHMENTS

- Continued to increase fundraising efforts for the Youth Scholarship Fund and provided more than \$10,850 in scholarships for Lawrence youth.
- 61,694 visits to department website, (as of 05/31/08).
- Received gifts and in-kind services totaling more than \$15,400 through the Friends of the Park Program.
- Enrollment in Parks and Recreation classes increased 25.81% over 2007 (January to May).
- Developed 31 new leisure programs.
- Had 90 more participants in Special Populations programming in first quarter of 2008 than first quarter 2007.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% Leisure program as satisfied or very satisfied	92.3%	92%	92%
% Facility reservation system as satisfied or very satisfied	94.7%	94%	94%
% residents satisfied with City recreation facilities	71.2%	NA	TBD
% residents satisfied with the City's indoor aquatic facility	78.7%	NA	TBD
% residents satisfied with the City's outdoor aquatic facilities	76.7%	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Maintain awareness of programs, services and facilities to the public.
2. Maintain high quality customer service to the public.
3. Provide more large space areas for activities, such as gymnastics, sports and fitness programming.
4. Increase knowledge and quantity of life-long (senior) recreation programs.

SIGNIFICANT ISSUES FOR 2009

The 2009 budget includes addition of a number of activities, including Hoopsters Basketball and intramural programs for the junior high schools in basketball and volleyball. These additional programs, along with a number of special events, trips and classes will continue to show growth and variety in our recreational offerings. With the high need for recreational services, we are in need of additional facilities – current facilities are limiting the number of citizens that can take part in programming opportunities.



City of Lawrence



City of Lawrence

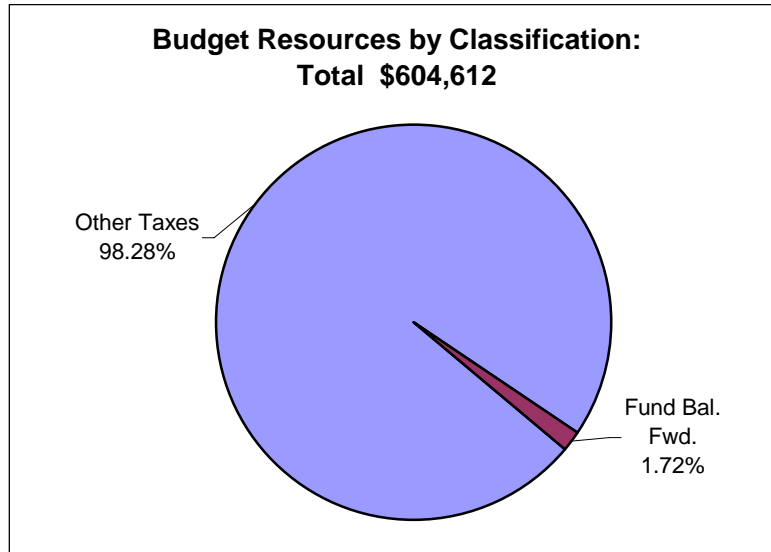
2009

Special Alcohol
Fund



SPECIAL ALCOHOL FUND

Fund 213 – SPECIAL ALCOHOL



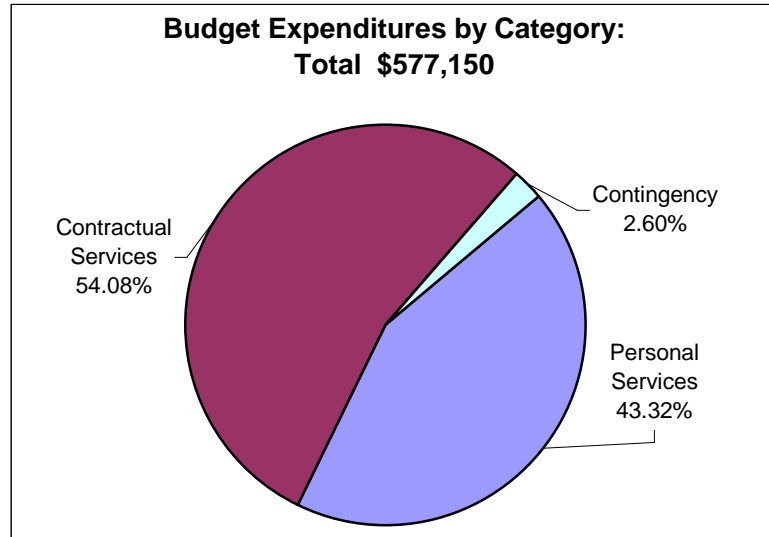
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Liquor Tax	548,596	575,000	575,000	594,228
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	548,596	575,000	575,000	594,228
Balance, January 1	184,781	107,882	88,538	10,384
TOTAL RESOURCES AVAILABLE	733,377	682,882	663,538	604,612

Revenue Sources - Descriptions and Trends

Revenue Sources- Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the city's General Operating Fund, Special Recreation Fund, and Special Alcohol Fund. Moneys in this Special Alcohol Fund must be used for the "purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers". Charter Ordinance #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	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	5,014	240,000	240,000	250,000
Contractual Services	635,797	398,154	398,154	312,150
Commodities	4,028	10,000	10,000	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	5,000	5,000	15,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	644,839	653,154	653,154	577,150
FUND BALANCE FORWARD	88,538	29,728	10,384	27,462

Expenditures - Descriptions and Trends

Personal Services - Expenditures related to the salary and benefits for three of the City's School Resource Officers, who provide drug and alcohol prevention training at Lawrence Public Schools, will be funded out of the Special Alcohol Fund.

Contractual Services - The City Commission authorized the following agencies for funding in 2009:

Ballard Community Center	\$ 4,500
Big Brothers/Big Sisters CORE	27,000
Boys & Girls Club of Lawrence	100,000
DCCCA	41,000
DCCCA d/b/a First Step House	29,150
Headquarters, Inc - First Call	22,500
Lawrence Community Shelter	27,000
Van Go Mobile Arts, Inc.	44,000
Women's Transitional Care Services	17,000
	\$312,150



City of Lawrence



City of Lawrence

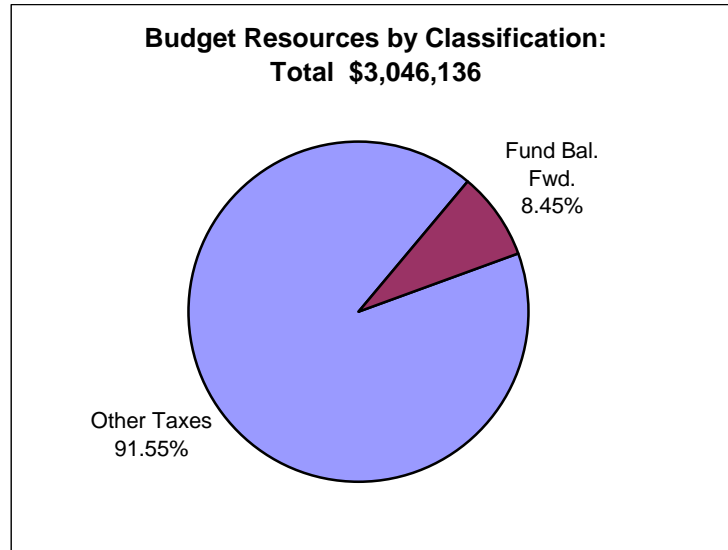
2009

Special Gas Tax
Fund



SPECIAL GAS TAX FUND

Fund 214 – SPECIAL GAS TAX



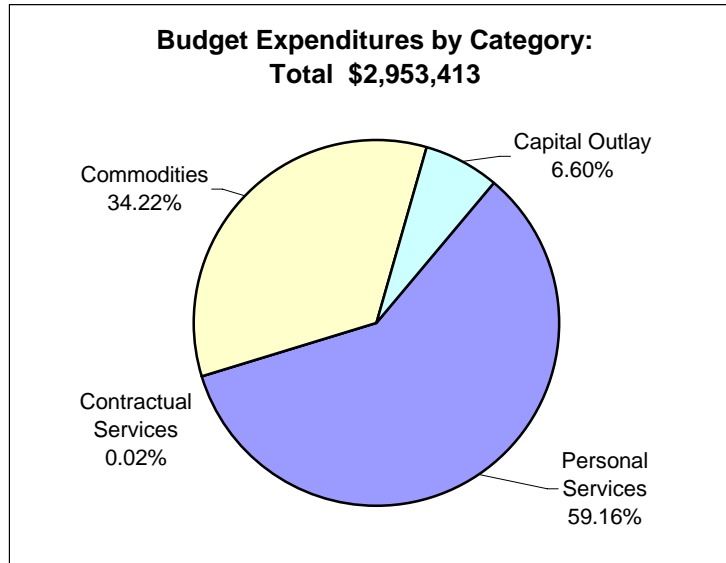
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Fuel Tax	2,667,979	2,660,391	2,660,391	2,788,861
Miscellaneous	1,336	-	-	-
TOTAL RECEIPTS	2,669,315	2,660,391	2,660,391	2,788,861
Balance, January 1	509,378	223,723	448,595	257,275
TOTAL RESOURCES AVAILABLE	3,178,693	2,884,114	3,108,986	3,046,136

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, only a slight increase is projected for 2009 due to the continued fluctuation in fuel costs and the effects on sales statewide. Revenue projections are based on data from the Kansas League of Municipalities.

Fund 214 – SPECIAL GAS TAX



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	1,683,915	1,691,231	1,691,231	1,747,133
Contractual Services	5,660	480	480	480
Commodities	922,399	1,010,000	1,010,000	1,010,800
Capital Outlay	118,124	150,000	150,000	195,000
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	2,730,098	2,851,711	2,851,711	2,953,413
FUND BALANCE FORWARD	448,595	32,403	257,275	92,723

Expenditures - Descriptions and Trends

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

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

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 therefore a slight decrease is budgeted for 2009.

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

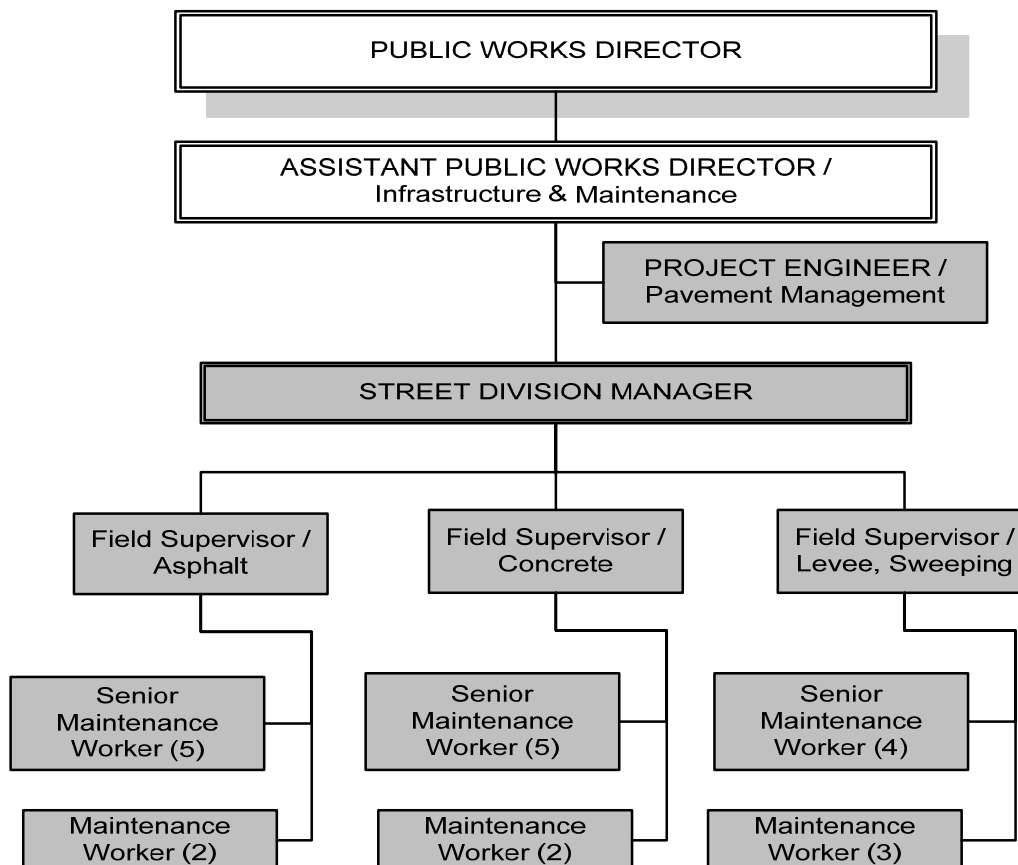
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 1,683,915	\$ 1,691,231	\$ 1,691,231	\$ 1,747,133
Contractual Services	5,660	480	480	480
Commodities	922,399	1,010,000	1,010,000	1,010,800
Capital Outlay	118,124	150,000	150,000	195,000
Debt Service	0	0	0	0
Transfers	0	0	0	0
Contingency	0	0	0	0
Total	\$ 2,730,098	\$ 2,851,711	\$ 2,851,711	\$ 2,953,413

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	25.50	25.50	25.50	25.50

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

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

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

CURRENT YEAR ACCOMPLISHMENTS

- Concrete and asphalt maintenance projects including resurfacing, base failure repairs, valley gutters and intersections, curb repairs and replacement, pedestrian and sidewalk issues, and special projects.
- Provided excellent snow and ice control during winter operations.
- In-house crack-sealing project along major arterials.
- Street sweeping for approximately 6000 lane miles.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% residents satisfied with snow removal on major city streets	75.8%	75.8%	75.8%
% residents satisfied with the condition of major city streets	40.2%	40.2%	40.2%
% residents satisfied with the timeliness of street maintenance repairs	27.7%	27.7%	27.7%

MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

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

SPECIAL GAS TAX



City of Lawrence



City of Lawrence

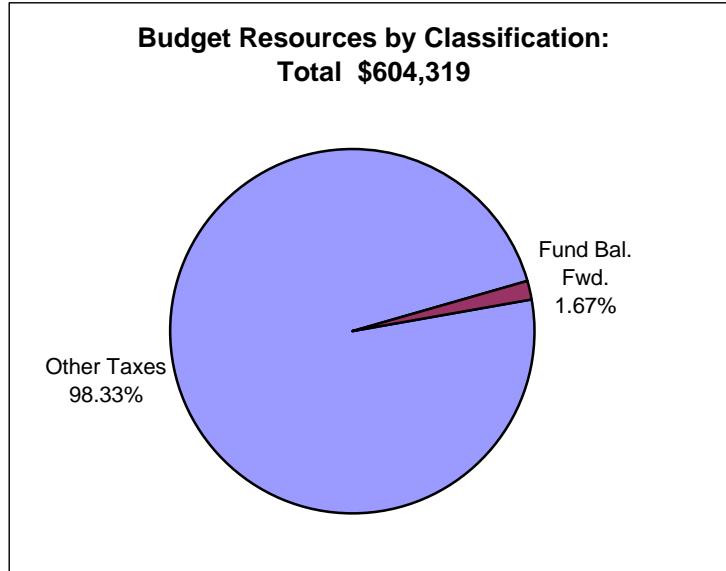
2009

Special
Recreation
Fund



SPECIAL RECREATION FUND

Fund 216 – SPECIAL RECREATION



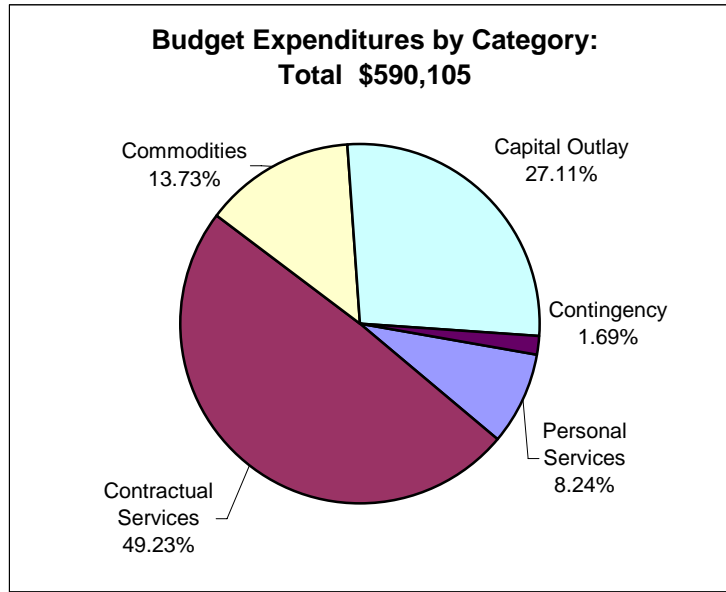
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Liquor Tax	548,596	575,000	575,000	594,228
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	548,596	575,000	575,000	594,228
Balance, January 1	69,670	33,870	32,491	10,091
TOTAL RESOURCES AVAILABLE	618,266	608,870	607,491	604,319

Revenue Sources - Descriptions and Trends

Revenue Sources- Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the city's General Operating Fund, Special Recreation Fund, and Special Alcohol Fund. Moneys in this Special Recreation Fund must be used for "the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities." Charter Ordinance #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	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	49,385	47,900	47,900	48,605
Contractual Services	353,313	304,500	304,500	290,500
Commodities	111,505	90,000	90,000	81,000
Capital Outlay	71,572	145,000	145,000	160,000
Debt Service		-	-	-
Contingency		10,000	10,000	10,000
Transfer to Other Funds		-	-	-
TOTAL EXPENDITURES	585,775	597,400	597,400	590,105
FUND BALANCE FORWARD	32,491	11,470	10,091	14,214

Expenditures - Descriptions and Trends

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

Lawrence Arts Center Scholarship	\$25,000
Arts Commission	<u>\$25,500</u>
	\$50,500

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 2009, expenditures are expected to be slightly less than 2008 levels due to increased capital needs.

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

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, programs, athletic fields, and playgrounds.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with the cleanliness of public areas	75.8%	NA	TBD
% of residents satisfied with the number of walking and biking trails	62%	NA	TBD

CURRENT YEAR ACCOMPLISHMENTS

- Continuation of Summer Concert Series by the Lawrence City Band.
- Riverfront Park Development.
- Various recreation facility repairs and improvements.
- Various paths, walks and fence repairs.

MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

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

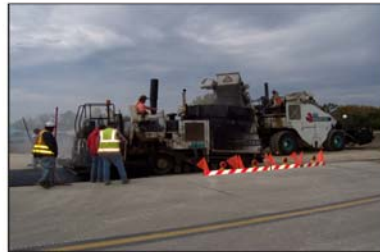




City of Lawrence

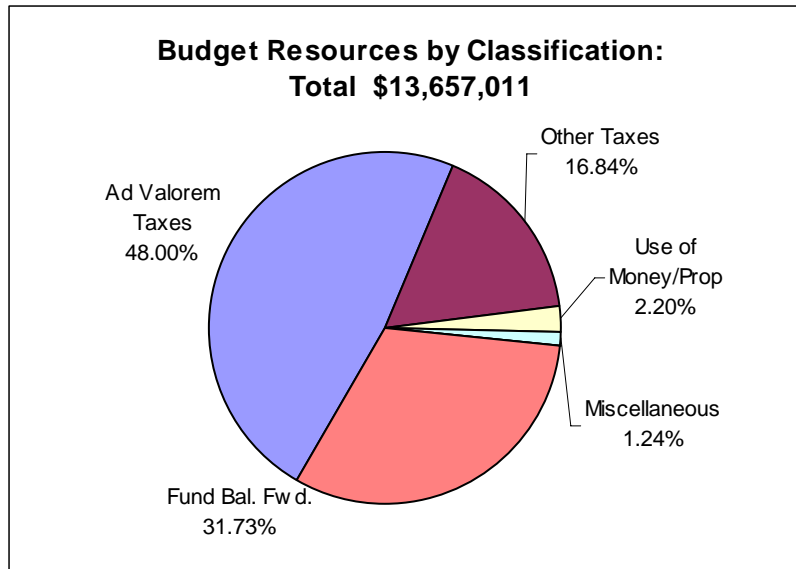
2009

Bond and
Interest
Fund



BOND AND INTEREST FUND

Fund 301 – BOND AND INTEREST



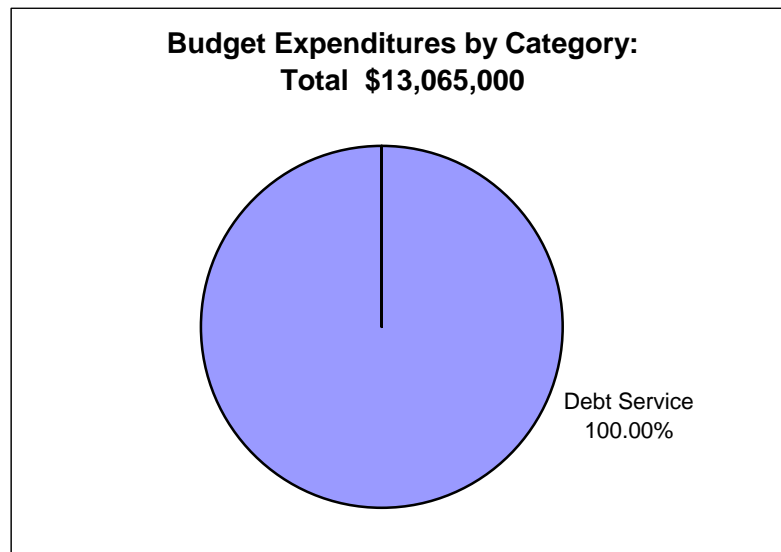
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Taxes - Current	5,682,362	5,789,000	5,789,000	5,914,392
Taxes - Delinquent	79,938	70,000	70,000	100,000
Motor Vehicle Taxes	523,625	508,043	508,043	535,255
Payment In Lieu of Taxes	12,586	18,000	18,000	5,273
Special Assessments	1,880,223	1,700,000	1,700,000	2,300,000
Intergovernmental Revenues	-	-	-	-
Interest on Investments	635,717	150,000	150,000	300,000
Airport Charges	-	-	-	-
Miscellaneous	108,551	85,000	85,000	169,173
Other Transfers	1,268,040	-	-	-
TOTAL RECEIPTS	10,191,042	8,320,043	8,320,043	9,324,093
Balance, January 1	7,285,702	3,589,112	7,732,875	4,332,918
TOTAL RESOURCES AVAILABLE	17,476,744	11,909,155	16,052,918	13,657,011

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 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 is estimated to grow by 0.84% for 2009. In addition, the Bond and Interest mill levy has been increased by 0.094 in 2009, resulting in revenue growth over 2008 levels.

Fund 301 – BOND AND INTEREST



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
GO Bonds - Principal	7,570,032	8,200,000	8,200,000	9,455,000
GO Bonds - Interest	2,173,837	3,010,000	3,010,000	3,100,000
Commission / Postage	-	10,000	10,000	10,000
Cash Basis Reserve	-	500,000	500,000	500,000
Transfers	-	-	-	-
TOTAL EXPENDITURES	9,743,869	11,720,000	11,720,000	13,065,000
FUND BALANCE FORWARD	7,732,875	189,155	4,332,918	592,011

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. The 2009 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 2009 amount provides a safety net to fund unanticipated projects.

Bond and Interest Fund

Bond and Interest

Account 301-1066-556

EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	-	-	-	-
Commodities	-	10,000	10,000	10,000
Capital Outlay	-	-	-	-
Debt Service	9,743,869	11,210,000	11,210,000	12,555,000
Transfers	-	-	-	-
Contingency	-	500,000	500,000	500,000
TOTAL EXPENDITURES	9,743,869	11,720,000	11,720,000	13,065,000

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, 2008, the total general obligation debt for the city was \$86,775,000. 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, 2008 can be computed as follows:

Assessed Value - January 1, 2007	\$ 927,782,509	
Debt Limitation (30% of assessed value)		\$278,334,753
Total Bonded Debt (including notes)	130,240,000	
Less Revenue Bonds	<u>-43,465,000</u>	
Total Debt applicable to limitation		<u>\$ 86,775,000</u>
Legal Debt Margin		<u>\$ 191,559,753</u>

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

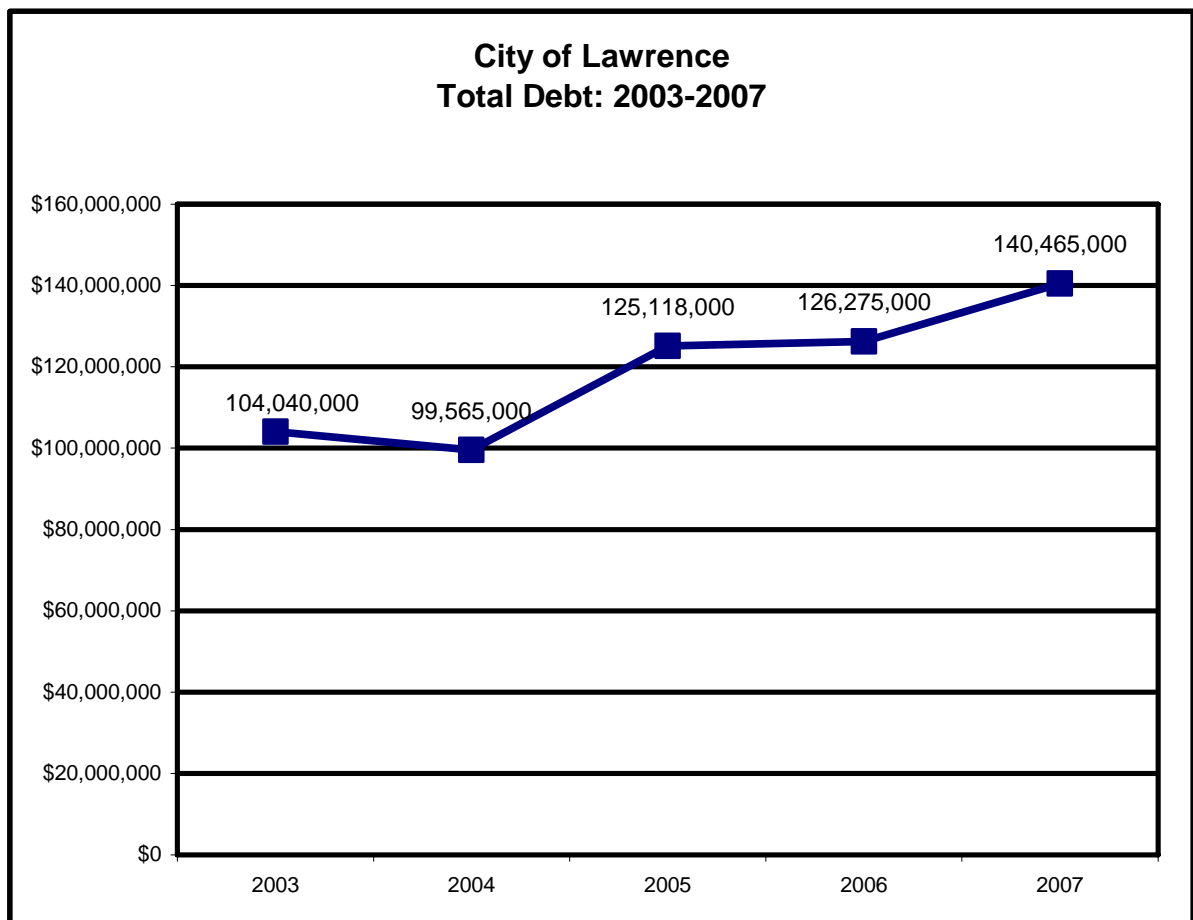
CURRENT YEAR ACCOMPLISHMENTS

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

Bond and Interest Fund

Statement Of Outstanding Indebtedness

	Outstanding 01/01/2007	Retired in 2007	Issued in 2007	Outstanding 12/31/2007
General Obligation Bonds	\$ 85,070,000	9,640,000	\$ 11,345,000	86,775,000
Temporary Notes	16,345,000	16,345,000	10,225,000	10,225,000
TOTAL	101,415,000	25,985,000	21,570,000	97,000,000
Revenue Bonds	24,860,000	1,195,000	19,800,000	43,465,000
TOTAL	24,860,000	1,195,000	19,800,000	43,465,000
TOTAL DEBT	\$ 126,275,000	\$ 27,180,000	\$ 41,370,000	\$ 140,465,000



Bond and Interest Fund

Current

Debt Issue

DESIGNATION	ORIGINAL AMOUNT	OUTSTANDING 1/1/2007	ISSUED AFTER 1/1/2007	RETIRED IN 2007	ESTIMATED OUTSTANDING 12/31/2007
GENERAL OBLIGATION					
Series Y	2,900,000	355,000		355,000	0
Series 1998-A	5,325,000	625,000		625,000	0
Series 1999-A	4,405,000	1,115,000		545,000	570,000
Series 1999-B	2,110,000	900,000		290,000	610,000
Series 2000-A	2,330,000	1,220,000		375,000	845,000
Series 2000-B	2,455,000	1,125,000		260,000	865,000
Series 2000-C	560,000	230,000		55,000	175,000
Series 2000-D	4,280,000	2,505,000		125,000	2,380,000
Series 2000-E	4,990,000	3,485,000		810,000	2,675,000
Series 2000-F	8,645,000	7,620,000		385,000	7,235,000
Series 2001-A	2,840,000	1,590,000		250,000	1,340,000
Series 2001-B	1,420,000	915,000		115,000	800,000
Series 2002-A	9,070,000	5,675,000		700,000	4,975,000
Series 2002-B	2,115,000	1,860,000		130,000	1,730,000
Series 2002-C	920,000	670,000		70,000	600,000
Series 2003-A	4,270,000	2,355,000		205,000	2,150,000
Series 2003-B	10,190,000	7,865,000		660,000	7,205,000
Series 2003-C	2,905,000	2,005,000		220,000	1,785,000
Series 2003-D	3,145,000	2,505,000		230,000	2,275,000
Series 2004-A	3,520,000	2,670,000		270,000	2,400,000
Series 2004-B	10,600,000	9,010,000		805,000	8,205,000
Series 2004-C	1,600,000	1,360,000		120,000	1,240,000
Series 2005-A	11,095,000	10,280,000		820,000	9,460,000
Series 2006-A	17,130,000	17,130,000		1,220,000	15,910,000
Series 2007-A	11,345,000	0	11,345,000	0	11,345,000
Subtotal	\$ 130,165,000	\$ 85,070,000	\$ 11,345,000	\$ 9,640,000	\$ 86,775,000
TEMPORARY NOTES					
Temp Note 2006-I	16,345,000	16,345,000		16,345,000	0
Temp Note 2007-I	10,225,000	0	10,225,000	0	10,225,000
Subtotal	\$ 26,570,000	\$ 16,345,000	\$ 10,225,000	\$ 16,345,000	\$ 10,225,000
REVENUE BONDS					
Series 2005	25,910,000	24,860,000		1,195,000	23,665,000
Series 2007	19,800,000	0	19,800,000	-	19,800,000
Subtotal	\$ 45,710,000	\$ 24,860,000	\$ -	\$ 1,195,000	\$ 43,465,000

Bond and Interest Fund

Current

Debt Service Schedule

GENERAL OBLIGATION BONDS AT- LARGE

	Principal	Interest	Total
2008	7,999,517	2,807,436	10,806,953
2009	7,677,528	2,513,718	10,191,246
2010	7,207,800	2,213,399	9,421,199
2011	6,135,732	1,931,853	8,067,585
2012	6,371,235	1,695,935	8,067,170
2013	6,353,293	1,446,462	7,799,755
2014	5,660,330	1,192,876	6,853,206
2015	5,765,569	966,439	6,732,008
2016	5,550,761	732,307	6,283,068
2017	3,661,017	492,860	4,153,877
2018	3,855,000	326,768	4,181,768
2019	2,240,000	159,712	2,399,712
2020	995,000	53,175	1,048,175
	<u>69,472,782</u>	<u>16,532,938</u>	<u>86,005,720</u>

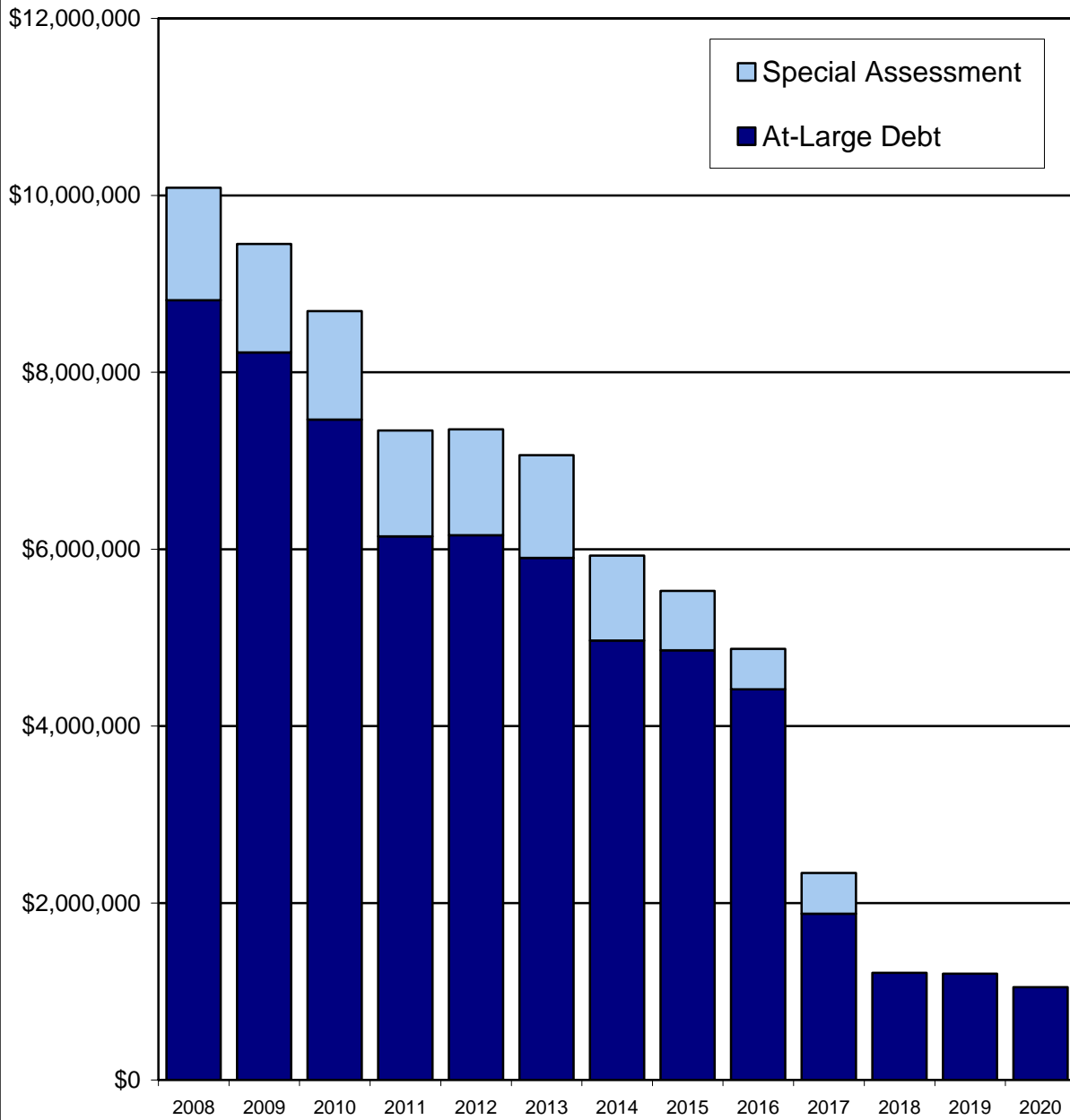
SPECIAL ASSESSMENT AMORTIZATION SCHEDULE

	Principal	Interest	Total
2008	1,755,483	650,968	2,406,451
2009	1,777,472	585,948	2,363,420
2010	1,842,200	520,807	2,363,007
2011	1,879,268	453,000	2,332,268
2012	1,948,765	384,290	2,333,055
2013	1,986,707	310,431	2,297,138
2014	1,859,670	237,590	2,097,260
2015	1,639,431	168,031	1,807,462
2016	1,489,239	104,529	1,593,768
2017	1,123,983	44,959	1,168,942
	<u>17,302,218</u>	<u>3,460,553</u>	<u>20,762,771</u>

DEBT SERVICE SCHEDULE FOR ALL BONDS

	Principal	Interest	Total
2008	9,755,000	3,458,404	13,213,404
2009	9,455,000	3,099,666	12,554,666
2010	9,050,000	2,734,206	11,784,206
2011	8,015,000	2,384,853	10,399,853
2012	8,320,000	2,080,225	10,400,225
2013	8,340,000	1,756,893	10,096,893
2014	7,520,000	1,430,466	8,950,466
2015	7,405,000	1,134,470	8,539,470
2016	7,040,000	836,836	7,876,836
2017	4,785,000	537,819	5,322,819
2018	3,855,000	326,768	4,181,768
2019	2,240,000	159,712	2,399,712
2020	995,000	53,175	1,048,175
	<u>\$ 86,775,000</u>	<u>\$ 19,993,491</u>	<u>\$ 106,768,491</u>

City Of Lawrence General Obligation Debt Service





City of Lawrence

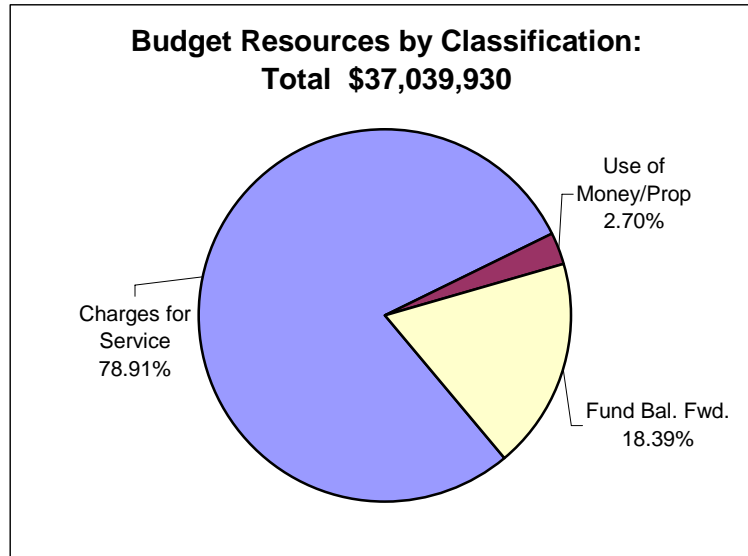
2009

Water and
Wastewater
Fund



WATER AND WASTEWATER FUND

Fund 501 – WATER AND WASTEWATER



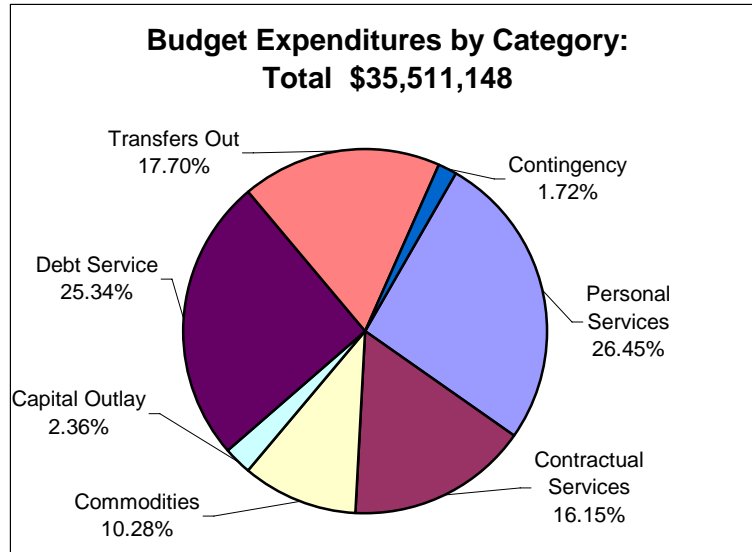
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Water and Sewer Charges	26,560,018	28,270,000	26,920,000	28,278,400
Interest on Investments	355,681	900,000	1,500,000	1,000,000
Development Charges	1,142,890	1,100,000	575,000	800,000
Miscellaneous & Other	474,264	150,000	630,000	150,000
TOTAL RECEIPTS	28,532,853	30,420,000	29,625,000	30,228,400
Balance, January 1	16,445,248	10,829,339	12,971,944	6,811,530
TOTAL RESOURCES AVAILABLE	44,978,101	41,249,339	42,596,944	37,039,930

Revenue Sources – Descriptions and Trends

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

Trends- Traditionally, the 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. Rates for water and wastewater will increase by five percent overall in 2009.

Fund 501 – WATER AND WASTEWATER



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	7,755,249	9,122,586	9,122,586	9,392,818
Contractual Services	4,536,581	5,272,768	5,272,768	5,734,823
Commodities	2,781,841	3,360,805	3,360,805	3,650,650
Capital Outlay	407,322	1,079,500	1,079,500	838,000
Debt Service	6,559,805	9,100,000	9,100,000	9,000,000
Transfers	9,839,050	11,164,150	7,164,150	6,284,858
Contingency	126,309	685,605	685,605	610,000
TOTAL EXPENDITURES	32,006,157	39,785,414	35,785,414	35,511,148
FUND BALANCE FORWARD	12,971,944	1,463,925	6,811,530	1,528,782

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 merit increases for eligible employees.

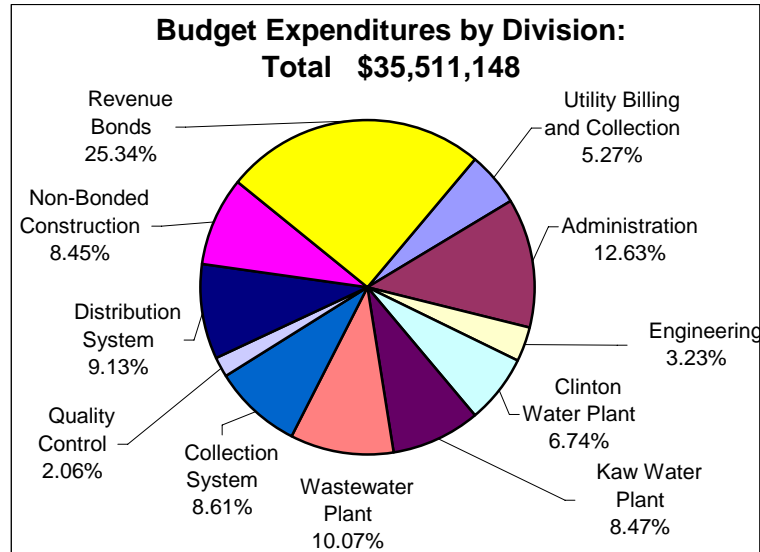
Contractual Services – The cost of services provided to the City by firms, individuals, or other City departments have increased steadily over the years and continue to increase in 2009.

Commodities – Fuel costs as well as the cost of software, safety equipment, and other supplies continue to rise in 2009.

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

Transfers - Budgeted transfers in 2009 include transfers from the divisions to other funds totaling \$3,284,858 for overhead expenses and \$3,000,000 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



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Utility Billing and Collection	1,796,740	1,796,130	1,796,130	1,872,503
Administration	3,045,385	3,726,728	3,726,728	4,484,946
Engineering	911,944	1,152,334	1,152,334	1,146,756
Clinton Water Plant	1,769,193	2,413,709	2,413,709	2,393,394
Kaw Water Plant	2,308,104	2,935,479	2,935,479	3,006,358
Wastewater Plant	3,074,957	3,772,784	3,772,784	3,575,051
Collection System	2,366,856	3,133,294	3,133,294	3,058,595
Quality Control	659,128	747,224	747,224	730,600
Distribution System	2,514,045	3,007,732	3,007,732	3,242,945
Non-Bonded Construction	7,000,000	8,000,000	4,000,000	3,000,000
Debt Service				
Temp Note Interest	-	-	-	-
Revenue Bonds	6,559,805	9,100,000	9,100,000	9,000,000
TOTAL EXPENDITURES	32,006,157	39,785,414	35,785,414	35,511,148
FUND BALANCE FORWARD	12,971,944	1,463,925	6,811,530	1,528,782

Expenditures - Descriptions and Trends

For information on expenditures by division, see pages K-6 through K-24



City of Lawrence

Water and Wastewater Fund

Utility Billing

Account 501-1069-559

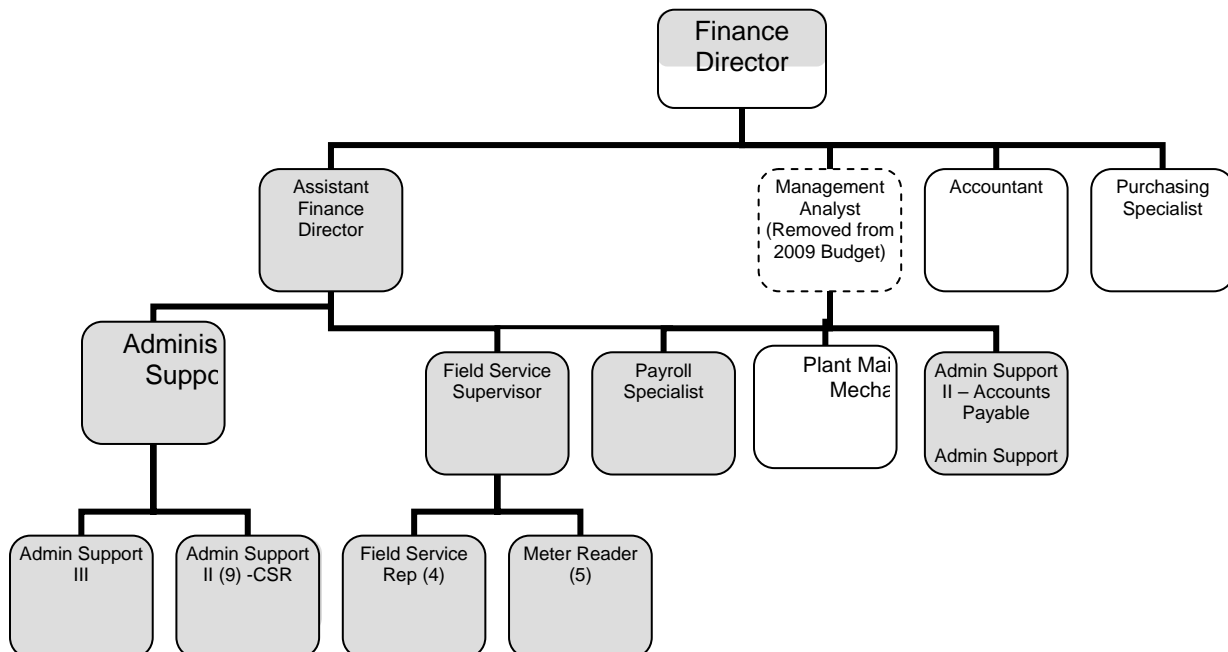
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 1,146,696	\$ 1,226,762	\$ 1,226,762	\$ 1,291,330
Contractual Services	274,574	335,018	335,018	344,573
Commodities	79,476	96,350	96,350	95,650
Capital Outlay	94,435	24,000	24,000	23,000
Debt Service	-	-	-	-
Transfers	75,250	79,000	79,000	82,950
Other	126,309	35,000	35,000	35,000
Total	\$ 1,796,740	\$ 1,796,130	\$ 1,796,130	\$ 1,872,503

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	22.26	22.26	22.26	22.26

ORGANIZATIONAL CHART



PROFILE

The Utility Billing Division of the Finance Department is responsible for the billing and collecting of water, wastewater, sanitation, and storm sewer charges. Each week, utility bills are prepared for approximately one-fourth of the City's 31,000 customers.

Customers can initiate, transfer, terminate, and pay for services on a 24/7 basis through the website.

CURRENT YEAR ACCOMPLISHMENTS

- Prepared a rate plan to provide adequate cash flow to fund the proposed capital improvement plan.
- Improved customer responsiveness due to the implementation of an interactive voice response system.
- Purchased a new hardware and software system to improve the reading of radio transmit water meters.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Percent of residents satisfied with the accuracy of their water bill	69.8%	NA	TBD
Percent of utility bills sent as scheduled	99%	99%	99%
Percent of telephone calls abandoned	12%	6%	8%
Percent of water meters needing reread	1.78%	1.5%	1%
Percent of water meters read as scheduled	94%	90%	100%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Maintain the City's revenue bond debt rating.
2. Improve the collection of past due utility accounts.
3. Implement new utility rates to fund capital improvement plan and operations.

SIGNIFICANT ISSUES FOR 2009

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

Water and Wastewater Fund

Administration

Account 501-7100-580

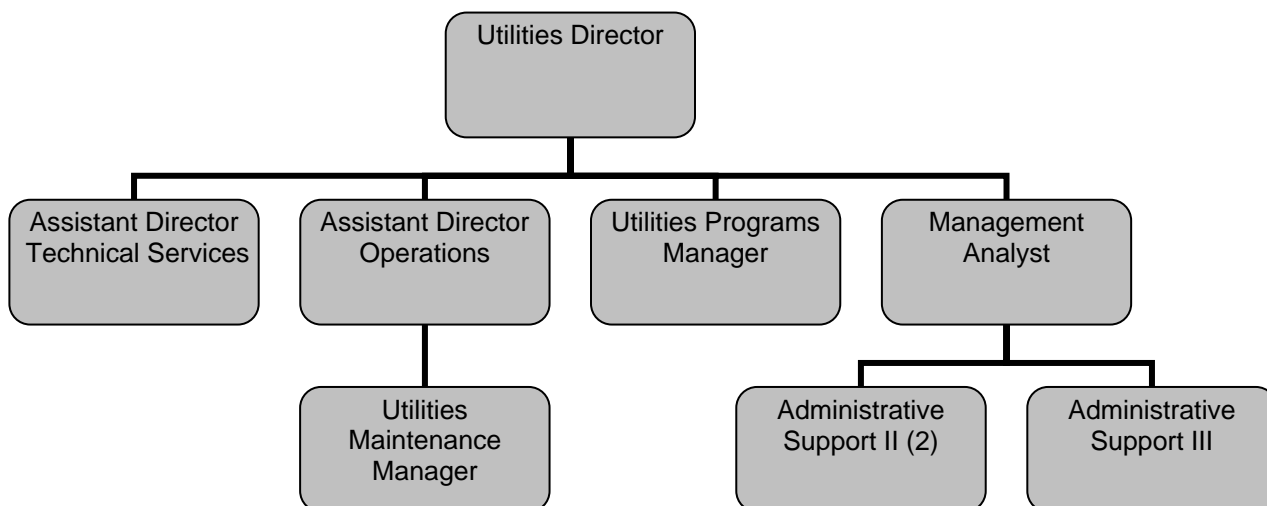
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 638,099	\$ 861,053	\$ 861,053	\$ 1,453,302
Contractual Services	349,766	311,800	311,800	398,150
Commodities	106,851	92,500	92,500	99,300
Capital Outlay	23,169	255,000	255,000	255,000
Debt Service	-	-	-	-
Transfers	1,927,500	2,206,375	2,206,375	2,279,194
Contingency	-	-	-	-
Total	\$ 3,045,385	\$ 3,726,728	\$ 3,726,728	\$ 4,484,946

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	13.00	12.00	12.00	12.00

ORGANIZATIONAL CHART



In addition to the positions show above, this fund includes .5 of the two Assistant City Managers, .5 of the Budget Manager, .5 of the City Auditor, 1 Network Technician, a Staff Attorney, and 1 Management Analyst in the City Manager's Office

PROFILE

The **Administrative Division** provides direction, analysis, management and support services for all operational divisions in the areas of human resources, budgeting, management systems, policy development, risk management, regulatory compliance, project management and clerical support in addition to developing programs to inform the public about utilities' operations.

CURRENT YEAR ACCOMPLISHMENTS

- Enrollment in EPA National Environmental Performance Tracks.
- ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management Certifications, now expanded to water as well as renewed for wastewater operations.
- Reorganization of the department safety committee to facilitate review of safety incidents, provide input to management on safety initiatives, and review current safety programs and procedures for updating.
- Enrollment in Kansas One Call and first responder for processing of all locate calls for City infrastructure.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with the value received for their water and wastewater utility rates	55.2%	NA	TBD
% residents satisfied with how well the City keeps them informed about disruptions to water service	64.5%	NA	TBD
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Long-term planning, facilitation and implementation of water and wastewater capital improvement.
2. Continue implementation of the Lawrence Utilities Management System and best practices across all divisions for consistent principles of conduct in delivering excellent water and wastewater services that minimize environmental impact, reduce safety hazards, increase operational efficiencies and continuously improve system processes.
3. Update Lawrence Utilities Management System to conform to Occupational Health and Safety Assessment Series 18001:2007 standards following the update to the standard.
4. Ongoing update and implementation of safety programs and initiatives across the Department.
5. Further integration in furtherance of a system-wide operational, technical and maintenance approach to delivering water and wastewater services.
6. Develop and expand public education and outreach programs.

SIGNIFICANT ISSUES FOR 2009

Increases in personal services can be attributed to moving expenses related to several positions from other divisions and accounting for merit increases for eligible employees in all divisions within Fund 501. Contractual services increases are due to increased costs for insurance and other professional services. The increase in transfers is due to practice of increasing the transfer to the General Operating Fund for overhead expenses by 5% annually as well as providing funds for economic development.

Water and Wastewater Fund

Engineering

Account 501-7110-580

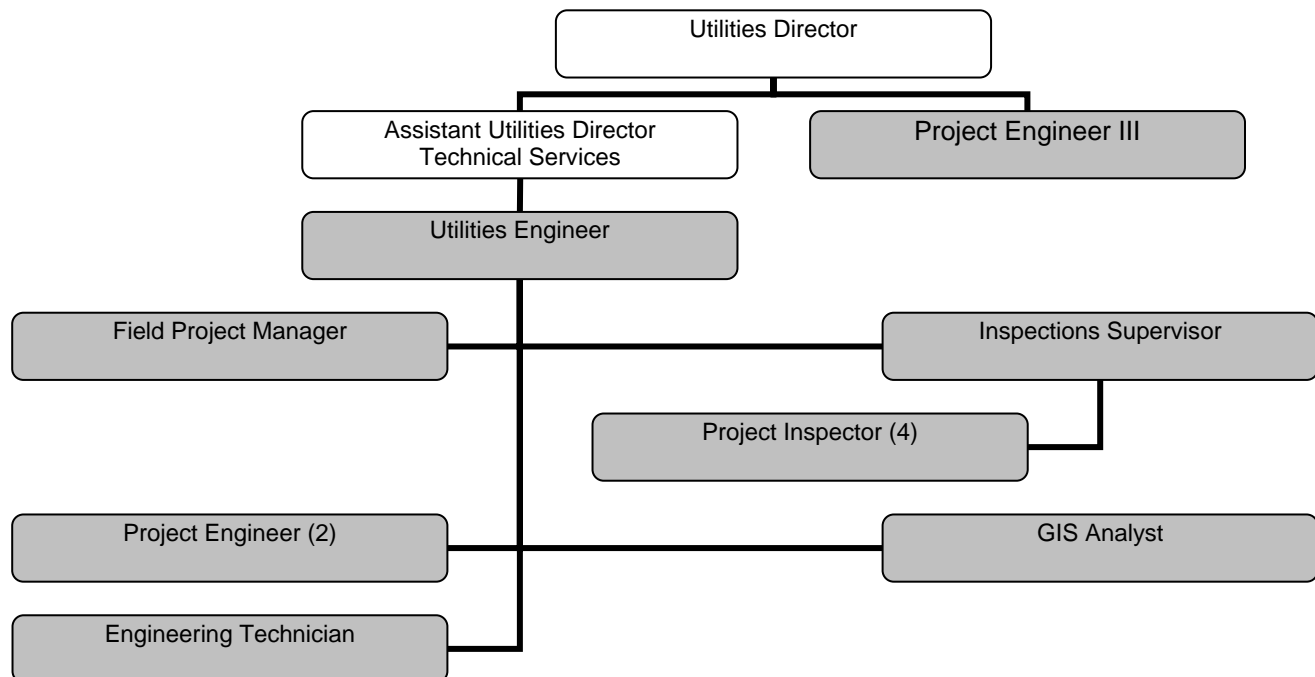
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 807,170	\$ 977,509	\$ 977,509	\$ 946,930
Contractual Services	27,459	71,550	71,550	79,100
Commodities	49,543	92,250	92,250	79,150
Capital Outlay	17,272	-	-	30,000
Debt Service	-	-	-	-
Transfers	10,500	11,025	11,025	11,576
Contingency	-	-	-	-
Total	\$ 911,944	\$ 1,152,334	\$ 1,152,334	\$ 1,146,756

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	9.50	14.00	14.00	14.00

ORGANIZATIONAL CHART



PROFILE

The **Engineering Division** is responsible for the project management of all Department capital improvements and provides design, contract administration and inspection services for internal and contracted projects. The Division also maintains the Department's water and sewer GIS data and mapping. The Division also reviews developer-designed utility extensions, inspects the construction of these extensions, and provides technical support and implementation services for database and other electronic data initiatives.

CURRENT YEAR ACCOMPLISHMENTS

- Incorporated user comments in the continued implementation of Water and Wastewater SDE database for GIS and implementation of field applications for data acquisition and editing.
- Implementation of a digital plan review process for public improvement plans.
- Coordination with Planning and Development Services on a digital plan review process.
- Ongoing management of non-Master Plan projects, including utility relocations and utility improvements, e.g., N. Iowa sanitary sewer and waterline relocation for KTA, 19th & Louisiana sanitary sewer and waterline relocation for KDOT 23rd St. bridge replacement.
- Ongoing management of multiple projects from the 2004 Water and Wastewater Master Plan, e.g., Clinton Water Treatment Plant Expansion, Stoneridge Elevated Tank, West Baldwin Creek Gravity Interceptor, Kaw WTP Transmission Main, Bowersock Dam maintenance.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
Master Plan Water Projects completed on time	100%	100%	100%
Master Plan Waste Water Projects completed on time	83%	100%	100%
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Support ongoing implementation of GIS technology, including completion of Water Distribution digital Map Book, staff training and updated infrastructure inventory and location information.
2. Initiate all Water and Wastewater Master Plan Projects scheduled for 2009 and continue the management of ongoing projects.
3. Implement computerized hydraulic modeling capabilities across Department systems.
4. Identify and complete training opportunities for staff that focus on career development and the ability to provide a higher level of service to internal and external customer; e.g., inspector training and certification.
5. Establish an electronic document storage, organization and retrieval system for project records in conjunction with the Departmental initiative.

SIGNIFICANT ISSUES FOR 2009

The Division anticipates continued escalation of project costs beyond those forecast in the Master Plans and Rate Plan. Other significant issues are the integration of current and archive project records into an electronic library for access online and via GIS; continued work toward complete and accurate GIS mapping of water and sanitary sewer infrastructure; and implementation of field applications for data and map acquisition.

Water and Wastewater Fund

**Clinton
Water Treatment Plant
Account 501-7210-581**

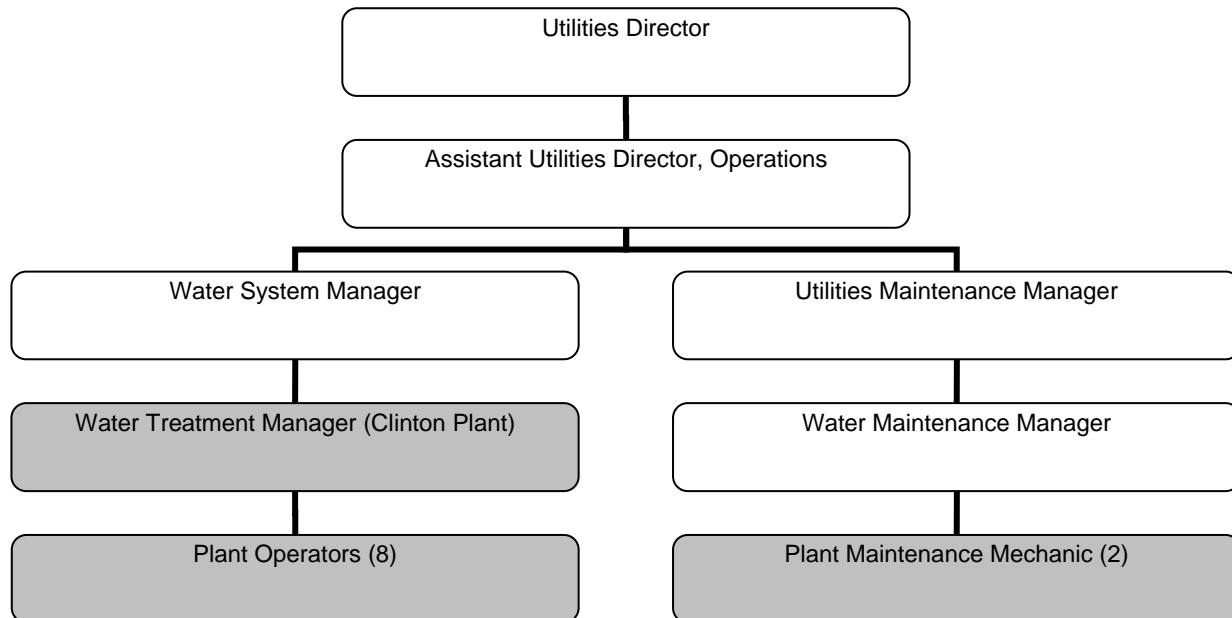
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 692,820	\$ 772,709	\$ 772,709	\$ 700,444
Contractual Services	406,635	608,200	608,200	649,400
Commodities	635,641	814,800	814,800	854,650
Capital Outlay	17,097	50,000	50,000	75,000
Debt Service	-	-	-	-
Transfers	17,000	18,000	18,000	18,900
Contingency	-	150,000	150,000	95,000
Total	\$ 1,769,193	\$ 2,413,709	\$ 2,413,709	\$ 2,393,394

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	11.00	11.00	11.00	11.00

ORGANIZATIONAL CHART



PROFILE

The mission of the Clinton Water Treatment Division is to produce an adequate supply of potable water for public consumption and fire suppression in compliance with all regulatory requirements through operation and maintenance of a 15 million gallons per day capacity water treatment facility (with a soon-to-be expanded capacity of 25 MGD).

CURRENT YEAR ACCOMPLISHMENTS

- Treated and pumped a combined total of 1.37 billion gallons of water from January 1 through May 31, 2008.
- Substantial completion of ongoing Phase II Plant Expansion Project.
- Enrollment in EPA Performance Tracking.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with the smell of their drinking water	66.5%	NA	TBD
% of residents satisfied with the taste of their drinking water	65.5%	NA	TBD
% water pumped that is billed	93%	94%	95%
Lost time accidents	0	1	0
% tests in compliance with regulations	100	100	100
% of residents satisfied with the water pressure in their home	81.7%	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Continue to address taste and odor concerns noted in 2007 Citizen Survey.
2. Improve early warning awareness of blue-green algae outbreaks in source water.
3. Improve water quality, system profit, reliability, operational efficiency and safety through ongoing automation of process systems and Lawrence Utilities Management System.
4. Filter profiling to expand the Clinton Plant capacity to 25 million gallons per day capacity.
5. Replace chlorine gas storage and system with sodium hypochlorite disinfection system.

SIGNIFICANT ISSUES FOR 2009

Contractual service increases include equipment repairs, and utilities.

Water and Wastewater Fund

**Kaw
Water Treatment Plant
Account 501-7220-582**

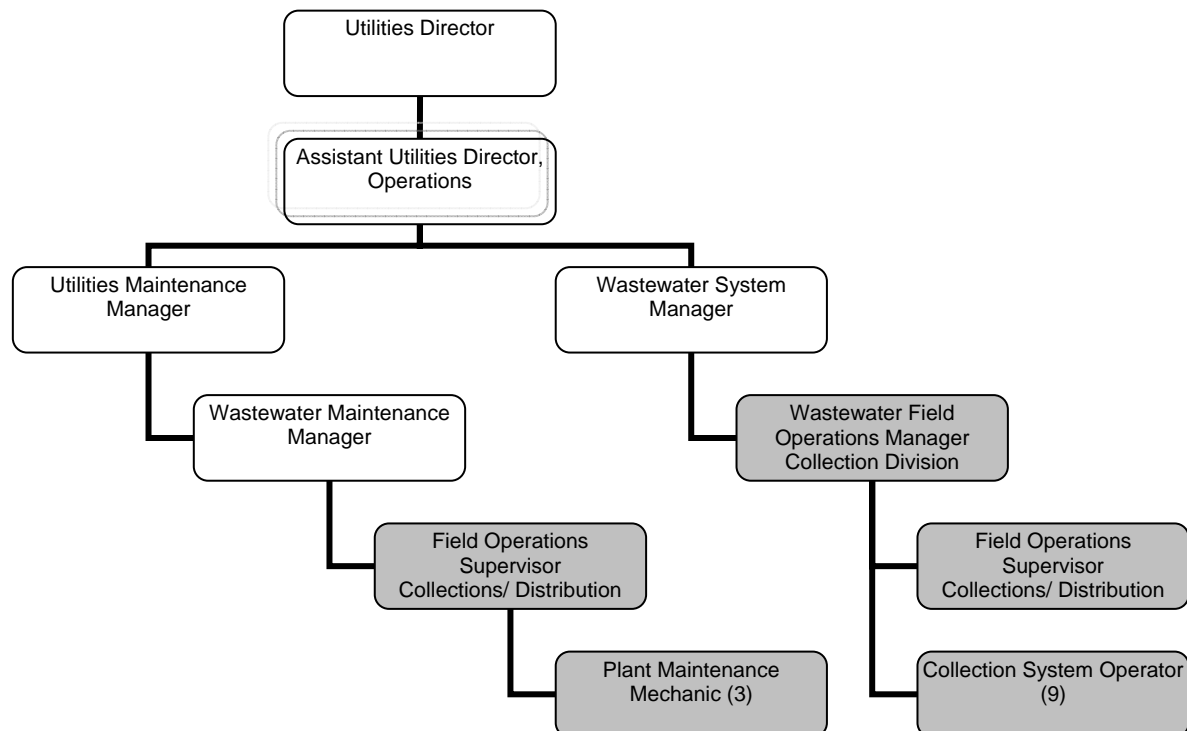
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 956,066	\$ 1,173,029	\$ 1,173,029	\$ 1,058,906
Contractual Services	806,923	957,700	957,700	1,070,200
Commodities	498,367	533,200	533,200	642,100
Capital Outlay	25,748	99,500	99,500	62,000
Debt Service	-	-	-	-
Transfers	21,000	22,050	22,050	23,153
Contingency	-	150,000	150,000	150,000
Total	\$ 2,308,104	\$ 2,935,479	\$ 2,935,479	\$ 3,006,358

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	16.00	15.00	15.00	15.00

ORGANIZATIONAL CHART



PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

- Treated and pumped a combined total of 1.37 billion gallons of water from January 1 through to May 31, 2008.
- Completed Phase I of Kaw Plant exterior brick rehabilitation.
- Replaced all 5 Intake Pumps, 2 of which are Variable Frequency Drives.
- Placed new security cameras at Oread and Harper Street water tanks.
- Installed 2 new Carbon Pumps and Flow Meters to better meet Taste and Odor needs.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with the smell of their drinking water	66.5%	NA	TBD
% of residents satisfied with the taste of their drinking water	65.5%	NA	TBD
% water pumped that is billed	93%	94%	95%
Lost time accidents	0	1	0
% tests in compliance with regulations	100	100	100
% of residents satisfied with the water pressure in their home	81.7%	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Address taste and odor concerns noted in 2007 Citizen Survey.
2. Improve water quality, system profit, performance and equipment reliability, operational efficiency and safety through automation of process systems and implementation of Lawrence Utilities Management System.
3. Complete Phases II and III of the Kaw Plant brick rehabilitation project.
4. Replace chlorine gas storage and system with sodium hypochlorite disinfection system.
5. Continue concrete replacement and repair of basin caps and walkways.

SIGNIFICANT ISSUES FOR 2009

Address the infrastructure and equipment needs of an aging plant facility.



Water and Wastewater Fund

Wastewater Treatment Plant

Account 501-7310-583

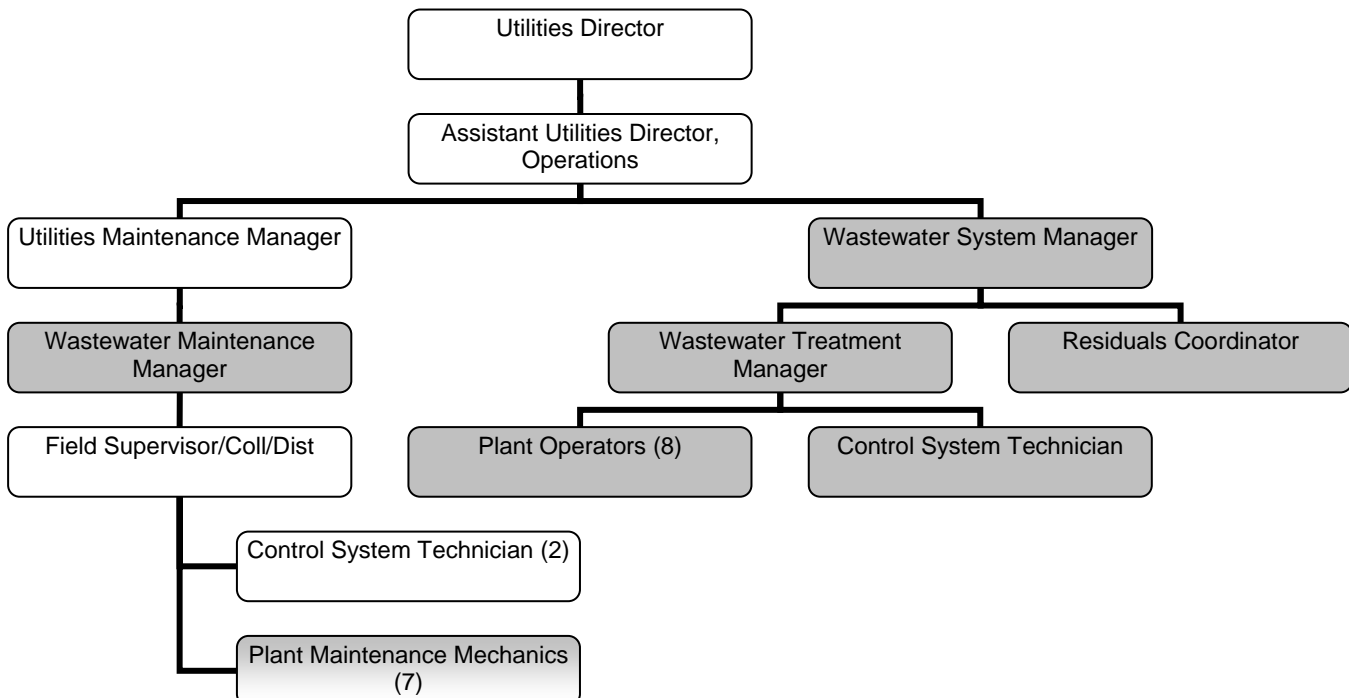
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 1,151,398	\$ 1,353,084	\$ 1,353,084	\$ 1,280,351
Contractual Services	1,348,155	1,410,000	1,410,000	1,415,000
Commodities	503,525	646,700	646,700	697,300
Capital Outlay	45,629	85,000	85,000	28,000
Debt Service	-	-	-	-
Transfers	26,250	28,000	28,000	29,400
Contingency	-	250,000	250,000	125,000
Total	\$ 3,074,957	\$ 3,772,784	\$ 3,772,784	\$ 3,575,051

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	20.00	19.00	19.00	19.00

ORGANIZATIONAL CHART



PROFILE

The mission of the **Wastewater Treatment Division** is to treat wastewater and return treated water and biosolids to the environment by utilizing environmentally safe standards through operation and maintenance of the Wastewater Treatment facility.

CURRENT YEAR ACCOMPLISHMENTS

- Enrollment in EPA Performance Tracks.
- Replacement of Lime Slaker.
- Cleaning of Excess Flow Contact and Fine Screen basins.
- Completion of lift station #49.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with City efforts to minimize the odor from the Wastewater facility	62.3%	NA	TBD
NPDES Violations	0	1	0
Lost time accidents	1	0	0
Complaints received	0	4	5
% biosolids beneficially reused	100	100	100

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Continued 100% compliance with regulations.
2. Increased utilization of methane as energy source over 2008 usage levels.
3. Continued participation in EPA Performance Tracks.
4. Beneficially reuse 100% of biosolids produced from the wastewater treatment process.

SIGNIFICANT ISSUES FOR 2009

Planning for and implementation of expansion/rehabilitation of the anaerobic digester complex.

WASTEWATER TREATMENT PLANT

Water and Wastewater Fund

Sanitary Sewer Collection

Account 501-7410-583

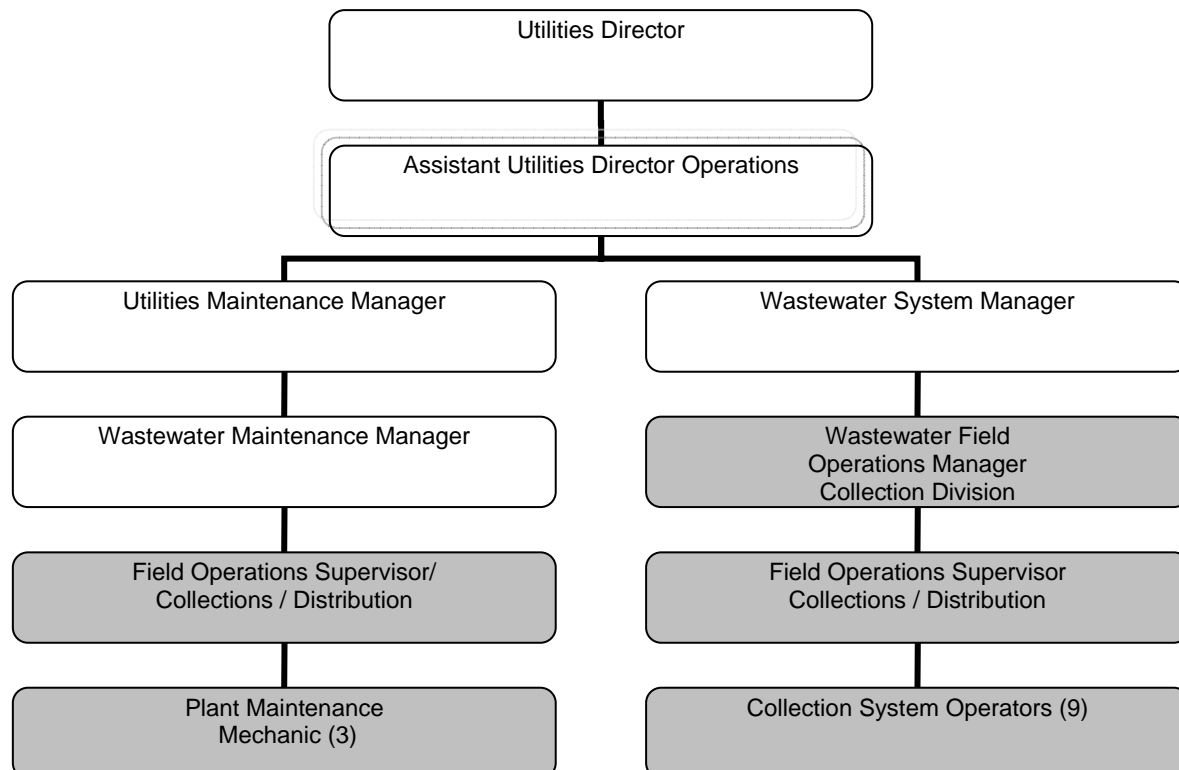
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 835,729	\$ 986,989	\$ 986,989	\$ 921,145
Contractual Services	984,968	1,201,000	1,201,000	1,209,000
Commodities	186,028	242,805	242,805	267,825
Capital Outlay	110,131	340,000	340,000	325,000
Debt Service	-	-	-	-
Transfers	250,000	262,500	262,500	275,625
Contingency		100,000	100,000	60,000
Total	\$ 2,366,856	\$ 3,133,294	\$ 3,133,294	\$ 3,058,595

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	15.00	15.00	15.00	15.00

ORGANIZATIONAL CHART



PROFILE

The mission of the **Sanitary Sewer Collection Division** is to convey wastewater from customers to the Wastewater Treatment Plant, prevent sanitary sewer overflows and maintain the wastewater collection system by preventing significant health, safety and environmental impacts.

Division responsibilities include approximately 397 miles of sanitary sewer lines, 20 miles of sanitary sewer force main, 9,853 manholes, 1,500 clean outs and 33 lift stations.



CURRENT YEAR ACCOMPLISHMENTS

- Achieved a 20% reduction in number of city sewer main blockages.
- Closed Circuit Television Inspection (CCTV) of 42 miles of sanitary sewer pipe.
- Cleaning of 32% of the gravity system through a four-year Section Cleaning Program and scheduled preventive maintenance.
- Continued SCADA instrumentation in all lift stations.
- Installed 31 Permanent Flow Meters citywide for use in gathering accurate wastewater flow data 24/7.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with the City's efforts to prevent backups of wastewater into their home	63%	NA	TBD
City Main Blockages	44	41	40
% Planned maintenance completed	100	100	100
% Planned TV Inspection Completed	100	100	100
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Continue to lower service calls through proactive maintenance programs, including cured in place pipe program, chemical root control program, section cleaning, scheduled preventive maintenance, grease program and TV inspections.
2. Rehabilitation of aging collection system infrastructure.
3. Continue the pump rehabilitation program.
4. No sanitary sewer overflows due to lift station operations.
5. Continue to provide excellent customer service 24/7.

SIGNIFICANT ISSUES FOR 2009

- Aging collection system components, including clay pipe sewer lines installed 80 years ago.
- Increased collection system infrastructure and capacity have significantly reduced service calls but also present challenges in maintaining the expanded system given current staff and equipment levels.
- Implementation and enforcement of the Grease Program.

Water and Wastewater Fund

Quality Control

Account 501-7510-585

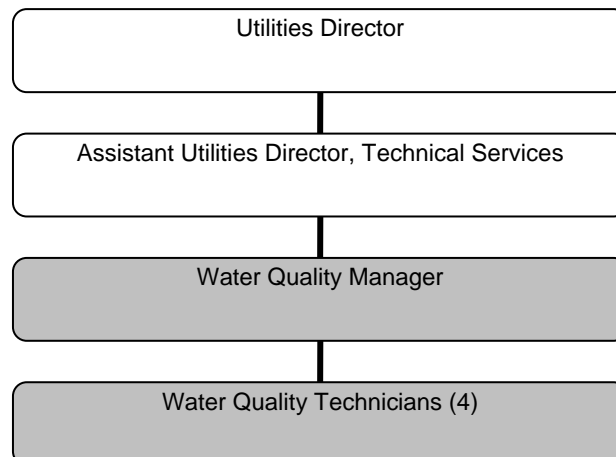
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 318,264	\$ 349,024	\$ 349,024	\$ 329,115
Contractual Services	167,437	161,500	161,500	182,400
Commodities	161,877	156,500	156,500	186,275
Capital Outlay	-	68,000	68,000	-
Debt Service	-	-	-	-
Transfers	11,550	12,200	12,200	12,810
Contingency		-	-	20,000
Total	\$ 659,128	\$ 747,224	\$ 747,224	\$ 730,600

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	5.00	5.00	5.00	5.00

ORGANIZATIONAL CHART



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.

CURRENT YEAR ACCOMPLISHMENTS

- Annual Compliance Summary for Pretreatment Programs completed March 18, 2008.
- Water and Wastewater Compliance Reports submitted per deadline to date.
- Preparation of Consumer Confidence Report for 2007 completed April 15, 2008.
- NELAP certification and accreditation maintained for Year 2007/2008.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with the clarity of their drinking water	71.3%	NA	TBD
Lab Analyses In-house	26,415	26,000	26,500
Lab Analyses Outsourced	4,107	4,500	4,750
Compliance Rate	100%	100%	100%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Provide monitoring and other services to water and wastewater facilities in support of full operational 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.

SIGNIFICANT ISSUES FOR 2009

Increased work load for current staff due to expanding and new facilities, to increasing regulatory compliance requirements and to implementation of the Grease Program.

Water and Wastewater Fund

Water Distribution System

Account 501-7610-586

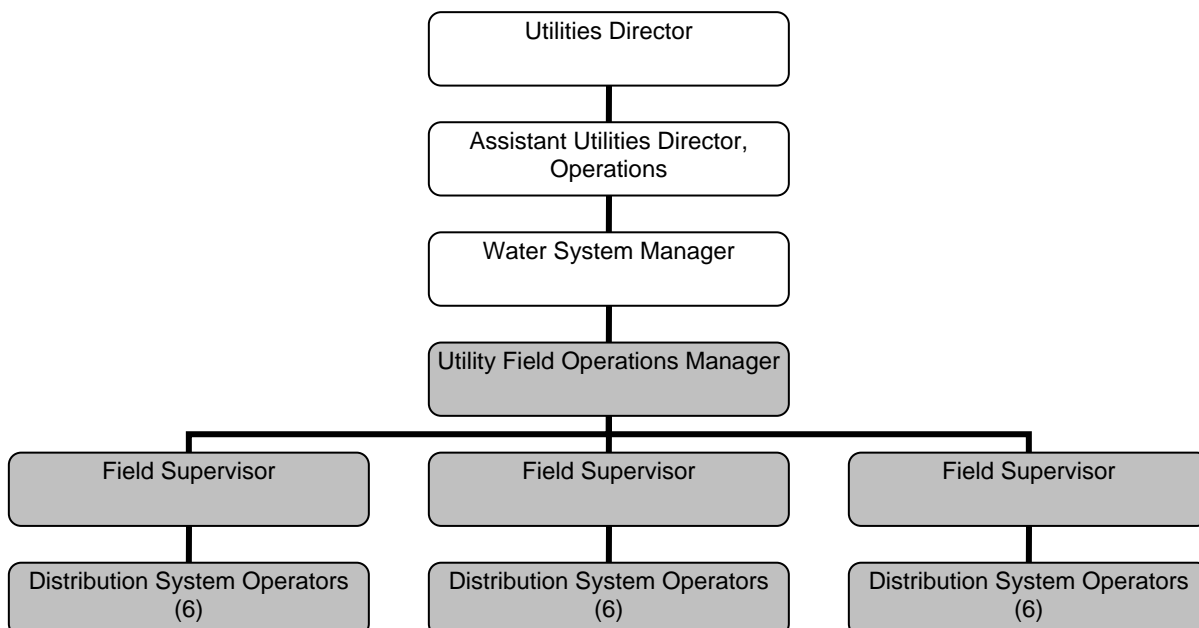
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 1,209,007	\$ 1,422,427	\$ 1,422,427	\$ 1,411,295
Contractual Services	170,664	216,000	216,000	387,000
Commodities	560,533	685,700	685,700	728,400
Capital Outlay	73,841	158,000	158,000	40,000
Debt Service	-	-	-	-
Transfers	500,000	525,000	525,000	551,250
Contingency	-	605	605	125,000
Total	\$ 2,514,045	\$ 3,007,732	\$ 3,007,732	\$ 3,242,945

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	22.00	22.00	22.00	22.00

ORGANIZATIONAL CHART



PROFILE

The mission of the **Water Distribution Division** is to provide for the installation, maintenance and repair of the water distribution system. The distribution system is the network of pipes conveying clean, safe, potable water for consumption to residences, businesses, industries and rural water districts. The system also provides water for fire protection throughout the City.

CURRENT YEAR ACCOMPLISHMENTS

- Installed 191 water services to new customers and repaired 20 main leaks.
- Replaced 1,500 feet of water mains.
- Implemented fire hydrant painting program.
- Inspected, maintained and repaired 820 fire hydrants.
- Assumed point responsibility for City locates requests, with over 2,800 utility locates completed to date.
- Completed 1,380 hydrant and blow-off flushes.
- Ongoing meter replacement program for commercial users, with 167 of 220 turbo high demand meters aged 15-20 years replaced with positive displacement meters, enabling usage data to be tracked from the first ½ to ¾ gallon used.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with the reliability of their water service	88.1%	NA	TBD
% of residents satisfied with the taste of their drinking water	65.5%	NA	TBD
% of residents satisfied with the smell of their drinking water	66.5%	NA	TBD
Lost time accidents	1	0	0
Water services installed	301	310	350
Water main breaks	33	40	40



MAJOR GOALS AND OBJECTIVES FOR 2009

1. Improve water quality, system profit, performance and equipment reliability, operational efficiency and safety through automation of process systems and ongoing implementation of Lawrence Utilities Management System.
2. Continue water main replacement program.
3. Implement replacement program of old major water distribution valves.
4. Continue meter replacement program for commercial users, with goal of having positive displacement meters in service for improved usage data and no meters older than 10 years.

SIGNIFICANT ISSUES FOR 2009

- Complete Phase 1 construction on Southeast Area Water Transmission Main Project.
- Exercise all distribution system valves.

Water and Wastewater Fund

Debt Service

Account 501-7700-587

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	6,559,805	9,100,000	9,100,000	9,000,000
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 6,559,805	\$ 9,100,000	\$ 9,100,000	\$ 9,000,000

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	NA	NA	NA	NA

Water and Wastewater Fund

Non-Bonded Construction

Account 501-7800-587

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	7,000,000	8,000,000	4,000,000	3,000,000
Contingency	-	-	-	-
Total	\$ 7,000,000	\$ 8,000,000	\$ 4,000,000	\$ 3,000,000

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	NA	NA	NA	NA



City of Lawrence

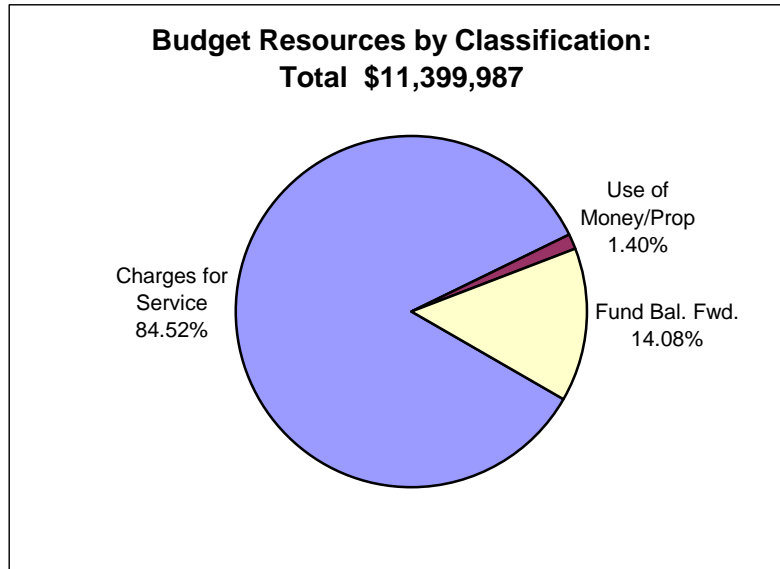
2009

Solid Waste Fund



SOLID WASTE FUND

Fund 502 – SOLID WASTE



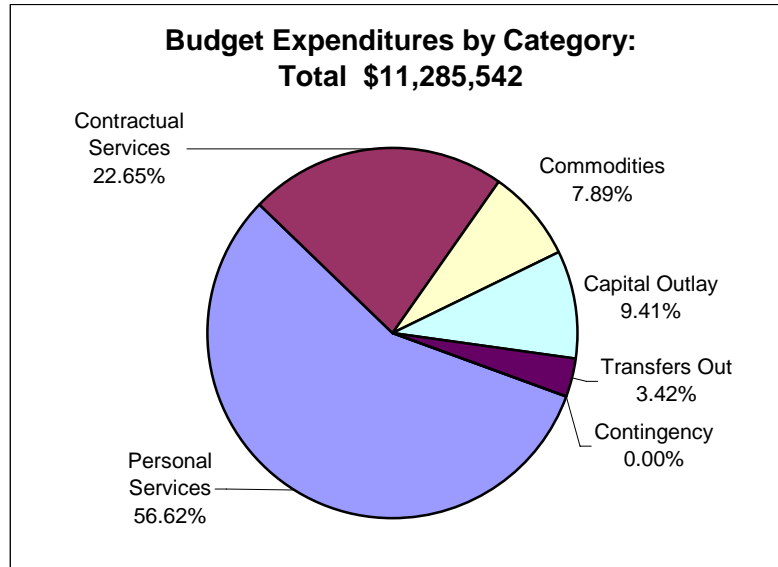
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Sanitation Service Charge	7,212,174	7,392,000	7,392,000	7,618,335
Roll Off	1,596,908	1,620,000	1,620,000	335,000
Extra Pickups, Miscellaneous	358,969	488,000	488,000	1,682,000
State Grants	16,844	-	-	-
Interest on Investments	149,348	100,000	100,000	160,000
TOTAL RECEIPTS	9,334,243	9,600,000	9,600,000	9,795,335
Balance, January 1	3,276,396	1,507,415	2,888,553	1,604,652
TOTAL RESOURCES AVAILABLE	12,610,639	11,107,415	12,488,553	11,399,987

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. Rates for both residential and commercial solid waste services will increase in 2009.

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, especially fuel 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



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	5,757,038	6,135,264	6,135,264	6,390,392
Contractual Services	2,215,245	2,727,072	2,687,072	2,556,472
Commodities	715,443	840,540	840,540	890,653
Capital Outlay	656,060	835,000	835,000	1,062,000
Debt Service	-	-	-	-
Transfer to Other Funds	378,300	386,025	386,025	386,025
Contingency	-	80,000	-	-
TOTAL EXPENDITURES	9,722,086	11,003,901	10,883,901	11,285,542
FUND BALANCE FORWARD	2,888,553	103,514	1,604,652	114,445

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.

Commodities - Goods and supplies for operating the divisions and providing the services of the department. The fluctuation since 2007 can be attributed in part to fluctuating fuel 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. The cost of trucks is anticipated to increase in 2009 due to the rising cost of steel as well as new emission standards and the City's weight restriction requirements.

Transfer to Other Funds - These funds are transferred to the City's Worker's Compensation Fund and the City's general operating fund. Due to revenue constraints, 2009 transfers equal those made in 2008.

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

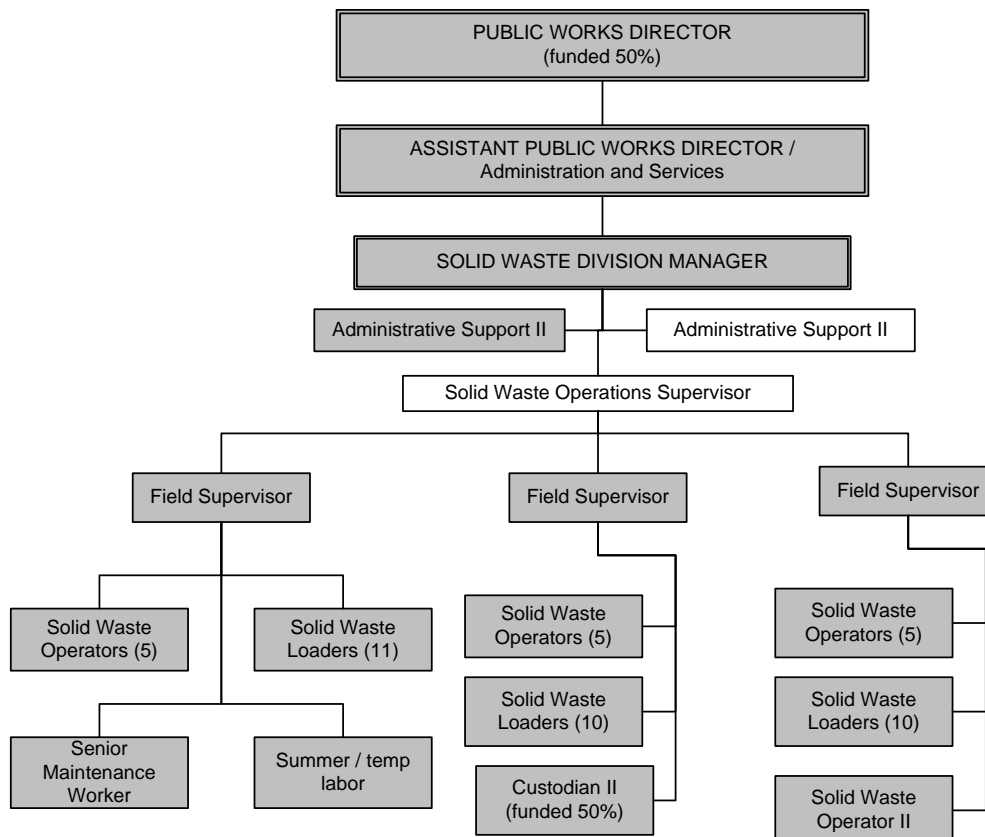
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 3,067,439	\$ 3,218,119	\$ 3,218,119	\$ 3,344,971
Contractual Services	866,038	1,092,672	1,072,672	1,025,172
Commodities	289,689	353,000	353,000	391,067
Capital Outlay	232,852	525,000	525,000	320,000
Debt Service	-	-	-	-
Transfers	219,500	224,225	224,225	224,225
Contingency	-	35,000	-	-
Total	\$ 4,675,518	\$ 5,448,016	\$ 5,393,016	\$ 5,305,435

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	54.84	53.84	53.84	53.84

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

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.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied or very satisfied with solid waste collection services	91%	91%	91%
% of residents satisfied or very satisfied with yard waste collection services	86%	86%	86%
pounds of municipal solid waste disposed per person per day (KS normalized data)	3.44	3.46	3.5
% of yard waste in preferred containers	99.2%	99.0%	99.0%

CURRENT YEAR ACCOMPLISHMENTS

- Continued yard waste collection using preferred containers only with very positive rates of compliance.
- Provided residential yard waste services for more than 31,000 units with a citizen survey satisfaction rate over 90%.
- Expanded use of roll-out carts, providing convenience to customers and reducing the potential for injuries to solid waste employees.
- Expanded residential service by one rear-loader route.



MAJOR GOALS AND OBJECTIVES FOR 2009

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

SIGNIFICANT ISSUES FOR 2009

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

Solid Waste Fund

Commercial Solid Waste

Account 502-3520-572

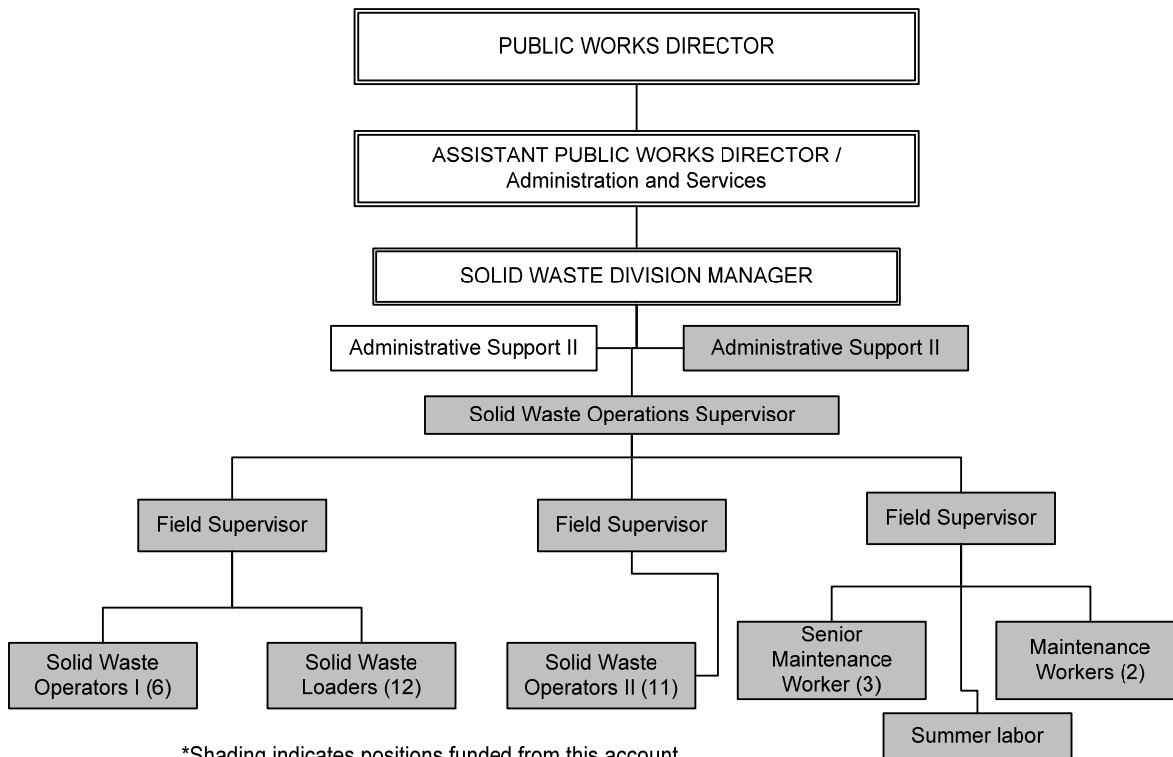
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 2,275,883	\$ 2,420,848	\$ 2,420,848	\$ 2,538,110
Contractual Services	1,165,162	1,418,064	1,398,064	1,325,564
Commodities	321,903	405,400	405,400	407,346
Capital Outlay	407,611	248,000	248,000	712,000
Debt Service	-	-	-	-
Transfers	155,650	158,500	158,500	158,500
Contingency	-	35,000	-	-
Total	\$ 4,326,209	\$ 4,685,812	\$ 4,630,812	\$ 5,141,520

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	39.00	39.00	39.00	39.00

ORGANIZATIONAL CHART



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.

CURRENT YEAR ACCOMPLISHMENTS

- Use of the roll-off program continued to increase.
- Expansion of compactor lease programs, including the addition of several schools.
- Provided commercial solid waste services to over 1400 customers and industrial accounts.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied or very satisfied with solid waste collection services	91%	91%	91%
% of roll-off accounts that are permanent placements	62%	65%	65%
% change in number of roll-off service calls	8.65%	5%	5%

MAJOR GOALS AND OBJECTIVES FOR 2009

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.

SIGNIFICANT ISSUES FOR 2009

- Adequacy and condition of primary office facility needs attention.
- Reasonable and consistent rate adjustments to address operational needs and increasing costs (fuel, steel, labor).
- Replacement of equipment in a cost effective manner.
- No service enhancements planned for 2009.

Solid Waste Fund

Waste Reduction / Recycling

Account 502-3530-573

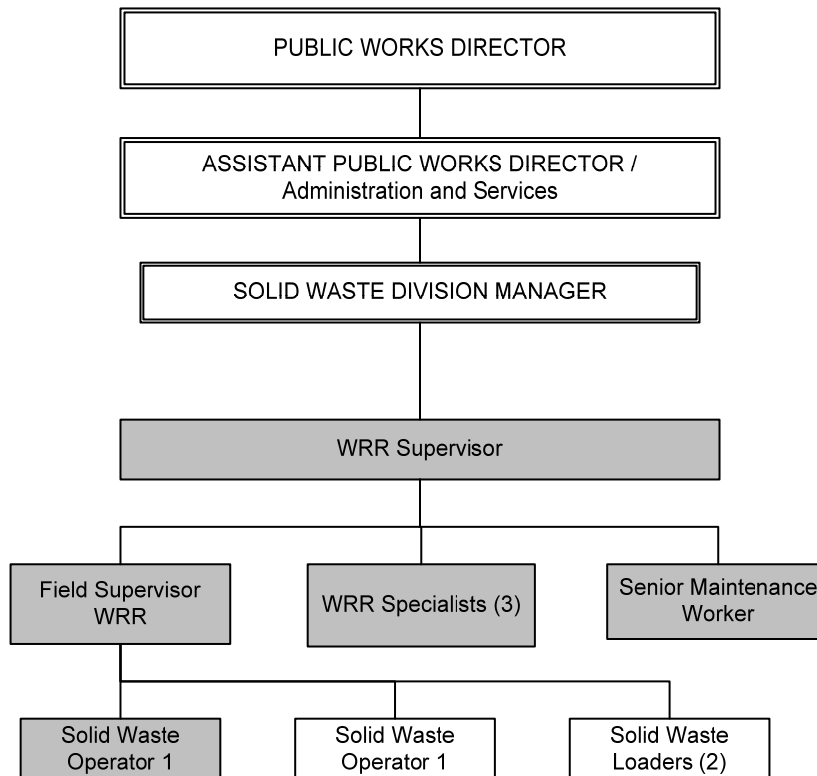
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 413,716	\$ 496,297	\$ 496,297	\$ 507,312
Contractual Services	184,045	216,336	216,336	205,736
Commodities	103,851	82,140	82,140	92,240
Capital Outlay	15,597	62,000	62,000	30,000
Debt Service	-	-	-	-
Transfers	3,150	3,300	3,300	3,300
Contingency	-	10,000	-	-
Total	\$ 720,359	\$ 870,073	\$ 860,073	\$ 838,588

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	8.00	8.00	8.00	8.00

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

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

Residential services in this division include:

- managing the household hazardous waste program
- fibers recycling programs, such as the drop-off locations, collection, processing, and sale of collected materials for newspaper, cardboard and mixed paper
- yard waste composting, testing, and annual giveaway events, when possible
- home energy conservation fair
- other education and outreach through schools, community events, and direct technical assistance

Commercial services include:

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

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

CURRENT YEAR ACCOMPLISHMENTS

- Over 13,000 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 recycling materials exceeded \$100,000, and avoided landfill fees exceeded \$200,000.
- Special education and outreach programs were designed for effective and environmentally friendly management of wastes. Major special events included the Earth Day activities and the Home Energy Conservation Fair.
- Staff provided support for the Sustainability Advisory Board.

PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of municipal solid waste recycled	35%	35%	35%
Pounds of municipal solid waste disposed per person per day (KS normalized data)	3.44	3.46	3.5
% of residents satisfied with the City's drop-off recycling sites	50%	NA	TBD
% of residents satisfied with the City's efforts to inform citizens about recycling opportunities	50%	NA	TBD
% of residents satisfied with household hazardous waste disposal services	51.8%	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

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.

SIGNIFICANT ISSUES FOR 2009

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



City of Lawrence



City of Lawrence

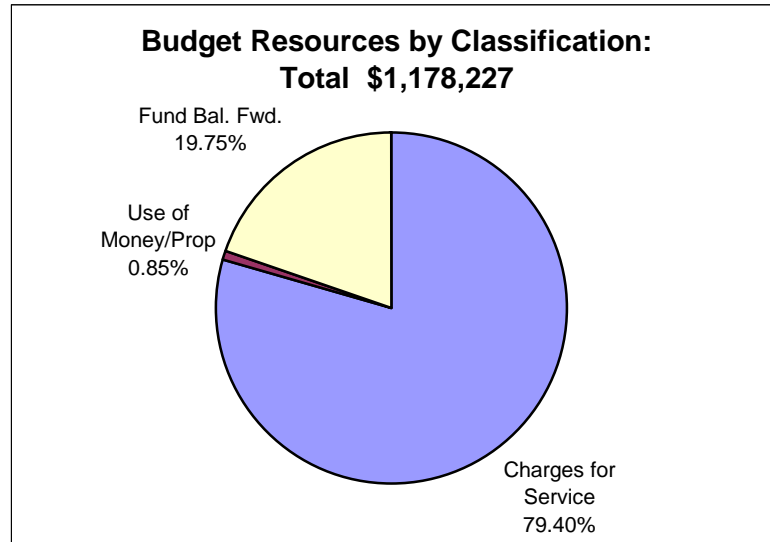
2009

Public
Parking
Fund



PUBLIC PARKING SYSTEM FUND

Fund 503 – PUBLIC PARKING SYSTEM



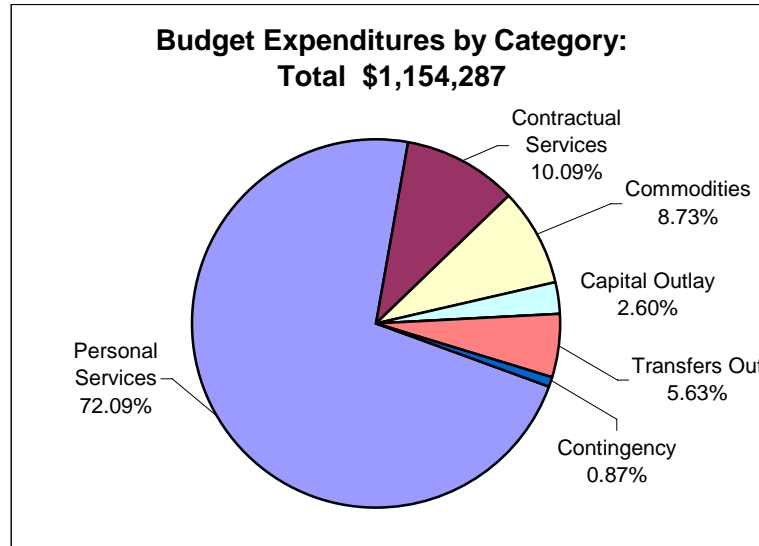
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Meter	417,202	380,000	380,000	390,000
Overtime Parking	262,528	350,000	375,000	360,000
Riverfront Garage	177,618	160,000	160,000	170,000
9th & New Hampshire Garage	14,928	15,000	15,000	15,500
Interest on Investments	22,225	10,000	10,000	10,000
Lease Payment	3,870	-	-	-
Miscellaneous	432	-	-	-
TOTAL RECEIPTS	898,803	915,000	940,000	945,500
Balance, January 1	606,593	334,419	491,571	232,727
TOTAL RESOURCES AVAILABLE	1,505,396	1,249,419	1,431,571	1,178,227

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. Revenues and fund balances should be sufficient to continue our current public parking system under the existing fee and fine structures. However, as we continue to draw down our fund balance in this fund, further review of expenditure and revenue projections is necessary. This fall, staff will explore the options for potential fee increases to address long term stability of this fund.

Fund 503 – PUBLIC PARKING SYSTEM



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	658,975	821,824	821,824	832,087
Contractual Services	137,307	114,700	114,700	116,425
Commodities	142,543	107,320	107,320	100,775
Capital Outlay	-	30,000	30,000	30,000
Debt Service	-	-	-	-
Transfer	75,000	75,000	75,000	65,000
Contingency	-	50,000	50,000	10,000
TOTAL EXPENDITURES	1,013,825	1,198,844	1,198,844	1,154,287
FUND BALANCE FORWARD	491,571	50,575	232,727	23,940

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. An increase is budgeted for 2009 for merit based wage adjustments for eligible employees.

Commodities- Office supplies, meters and parts, fuels, trees, seeds, and plants. In order to maintain 2008 funding levels used to enhance beautification efforts in the downtown parking areas despite revenue constraints, decreases in other commodities will be necessary.

Transfer - These funds are transferred into a reserve fund for maintenance and repairs to parking facilities. The decrease is necessary due to revenue constraints anticipated in 2009.

Public Parking System Fund

Parking Control

Account 503-2300-503

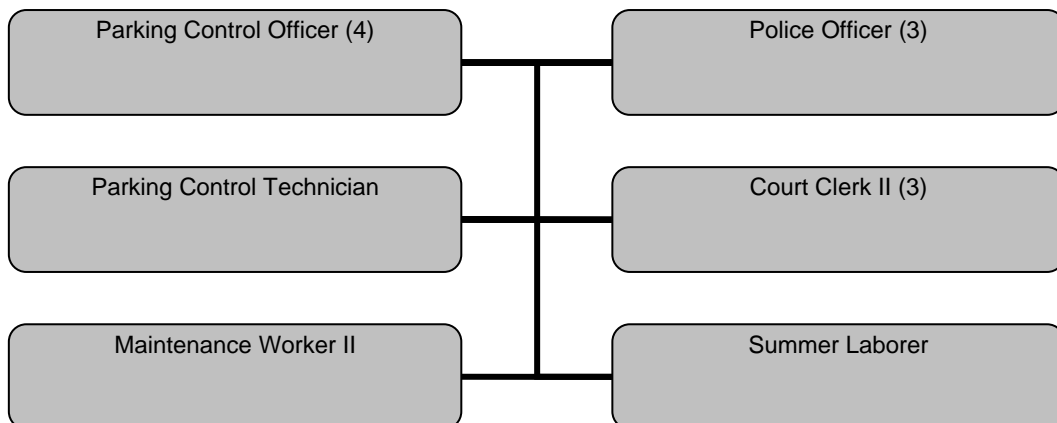
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	\$ 658,975	\$ 821,824	\$ 821,824	\$ 832,087
Contractual Services	137,307	114,700	114,700	116,425
Commodities	142,543	107,320	107,320	100,775
Capital Outlay	-	30,000	30,000	30,000
Debt Service	-	-	-	-
Transfer	75,000	75,000	75,000	65,000
Contingency	-	50,000	50,000	10,000
Total	\$ 1,013,825	\$ 1,198,844	\$ 1,198,844	\$ 1,154,287

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	13.00	14.00	14.00	14.00

ORGANIZATIONAL CHART



PROFILE

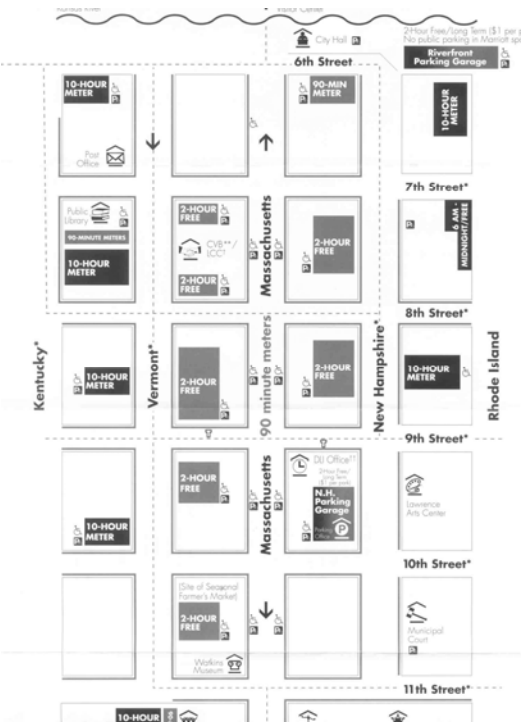
The **Public Parking Division** is charged with the responsibility of enforcing parking regulations and meter time limits in the Central Business District to provide adequate parking turnover in the downtown area.

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.

CURRENT YEAR ACCOMPLISHMENTS

- Provided janitorial, repair, landscaping, and maintenance services for parking lots owned and operated by the City of Lawrence.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with parking enforcement services	58.8%	NA	TBD
% of residents satisfied with the availability of parking downtown	42.9%	NA	TBD
% of residents satisfied with the beautification of downtown	68%	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2009

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.

SIGNIFICANT ISSUES FOR 2009

Revenue constraints will mean maintaining or reducing expenditures in other categories.



City of Lawrence



City of Lawrence

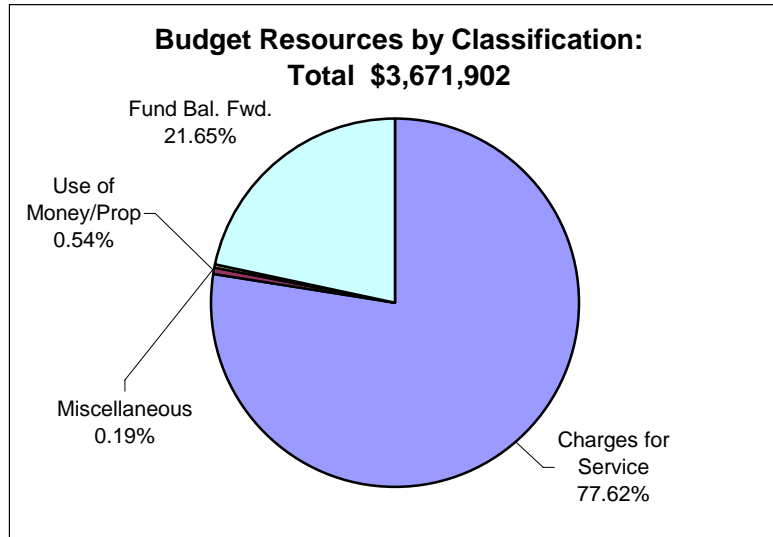
2009

Stormwater
Utility
Fund



STORM WATER UTILITY FUND

Fund 505 – STORM WATER UTILITY



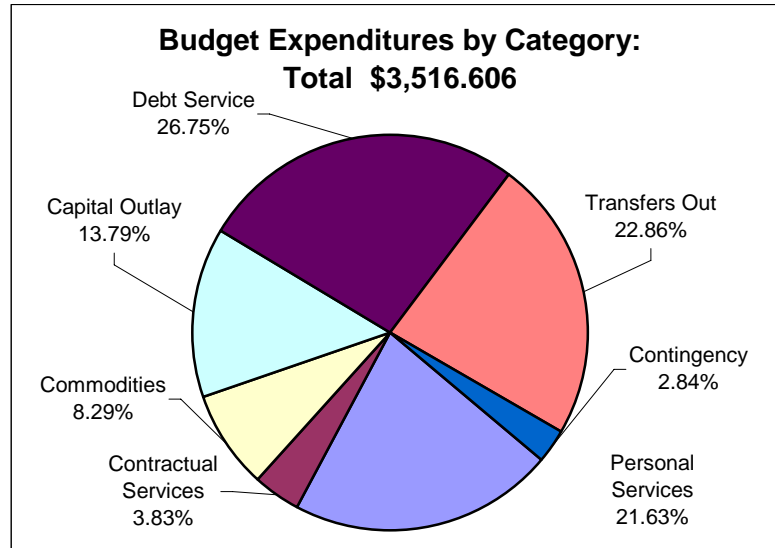
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Storm Water Utility Charges	2,836,484	2,850,000	2,850,000	2,850,000
Interest on Investments	67,877	20,000	20,000	20,000
Miscellaneous	-	7,000	7,000	7,000
Debt Proceeds	-	-	-	-
TOTAL RECEIPTS	2,904,361	2,877,000	2,877,000	2,877,000
Balance, January 1	1,950,782	780,468	1,421,051	794,902
TOTAL RESOURCES AVAILABLE	4,855,143	3,657,468	4,298,051	3,671,902

Revenue Sources - Descriptions and Trends

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

Trends- The current storm water fee is \$4.00 per equivalent residential unit (ERU) and is based on a rate study completed in 2000. Rates will not increase in 2009 because revenue necessary in order to complete priority storm water projects is adequate. Maintenance of the storm water system is a priority, including meeting the NPDES permit requirements.

Fund 505 – STORM WATER UTILITY



EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	710,009	732,908	732,908	760,586
Contractual Services	85,093	116,540	116,540	134,790
Commodities	270,852	272,200	272,200	291,400
Capital Outlay	190,767	520,000	520,000	485,000
Debt Service	1,334,121	1,295,088	1,295,088	940,830
Transfer to Other Funds	843,250	462,413	462,413	804,000
Contingency	-	104,000	104,000	100,000
TOTAL EXPENDITURES	3,434,092	3,503,149	3,503,149	3,516,606
FUND BALANCE FORWARD	1,421,051	154,319	794,902	155,296

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 2008 are due to merit increases for eligible employees.

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

Debt Service- Debt Service expenditures allow for the payment of bonded debt at the completion of construction for major improvement projects. The division paid off debt on two major phases of storm water project construction in 2008 resulting in a decrease for 2009.

Transfer- A transfer will be made into a construction account to fund future capital projects. Transfers will also be made to the General Fund for continued funding of the curb repair program and to the Workers Comp Reserve Fund. In 2007, a substantial transfer was made to the Capital Improvement Reserve Fund however, revenue constraints reduced the amount of the transfer in 2008 and 2009.

Storm Water Utility Fund

Storm Water Utility

Account 505-3900-579

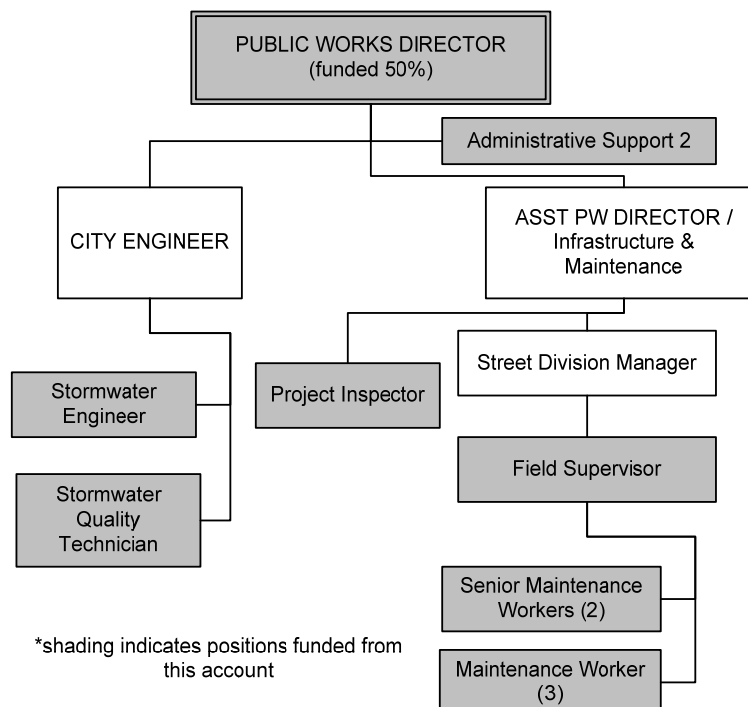
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 710,009	\$ 732,908	\$ 732,908	\$ 760,586
Contractual Services	85,093	116,540	116,540	134,790
Commodities	270,852	272,200	272,200	291,400
Capital Outlay	190,767	520,000	520,000	485,000
Debt Service	1,334,121	1,295,088	1,295,088	940,830
Transfers	843,250	462,413	462,413	804,000
Contingency	-	104,000	104,000	100,000
Total	\$ 3,434,092	\$ 3,503,149	\$ 3,503,149	\$ 3,516,606

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	10.50	10.50	10.50	10.50

ORGANIZATIONAL CHART



PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

- Continued focus on inlet maintenance and open channel debris removal.
- On-going infrastructure audit for storm water features, including field and GIS data collection work.
- Continued implementation of federal water quality regulations (NPDES.)
- LOMR (Letter of Map Revision) completed for 13th and Oregon. The LOMR is submitted to FEMA for revision of the national flood insurance rate maps.
- Acquisition of software to enhance our modeling capabilities for watershed analysis.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied or very satisfied with City's stormwater management program	53%	53%	53%
% of storm water problems that require action after issuance of a notice of violation	31%	49%	NA
Number of storm water quality violations issued	180	175	NA
Number of storm water education program participants	385	685	NA

MAJOR GOALS AND OBJECTIVES FOR 2009

1. Comprehensive planning for next stage of construction of capital improvement projects.
2. Continued implementation of the storm water pollution prevention ordinance.
3. Completion of remaining NPDES requirements, including pollutant discharge detection, city employee training, and possible land use regulations and construction standards.
4. Watershed modeling of specific watersheds. One goal for 2008 is to review the Burroughs Creek water shed and submit a LOMR for 21 and Barker Ct., if appropriate.

SIGNIFICANT ISSUES FOR 2009

Increases in personal services can be attributed to merit increases for eligible employees. Reductions in other categories are in order to stay within revenue constraints, especially transfers.



City of Lawrence



City of Lawrence

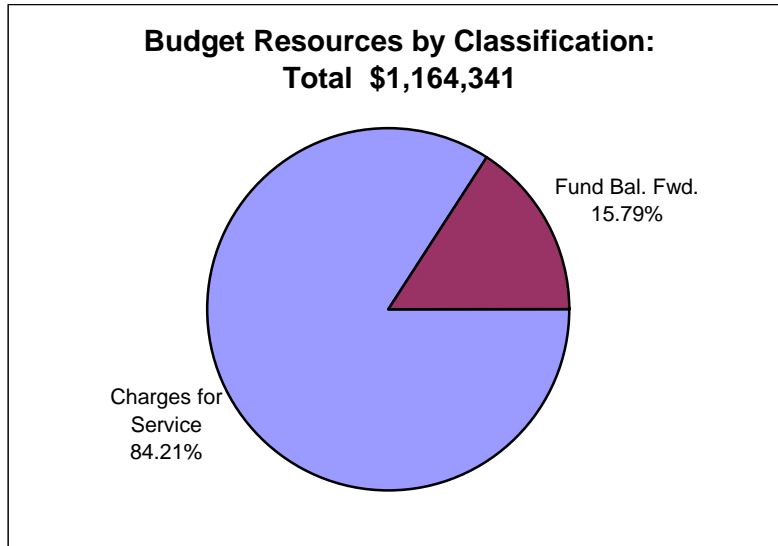
2009

Public
Golf Course
Fund



PUBLIC GOLF COURSE FUND

Fund 506 – PUBLIC GOLF COURSE



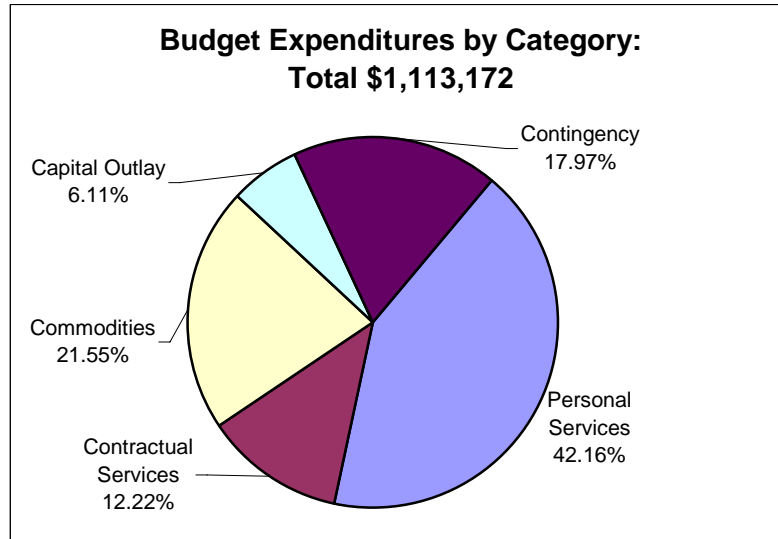
	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
RECEIPTS				
Golf Course Fees	910,139	1,009,000	1,009,000	980,500
Interest on Investments	-	-	-	
Miscellaneous	13,236	-	-	
Transfers In	-	-	-	
TOTAL RECEIPTS	923,375	1,009,000	1,009,000	980,500
Balance, January 1	(10,180)	(14,483)	147,781	183,841
TOTAL RESOURCES AVAILABLE	913,195	994,517	1,156,781	1,164,341

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	2007 Actual	2008 Adopted	2008 Estimated	2009 Budget
Personal Services	428,162	455,040	455,040	469,272
Contractual Services	119,365	152,000	152,000	136,000
Commodities	200,720	192,900	192,900	239,900
Capital Outlay	17,167	73,000	73,000	68,000
Debt Service	-	-	-	-
Transfer	-	-	-	-
Contingency	-	100,000	100,000	200,000
TOTAL EXPENDITURES	765,414	972,940	972,940	1,113,172
FUND BALANCE FORWARD	147,781	21,577	183,841	51,169

Expenditures - Descriptions and Trends

Personal Services - Personnel costs have increased due merit increases for eligible employees.

Commodities - Expenses are somewhat weather dependent for maintenance/care of the grounds. Fuel cost and the level of grub control have increased over 2008.

Capital Outlay - Funds are needed to purchase equipment for the maintenance of the golf course. Due to revenue limitations, funding levels have decreased from 2008 levels.

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

Contingency – Fund for unforeseen expenses. An increase is budgeted for 2009 in order to achieve the statutory limit on budgeted fund balance.

Public Golf Course Fund

Golf Course

Account 506-4900-599

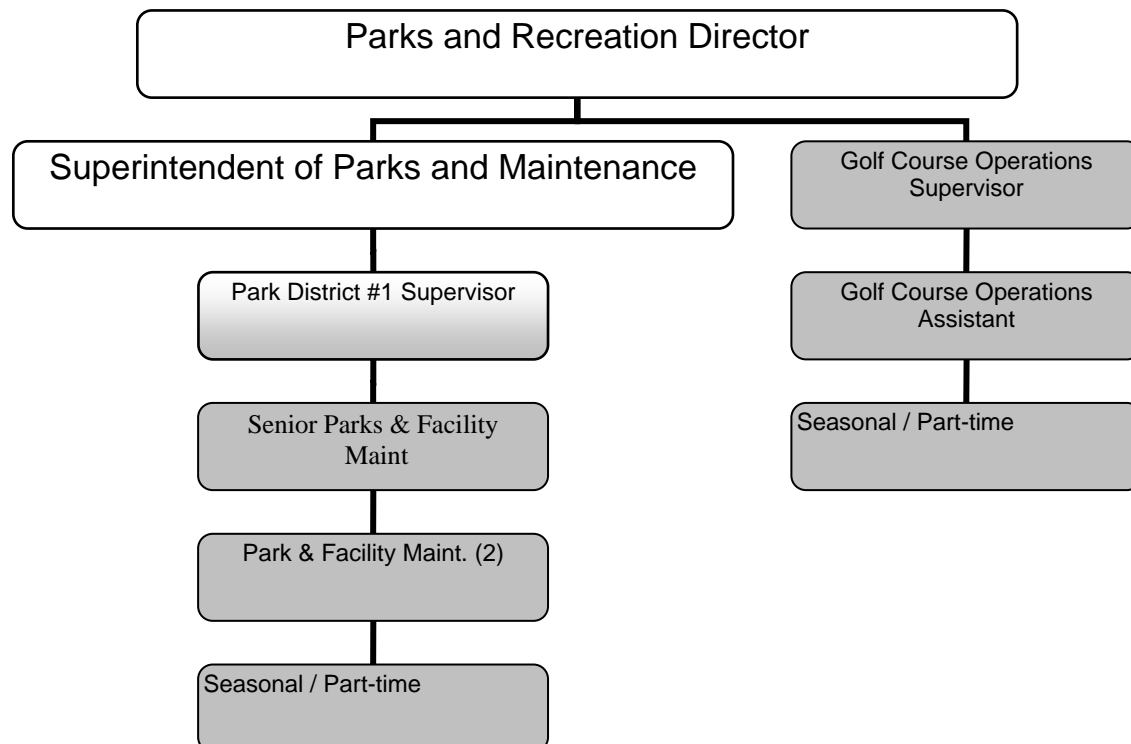
EXPENDITURE SUMMARY

EXPENDITURES	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Personal Services	\$ 428,162	\$ 455,040	\$ 455,040	\$ 469,272
Contractual Services	119,365	152,000	152,000	136,000
Commodities	200,720	192,900	192,900	239,900
Capital Outlay	17,167	73,000	73,000	68,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	100,000	100,000	200,000
Total	\$ 765,414	\$ 972,940	\$ 972,940	\$ 1,113,172

PERSONNEL SUMMARY

PERSONNEL	2007 Actual	2008 Adopted	2008 Estimate	2009 Budget
Authorized Positions	5.50	5.50	5.50	5.50

ORGANIZATIONAL CHART



Shading indicates positions funded through this account.
Partial shading indicates positions funded in more than one division or Fund.

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 ninth year of operation, is located east of the Clinton Lake Dam in the southwest quadrant of the City.

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

CURRENT YEAR ACCOMPLISHMENTS

- Started a fairway and tee renovation program that will upgrade the turf type to Zoysia.
- Added new programs and created leagues.
- Purchased new maintenance equipment.
- Played host to over 30 tournaments.



PERFORMANCE INDICATORS

Indicator	2007 Actual	2008 Estimated	2009 Target
% of residents satisfied with the quality of Eagle Bend Golf Course	58.8%	NA	TBD
% of overall golf experience rated good or excellent	93.94%	94%	95%

MAJOR GOALS AND OBJECTIVES FOR 2009

1. To operate the Eagle Bend Golf Course facility with golf course fees and receipts.
2. Increase number of players by offering great customer service, well maintained facility and continuing our marketing plan.
3. Increase programs and explore ways to get more children interested in the game of golf.
4. Continue Zoysia program as funds allow.

SIGNIFICANT ISSUES FOR 2009

Significant Issues for 2009 – 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. The increase in the minimum wage will have an impact on the operating budget.



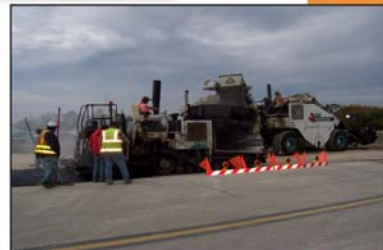
City of Lawrence



City of Lawrence

2009

Capital
Improvement
Budget



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-3 to determine a score for every project submitted. The scores are translated into priority rankings.

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

Capital Improvement Budget

Each year, a Capital Improvement Budget is prepared in conjunction with the City's Annual Operating Budget. The Capital Improvement budget has a number of revenue sources, including current revenues, state and federal grants, special assessment benefit districts, and the issuance of debt. The Capital Improvement Budget can be found on page P-4.

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-7.

2009 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

2009 CAPITAL IMPROVEMENT BUDGET

Project	Cash	General Obligation Bonds Backed By				Water and Waterwater Revenue Bonds	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
City At Large Projects								
19th & Louisiana	\$ -	\$ 451,575	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 751,575
6th Street ITS		250,875					250,000	500,875
KLINK - Iowa, 23rd to 31st street		225,788					200,000	425,788
N. 2nd and Locust		211,473						211,473
23rd & Harper		103,165					200,000	303,165
Ohio Brick Street Renovation								0
Carnegie Rehab - SAT grant		1,348,912						1,348,912
GWW N of 6th		200,000		3,160,725				3,360,725
O'Connell Road, WB left turn				331,603				331,603
KLINK - 23rd, Iowa to La.		450,000					200,000	650,000
Stoneridge North		60,000		1,504,857				1,564,857
East Hills Business Park Improvement		1,003,500						1,003,500
Tennis Center Relocation*		300,000						300,000
Overland Dr.				1,239,891				1,239,891
Oregon Trail Stormwater				687,398				687,398
GWW N of Overland				1,770,678				1,770,678
25th Terrace				1,469,628				1,469,628
6th and Congressional Signals				17,060				17,060
subtotal at large	\$ -	\$ 4,605,288	\$ -	\$ 10,181,840	\$ -	\$ -	\$ 1,150,000	\$ 15,937,128

*Subject to negotiations with USD497

2009 CAPITAL IMPROVEMENT BUDGET

Project	Cash	General Obligation Bonds Backed By				Water and Wastewater Revenue Bonds	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
Water and Wastewater Utility Fund Projects								
Replace 1931 Oread Tank-design	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Repaint Clinton Ground Storage Tanks						900,000		900,000
Waterline Rehab & Replacement	1,265,300							1,265,300
Waterline Relocations	950,000							950,000
Misc Water System Improvements	1,265,300							1,265,300
Pump Station Project #27 - Kansas River Basin						350,000		350,000
Force Main Improvements PS#28 and PS 35	1,500,000							1,500,000
Anaerobic Digester Improvements						5,000,000		5,000,000
Four Seasons						3,500,000		3,500,000
I/I Removal	823,000							823,000
General Sanitary Sewer Improvements	760,000							760,000
General Pumping Station Improvements	254,000							254,000
General WWTP Improvements	254,000							254,000
Sanitary Sewer Relocates	530,000							530,000
subtotal water and wastewater	\$ 7,631,600	\$ -	\$ -	\$ -	\$ -	\$ 9,750,000	\$ -	\$ 17,381,600
Additional Water and Wastewater Capital Improvement Options*								
Kaw WTP - Supply Improvements*	\$ -	\$ -	\$ -	\$ -	\$ -	\$6,600,000	\$ -	\$ 6,600,000
Noreaster Transmission Main*						6,000,000		6,000,000
Subtotal Water and Wastewater Projects								
subtotal water and wastewater w/supply improvements*	\$ 7,631,600	\$ -	\$ -	\$ -	\$ -	\$ 16,350,000	\$ -	\$ 23,981,600
subtotal water and wastewater w/ Noreaster*	\$ 7,631,600	\$ -	\$ -	\$ -	\$ -	\$ 15,750,000	\$ -	\$ 23,381,600

* Based on recommended rates for 2009, projected revenues can only support completion of either the Kaw WTP Supply Improvements or the Noreaster. The City Commission will review and provide further direction.

2009 CAPITAL IMPROVEMENT BUDGET

Project	Cash	General Obligation Bonds Backed By				Water and Wastewater Revenue Bonds	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
Subtotal All Projects								
<i>At Large Projects</i>	\$ -	\$ 4,605,288	\$ -	\$ 10,181,840	\$ -	\$ -	\$ 1,150,000	\$ 15,937,128
<i>Water and Wastewater w/Supply Improvements*</i>	7,631,600	-	-	-	-	16,350,000	-	23,981,600.0
TOTAL ALL PROJECTS	\$ 7,631,600	\$ 4,605,288	\$ -	\$ 10,181,840	\$ -	\$ 16,350,000	\$ 1,150,000	\$ 39,918,728

<i>At Large Projects</i>	\$ -	\$ 4,605,288	\$ -	\$ 10,181,840	\$ -	\$ -	\$ 1,150,000	\$ 15,937,128
<i>Water and Wastewater w/ Noreaster*</i>	7,631,600	-	-	-	-	15,750,000.0	-	23,381,600
TOTAL ALL PROJECTS	\$ 7,631,600	\$ 4,605,288	\$ -	\$ 10,181,840	\$ -	\$ 15,750,000	\$ 1,150,000	\$ 39,318,728

* Based on recommended rates for 2009, projected revenues can only support completion of either the Kaw WTP Supply Improvements or the Noreaster. The City Commission will review and provide further direction.

Function	Cash	General Obligation Bonds Backed By				Water and Wastewater Revenue Bonds	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
General Government	\$ -	\$ 4,605,288	\$ -	\$ 10,181,840	\$ -	\$ -	\$ 1,150,000	\$ 15,937,128
Parks and Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Utility*	\$ 3,510,600	\$ -	\$ -	\$ -	\$ -	\$7,500,000 or 6,900,000	\$ -	\$11,010,600 or \$10,410,600
Wastewater Utility	\$ 4,121,000	\$ -	\$ -	\$ -	\$ -	\$ 8,850,000	\$ -	\$ 12,971,000
Storm Water Utility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 7,631,600	\$ 4,605,288	\$ -	\$ 10,181,840	\$ -	\$16,350,000 or \$15,750,000	\$ 1,150,000	\$39,918,728 or \$39,318,728

* Based on recommended rates for 2009, projected revenues can only support completion of either the Kaw WTP Supply Improvements or the Noreaster. The City Commission will review and provide further direction.

2009 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

The following projects are slated for the 2009 construction year. Included are project costs and a description of any anticipated operating budget and/or related service impacts.

19th & Louisiana

Project Description: Intersection improvements including center turn lane and a bus turnout lane to improve the safety of the intersection for traffic and pedestrians.

City Cost: \$451,575

Operating Budget Impact: The city will be able to reduce mill and overlay expenses by \$25,000.

6th Street ITS

Project Description: Installation of fiber-optic cable, modems, and central control hardware/software to develop a closed-loop traffic signal system to monitor and optimize traffic flow along 6th Street between Massachusetts Street and Iowa Street, especially during peak times of day and during special events.

City Cost: \$250,875

Operating Budget Impact: Maintenance costs should be similar to existing signalization. By optimizing traffic flow, savings will be experienced in terms of travel times and a reduction in emissions.

KLINK - mill and overlay – 23rd Street, from Iowa Street to Louisiana Street

Project Description: The connecting link project scheduled for 2008 is the improvement of 23rd Street from Iowa to Louisiana.

City Cost: \$225,788

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 & Harper

Project Description: Installation of a left turn lane on Harper, south of 23rd Street as recommended by the Road Safety Audit.

City Cost: \$103,165

Operating Budget Impact: Annual maintenance is estimated to be \$10,000.

Noreaster Transmission Main

Project Description: Construction of a new treated water transmission main from the Kaw Water Treatment Plant to the Southeast Area of Lawrence, approximately 23rd & O'Connell. The project provides redundant waterlines to North Lawrence and for expanded service to the Southeast Area of Lawrence including service to Baldwin and Rural Water District 4. The project is divided into 3 phases through 2010 with a total length of 31,000 linear feet of 36" & 30" diameter pipe.

City Cost: \$6,000,000

Operating Budget Impact: Project will be designed by an engineering consultant and construction performed by a contractor selected by bid. Staff involvement would include selection of design engineer, review of plans/specs, project inspection, and some customer service during project. Additional operational and maintenance cost due to increased infrastructure inventory.

2009 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.

City Cost: \$1,216,700

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.

Misc. Water System Improvements

Project Description: General water system improvements and replacements, such as pump replacements, chemical feed equipment upgrades/replacement, etc.

City Cost: \$1,265,300

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.)

Anaerobic Digester Improvements

Project description: Improvements and expansion of existing digester facilities at the Kansas River Wastewater Treatment Plant.

City Cost: \$5,000,000

Operating Budget Impact: The anaerobic project is an increase in installed infrastructure, buildings and is an increased level of process stabilization. This expansion will require additional expenditures for consumables, energy as well as general operational and maintenance efforts by either staff and or contracts.

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.

City Cost: \$823,000

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.

City Cost: \$760,000

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.).

2009 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

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.

City Cost: \$254,000

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.

City Cost: \$254,000

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.

2009 CAPITAL IMPROVEMENT BUDGET PROJECTION OF AVAILABLE DEBT SERVICE FUNDS

Year	Assessed Value*	Debt Levy**	Property Tax Revenue	Other Revenue	Debt Service***	Net Income	Ending Fund Balance
2000	498,663,930	6.709	3,668,190	929,170	4,800,085	-202,725	7,947,026
2001	545,451,921	6.745	4,051,274	806,224	5,165,537	-308,039	7,638,987
2002	593,159,174	7.121	4,366,170	1,140,000	6,137,522	-631,352	7,007,635
2003	629,033,427	7.127	4,410,000	2,744,000	6,624,510	529,490	7,537,125
2004	674,353,182	7.103	4,700,233	2,089,000	6,029,126	760,107	8,297,233
2005	718,149,570	7.070	4,978,998	1,955,000	7,461,061	-527,063	7,770,169
2006	776,860,997	7.047	5,310,303	1,280,000	7,069,376	-479,073	7,291,096
2007	824,365,924	7.010	5,765,441	2,781,261	8,101,223	445,479	7,736,575
2008	853,590,988	7.010	5,923,836	995,000	7,898,410	-979,574	6,757,001
2009	860,748,146	7.010	5,973,506	950,000	8,076,381	-1,152,875	5,604,126
2010	877,963,109	7.010	6,092,976	930,000	7,990,206	-967,229	4,636,897
2011	895,522,371	7.010	6,089,283	890,000	7,467,092	-487,808	4,149,089
2012	913,432,819	7.010	6,339,132	890,000	8,036,271	-807,138	3,341,950
2013	931,701,475	7.010	6,465,915	890,000	8,330,410	-974,495	2,367,455

* Assumes 2% growth in Assessed Value after 2009

** Assumes a mill levy change in 2013

*** Assumes following CIP Budget-

\$3,400,000 in 2008; \$5,000,000 in 2009, and \$5,000,000 annually thereafter

Above debt service is for at-large property tax debt only, not debt paid from other sources

A fund balance is required to make up for any unpaid special assessments, avoid large changes in the levy, help cushion any unperceived slow downs in assessed valuation growth, and cover a possible disruption in property tax payments.



City of Lawrence

2009

Appendix



APPENDIX

**List of Acronyms
Glossary of Terms
Budget Policies**

LIST OF ACRONYMS

ADA	Americans with Disabilities Act
CASA	Court Appointed Special Advocate
CC	City Commission
CIP	Capital Improvement Plan
CVB	Lawrence Convention and Visitors Bureau
DCCCA	Douglas County Citizens Committee on Alcoholism
DMI	Destination Management Inc.
ERC	Employee Relations Committee
ERU	Equivalent Residential Unit
FAA	Federal Airport Administration
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO Bonds	General Obligation bonds
GPS	Global Positioning System
HHW	Household Hazardous Waste
IAFF	International Affiliation of Fire Fighters
ITC	Investigative Training Center
KDOT	Kansas Department of Transportation
KU	University of Kansas
LDCBA	Lawrence Douglas County Biosciences Authority
LDCHA	Lawrence Douglas County Housing Authority
LDCHD	Lawrence Douglas County Health Department
LEAP	Lawrence Excellence Award Program
LEC	Lawrence Douglas County Law Enforcement Center
LHBA	Lawrence Home Builders Association
LPD	Lawrence Police Department
LPOA	Lawrence Police Officers Association
NELAP	National Environmental Laboratory Accreditation Program
NPDES	National Pollutant Discharge Elimination System
PILOT	Payment In Lieu of Taxes
PIRC	Public Incentives Review Committee
RFP	Request For Proposals
ROW	Right of Way
SLT	South Lawrence Trafficway
SWAN	Solid Waste Annex North
T2025	Transportation 2025
T2030	Transportation 2030
TIF	Tax Increment Financing
USD497	Unified School District 497
WRAP	Working to Recognize Alternative Possibilities
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 allow property owners the right to pay half their tax on December 20th and the second half on June 20th.
APPRAISED VALUE	An amount determined by the County Appraiser's office as to what a property is worth. In Kansas, property is appraised at 100% of market value.
AQUATIC PROGRAMS	All fees collected for programs conducted at the outdoor and indoor aquatic centers in Fund 211, the Recreation Fund.
ASSESSED VALUATION	A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying ad valorem property taxes. In Kansas, the percentages are: Residential (11.5%); Commercial (30%); and Personal (20%).
BALANCED BUDGET	An operating budget in which the operating revenues plus beginning fund balance are equal to, or exceed, operating expenditures.
BONDS	Debt instruments representing a promise to pay a specified amount of money at a specified time and at a specified periodic interest rate. Bonds are used to finance major capital projects or adverse judgments.
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 fields to the public in Fund 211, the Recreation Fund.
FISCAL YEAR	A twelve-month period to which the operating budget applies. In the City of Lawrence, this period is from January 1 to December 31.
FRANCHISE FEES	An amount charged to a utility in exchange for the rights to provide utility services within the City and to operate within the public right-of-way.
FUND	An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities, and fund balances.
FUND BALANCE	The excess of fund's assets over its liabilities and reserves.
GENERAL OPERATING FUND	Often referred to as the General Fund, this Fund accounts for the revenues and expenditures associated with all services traditionally associated with local governments, except for those services that are required to be accounted for in some other fund. Examples include police and fire services, park maintenance, planning, and building inspection/code enforcement services.
GENERAL OBLIGATION BOND	Long-term debt payable from the full faith and credit of the City. Typically such bonds are payable from property taxes.
GENERAL OBLIGATION BOND - PRINCIPAL	The money owed as long-term debt payable from the full faith and credit of the City.
GENERAL OBLIGATION BOND - INTEREST	The charge for issuing long-term debt payable from the full faith and credit of the City.

GLOSSARY OF TERMS

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.
OPERATING BUDGET	The budget that applies to all expenditures except capital improvement projects.

GLOSSARY OF TERMS

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.
STATE-SHARED REVENUES	Revenues levied and collected by the State but shared on a predetermined basis with local governments.

GLOSSARY OF TERMS

TAX LEVY	The total amount to be raised by general property taxes for the purposes specified in the approved city budget.
TAX RATE	The amount of tax levied for each \$1,000 of assessed valuation.
USER FEES	The payment of a fee for direct receipt of a public service by the party benefiting from the service.
WATER AND SEWER CHARGES	The charge to customers receiving water and sewer services provided by the city's treatment, distribution, and collection systems, which pay for operational and capital costs in Fund 501, the Water and Wastewater Fund.
WATER TAPS	Charges paid, according to size of connection, by developers / property owners for connection to the city's existing water mains in Fund 501, the Water and Wastewater Fund.
WATER MAIN EXTENSIONS	Charges for materials, labor, and equipment related to the extension of the city's water distribution system (up to and including twelve inch water mains), typically paid by developers and/or property owners in Fund 501, the Water and Wastewater Fund.

BUDGET POLICIES



City of Lawrence

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

1.0 Scope

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

2.0 Authority

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

3.0 Objectives

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

4.0 Prudence

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

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

5.0 Legal Authority and Limitations on Investment Instruments

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

5.1 Collateralized Public Deposits (Negotiable Certificates of Deposit) -- Instruments issued by banks or savings & loans that state specified sums have been deposited for specified periods of time and at specified rates of interest. Certificates of deposit are required to be backed by acceptable collateral securities as dictated by Kansas Statutes.

CITY OF LAWRENCE INVESTMENT AND CASH MANAGEMENT POLICY

5.2 Repurchases Agreements--Contractual agreements between the City and commercial banks, trust companies, state or federally chartered savings and loan associations of federally chartered savings banks. The repurchase agreement (repo) issuer receives cash and, in turn, provides securities to the City as collateral for the cash. There exists a contractual agreement for the City to resell the securities back to the issuer on a specific future date, at the original purchase price, plus a negotiated interest payment.

5.3 U. S. Treasury bills or notes--These obligations must mature within six months from date of purchase and are guaranteed as to principal by the United States government.

5.4 Temporary notes of the City of Lawrence.

5.5 Commercial bank savings accounts.

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

6.0 Contracts with Financial Institutions

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

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

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

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

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

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.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

7.0 Investment Liquidity

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

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

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

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

8.0 Investment Return Objectives

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

9.0 Bidding Procedures

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

10.0 Investment Limitation Per Institution

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

11.0 Investment Review Committee

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

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

12.0 Daily Cash Management Practices and Policies

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

13.0 Separate Provisions of Policy and Conflicts with Kansas Laws

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

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

1.0 **Policy**

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

Accounting and Reporting Capabilities:

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

2.0 **Fund Accounting Systems**

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

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

1. Governmental Funds

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

2. 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.

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

3.0 **Basis of Accounting**

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

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

4.0 **General Long-Term Account Group**

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

5.0 **General Fixed Assets Account Group**

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

CITY OF LAWRENCE

MID- YEAR FUNDING REQUEST POLICY

1.0 **Policy:**

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

2.0 **Guidelines:**

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

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

3.0 **Assessment Methods:**

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

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

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

1.0 **Purpose**

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

2.0 **Policy**

It is the objective of the policies that (1) the City obtain financing only when desirable, (2) the process for identifying the timing and amount of debt financing be as efficient as possible and (3) the most favorable interest rate and other related costs be obtained.

Debt financing, to include general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and other City obligations permitted to be issued or incurred under Kansas law, shall only be used to purchase capital assets that will not be acquired from current resources. The useful life of the asset or project shall exceed the payout schedule of any debt the City assumes. This allows for a closer match between those who benefit from the asset and those that pay for it.

To enhance creditworthiness and prudent financial management, the City is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to capital planning will be demonstrated through adoption and periodic adjustment of the City's Capital Improvement Plan and the annual adoption of a multi-year Capital Improvement Budget.

3.0 **Procedure**

3.1 **RESPONSIBILITY FOR DEBT MANAGEMENT**

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

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

In developing financing recommendations, the City staff shall consider:

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

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

3.2 **USE OF DEBT FINANCING**

Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The City will use debt financing only for one-time capital improvement projects and unusual equipment purchases under the following circumstances:

- The project is included in the City's capital improvement budget and is in conformance with the City's general plan;
- The project is the result of growth-related activities within the community that require unanticipated and unplanned infrastructure or capital improvements by the City;
- The project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing;
- There are revenues sufficient to service the debt, whether from future property taxes, user fees, or other specified and reserved resources, debt supported by user fees, special assessments or special charges shall be preferred,
- The debt shall be primarily used to finance capital projects with a relatively long life, typically ten years or longer.
- The equipment is an item that is purchased infrequently, has an expected useful life of at least five years, and costs in excess of \$100,000.

3.3 **STRUCTURE AND TERM OF DEBT FINANCING**

Debt will be structured to match projected cash flows, minimize the impact on future property tax levies, and maintain a relatively rapid payment of principal. As a benchmark, the City shall strive to repay at least 50% of the initial principal amount within ten years.

General Obligation Bonds

The City shall use an objective analytical approach to determine whether it desires to issue new general obligation bonds. Generally, this process will compare ratios of key economic data. The goal will be for the City to maintain or enhance its existing credit rating.

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

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

Revenue Bonds

For the City to issue new revenue bonds, projected annual revenues as defined by the ordinance authorizing such issuance, shall be a minimum of 125% of the issue's average annual revenue bond service or at a higher amount if required by the bond indentures. If necessary, annual adjustments to the City's rate structures will be considered in order to maintain the required coverage factor. Revenue bonds will be the preferred financing option for enterprise funds.

Special Assessment Bonds

The City shall maintain a watchful attitude over the issuance of special assessment bonds for benefit district improvements. The City's share of any benefit district project may not exceed more than 95% of any proposed costs related to a benefit district. The developer shall be required to deposit 25% of the costs allocated to the benefit district prior to authorization. In most cases, the debt will have a maximum term of ten years, however, a longer term may be allowed provided it does not exceed the life of the improvements included in the benefit district. The 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.

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

Debt Issuance With Intergovernmental Agencies

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

Structure of Debt Obligations

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

Call Provisions

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

Variable Rate Long-Term Obligations

The City may choose to issue bonds that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions.

3.4 **DEBT ADMINISTRATION AND FINANCING**

Capital Improvement Budget

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

Bond Fund

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

Reserve Funds

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.

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

Finance Department

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

Investments

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

Bond Counsel

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

Underwriter's Counsel

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

Financial Advisor

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

Temporary Notes

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

Credit Enhancements

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

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.

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

3.5 **REFUNDING OF DEBT**

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit from the refunding or the refunding is needed in order to modernize covenants essential to operations and management or to restructure the payment of existing debt.

City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding will exceed 3%.

Refunding issues that produce a net present value savings of less than 3% percent will be considered on a case-by-case basis. Refunding issues with negative savings will not be considered unless there is a compelling public policy objective.

3.6 **CONDUIT FINANCINGS**

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

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

3.7 **ARBITRAGE LIABILITY MANAGEMENT**

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

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

3.8 **CREDIT RATINGS**

Rating Agency Relationships

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

Use of Rating Agencies

The City will obtain a rating from Moody's Investors Service. The Finance Director will recommend whether or not an additional rating shall be requested on a particular financing and which of the major rating agencies shall be asked to provide such a rating.

Rating Agency Presentations

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

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

Financial Disclosure

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

3.9 **STANDARDS**

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

DEBT MANAGEMENT POLICY APPENDIX

Terminology

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

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

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

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

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

CITY OF LAWRENCE DEBT ISSUANCE GUIDELINES

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

- Ratio of General Obligation Bonds Outstanding to Appraised Valuation will not exceed 2.2%
- Ratio of General Obligation Bonds and Temporary Notes Outstanding to the Statutory Debt Limit will not exceed 60%
- Ratio of Debt Service payments from the Bond and interest Fund will not exceed 15% of governmental expenditures
- Amount of General Obligation Bonds Outstanding per population will not exceed \$1,100
- Amount of overlapping General Obligation Bonds Outstanding per population will not exceed \$2,500
- Bond and Interest mill levy will not exceed 10 mills

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

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

CITY OF LAWRENCE

GENERAL FUND BALANCE POLICY

1.0 **Purpose**

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

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

2.0 **Policy**

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

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

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

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

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



City of Lawrence