

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, 2010

President

Executive Director

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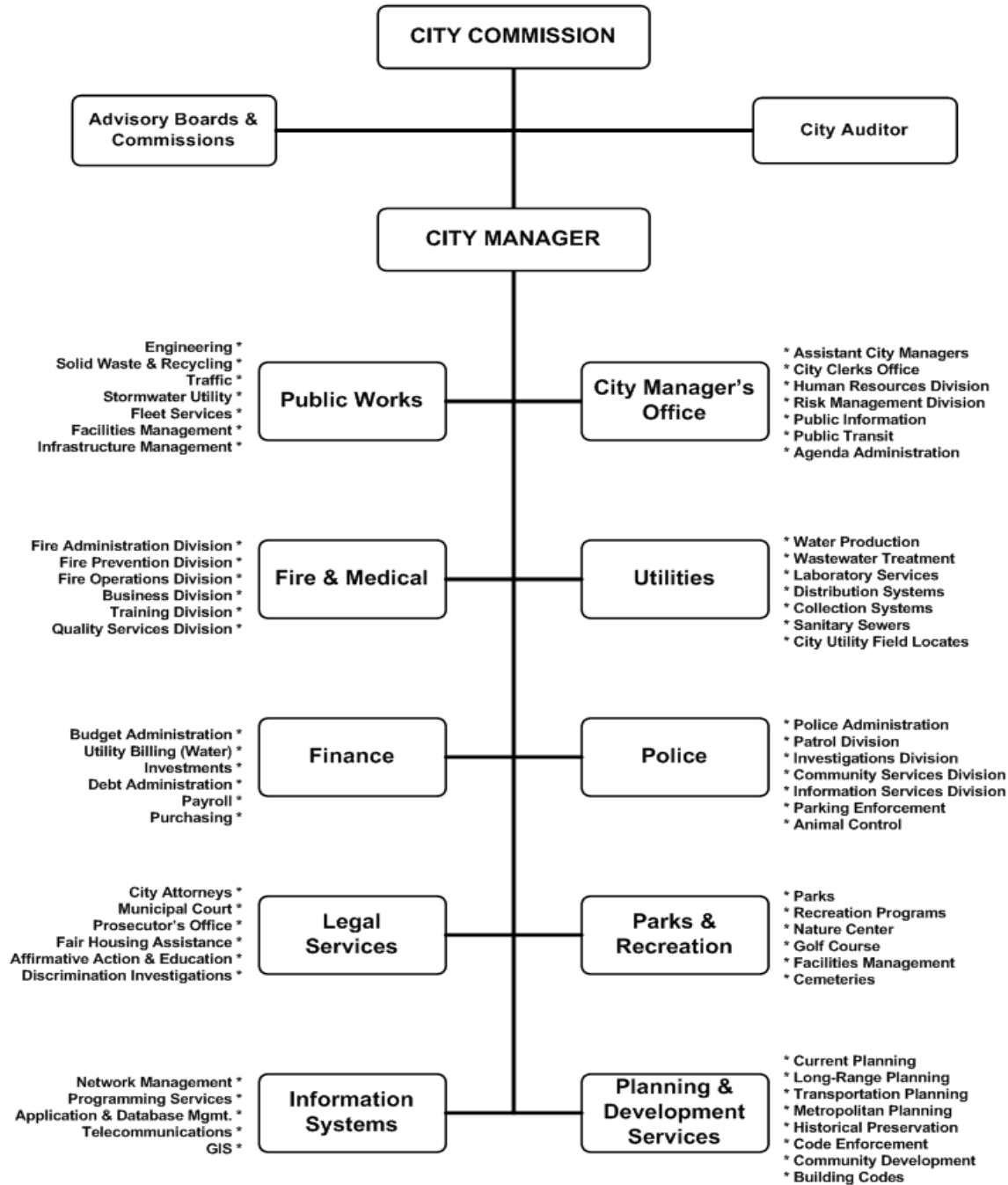
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City of Lawrence

INTRODUCTION

CITY OF LAWRENCE, KANSAS



City of Lawrence Elected Officials

MIKE AMYX, Mayor

ARON CROMWELL, Vice Mayor

ROBERT CHESTNUT, Commissioner

MICHAEL DEVER, Commissioner

LANCE JOHNSON, Commissioner

City of Lawrence Executive Staff

DAVID CORLISS, City Manager

DIANE STODDARD, Assistant City Manager

CYNTHIA WAGNER, Assistant City Manager

JOHNATHAN DOUGLASS, Assistant to the City Manager/City Clerk

MARK BRADFORD, Fire Medical Chief

SCOTT MCCULLOUGH, Planning and Development Services Director

ED MULLINS, Finance Director

RON OLIN, Chief of Police

ERNIE SHAW, Interim Parks and Recreation Director

CHUCK SOULES, Public Works Director

DAVE WAGNER, Utilities Director

TONI WHEELER, Legal Services Director

JAMES WISDOM, Information Systems Director

LAWRENCE AT A GLANCE*

Demographics

Population

1970	45,698
1980	52,738
1990	65,657
2000	80,098
2009 (est.)	90,520

Ethnic Composition

African American	5.10%
American Indian	2.30%
Asian	4.80%
Hispanic or Latino	4.90%
Other	1.10%
Two or more races	3.20%
White	83.60%

Educational Attainment (over age 25)

9-12, No Diploma	3.78%
High School Diploma	17.66%
Some College	20.27%
Associates Degree	6.17%
Bachelor's Degree	27.32%
Graduate Degree	22.72%

Population by Gender

Male	48.30%
Female	51.70%

Median Age

26.4 years

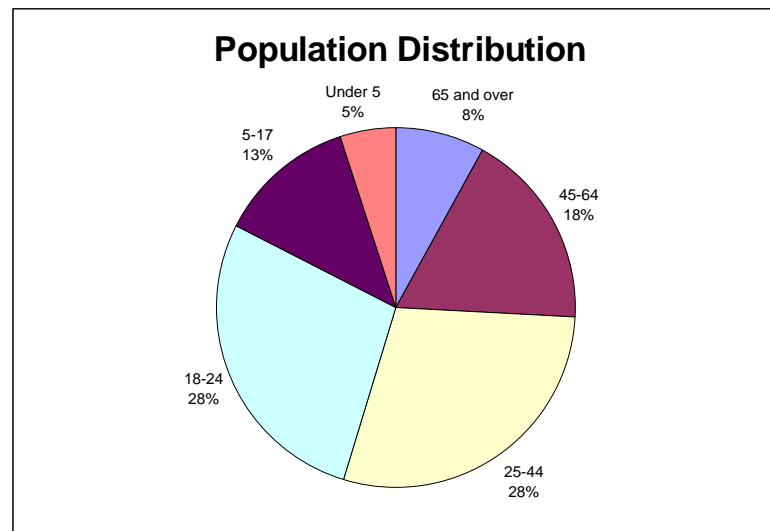
Population Distribution

65 and over	8.70%
45-64	16.60%
25-44	27.90%
20-24	21.80%
6-19	20.10%
Under 5	4.80%

Other Census Information

Average Household size	2.35
Average Family Size	3.08
# of Owner-Occupied Units	16,159
# of Renter-Occupied Units	18,901
# of Vacant Units	2,791

*Information from Lawrence Chamber of Commerce, 2008 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

2009 Mill Levies

City of Lawrence	26.693
Douglas County	32.803
School District	57.894
State of Kansas	1.5
Total	118.890

Tax Assessment Rates

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

2009 City Assessed Valuation

Real Property	802,842,525
Personal Property	33,097,400
State Assessed	17,736,945
Total	853,676,870

Sales Tax

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

Crime

Crime Indices (per 1,000)

Violent Crime Index	4.6
Property Crime Index	57.6
Total Crime Index	72.2

City Services (2009 Act.)

Building Permits

Single Family	110
Duplex	16
Multi-Family	15

Fire / Medical

Stations	5
Numbers of Calls	9,543
Staff	145
Number of Inspections	6,662
Fire Insurance Rating	2

Water System

Plants	2
Miles of water mains	444
Service connections	33,063
City owned Fire hydrants	3,146

Parks & Recreation

Recreation Centers	6
Parks	54
Park Acreage	3,501
Public Pools	4
Public Tennis Courts	10
Trails (miles)	70

Police

Stations	2
Police Officers	142
Patrol Units	30
Calls for Service	106,763

Sanitary Sewer

Plants	1
Miles of sewers	426.4
Service connections	33,063
Avg daily treatment	10.5 MGD
Pump stations	33

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

19.3

LAWRENCE AT A GLANCE

Income Statistics (2008 American Community Survey, US Census Bureau)

Personal Income per Capita

\$23,070

Median Household Income

\$40,547

Median Family Income

\$61,776

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

<u>Unemployment Rate</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of Lawrence	3.9%	4.2%	4.0%	3.8%	3.7%	3.9%	5.4%
State of Kansas	5.6%	5.5%	5.1%	4.3%	4.1%	4.4%	6.7%
United States	6.0%	5.55	5.1%	4.6%	4.6%	5.8%	9.3%

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

<u>Employers</u>	<u>Number of Employees</u>
The University of Kansas	9,870
Lawrence Public Schools	1,830
Vangent	1,500
City of Lawrence	1,425
Lawrence Memorial Hospital	1,250
DCCCA Center	475

<u>Employers</u>	<u>Number of Employees</u>
Berry Plastics	775
The World Company	680
Hallmark Cards, Inc.	580
Amarr Garage Doors	490
DCCCA Center	475

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 15 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 85 (general overhead), 118-121 (Guest Tax), 140-143(Special Alcohol)].

The first opportunity for public comment on the budget is in June. The City Manager then prepares a recommended budget that is reviewed and revised by the Commissioners. A summary is published in the Lawrence Journal World and the recommended budget is available on the City's website.

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

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
Summer Youth Fund

Worker's Compensation Reserve Fund
Law Enforcement Trust Fund

BUDGET CALENDAR

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

- 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.

In addition to state statutes, an annual budget calendar is developed according to an administrative policy. The 2010 budget calendar can be found below

2011 Budget Process Calendar

Friday, January 29: Meeting With Personnel Re: Compensation

Friday, March 12: Budget Priorities/ Budget Kick off Memo distributed

Friday, March 19: Run Baseline Payroll Projection

Tuesday, March 23: City Commission Goals Update/ Study Session (4:00 to 5:00 p.m.) @ City Hall

Friday, March 26: Letter mailed to outside agencies and application materials posted on the web

Friday, April 9: Run Payroll Projections

Thursday, April 15: 1st Quarter 2010 Report distributed to CC

Friday, April 23: Department Budget Information Submitted to City Manager's Office

- County provides revenue estimates

Friday, May 7: Budget Information provided to Douglas County for Fire Med and Planning

Monday, May 17: City Commission Study Session (3:00-5:00 p.m.) @ City Hall

- Provide direction on Operating Budget
- Review of funds part I

Monday, May 31: Requests Due from Contractual Agencies (alcohol & non-alcohol funds)

- Douglas County provides assessed valuation

Friday, June 12: Receive recommendations re: agency awards

Tuesday, June 15: City Commission study session (4:00-6:00 p.m.) @ City Hall

- Review of funds part II

- Public Comment on CC Regular Agenda

- State Assessed numbers released

Thursday, July 1: Budget Distributed to City Commission and posted on website

Tuesday, July 13: City Commission Study Session (4:00 – 6:00 p.m.) @ City Hall

- City Manager's Recommended Budget

Tuesday, July 13: City Commission Meeting (6:35 pm) @ City Hall

- City Commission authorizes publication of Budget

Wednesday July 14: Noon Budget material provided to Journal World for publication 07/17/10

Tuesday, July 27: Public Hearing on Budget – Budget Ordinance first reading

Tuesday, August 3: Budget adopted by City Commission – Budget Ordinance second reading

Wednesday August 4: Noon Budget ordinance provided to Journal World for publication 08/7/2010

Monday, August 9: Budget, along with certified copy of ordinance, filed with County Clerk

Wednesday, August 25: Statutory deadline for budget submittal

Thursday, September 30: Adopted Budget posted on the web

Friday, November 1: Budget submitted to GFOA for review (90 days following adoption)

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.

BUDGET POLICIES

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

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

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.

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 in the appendix to this document.

- 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.

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

City Commission Goals

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

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

Recent successes

- New Economic Development policy
- In house cost benefit model with analysis
- TIFF and TDD successes including Oread and Bauer Farms
- Lawrence Douglas-County Bioscience Authority development of incubator

Next steps

- Staff to provide Commission with status briefing on former Farmland Industries property and city's efforts to facilitate industrial park development at the site; proceed with annexation of property.
- Proceed with providing water/sewer infrastructure at the Lawrence Municipal Airport and continue to promote the airport for economic development opportunities.
- Proceed with improvements to the development process to ensure adequate facilitation for quality development, including incentives for infill development
- Schedule Commission discussion on governance structure for economic development partnership
- In cooperation with our economic development partners, the city should focus efforts to:
 - make Lawrence among the most attractive for "green" jobs
 - enhance and market Lawrence as a retirement destination;

- explore additional industrial park locations
- promote additional research fields at the University of Kansas with economic development benefits
- Provide staff report on economic development successes in other communities and analysis of tools used.
- Provide staff report on economic development financing options used in other communities.

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

Recent successes

- Planning and Development Services, a merged department
- Adoption of International Codes
- Enactment of Traditional Neighborhood Design (TND) Code
- Adoption of sector plans

Next steps

- Continue efforts to improve the responsiveness and outcomes of the development process, including: participation with development stakeholders in recommending Development Code amendments which reflect community values and needs, appropriately encourage infill development, establish appropriate measurement tools for the development process, and reflect scale and cost reasonableness.
- Continue city's master planning efforts, including a review of the Urban Growth Area boundaries.
- Complete water and waste water master plans to ensure appropriate attention to maintenance, growth and regulatory needs.

COMMUNITY BUILDING: Creating social capital and celebrating our heritage.

Recent successes

- Formation and operation of Destination Management, Inc.
- Freedom's Frontier National Heritage Area designation and efforts to include a focus on Lawrence
- 2008 Get Downtown event
- Community efforts driving work to preserve Santa Fe Depot

Next steps

- Commission direction on planned rehabilitation of the former Carnegie Library.
- Staff report on options for increased cleaning efforts in Downtown areas.
- Review opportunities for enhancements at the Lawrence Public Library.
- Commission discussion on homeless shelter with focus on city's role.
- Staff report on efforts to enhance Lawrence community events, including review of efforts in other communities, opportunities for city signature event and city coordination and promotion.
- Staff report on community planning process to develop a recreation center located west of Kasold.
- Schedule Commission discussion to consider charging a body with completing an inventory of historical structures and recommended prioritization of the structures.
- Seek educational and publicity opportunities to encourage recreational activities including walking and biking downtown.

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

Recent successes

- Energy code adopted and first year of implementation in 2008
- Voter support of transit system
- Mayor's Task Force on Climate Protection
- Selection of alternative fuels for transit vehicles that included a community process for developing selection strategy
- Implemented city wide vehicle idling policy

Next steps

- Facilitate public discussion and review of possible city sponsored curbside recycling program, including explore feasibility of a pilot program and in-depth review of possible program costs and benefits.
- Continue to use stimulus funding to support transit system.
- Seek publicity opportunities to tell the city's story of green efforts including alternative fuel transit vehicles and energy saving projects.
- Hire Sustainability Coordinator (in cooperation with the county) and task the position with raising the sustainability message and substance for the community, including reducing city energy consumption and costs, green business enhancement and other sustainable initiatives.
- Schedule Commission receipt of report from Peak Oil Taskforce.
- Staff report on status of Chapter 16 (Environmental Chapter of Comprehensive Plan) including timeline for report to City Commission.
- Schedule Commission discussion of sensitive land language in development code and farmland preservation issue.
- Staff report on existing tools and possible enhanced tools that support infill development

NEIGHBORHOOD QUALITY: Improving the livability of all Lawrence neighborhoods.

Recent successes

- Additional resources dedicated to street maintenance program
- Sidewalk improvements in "gap" areas
- Additional resources dedicated to public safety with new fire trucks and full staffing in Police Department
- Approved TND Code

Next steps

- Schedule Commission discussion about approved and unfunded traffic calming plans to focus on funding options and timeline expectations.
- Staff report on number of school crossing locations that are absent crosswalks.
- Staff report on sidewalk gaps in areas surrounding schools.
- Staff report on options for enhancing City Code compliance regarding zoning (single-family residence), yard and blight maintenance, including development of useful performance measurements.
- Seek educational and publicity opportunities:
 - To encourage proper yard maintenance including mowing and trimming;
 - For TND so neighbors are informed about allowed and prohibited uses in infill development;
 - On sidewalk maintenance responsibilities including repair and clearing;
 - To highlight street equity issues and demonstrate that all neighborhoods are receiving street maintenance including the analytical basis for decisions of street and curb repairs.

TRANSPORTATION: Improving access for all citizens.

Recent successes

- Coordination with KU transit system
- Reconstituted the Metropolitan Planning Organization
- Delivered report on Intelligent Transportation System
- Working with federal legislators for requests for streets and road funding

Next steps

- Schedule Commission briefing on South Lawrence Trafficway and US 59 highway from state and/or federal transportation agency.
- Complete phase II of transit planning effort to coordinate routes with improvements launching in summer/fall 2010. Consider additional opportunities for KU coordination and other improvements to increase ridership.
- Staff report and briefing on past and current efforts to extend 31st Street east of Haskell Avenue.
- Staff report on existing tools that facilitate development supporting other modes of transportation.

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

Recent successes

- Resources dedicated to downtown infrastructure
- Community events focused on downtown

Next steps

- Staff report on options to increase foot patrol and cleanliness efforts in the downtown area.
- Engage merchants to help identify strategies to garner support for hosting events in downtown.
- Staff report on opportunities to encourage additional re-development in the downtown area, including newly enacted legislation for community improvement districts.
- Staff report on parking fees and fines for downtown parking system.
- Staff report on other communities' activities to be proactive with downtown development.
- Carnegie rehabilitation and active use
- Library improvements

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

Recent successes

- Public safety successes with new fire trucks and full staffing in the Police Department
- Infrastructure investments
- Majority of city employees' time is spent on critically important activities included in service delivery

Next steps

- Staff report on improvements to performance measurement system, including engagement of citizens and stakeholders in selected metrics and measurements that better define "success" in city services.
- Staff report on employee cross training efforts.

- Staff report on quality assurance standards used when working with vendors.
- Conduct citizen survey in 2010.
- Staff report on current and past eGov initiatives including efforts with electronic utility bills and online payments.

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 by the various city departments to forecast future staffing, equipment, and facility needs and the costs associated with them based on growth and population projections. This allows city staff to estimate the revenue that will be needed to meet these needs, to what amount the issuance of debt will be necessary, if fee and rate increases will be required, etc.

The water and wastewater master plans are used to determine how and when to make improvements to our water distribution and wastewater collections systems. These projects are used to determine the rates to charge customers for water and sewer services. Updates are expected in 2011. The Stormwater Master Plan, which was completed in 1996, identified 41 capital projects needed to improve stormwater management throughout the City. It determined how much debt to issue as well as the monthly stormwater utility fee necessary to generate sufficient funding for the projects in the plan. As of 2010, only nineteen projects have been completed and an update is not anticipated until 2015 or 2016. Our Fire Medical Department prepared a Strategic Plan in 1997. This plan provides the goals that the department uses to decide how to allocate their resources each year.

BUDGET MESSAGE AND OVERVIEW



City of Lawrence



City of Lawrence

DAVID L. CORLISS
CITY MANAGER

City Offices
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CITY COMMISSION

MAYOR
MIKE AMYX

COMMISSIONERS
ARON E. CROMWELL
LANCE M. JOHNSON
MICHAEL DEVER
ROBERT CHESTNUT

REVISED

August 26, 2010

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

Dear Mayor and Commissioners:

Budgets reflect priorities. Priorities reflect both the policy directions of elected officials and the necessities of local and national economic conditions. At the end of the day, the best budget reflects the priorities of our elected officials. I am pleased to present the 2011 budget for the City of Lawrence, which emphasizes continued provision of quality city services, reflecting Commission priorities and community needs. These priorities focus on continued support for our public safety responsibilities, enhancement and maintenance of our infrastructure and continuing to expand and strengthen the economic development base of the community.

The 2011 budget totals \$167,105,025. The budget does not include an increase in the property tax mill levy, which remains at 26.7, even with the estimated decline of assessed valuation. City staff plans to manage our expenditures in 2011 to ensure that we do not spend more than 97% of budgeted expenditures, which is within our historic level of spending controls, thereby achieving a balanced budget in the City's general fund for 2011.



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

Where we have been...

Much has been written about the state of the economy, which directly impacts the decisions we must make in crafting a budget and managing its operation. From the end of 2007 to the end of 2009, the net worth of American households declined by almost 11 trillion dollars. This is a loss of almost 17% of all net worth for American households. During this same time, the American economy lost 7.4 million jobs, a loss of over 5% of all jobs in our country. Nationally, home prices have fallen by almost 10%. Fortunately, Lawrence has not experienced this large of decline in jobs or housing values. However, we have been negatively impacted by the recessionary economy. In Lawrence, new building permits are significantly below historic levels, assessed valuation has declined, and sales tax revenues have not met historic projections for growth.

What we have done in response...

While our revenues have either declined or stagnated, our responsibilities for providing quality services have not been reduced. We have not stopped providing the quality services and programs that Lawrence residents expect. However, we have reduced our expenditures to match our declining revenues in several important ways.

Most significantly, we have eliminated several non-public safety positions from the budget, in most circumstances through attrition rather than lay-offs.

The 2011 budget eliminates funding for ten currently vacant non-public safety positions - five from the City's General Fund and five from the City's Solid Waste Fund. As outlined in the table below, a total of 24.02 positions have been eliminated from the General Fund since 2008. This reflects a reduction of 15.8% of total general fund non-public safety staffing.

Change in General Fund Staffing 2008 - 2011

	2008 Budget	2011 Budget	Change
City Commission	5.00	5.00	0.00
City Auditor	0.00	0.50	0.50
City Manager	6.00	4.50	(1.50)
Public Information	2.00	2.00	0.00
Planning	14.90	11.90	(3.00)
Code Enforcement	6.98	4.90	(2.08)
Building Safety	8.24	7.65	(0.59)
City Clerk	1.50	3.00	1.50
Human Resources	5.75	5.00	(0.75)
Risk Management	2.25	2.00	(0.25)
Financial Administration	5.13	4.13	(1.00)
Information Systems	8.00	6.00	(2.00)
Legal Services	9.00	8.90	(0.10)
Human Relations	3.50	0.00	(3.50)
Municipal Court	8.50	7.50	(1.00)
Police	164.00	164.00	0.00
Fire	143.00	145.00	2.00
Health	1.00	1.00	0.00
Street Maintenance	8.25	8.25	0.00
Engineering	11.66	8.66	(3.00)
Traffic Engineering	8.00	8.00	0.00
Airport Maintenance	1.00	1.00	0.00
Building Maintenance	5.00	5.00	0.00
Levee Maintenance	2.00	2.00	0.00
Parks/Facility Maintenance	41.00	31.75	(9.25)
	471.66	447.64	(24.02)

We have successfully managed non-personnel expenditure levels. In 2009, the City paid vendors a total of \$124,759,835.17 in expenditures compared to \$126,833,860.74 in 2008. With full funding of the 2008 infrastructure/transit sales taxes, that downward path will not be repeated in 2010. While budgets for public safety and infrastructure maintenance have grown, mostly related to growth in personnel costs, many departmental budgets are currently below the 2009 levels. Utilization of capital

and equipment reserve funds have assisted in replacement of some operating equipment, however, deferral of equipment replacement has continued throughout the organization.

Transfers from the general fund to the worker's compensation, equipment, capital and liability reserve funds have been reduced each year.

Printing, contractual services, training and travel, advertising and supplies line items in departments throughout the organization have continually been reduced.

We have continued in our efforts to gain efficiencies and reduce discretionary expenditures. Examples include our successful implementation of new ERP software at significantly reduced projected costs and the recent City Commission decision to implement a booking station to reduce City costs for jailing certain defendants.

City staff began a review of the City's use of overtime and provided a report to me. Prior to the implementation of any changes, I believe additional discussions with City employees should occur and I am recommending an employee task force be assembled for the purpose of reviewing this information. Also, as indicated in the overtime report, Memoranda of Understanding with the police and fire employee groups are in place through 2011 and any changes in overtime would be subject to discussions and agreement with those groups. Any final decisions on overtime policies will be made by the City Commission.

Throughout development of the 2011 budget, staff provided updates to the City Commission relating to unfunded departmental and outside agency needs and wants. These identified needs and wants total more than \$6 million and include such items as:

- upgrades to radio communications and phone and voicemail systems;
- establishing a more routine computer replacement program;
- replacement of Mobile Data Computers (MDCs) in police vehicles;
- installation of MDC's in animal control vehicles and purchase of other police department equipment;
- improvements to police and fire facilities;
- traffic calming projects; and,
- implementation of a better pavement marking program.

Additionally, county staff recommended the addition of three new communications officers in the Emergency Communications Center and Downtown Lawrence, Inc. has recommended installation of a seasonal ice skating rink. As previously indicated to the City Commission, none of these items are included for funding in the 2011 budget. Without additional resources, we simply do not have the necessary funding to proceed with these and other worthy programs and expenditures.

Where we are going in continuing to respond to priorities in 2011...

The 2011 budget continues to fund important priorities and goals for the City.

Economic Development

One of the key goals of the City Commission is economic development – growing jobs and tax base in the Lawrence community. During the past year, we have made several significant strides toward this important community goal.

Economic Development Priority:	Status:
Airport Waterline	Installed and operational
Airport Sanitary Sewer line	Design completed; fall construction start anticipated
West Labs Building (now known as the BTBC Expansion Facility)	Acquisition completed. Crititech expanding.
Bioscience and Technology Business Center (BTBC)	Construction completed. First tenant signed. Open for business.
Farmland Property	City acquisition approved. Early fall 2010 closing anticipated. Planning and environmental services solicitation underway.

A new waterline has been installed at Lawrence Municipal Airport and the City Commission will soon authorize proceeding with sanitary sewer work to serve the airport. The Commission partnered with Douglas County to purchase a fully-furnished laboratory building in West Lawrence and leased the facility to the Lawrence Douglas County Bioscience Authority. The City continued with its commitment to fund the new Bioscience and Technology Business Center on the University of Kansas West

campus. The City Commission has approved the acquisition of the former Farmland facility. The City Commission has approved new policies or policy amendments governing several public incentive issues. Finally, the City Commission created Retail Task Force continues its meetings and deliberations.

We are not resting on these beginning achievements. The 2011 budget continues our commitment for funding the Bioscience Authority and our commitment for the BTBC. We have included debt funding in our 2011 budget for infrastructure planning and development at the Farmland location. The 2011 budget includes a total of \$219,500 for the Lawrence Chamber of Commerce versus \$185,500 in 2010. These additional funds are to support increased economic development marketing.

The City has made, and will continue to make, substantial investments in several properties in order to enhance our economic development prospects. The BTBC Expansion Facility, the BTBC, the airport, and Farmland all represent substantial investments and commitments on behalf of the City toward economic development. If we do not adequately market these locations and the Lawrence community, we will not meet our economic development goals. We have significantly expanded the available locations for business and industries to locate or re-locate within our community. Therefore, we need to expand our marketing and promotion as well. It is my understanding that our economic development partners, Douglas County and the Chamber of Commerce, are also planning to place additional resources toward these goals as well.

Another economic development-related project is the renovation of the Carnegie facility at 9th and Vermont which is proceeding with an anticipated fall, 2010 completion. The funding for this facility represents a combination from multiple sources: federal grant funds, guest tax increase, capital debt and reserve funds. This facility responds to a number of community goals: economic development focused on heritage tourism enhancements, celebrating our history and our community under Freedom's Frontier National Heritage Area, and enhancing opportunities to visit downtown. The guest tax increase to 6%, which assists in funding the Carnegie renovation also provides support for exhibits to be placed in the Carnegie. The City Commission will soon consider the first installment for these exhibits and our Guest Tax Reserve Fund – with resources from the increased guest tax – will be used to fund the completion of this project. This is all pursuant to the plan outlined when the guest tax increase was proposed.

Infrastructure - Street Maintenance

Maintenance of city streets continues to be a top priority. The table below illustrates that nearly \$6 million of resources has been budgeted for street maintenance through the operating budget, capital budget, and reserve funds for 2011. This is in addition to funds allocated for Infrastructure Sales Tax projects.

Street Maintenance Funding (excludes personnel, equipment costs, etc.)				
001-3000	General Fund	2009 Actual	2010 Budget	2011 Budget
45-08	Mill & overlay	1,150,672	2,040,919	2,040,919
45-10	Curb repair	496,652		
45-14	Crack Seal	249,437		
45-02	Asphalt	134,382	135,000	133,172
45-01	Concrete	56,554	60,500	58,673
99-99	Contingency	-	-	-
<i>Sub-total</i>		<i>2,087,697</i>	<i>2,236,419</i>	<i>2,232,764</i>
214-3800	Gas Tax Fund			
45-08	Mill & overlay	525,757	715,000	715,000
45-09	Chip & seal	-	-	-
45-10	Curb repair	31,339	-	-
45-12	Sidewalk	11,387	25,000	25,000
45-02	Asphalt	15,253	75,000	75,000
45-01	Concrete	37,465	65,000	65,000
<i>Sub-total</i>		<i>621,201</i>	<i>880,000</i>	<i>880,000</i>
505-3900	Stormwater			
45-10	Curb repair	220,482	140,000	140,000
90-01	Transfer to Gen Fund for curb/gutter	400,000	400,000	400,000
<i>Sub-total</i>		<i>620,482</i>	<i>540,000</i>	<i>540,000</i>
400	Debt			
	Street maint. (City's share)	-	350,000	1,000,000
	KLINK (KDOT share)	200,000	200,000	400,000
<i>Sub-total</i>		<i>200,000</i>	<i>550,000</i>	<i>1,400,000</i>
	Reserves			
	Sales Tax Reserve	650,000	550,000	550,000
	Sales Tax Reserve - KLINK	200,000		
	Capital Improvement	400,000	350,000	150,000
<i>Sub-total</i>		<i>1,250,000</i>	<i>900,000</i>	<i>700,000</i>
TOTAL		4,779,380	5,106,419	5,752,764

Our 2008 infrastructure sales tax plan continues to be implemented. The City Commission will consider allowing the bidding of the Kasold reconstruction project later this year with a total project of cost of \$6 million. The chart at the end of this document summarizes other infrastructure projects, which includes \$500,000 for general street maintenance.

The 2011 debt budget includes resources for the Iowa Street reconstruction, Bob Billings Parkway (west bound lanes between Crestline and Kasold), and 6th Street KLINK and street widening project (Eldridge to Folks).

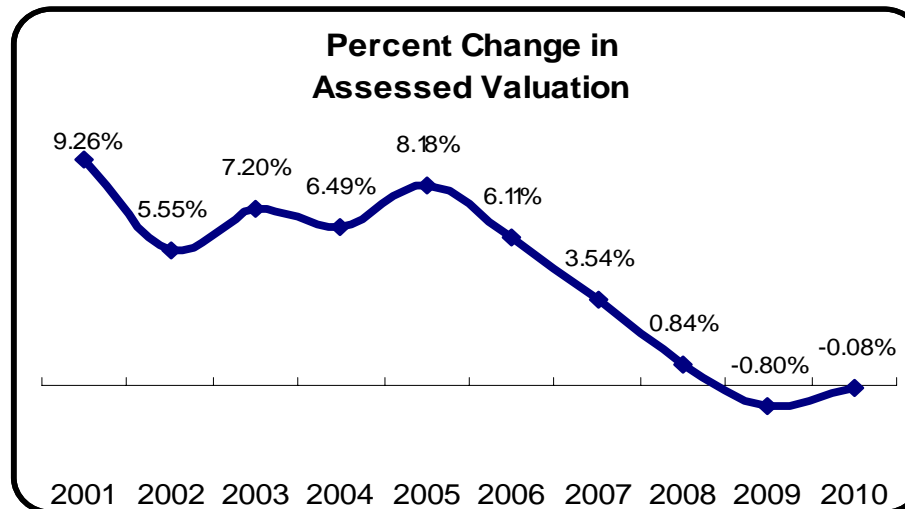
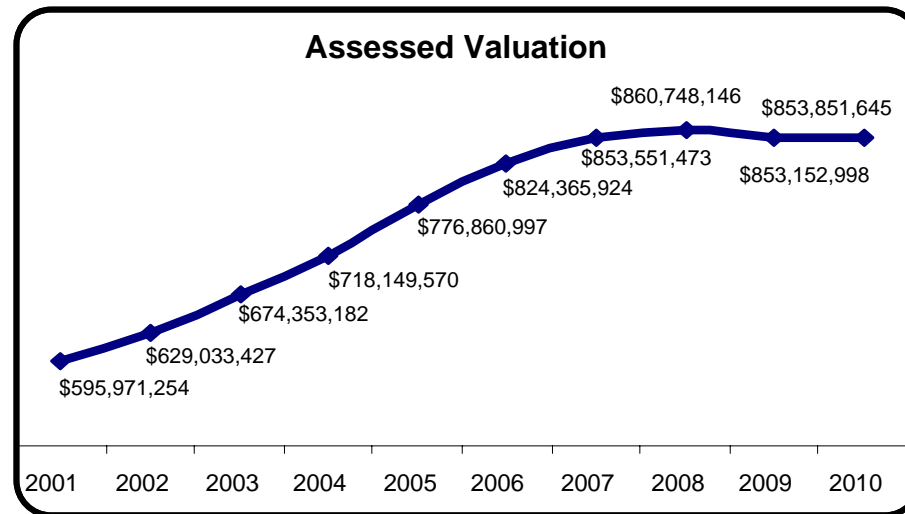
We need to do more. I am recommending that we proceed in 2010 with the use of equipment reserve funds for the acquisition of a new truck mounted spray injection patcher in the amount of \$164,000. Information on this purchase is included at the end of this transmittal. This vehicle will provide an important additional resource when patching streets. As every Lawrence driver can attest, the 2009-2010 winter was hard on our streets. We need to have more resources to put on this priority. This truck will help us do that. We are not adding staff for this vehicle, instead we will use existing staff, perhaps supplementing from other departments. If we add permanent staff, we need to add permanent revenue sources, such as a supporting mill levy, to do so. We need “surge” capabilities to get at this community need – usually (hopefully) a seasonal need. I am directing the appropriate departments to see if we can use other resources from other departments in regards to snow plowing responsibilities as well. Taxpayers do not care which department responds to basic community needs like potholes and snow plowing – they just want the work done.

Resource Information

The 2011 budget projects resources from all funds to total \$174,936,728. Of this amount, \$24,354,334 is anticipated to come from property taxes. Based on information from Douglas County, 2010 assessed valuation (AV) for the 2011 budget will decrease by 0.08%, or \$698,647, when compared to the 2009 valuation used to develop the 2010 budget. This is the second consecutive year that total assessed valuation has decreased.

The charts below depict 10-year trends in assessed valuation change. The first illustrates the change in dollar amount of assessed valuation. The next represents how assessed valuation has changed

over this same time period, with downward trends in growth beginning in 2005. The average annual growth rate for assessed valuation in the years proceeding 2010 was 5.15%.



The mill levy to support the 2011 budget remains unchanged at 26.7 mills. This rate has remained consistent at slightly more than 26 mills since 2005.

Fund	2009.0 mill rate	2010.0 mill rate	change	2011.0 mill rate	change
General	15.8	16.2	0	16.2	0
Library	3.3	3.3	0	3.3	0
Recreation	0.5	0.2	0	0.2	0
Bond and Interest	7.1	7.0	0	7.0	0.0
Total	26.7	26.7	0	26.7	0

The 2011 budget includes changes to revenues as outlined below:

General Fund

Based on information from the State of Kansas, Douglas County, city staff and historical trends, general fund revenues for the 2011 budget are expected to total \$77,251,607. Assumptions for each of the major revenue sources are provided below.

- **Property Tax.** 2011 marks the second consecutive year of declining assessed valuation in the City. This estimate does not include the incremental valuation of the Oread Inn.
- **Franchise Fees.** Revenues from franchise fees have increased and this trend is expected to continue in 2011. The increase is largely due to increased electric rates, which are expected to increase again in 2011.
- **Sales/Use Tax.** When adjusted for the sales taxes adopted in 2008, proceeds collected from the city and countywide sales/use tax through the end of April 2010 are 3% below this same period in 2009. The 2011 projection assumes a 2% increase in sales taxes over the 2010 projection, which is roughly flat with 2009 collections when adjusted for a full year of the new sales taxes.
- **Intergovernmental Revenues.** This category of revenues includes distributions of liquor tax and highway funds received from the state. In 2009, this category also included one-half of the "slider" payment, which was intended to replace the revenue lost by cities due to the exemption of machinery and equipment from personal property tax. This payment was eliminated due to state budget constraints in 2009 and is not expected to return. Liquor tax is

expected to increase 5% over 2010, however, highway connecting link funds are expected to decline. Overall, this category is anticipated to remain flat with the 2010 projection.

- **Licenses and Permits.** This revenue source is expected to grow 2% from projected 2010 levels. This is 9.5% below the three-year average (2008, 2009, and projected 2010) for licenses and permit revenues.
- **Fines.** Fines are expected to meet budget in 2010 but are expected to increase slightly in 2011.
- **Service Charges.** This revenue source is expected to grow 2% from projected 2010 levels, which is flat relative to the three-year average.
- **Interest.** This projection assumes interest rates will begin to increase in 2011. As a result, interest income is expected to increase one-and-one-half times over 2010 projected revenue to \$250,000.
- **Miscellaneous Revenue.** The largest revenue items in this category are payments from Douglas County for EMS services by Fire Medical and for their share of the maintenance of the Community Health building. This revenue category is expected to increase 2% over the projection for 2010.
- **Transfers.** The 2011 projection includes an increase in transfers to the general fund from the City's enterprise funds of 5% over 2010 budget. These transfers are in lieu of franchise fee payments and are used to fund overhead expenses.

Water and Wastewater Fund

The 2011 budget does not include an increase for water and wastewater rates for 2011. This will reduce the resources available to support cash financed construction projects. Historically however, actual operations and maintenance costs are less than budgeted. If savings are realized in 2011, these resources will be transferred to non-bonded construction for capital projects. The capital project list reflects currently known necessary projects, however, it will likely be impacted in the future by the Wastewater Master Plan now underway and by the plan to proceed with the Water Master Plan.

Discussions with our wholesale customers continue as we seek to propose an even lower rate for wholesale customers who can agree to purchase large quantities in a multi-year agreement.

Solid Waste Fund

An agreement between Hamm Quarry, Inc., Douglas County and the City of Lawrence has been in place since December 1992. The current rate of \$19.15 per ton for disposal of solid waste has been in effect since 1993. This includes a base rate of \$18.00 per ton and taxes of \$1.00 to the State of Kansas and \$0.15 to Douglas and Jefferson Counties for maintenance of the access road to the landfill site.

In negotiations with Hamm, an increase in the rate to \$24.50 (\$23.35 base rate and \$1.15 in taxes) was proposed. This represents an increase of 27.9% over the current rate of \$19.15. This increase in landfill costs will require an increase in solid waste rates of \$0.70 for residential customers and \$1.01 for minimum commercial customers.

The cost increases associated with landfill charges heighten the importance of sustainability and recycling for our community. The Solid Waste Fund budget includes a reduction of five currently vacant positions along with continued delay in purchasing some equipment.

Solid waste staff will continue to monitor the success of various programs already in place to increase recycling in the community. These efforts will continue to have a positive impact on the environment and reduce our landfill charges.

Expenditure Information

As noted previously, the 2011 budget focuses on priorities: ensuring public safety, ensuring we maintain our infrastructure, and encouraging economic development.

Public Safety

Public safety remains a top budget priority in 2011. The budget again includes resources to support fully staffed Police and Fire Departments. The 2011 Infrastructure Sales Tax budget includes partial funding for the acquisition of a Quint apparatus pursuant to the multi-year plan. The remainder of the necessary funding will come from general obligation bonds scheduled in the 2011 debt budget.

Employee Staffing and Compensation

Human resources represent our most important investment – the City workers who protect, maintain and serve our community. The table below provides a summary by department of the authorized full-time equivalent employee positions (FTEs) in all funds included in the 2011 budget as compared to the last two years.

<u>DEPARTMENT</u>	<u>AUTHORIZED POSITIONS</u>		
	<u>(FTEs)</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
City Commission	5.00	5.00	5.00
City Auditor	0.00	0.50	0.50
City Manager's Office*	8.00	7.50	16.50
Planning and Development Services	26.45	24.45	24.45
Administrative Services*	8.50	9.00	0.00
Finance	4.13	4.13	4.13
Information Systems	7.00	7.00	6.00
Legal Services	22.00	19.50	19.40
Police	176.00	176.00	176.00
Fire and Medical	145.00	145.00	145.00
Health	1.00	1.00	1.00
Public Works	172.75	172.75	165.75
Parks and Recreation	71.78	70.78	68.78
Public Transit	0.40	0.61	0.61
Utilities	135.26	128.26	128.26
TOTAL	783.27	771.48	761.38

* Administrative Services was merged with the City Manager's Office in 2010.

The 2011 budget includes resources for most City employees to have the opportunity for upward movement in compensation.

2011 Highlights

General Fund

As part of development of the 2011 budget, departments were directed to identify reductions of 2.5% to non-personnel costs. Reductions totaling nearly \$180,000 were identified and removed from departmental budgets in the General Fund. These cuts were primarily in the areas of training, travel, supplies professional services, telephone costs, supplies and other commodities, but also included savings anticipated from lower insurance premiums and reductions in building maintenance programs.

The 2011 General Fund budget also includes elimination of funding for the five currently vacant positions listed below. Total estimated salary and benefit savings in not funding these positions is \$247,254.

- Information Systems Technician (information systems)
- Parks Maintenance (parks and recreation)
- Horticulturist (parks and recreation)
- Senior Inspector (public works)
- project inspector (public works)

Despite the planned implementation of the recently approved booking station, increases in jail costs are anticipated due to increases in the daily rate from \$67.87 per day to \$70.31 per day. The budget has been increased by \$100,000 to reflect this change in rate.

Other Highlights

Information contained later in this budget provides background on other City funds, including the Transportation Fund, Public Parking Fund, Recreation Fund, Golf Fund, and Special Gas Tax Fund. The Library Fund includes continued support from the capital improvement reserve fund, which can not be sustained after 2012. This coincides with the current library proposal before on the November 2, 2010 ballot to issue \$18 million in debt for a library and parking expansion at the existing 7th and Vermont location. If the referendum is successful, the Commission will need to increase the mill levy for 2012 to pay the debt and plan to increase the mill levy for additional operational needs for the expanded facility.

While other City departments have seen reductions in funding levels and staffing, social service funding remains stable in the 2011 budget. The Commission-established Social Service Advisory Board will convene later this year to recommend allocation of 2011 funding.

Earlier this year, the County-City Sustainability Coordinator began her work. She is currently developing a plan for consideration by the City Commission after her survey of our existing sustainability efforts. We plan to move forward on these plans, within resources provided. It will be important to note that in many cases it will require expenditure of funds in the earlier years to achieve long-term economic and environmental savings in future years.

Lawrence has been among the area leaders in successfully obtaining ARRA funding for projects and programs. I believe this reflects very strongly on our City staff in their skills in obtaining and administering these funds. I also believe we have placed these funds where they can do the most good for community. A review of the status and community benefits is appropriate.

Project	Status	Funds
North 2nd and Locust Reconstruction	Completed	\$2 million AARA funding \$1 million KDOT Surface Transportation Funding (STP) 20% city match required for STP All construction management service provided by the city
New York Street Brick Street Reconstruction	Reconstruction underway	100% KDOT Transportation Enhancement Grant (\$946,827.50)
Clinton Parkway Multi-Use Path Reconstruction	Reconstruction underway	\$800,000 KDOT Grant \$68,183 Parks and Recreation funding
Homelessness Prevention and Rapid Re-housing Grant	Provides funds to re-house families who are homeless or prevent families from becoming homeless.	\$648,000 Kansas Housing Resources Corporation funding

Project	Status	Funds
CDBG-R - additional funds	Grant is being used to provide additional assistance to local non-profit agencies already receiving CDBG funding	\$216,798
Energy Efficiency Conservation Block Grant	County-City Sustainability Coordinator hired and on staff; HVAC improvement contract at the Library authorized	\$858,600
Transit Recovery Funds	Three hybrid buses have been ordered, the buses should arrive summer, 2011 for use.	\$2.9 million
KDHE Clean Diesel Grant	15 medium and heavy duty trucks have been altered to include diesel oxidation catalysts. Seven trucks have also been retrofitted.	\$26,800 grant from Kansas Department of Health and Environment
Kansas City Region Clean Cities Grant	Funds are being used toward purchase of a low-speed neighborhood vehicle for water/wastewater plant operations.	\$2,000 in clean cities grant funding

2011 and Beyond...

The stagnant economy means that in some cases proceeding with other projects and priorities does not appear appropriate at this time. We do not plan to proceed with any new parks and recreation facilities, including the discussed Westside recreation facility, because the sales tax revenues initially planned for additional design of that facility must be devoted to maintenance of our existing parks and

recreation facilities (including two new facilities the Burroughs Creek trail and the Carnegie building). The Commission could authorize proceeding with this project if revenues improve or non-City resources become available for support. Additionally, we have not pursued discussion of implementing a sidewalk maintenance utility, recognizing that this is not likely the appropriate time to proceed with consideration of a new tax or fee for this important responsibility. These wants and needs will not disappear, but will need to wait for a better economy and additional resources.

This budget responds to community priorities, including the priority of a stable mill levy for 2011. There is merit in not raising the mill levy, particularly during challenging economic times. A stable mill levy can be a valuable community priority. However, the wants and needs noted above and those identified in other areas of this transmittal letter will not recede because we are unable to attend to them in 2011. Growing our tax base and/or increasing our mill levy will remain on our horizon as we build future budgets and respond to those future needs.

I want to thank our budget team of Casey Toomay, Cynthia Wagner, Michelle Stevens and many others who devote substantial time to this document and all other supporting materials.

Respectfully submitted,

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

David L. Corliss
City Manager

Memorandum

City of Lawrence

Public Works

TO: Chuck Soules
FROM: Mark Thiel
CC: Tom Orzulak, Steve Stewart
Date: 6/9/2010
RE: Recommendation for the Purchase of a Truck Mounted Spray Injection Patcher, Truck Chassis, and Oil Storage Tank with Trailer

I am recommending the addition of a truck mounted spray injection patcher, truck chassis for the patcher, and an oil storage tank with trailer to our equipment inventory to assist with the efficiency of patching streets. (See Figure 1 and 2)



Figure 1 - Truck Mounted Patcher

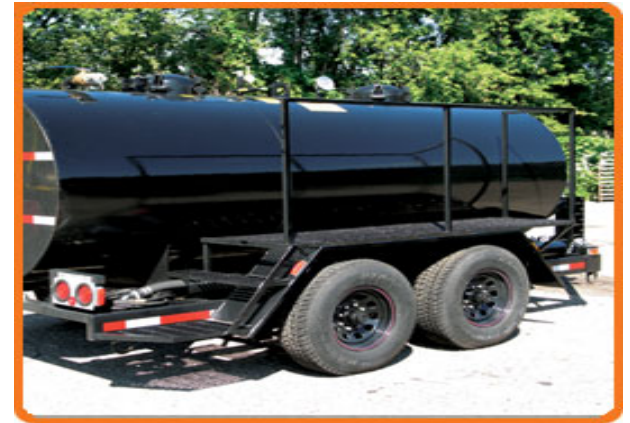


Figure 2 – Oil Storage Tank

The Street Division has one traditional pothole patching truck. During a surge in patching efforts additional flatbed trucks are deployed with cold or hot mix to perform patching from the back of the truck. This is a very inefficient method for patching that proves to not last. The injection spray patching technology has been in

existence for many years and much research has been done to support its use in this process. It is one of the most efficient methods for making long lasting patches to potholes under less than desirable conditions. KDOT and many cities in Kansas have deployed this technology with effective results.

Comparatively, a spray injection patcher can be used year round when more traditional methods cannot due to lack of availability of materials, such as hot mix asphalt. The spray injection patcher is a self-contained unit that actually mixes the raw materials within its configuration to produce the patching materials.

Costs associated with a traditional patching unit versus a spray injection unit are comparable. The spray injection patcher configuration that we are recommending will cost:

Injection patcher	\$ 76,000,
Truck chassis	\$ 68,000
<u>Oil storage tank</u>	<u>\$ 20,000</u>
Total	\$164,000

A traditional patch truck will cost on average \$160,000 to \$180,000.

However, application cost is significantly lower with a spray injection patcher. A traditional cold patch repair is estimated to cost \$151 per ton of material including labor and equipment with an estimated failure rate of 50%. Injection patching has an estimated cost of \$87 per ton of material with a very low failure rate.

We believe that the truck chassis and patcher are available on government procurement contracts and readily available for delivery.

There are three basic spray injection patching configurations: trailer mounted, truck mounted and self-contained truck. We are recommending the truck mounted unit because it will provide the most flexibility. The self-contained truck unit is rather large and would be hard to maneuver in residential areas limiting our capability. The trailer mounted unit, while the least expensive option, would not be preferable because it would require a dedicated dump truck to haul the aggregate used while patching. During winter operations that would mean we would have one less plow / spreader truck available. The trailer mounted units also requires a larger number of staff and creates more on street safety issues.

Action Requested

Approve purchase of a truck mounted spray injection patcher and oil storage tank in the amount of \$164,000.

REVISED
Infrastructure Sales Tax
Revenues and Expenses
2009-2019 w/Iowa

RESOURCES	Actual 2009	YTD 2010^	Projected 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget TOTAL
Infrastructure Sales Tax - CI Reserve	\$1,889,133	\$1,440,646	\$3,440,000	\$3,518,800	\$3,599,176	\$3,681,160	\$3,764,783	\$3,850,078	\$3,937,080	\$4,025,822	\$4,116,338	\$1,461,944	\$37,284,313
Infrastructure Sales Tax - Equip Reserve	\$500,000	\$208,333	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$5,500,000
Total Revenue	\$2,389,133	\$1,648,979	\$3,940,000	\$4,018,800	\$4,099,176	\$4,181,160	\$4,264,783	\$4,350,078	\$4,437,080	\$4,525,822	\$4,616,338	\$1,961,944	\$42,784,313

SALE TAX EXPENSES (total proj. cost)	Actual 2009	YTD 2010^	Projected 2010*	Budget 2011*	Budget 2012*	Budget 2013*	Budget 2014*	Budget 2015*	Budget 2016*	Budget 2017*	Budget 2018*	Budget 2019*	Budget TOTAL*	Needed From other sources**
Residential Street Maintenance - (\$5,000,000)	\$280,888		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$210,000	\$4,990,888	\$9,112
Fire Apparatus														
Ladder 2 - (\$1,205,591)		\$500,000	\$500,000											\$705,591
Engine 6 - (\$651,065)		\$500,000	\$500,000											\$151,065
Quint 6 - (\$973,236)				\$500,000										\$473,236
Quint 3 - (\$998,191)					\$250,000									\$748,191
Hazmat 5 - (\$750,000)					\$250,000									\$500,000
Quint 7 - (\$1,106,329)						\$500,000								\$606,329
Quint 5 - (\$1,081,374)							\$500,000							\$581,374
Ladder 5 - (\$1,688,298)									\$1,000,000					\$688,298
Tender 1 - (\$600,000)										\$500,000				\$100,000
Quint 1 - (\$1,247,739)											\$500,000			\$747,739
Total Fire Apparatus													\$5,000,000	\$5,301,823
Burroughs Creek - (\$350,000)	\$188,751	\$161,249	\$161,249										\$350,000	\$0
Kasold - 23rd to 31st - (\$6,500,000)														\$1,000,000 STP
Engineering	\$250,740	\$195,948	\$189,260											\$50,000 Utilities
R/W			\$10,000											
Construction				\$5,000,000									\$5,450,000	\$1,050,000
5th and Maple Pump Station - (\$5,000,000)														
Engineering					\$400,000									
R/W			\$100,000		\$100,000									
Construction						\$2,400,000	\$2,000,000						\$5,000,000	\$0
Iowa - Harvard to Irving Hill Road Overpass - (\$6,050,000)														\$3,000,000 STP
Engineering			\$400,000											\$800,000 Safety
R/W				\$150,000										\$1,250,000 CIP
Construction					\$450,000								\$1,000,000	\$5,050,000
BBP - Crestline to Kasold - (\$3,483,000)														
Engineering					\$300,000									
R/W					\$23,000									
Construction						\$2,900,000							\$3,223,000	\$260,000 Utilities
Wakarusa - BBP to 18th - (\$3,150,000)														
Engineering							\$25,000							
R/W								\$2,700,000					\$2,725,000	\$425,000 Utilities
Construction														
19th - Iowa to Naismith - (\$3,885,500)														
Engineering							\$350,000							
R/W							\$25,500							
Construction								\$2,200,000	\$1,000,000				\$3,575,500	\$310,000 Utilities
Kasold - Harvard to BBP - (\$4,922,000)														
Engineering									\$420,000					
R/W									\$42,000					
Construction										\$3,000,000	\$1,100,000		\$4,562,000	\$360,000 Utilities
Wakarusa - BBP to Legends - (4,663,000)														
Engineering										\$300,000				
R/W										\$23,000				
Construction											\$2,000,000	\$2,100,000	\$4,423,000	\$240,000 Utilities
BBP - Iowa to Crestline (\$5,105,000)														
Engineering											\$400,000			
R/W											\$10,000			
Construction - Phase I												\$2,000,000	\$2,410,000	\$2,695,000
Total Expenses from Infrastructure Sales Tax	\$720,379	\$1,357,197	\$2,360,509	\$6,150,000	\$2,273,000	\$6,300,000	\$3,400,500	\$5,400,000	\$2,962,000	\$4,323,000	\$4,510,000	\$4,310,000	\$42,709,388	\$21,002,758
Revenues over Expenses	\$1,668,754	\$291,782	\$1,579,491	-\$2,131,200	\$1,826,176	-\$2,118,840	\$864,283	-\$1,049,922	\$1,475,080	\$202,822	\$106,338	-\$2,348,057	\$74,924	
Fund Balance Forward Jan 1	\$0		\$1,668,754	\$3,248,245	\$1,117,045	\$2,943,221	\$824,381	\$1,688,663	\$638,742	\$2,113,822	\$2,316,643	\$2,422,981		
Ending Balance Dec 31	\$1,668,754		\$3,248,245	\$1,117,045	\$2,943,221	\$824,381	\$1,688,663	\$638,742	\$2,113,822	\$2,316,643	\$2,422,981	\$74,924	\$74,924	

* expenses do not reflect total project cost. Instead, only the project expenses to be funded with proceeds from the Infrastructure Sales Tax are shown here.

** Other sources include state and/or federal aid, as well as cash from other funds or other reserve funds, debt financing, etc.

^ Year to date as of May 31, 2010

Assumptions:

.30 for infrastructure and equipment

10 year sunset

first year collections only 7months; last year collections only 5 months

FUND OVERVIEW

PROPERTY TAX SUPPORTED FUNDS

General Fund

The mill levy supporting the 2011 budget remains unchanged, while assessed valuation is projected to decrease for the second consecutive year. Revenues from all sales taxes are projected to be less than the 2010 budget as well. Overall revenues are expected to be \$459,461 less than the 2010 adopted budget. Expenditures budgeted for 2011 represent a 1.6% increase over 2010 budget. Increases can be attributed primarily to rising healthcare costs, equipment replacement and employee compensation. The recommended budget includes resources for most City employees to have the opportunity for upward movement in compensation. Funding for full longevity is included. Five positions have been eliminated: one in Information Technology and two each in Public Works and Parks and Recreation. Requests from social service agencies are funded at \$556,472, which is the same level provided in 2010. The General Fund (via the Public Works Department budget) continues to provide funding for an enhanced street maintenance program.

Library

The City will provide a total of \$3,070,000 in resources to the Lawrence Public Library for operations in 2011. Because this fund is solely reliant on property tax revenue, the impact of decreasing assessed valuation is significant. For the second consecutive year, use of reserve funds will be necessary to provide sufficient resources to fund a slight increase in funding to the Library for 2011. A referenda to increase the mill levy to fund expansion of the library is anticipated in November of 2010.

Recreation

Fee increases are recommended for some programs and special events, however, no increase in aquatic fees is budgeted for 2011. Declining assessed valuation means revenue from property tax is decreasing in 2011. An increase in the amount of support from the countywide sales tax is also budgeted for 2011. Expenditures from this fund are expected to increase slightly in 2011.

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 by the Commission in 2002. Maintenance of existing facilities is as important as expansion, and these plans reflect a number of projects related to restoring or replacing present facilities.

SPECIAL REVENUE FUNDS

Guest Tax

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. The charter ordinance was amended, increasing the tax rate to 6% for 2010. Funds will be used for continued support of the restoration of the Carnegie Library to serve as the offices of DMI and the CVB and to support heritage tourism efforts of the Freedoms Frontier National Heritage Area as well as the celebration of the Sesquicentennial of the US Civil War.

Public Transportation

In 2008, voters approved a 0.20% local sales tax to fund the operations of the existing level of transit service and an additional 0.05% sales tax for expanded transit service. According to State law, all proceeds from sales tax must be deposited in the City's General Operating Fund then

transferred into other funds. The 2011 budget assumes 2% growth over 2010 projected sales tax receipts. An increase in expenditures can be attributed to the increased cost of the contract with MV Transportation for transit service, as well as rising costs of fuel and motor vehicle repairs.

Special Alcohol

Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax, and this trend is expected to continue in 2011. The state legislature has continued to discuss the idea of reducing or eliminating the 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. Level funding has been budgeted for agencies in 2011, however, a newly formed Social Service Advisory Board will make recommendations for allocation of the funds later in 2010.

Special Gas

Historically, revenues have increased modestly for this fund, however, the tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) has not increased since 2003. Based on economic, environmental, and technological trends, only a slight increase in motor fuels tax is planned in 2011. Revenue projections are based on projections from the Kansas League of Municipalities. An increase in expenditures is budgeted in 2011 for this fund which provides resources for the City's street maintenance efforts.

Special Recreation

Similar to the Special Alcohol Fund, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. This trend is expected to continue in 2011. The state legislature has continued to discuss the idea of reducing or eliminating the 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. Revenue constraints limit the resources available for this fund, which is used primarily for operation and maintenance of the City's recreation facilities.

ENTERPRISE FUNDS

Water and Wastewater Fund

Wholesale rates are still being determined however, the budget does not include an increase in water and sewer rates for 2011. Should revenues fail to meet budget or operation and maintenance costs increase dramatically, the amount of the transfer to fund non-bonded construction will be reduced accordingly. Alternatively, savings from operations and maintenance will be used to increase the transfer to cash construction in late 2011.

Solid Waste

The budget includes a \$0.70 rate increase for residential customers and \$1.01 rate increase for minimum commercial customers. This increase is driven by the increased cost of landfill services. The City is currently negotiating with Hamm, Inc., however, preliminary indications are that landfill rates are going to increase by almost 30% for 2011. This will be the first increase in landfill charges since 1993.

Public Parking

Following recommendations from downtown merchants and staff review, increases in metered parking as well as fines for overtime parking were increased in 2009. However, revenues are expected to remain flat in 2011 compared to projected 2010.

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

Increases to green fees and cart rentals were implemented in 2009 and are not anticipated for 2011. Efforts are ongoing 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.



City of Lawrence

2011 Budget Fund Summary of Resources by

	Property Tax Supported Funds			Debt Service Fund	Special Revenue		
	General 001	Library 209	Rec. 211	Bond/Int. 301	Guest Tax 206	Pub. Tran. 210	Spec. Alchl 213
RESOURCES							
Ad Valorem Taxes	14,825,981	2,959,473	222,446	6,346,434	935,000	-	650,000
Other Taxes	36,210,000			2,500,000			
Licenses/Permits	869,039						
Intergov. Revenue	775,000						
Charges for Service	657,500		1,618,405	105,000	248,047	-	-
Fines /Forfeitures	2,950,000						
Use of Money/Prop	250,000		125,699	150,000			
Miscellaneous	4,458,553		10,000				
Spec. Assessment	-						
Transfers In	3,589,874	97,000	1,679,348	-		2,652,500	
Fund Balance	12,665,660	84,505	727,240	5,515,273	257,862	572,272	233,403
TOTAL RESOURCES	\$ 77,251,607	\$ 3,140,978	\$ 4,383,138	\$ 14,616,707	\$ 1,192,862	\$ 3,472,819	\$ 883,403
EXPENDITURES							
Personal Services	38,861,595		3,125,064		757,500	71,881	250,000
Contractual Services	10,147,515	3,070,000	492,386			1,896,914	312,150
Commodities	4,357,382		298,242			568,720	-
Capital Outlay	406,237		25,000			-	-
Debt Service			-	13,927,334		-	-
Transfers Out	19,821,059		100,000	-	400,000	375,000	270,000
Contingency	26,250		150,080			400,000	10,500
TOTAL EXPENDITURES	\$ 73,620,038	\$ 3,070,000	\$ 4,190,772	\$ 13,927,334	\$ 1,157,500	\$ 3,312,515	\$ 842,650
Fund Balance	\$ 3,631,569	\$ 70,978	\$ 192,366	\$ 689,373	\$ 35,362	\$ 160,304	\$ 40,753

Resources by Classification for all Budgeted Funds 2009 - 2011

RESOURCES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Ad Valorem Taxes	\$ 24,673,704	\$ 24,525,351	\$ 24,566,206	\$ 24,354,334
Other Taxes	37,541,902	41,415,530	40,245,000	41,144,130
Licenses/Permits	810,916	991,887	845,000	869,039
Intergov. Revenue	893,389	774,052	775,000	775,000
Charges for Serv.	46,554,741	50,479,351	47,813,837	50,120,266
Fines /Forfeitures	2,487,983	2,800,000	2,900,000	2,950,000
Use of Money/Prop	317,974	898,000	223,865	425,000
Miscellaneous	4,298,220	4,421,168	4,325,047	4,768,553
Spec. Assessment	2,856,257	2,400,000	2,600,000	2,500,000
Transfers In	6,454,910	7,799,310	7,769,546	8,018,722
Fund Bal. Fwd.	41,009,397	27,953,059	41,796,227	39,011,684
TOTAL RESOURCES	\$ 167,899,393	\$ 164,457,708	\$ 173,859,728	\$ 174,936,728

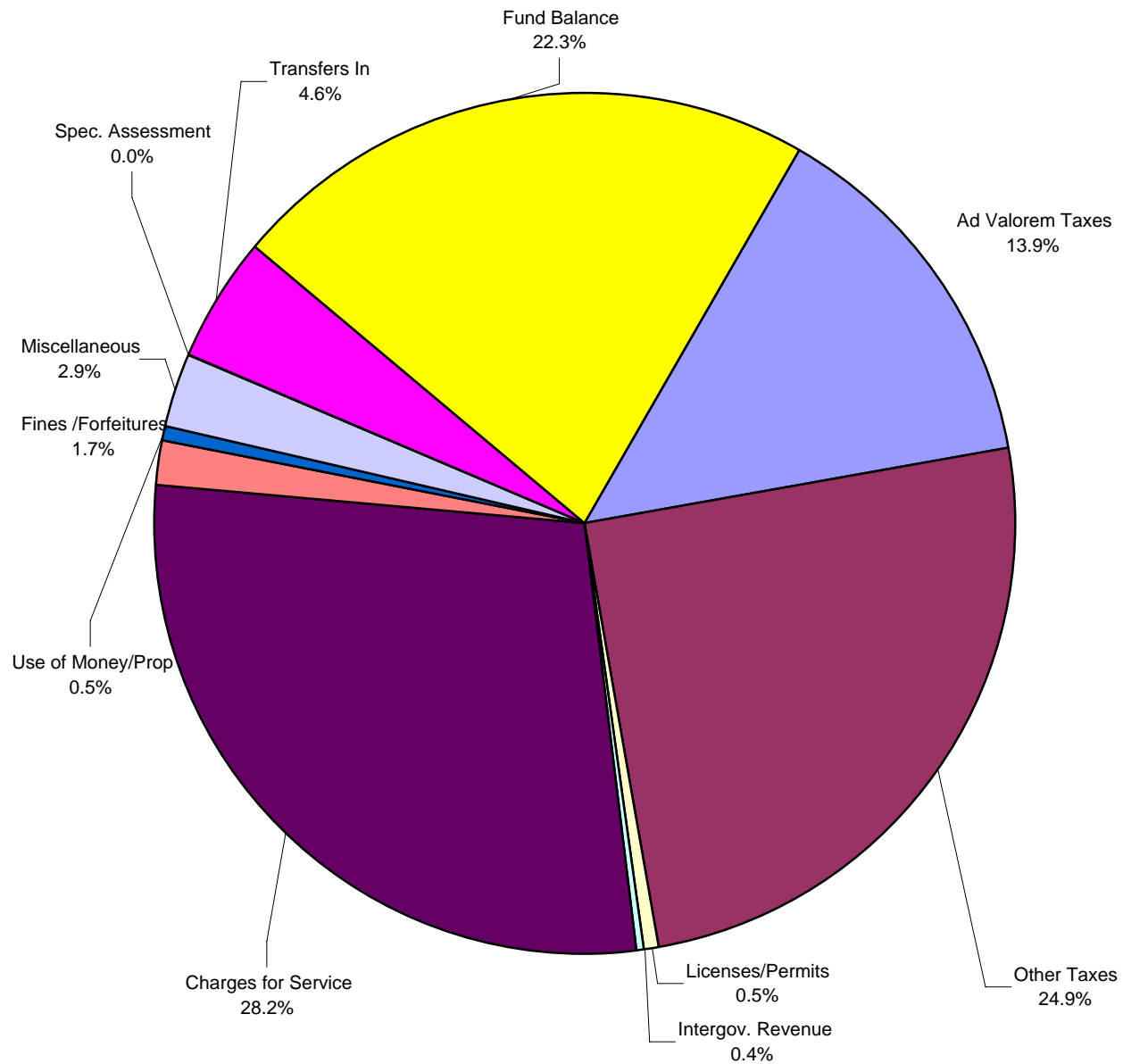
Classification and Expenditures by Category

Funds		Enterprise Funds					
Spec. Gas 214	Spec. Rec. 216	Wtr/ Wstwr 501	Solid Waste 502	Pub. Parking 503	Strm Water 505	Pub. Golf 506	TOTAL
2,699,130	650,000						24,354,334
							43,644,130
							869,039
							775,000
		30,792,000	10,781,615	1,160,000	2,950,000	1,099,000	49,411,567
							2,950,000
		276,000	15,000	1,000	5,000	1,000	823,699
0	0	601,000			-	9,000	5,078,553
							0
						0	8,018,722
655,697	103,531	14,414,036	2,283,535	197,735	841,028	459,907	39,011,684
\$ 3,354,827	\$ 753,531	\$ 46,083,036	\$ 13,080,150	\$ 1,358,735	\$ 3,796,028	\$ 1,568,907	\$ 174,936,728
1,798,026	48,528	9,124,645	6,113,105	888,737	771,787	505,343	61,558,711
500	305,500	5,339,877	2,922,290	169,534	139,400	124,300	25,677,866
931,485	76,000	3,521,342	779,820	123,427	285,034	212,226	11,153,678
200,000	157,000	595,000	588,200	15,000	525,000	65,000	2,576,437
-	-	8,367,791	-	-	761,855	-	23,056,980
175,000	35,000	17,121,849	2,136,025	18,302	550,000	409,000	41,411,235
96,118	100,000	40,100		80,000	587,326	179,744	1,670,118
\$ 3,201,129	\$ 722,028	\$ 44,110,604	\$ 12,539,440	\$ 1,295,000	\$ 3,620,402	\$ 1,495,613	\$ 167,105,025
\$ 153,698	\$ 31,503	\$ 1,972,432	\$ 540,710	\$ 63,735	\$ 175,626	\$ 73,294	\$ 7,831,703

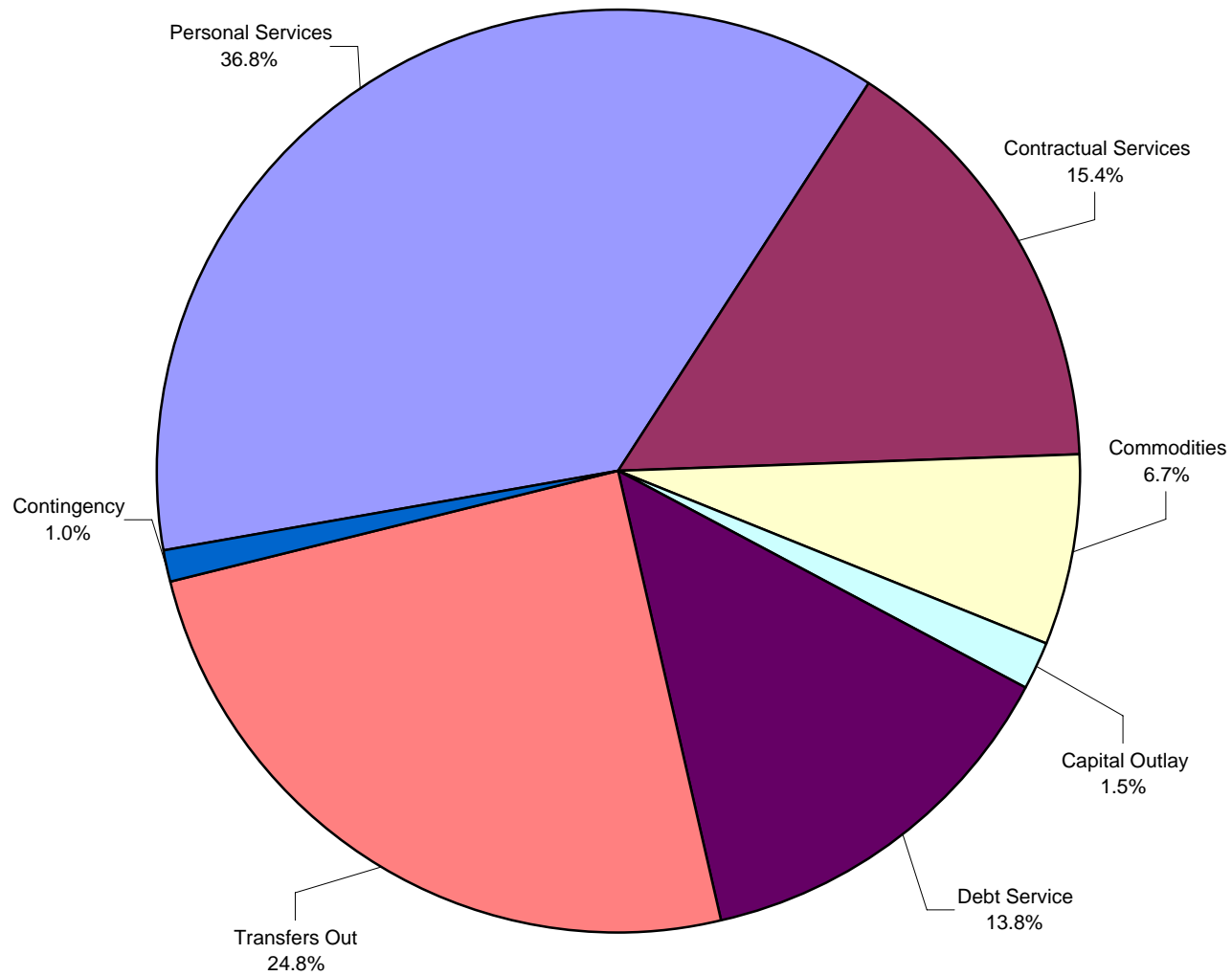
Expenditures by Category for all Budgeted Funds 2009 - 2011

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	\$ 58,737,384	\$ 60,836,135	\$ 59,473,185	\$ 61,558,711
Contractual Services	23,348,807	24,832,533	24,098,905	25,677,866
Commodities	9,434,496	10,976,161	10,480,547	11,153,678
Capital Outlay	1,564,654	2,627,552	2,287,945	2,576,437
Debt Service	18,691,533	21,040,639	21,299,934	23,056,980
Transfers Out	14,326,292	35,777,306	16,687,437	41,411,235
Contingency	-	1,170,409	520,091	1,670,118
TOTAL EXPENDITURES	\$ 126,103,166	\$ 157,260,736	\$ 134,848,044	\$ 167,105,025

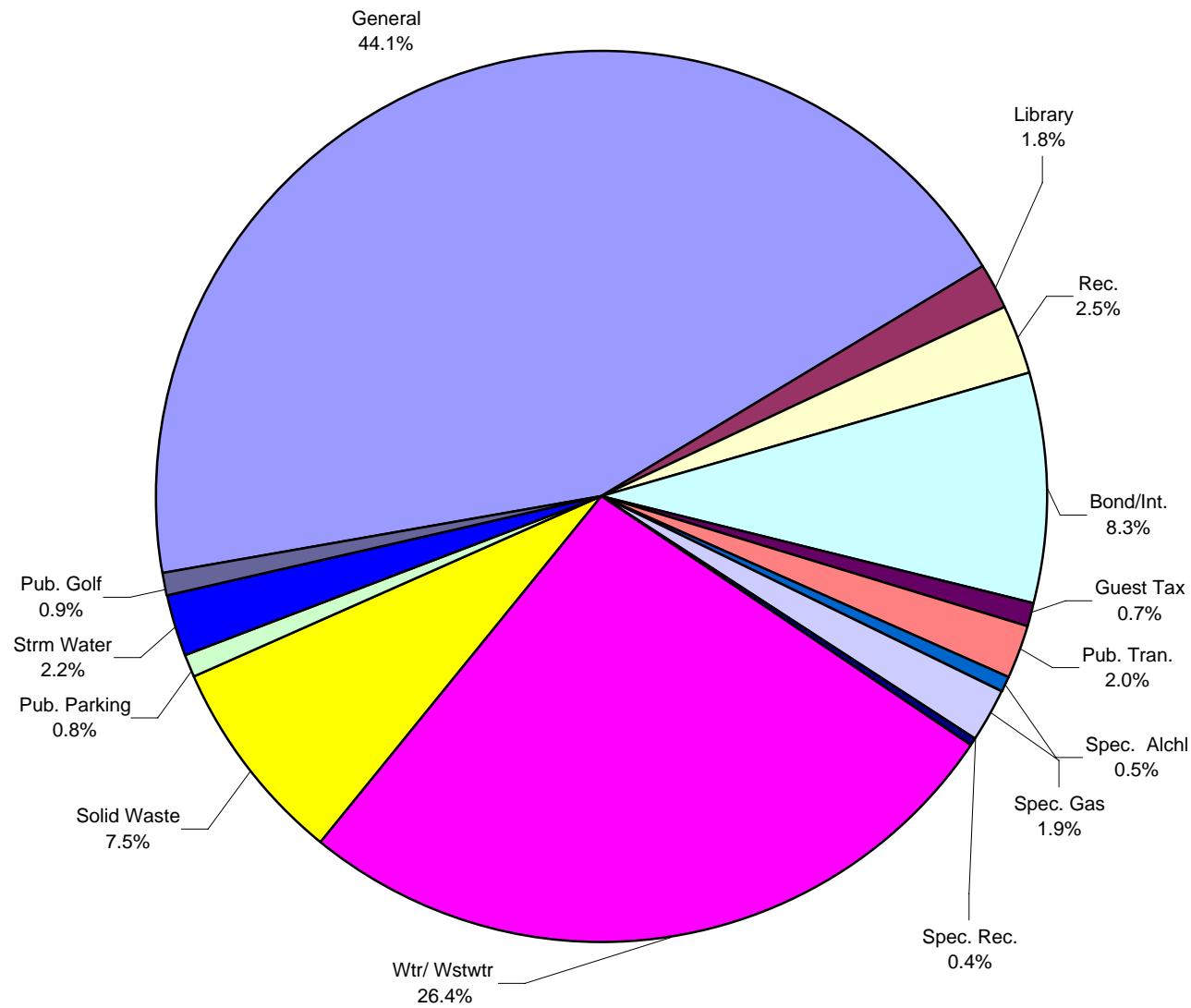
2011 Budgeted Resources by Classification:
Total - \$174,936,728



2011 Budgeted Expenditures by Category:
Total - \$167,105,025



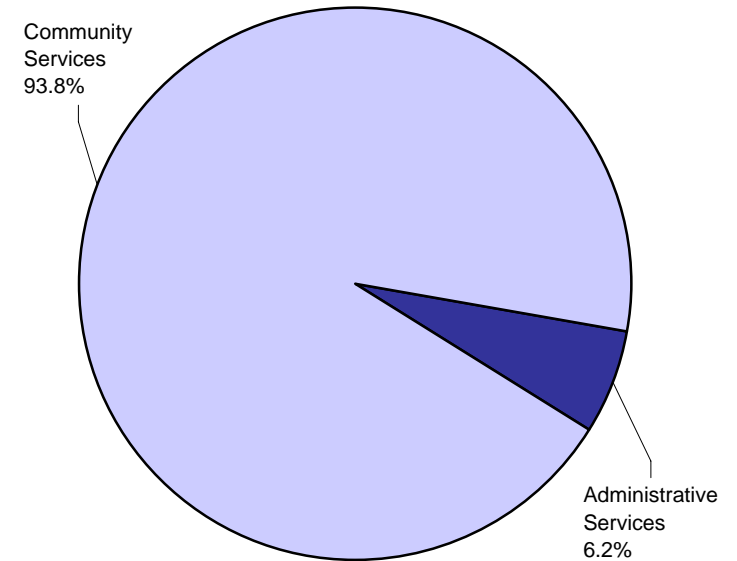
2011 Budgeted Expenditures by Fund:
Total - \$167,105,025



CITY OF LAWRENCE PERSONNEL SUMMARY

<u>AUTHORIZED POSITIONS (FTEs)</u>				<u>Change in FTEs from 2010</u>
<u>DEPARTMENT</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	
City Commission	5.00	5.00	5.00	0.00
City Auditor	0.00	0.50	0.50	0.00
City Manager's Office*	8.00	7.50	16.50	9.00
Planning and Development Services	26.45	24.45	24.45	0.00
Administrative Services*	8.50	9.00	0.00	-9.00
Finance	4.13	4.13	4.13	0.00
Information Systems	7.00	7.00	6.00	-1.00
Legal Services	22.00	19.50	19.40	-0.10
Police	176.00	176.00	176.00	0.00
Fire and Medical	145.00	145.00	145.00	0.00
Health	1.00	1.00	1.00	0.00
Public Works	172.75	172.75	165.75	-7.00
Parks and Recreation	71.78	70.78	68.78	-2.00
Public Transit	0.40	0.61	0.61	0.00
Utilities	135.26	128.26	128.26	0.00
TOTAL	783.27	771.48	761.38	-10.10

* Administrative Services was merged with the City Manager's Office in 2010.

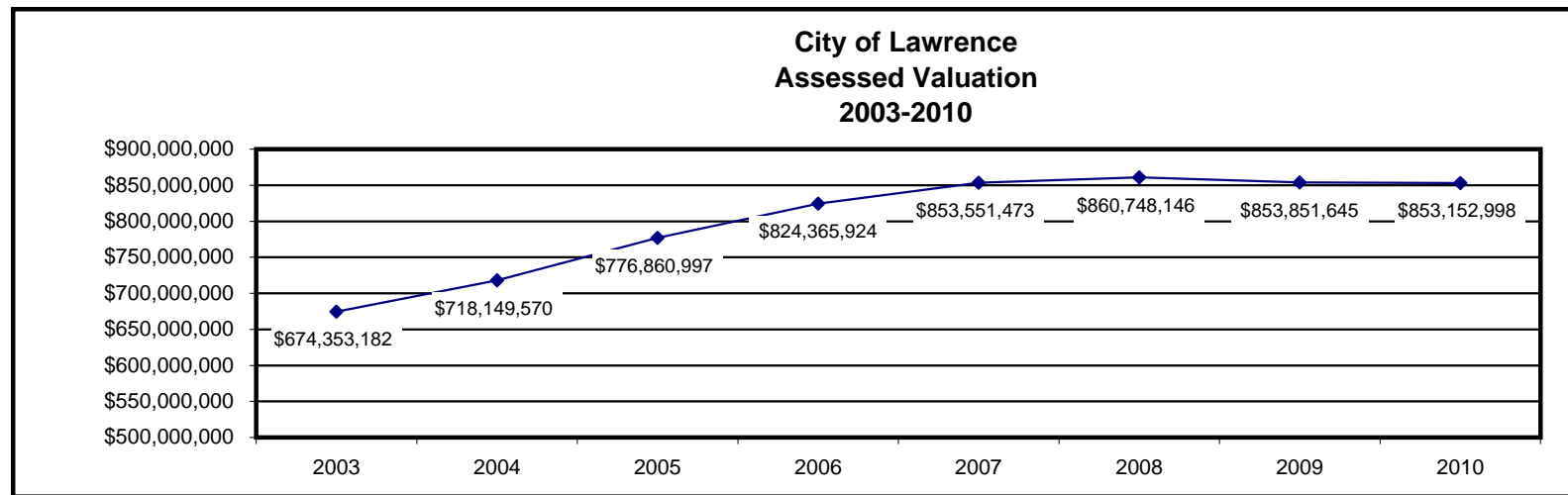


Administrative Services include positions in the City Manager's Office, City Auditor, Public Transit, Finance, Information Systems, and Legal Services Departments. Community Services include the City Commission and positions in the Planning and Development Services, Police, Fire Medical, Health, Public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

COMPUTATION OF AD VALOREM TAX REQUIREMENTS AND MILL LEVY

2010 ESTIMATED ASSESSED VALUATION FOR 2011 BUDGET: \$ 853,152,998

FUND NUMBER	FUND	2011 REQUIREMENTS	ADD 3.3% DELIN- QUENT TAXES	AD VALOREM TAX REQUIREMENT	MILL RATE
Property Tax Levy Funds					
001	General Operating	13,360,753	444,847	13,805,600	16.182
209	Library	2,689,980	89,563	2,779,543	3.258
211	Recreation	199,335	6,637	205,972	0.241
	<i>Sub Total Property Tax Levy Funds</i>	16,250,068	541,047	16,791,115	19.681
Supplemental Tax Levy Funds					
301	Bond and Interest	5,777,802	192,372	5,970,174	6.998
	<i>Sub Total Supplemental Tax Levy Funds</i>	5,777,802	192,372	5,970,174	6.998
	GRAND TOTAL	22,027,870	733,419	22,761,289	26.679



FUND EXPENDITURE SUMMARY

2009-2011

Fund #	Fund Description	2008 Mill Levy	Actual 2009 Expenditures	2009 Mill Levy	Budget 2010 Expenditures	2010 Mill Levy	Budget 2011 Expenditures
	Property Tax Levy Funds						
001	General Operating	15.822	\$ 59,442,123	16.187	\$ 72,470,629	16.182	\$ 73,620,038
209	Library	3.254	3,051,000	3.259	3,060,000	3.258	3,070,000
211	Recreation	0.482	3,506,857	0.241	4,012,539	0.241	4,190,772
	<i>Sub Total Property Tax Levy Funds</i>	19.558	65,999,980	19.687	79,543,168	19.681	80,880,810
	Supplemental Tax Levy Funds						
301	Bond and Interest	7.089	10,637,224	7.000	13,900,000	6.998	13,927,334
	<i>Sub Total Supplemental Tax Levy Funds</i>	7.089	10,637,224	7.000	13,900,000	6.998	13,927,334
	Non-Property Tax Levy Funds						
206	Guest Tax		\$ 846,300		\$ 1,203,560		\$ 1,157,500
210	Public Transportation		2,071,878		2,903,780		3,312,515
213	Special Alcohol		545,961		707,150		842,650
214	Special Gas Tax		2,512,079		2,956,815		3,201,129
216	Special Recreation		559,844		690,105		722,028
501	Water and Sewer		28,026,921		38,776,248		44,110,604
502	Sanitation		9,896,934		11,020,612		12,539,440
503	Public Parking		1,123,445		1,249,001		1,295,000
505	Storm Water Utility		3,004,427		3,227,177		3,620,402
506	Public Golf Course		878,173		1,083,120		1,495,613
	<i>Sub Total Non-Property Tax Levy Funds</i>		\$ 49,465,962		\$ 63,817,568		\$ 72,296,881
	GRAND TOTAL	26.647	\$ 126,103,166	26.687	\$ 157,260,736	26.679	\$ 167,105,025
	Taxes per \$1000 Valuation	26.647		26.687		26.679	

VALUE OF YOUR CITY OF LAWRENCE PROPERTY TAX DOLLARS

To estimate your City Property Tax bill for 2011:

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 2011 mill rate levied by the City and divide by \$1,000:

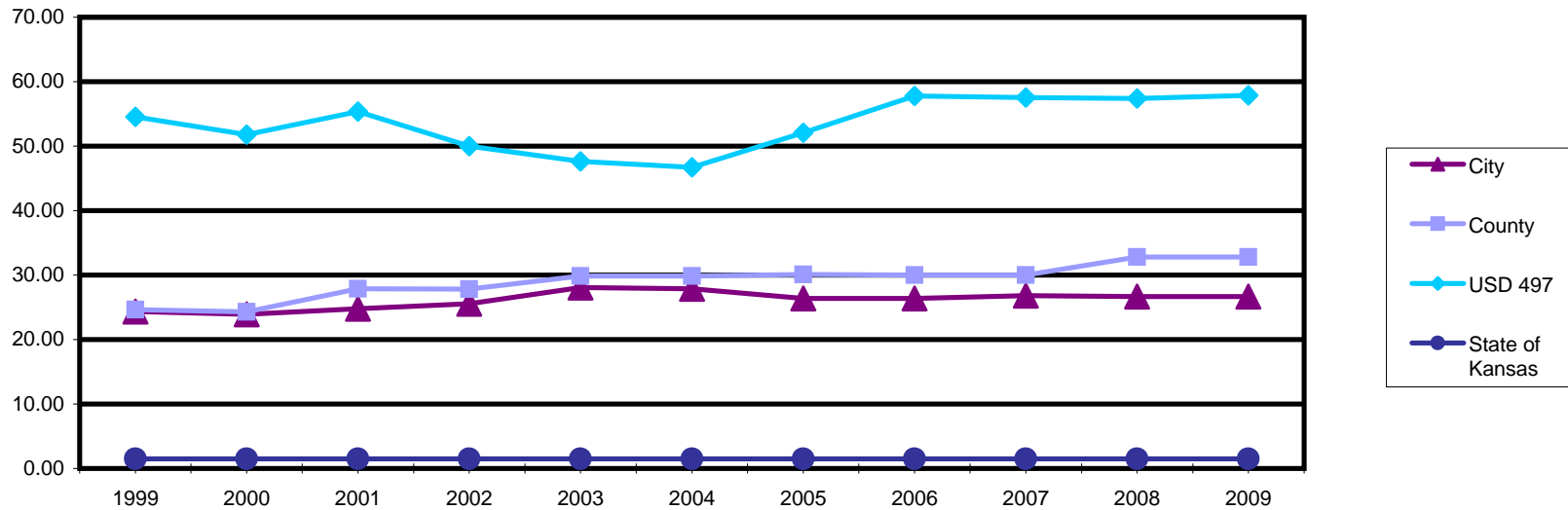
$$\begin{array}{rcl}
 \text{assessed valuation} & \$ & 17,250 \\
 \times \text{City mill rate for 2011} & & 26.679 \\
 \hline
 & \$ & 460,213.18 / 1,000 =
 \end{array}$$

Estimated 2011 City Tax liability = \$ 460.21

Fair Market Value of Home	Assessed Valuation	Approximate City Tax Bill
		Mill Rate = 26.679
100,000	\$ 11,500.00	\$ 306.81
125,000	\$ 14,375.00	\$ 383.51
150,000	\$ 17,250.00	\$ 460.21
175,000	\$ 20,125.00	\$ 536.92
200,000	\$ 23,000.00	\$ 613.62
225,000	\$ 25,875.00	\$ 690.32
250,000	\$ 28,750.00	\$ 767.02
275,000	\$ 31,625.00	\$ 843.72
300,000	\$ 34,500.00	\$ 920.43
350,000	\$ 40,250.00	\$ 1,073.83
400,000	\$ 46,000.00	\$ 1,227.24
450,000	\$ 51,750.00	\$ 1,380.64
500,000	\$ 57,500.00	\$ 1,534.04

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

Comparison of Local Levies - City, County, School District, and State: 1999-2009



Levy Year	City	County	USD 497	State of Kansas	Total
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
2008	26.65	32.82	57.40	1.50	118.37
2009	26.69	32.80	57.89	1.50	118.89

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 2010 budget complies with this requirement. The budget also includes expenditure line items, which are not planned to be made to allow the City to project for a greater fund balance than what is required by State law. A brief explanation is provided below for each significant change in fund balance.

General Operating Fund – Decreased assessed valuation and slowed growth in sales tax revenues along with Increased personal services costs and other expenditure, translates into a 4.93% projected fund balance at the end of 2011.

Library – Decreased assessed valuation and increasing costs require a transfer of funds previously set aside in a reserve fund and still result in a 2.31% projected fund balance at the end of 2011.

Transportation – Increased costs for contractual services, including MV Transportation, will result in a projected fund balance of 4.84% at the end of 2011.

Recreation – Increases in the costs associated with operating recreation facilities with little revenue growth will result in a projected fund balance of 4.59%.

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 4.95% of the budgeted expenditures.

Guest Tax – Additional revenue will be generated by the increase in the transient guest tax rate. This revenue will be spent toward restoration of the Carnegie Library and heritage tourism. A large transfer will also be made to the reserve fund, translating into a projected fund balance of 3.06%

Special Alcohol – Revenues are only expected to be grow slightly, while expenditure levels, including a significant contingency, will increase, translating into a projected fund balance of 4.84%.

Special Gas – Revenues aren't expected to grow at the same pace as expenditures in 2011. The result is a projected fund balance of 4.80% in this fund.

Special Recreation - Revenues are only expected to be grow slightly, while expenditure levels, including a significant contingency, will increase, translating into a projected fund balance of 4.36%.

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 2010, to 4.47% of budgeted expenditures.

Solid Waste – The projected fund balance of 4.31% of the budgeted expenditures in this fund can be attributed to previous years of expenditures exceeding projected revenues.

Public Parking – While revenues have increased due to increased parking fines and fees, expenditure levels have also increasing due to personnel costs and increased downtown beautification efforts. The result is a projected fund balance of 4.92%.

Storm Water Utility –Revenues are expected to remain flat while expenditures are expected to grow. This will result in a projected fund balance of 4.85%.

Public Golf – The weather dependent nature of golf operations means revenue projections remain conservative for 2011. Budgeted expenditures have increased due to a large contingency in order to achieve a projected fund balance of 4.90%.

CITY OF LAWRENCE, KANSAS

PROJECTION OF FINANCIAL CONDITION

FUND	1/1/10 Balance	2010 Revenue	2010 Expenditures	12/31/10 Balance	Percent Fund Balance
General	\$12,564,947	\$63,402,126	\$63,301,413	\$12,665,660	20.01%
Library	108,351	3,036,154	3,060,000	84,505	2.76%
Transportation	240,064	2,860,000	2,527,792	572,272	22.64%
Recreation	804,492	3,593,422	3,670,674	727,240	19.81%
Bond/Interest	8,412,891	9,245,050	12,142,668	5,515,273	45.42%
Guest Tax	320,422	885,000	947,560	257,862	27.21%
Special Alcohol	165,553	630,000	562,150	233,403	41.52%
Special Gas Tax	655,697	2,600,000	2,600,000	655,697	25.22%
Special Recreation	144,448	630,000	670,917	103,531	15.43%
Water / Wastewater	14,553,851	29,945,712	30,085,527	14,414,036	47.91%
Solid Waste	2,279,363	10,147,537	10,143,365	2,283,535	22.51%
Public Parking	237,736	1,209,000	1,249,001	197,735	15.83%
Storm Water Utility	1,016,390	2,955,000	3,130,362	841,028	26.87%
Public Golf	292,022	924,500	756,615	459,907	60.78%
TOTAL	\$41,796,227	\$132,063,501	\$134,848,045	\$39,011,683	28.93%

FUND	1/1/11 Balance	2011 Revenue	2011 Expenditures	12/31/11 Balance	Percent Fund Balance
General	\$12,665,660	\$64,585,947	\$73,620,038	\$3,631,569	4.93%
Library	84,505	3,056,473	3,070,000	70,978	2.31%
Transportation	572,272	2,900,547	3,312,515	160,304	4.84%
Recreation	727,240	3,655,898	4,190,772	192,366	4.59%
Bond/Interest	5,515,273	9,101,434	13,927,334	689,373	4.95%
Guest Tax	257,862	935,000	1,157,500	35,362	3.06%
Special Alcohol	233,403	650,000	842,650	40,753	4.84%
Special Gas Tax	655,697	2,699,130	3,201,129	153,698	4.80%
Special Recreation	103,531	650,000	722,028	31,503	4.36%
Water / Wastewater	14,414,036	31,669,000	44,110,604	1,972,432	4.47%
Solid Waste	2,283,535	10,796,615	12,539,440	540,710	4.31%
Public Parking	197,735	1,161,000	1,295,000	63,735	4.92%
Storm Water Utility	841,028	2,955,000	3,620,402	175,626	4.85%
Public Golf	459,907	1,109,000	1,495,613	73,294	4.90%
TOTAL	\$39,011,683	\$135,925,044	\$167,105,025	\$7,831,702	4.69%

The 2010 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.

**SUMMARY OF APPLICATIONS
FOR 2011 SOCIAL SERVICE AGENCY FUNDING ALLOCATIONS**

GENERAL OPERATING FUND	Budget 2010	Request 2011	Req. vs. 10 Budget	Recommended 2011
<i>Social Services</i>				
Ballard Community Center	7,500	7,500	0.0%	
Boys & Girls Club of Lawrence	143,722	148,722	3.5%	
Douglas County CASA, Inc.	20,000	20,000	0.0%	
TFI Family Services	6,750	6,750	0.0%	
Ecumenical Minister's Fellowship	4,000	4,000	0.0%	
Health Care Access-Pharmacy	26,000	26,000	0.0%	
Homeless Services				
Bert Nash City Homeless Outreach Team	164,000	164,000	0.0%	
Lawrence Community Shelter	8,000	8,000	0.0%	
Lawrence Community Shelter	49,000	49,000	0.0%	
Lawrence Douglas County Housing Authority	0			
Salvation Army	9,000	15,000	66.7%	
Salvation Army	15,000	35,000	133.3%	
<i>homeless services subtotal</i>	<i>245,000</i>	<i>271,000</i>	<i>10.6%</i>	
Housing & Credit Counseling	17,100	17,100	0.0%	
Jayhawk Area Agency on Aging	7,400	7,400	0.0%	
The Shelter, Inc.	32,000	32,000	0.0%	
Van Go Mobile Arts	35,000	35,000	0.0%	
Warm Hearts	6,000	6,000	0.0%	
Willow Domestic Violence Center	6,000	6,000	0.0%	
Total	\$ 556,472	\$ 587,472	5.6%	556,472

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

SPECIAL ALCOHOL FUND	Budget 2010	Request 2011	Req. vs. 10 Budget	Recommended 2011
Ballard Community Center	\$ 4,500	\$ -	-100.00%	
Big Brothers/Big Sisters CORE	27,000	29,500	9.26%	
Boys & Girls Club of Lawrence	100,000	106,278	6.28%	
DCCCA	41,000	43,264	5.52%	
DCCCA d/b/a First Step House	29,150	27,661	-5.11%	
Headquarters, Inc - First Call	22,500	22,500	0.00%	
Lawrence Alcoholic Recovery House (Hearthstone)	0	10,000		
Lawrence Community Shelter	27,000	50,000	85.19%	
Lawrence Police Department	250,000	250,000	0.00%	250,000
Lawrence Public Schools	0	49,710		
Van Go Mobile Arts, Inc.	44,000	44,000	0.00%	
Willow Domestic Violence Center	17,000	17,000	0.00%	
Total	\$562,150	\$ 649,913	15.61%	562,150

The Special Alcohol Fund is supported by the Liquor Tax.

**SUMMARY OF VENDOR SERVICES AND ECONOMIC DEVELOPMENT AGENCIES
RECOMMENDED FOR 2011 OUTSIDE AGENCY FUNDING ALLOCATIONS**

GENERAL OPERATING FUND	Budget 2010	Request 2011	Req. vs. 10 Budget	Budget 2011
<i>Vendor Provided City Services</i>				
Douglas County Legal Aid	\$ 40,000	\$ 40,000	0.0%	\$ 40,000
Lawrence Humane Society	\$ 256,320	\$ 256,320	0.0%	\$ 256,320
Lawrence Arts Center	90,000	90,000	0.0%	90,000
<i>Economic Development</i>				
Downtown Lawrence	42,500	47,500	11.8%	42,500
Lawrence Chamber of Commerce	185,500	219,500	18.3%	219,500
Lawrence Douglas County Bioscience Authority	200,000	200,000	0.0%	200,000
LDCBA Incubator	75,000	75,000	0.0%	75,000

BOND AND INTEREST FUND	Budget 2010	Request 2011	Req. vs. 10 Budget	Budget 2011
LDCBA Expansion Facility				66,540

This represents the estimated City share of this project

SPECIAL RECREATION FUND	Budget 2010	Request 2011	Req. vs. 10 Budget	Budget 2011
Lawrence Arts Center Scholarship	\$25,000	\$25,000	0.00%	\$25,000
Lawrence Cultural Arts Commission	25,500	25,500	0.00%	23,000
Total	\$50,500	\$50,500	0.00%	48,000

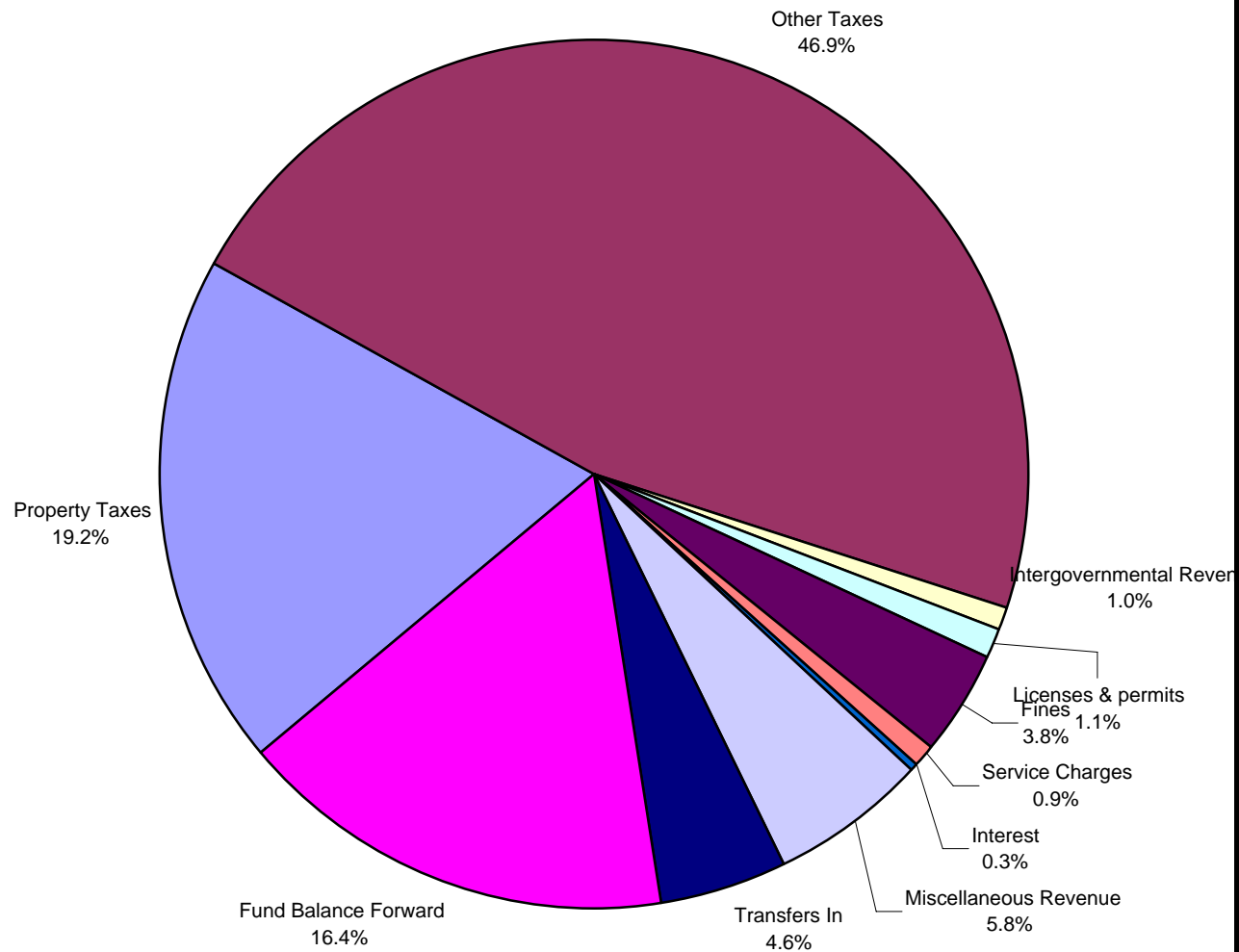
The Special Recreation Fund is supported by the Liquor Tax.



City of Lawrence

GENERAL OPERATING FUND

**2011 General Operating Fund
Resources by Classification:
Total - \$77,251,607**



Fund 001 - GENERAL OPERATING

RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Property Taxes	\$ 14,605,157	\$ 14,919,300	\$ 14,929,000	\$ 14,825,981
Franchise Fees	5,872,925	5,767,139	6,000,000	6,120,000
Sales / Use Taxes				
1% City	14,036,301	14,307,061	13,830,000	14,106,600
0.3% Infrastructure	2,389,133	3,944,646	3,940,000	4,018,800
0.2% transit	1,592,756	2,629,764	2,625,000	2,677,500
0.05% transit expanded	398,189	657,442	655,000	668,100
1% County wide	8,609,331	9,288,200	8,450,000	8,619,000
subtotal	27,025,710	30,827,113	29,500,000	30,090,000
Intergovernmental Revenue	856,758	774,052	775,000	775,000
Licenses & permits	810,916	991,887	845,000	869,039
Fines	2,487,983	2,800,000	2,900,000	2,950,000
Service Charges	692,646	653,022	660,000	657,500
Interest	38,545	600,000	100,000	250,000
Miscellaneous Revenue	4,079,180	4,269,768	4,250,000	4,458,553
Transfers In	3,312,883	3,443,126	3,443,126	3,589,874
TOTAL REVENUES	59,782,703	65,045,407	63,402,126	64,585,947
Balance, January 1	12,224,367	11,041,365	12,564,947	12,665,660
TOTAL RESOURCES AVAILABLE	\$ 72,007,070	\$ 76,086,772	\$ 75,967,073	\$ 77,251,607
TOTAL EXPENDITURES	59,442,123	72,470,629	63,301,413	73,620,038
FUND BALANCE FORWARD	12,564,947	3,616,143	12,665,660	3,631,569

REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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

Fund 001 - GENERAL OPERATING

Major Revenue Source - Descriptions, Assumptions and Trends

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

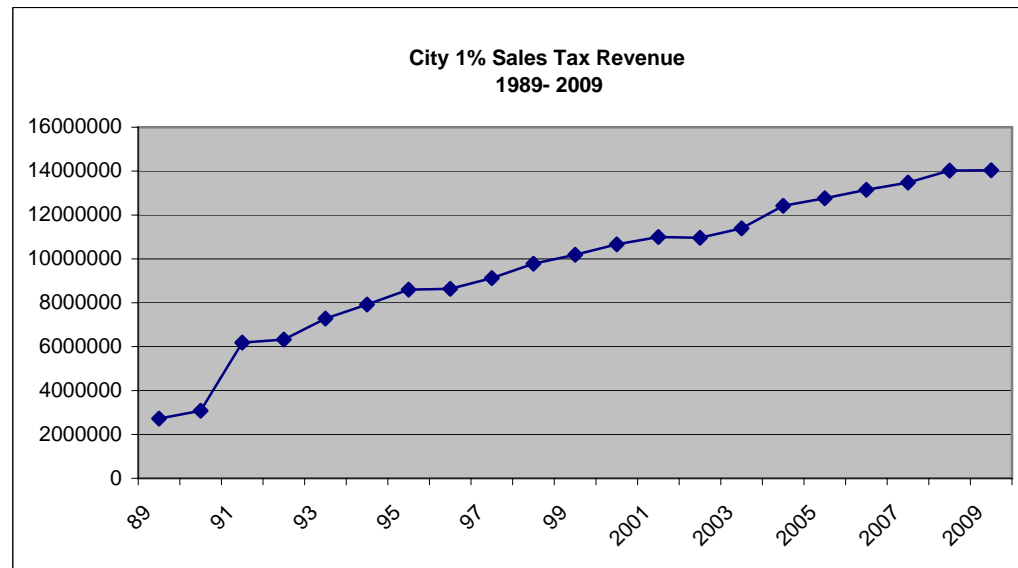
Sales Tax

The City of Lawrence General Fund will receive thirty-nine percent (39%) of total resources in 2011 from five different sales taxes.

A city retailer's sales tax of 0.5% was instituted July 1, 1971, followed by an additional 0.5% that went into effect October 1, 1990. This one percent city retailer's sales tax has followed an upward swing throughout the last two decades, as evidenced by the graph. The 2010 budget assumes a 2% increase over projected 2010 receipts.

In 2008, voters approved three additional local 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 the City's infrastructure. While these revenues must be deposited in the City's General Operating Fund, they will be transferred to the Transportation Fund, the Capital Improvement Reserve Fund, and the Equipment Reserve Fund. The higher sales tax rate is expected to generate \$7,364,400 of revenue in 2011.

The county-wide sales tax of one percent was approved in a November, 1994 election and became effective in 1995. \$8,619,00 is budgeted in 2011 from the City's share of the county-wide sales tax, which will represent a two percent (2%) increase over the projected 2010 receipts.



Fund 001 - GENERAL OPERATING

Major Revenue Source - Descriptions, Assumptions and Trends

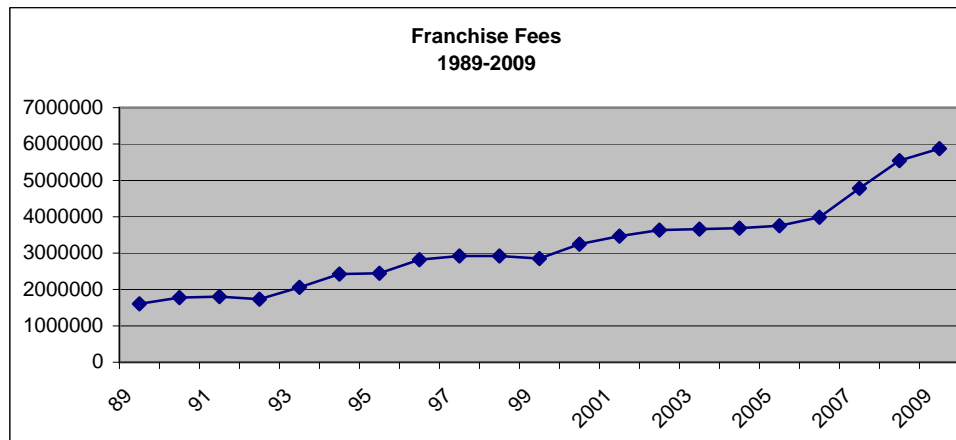
Property Tax

Nineteen percent (19%) of the 2011 General Fund resources are estimated to come from property taxes. Assessed valuation is expected to decrease 0.09% from 2010 to \$852,882,027. This is the second consecutive year for declining assessed valuations.

Maintaining the mill levy at 16.18 will generate \$14,825,981 in property tax revenue for 2011 in the General Fund budget.

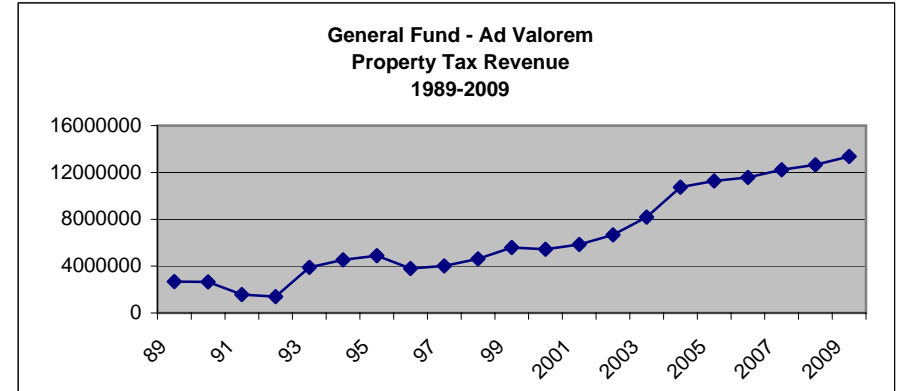
Franchise Fees

These fees, which the City charges to allow utilities to provide services within the city and to locate within the public right-of-way, are expected to make up almost eight percent (8%) of General Fund resources in 2011.

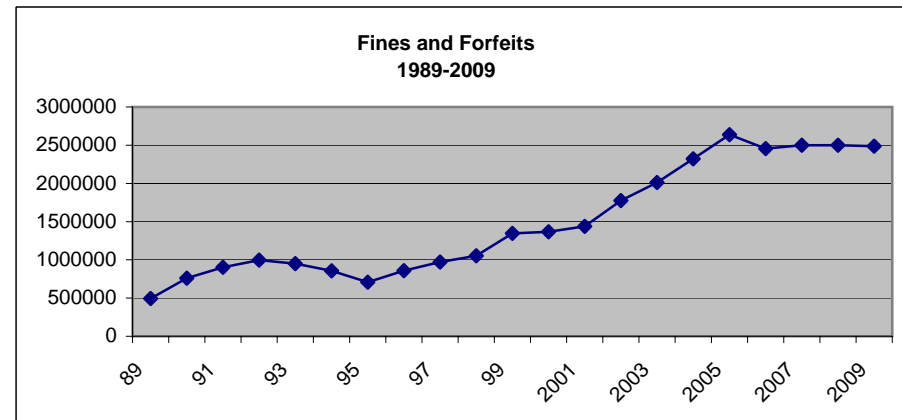


Fines and Forfeits

Almost four percent (4%) of General Fund resources come from traffic fines and municipal court costs. The graph shows that while this revenue source has almost tripled since 1988, recent growth has slowed significantly. The 2011 budget includes an increase over 2010 projected receipts of almost two percent (2%).



Franchise agreements with investor owned utilities are presently at a 5% level for electricity, cable, natural gas, and telecommunications. The 2011 budget includes an increase over 2010 projected receipts of two percent (2%).



Fund 001 - GENERAL OPERATING

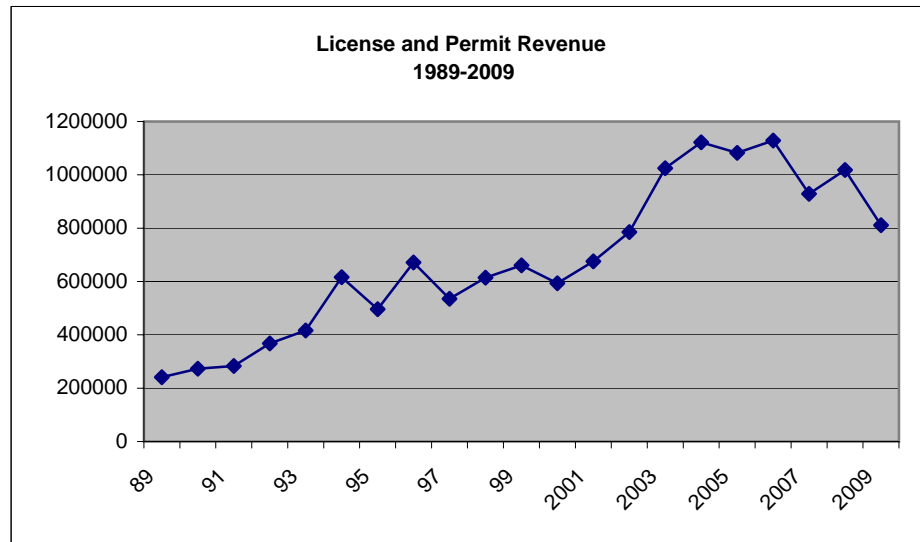
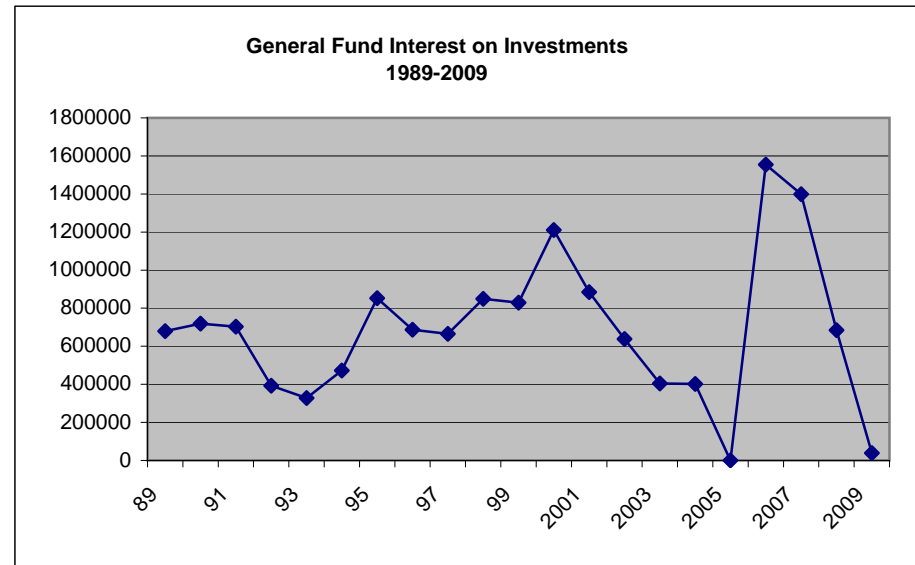
Major Revenue Source - Descriptions, Assumptions and Trends

General Fund Interest on Investments

Interest earned on investments of City funds continues to be impacted by the recent economic downturn. Interest rates have fallen, and so has revenue generated from the City's investments. The graph shows the relative volatility of this revenue source and illustrates the up and down trend for the past twenty years. Actual interest earning in 2009 totaled only \$38,545 and are projected at \$100,000 in 2010. The 2011 budget includes a projected increase to \$250,000 in anticipation of a more positive investment environment.

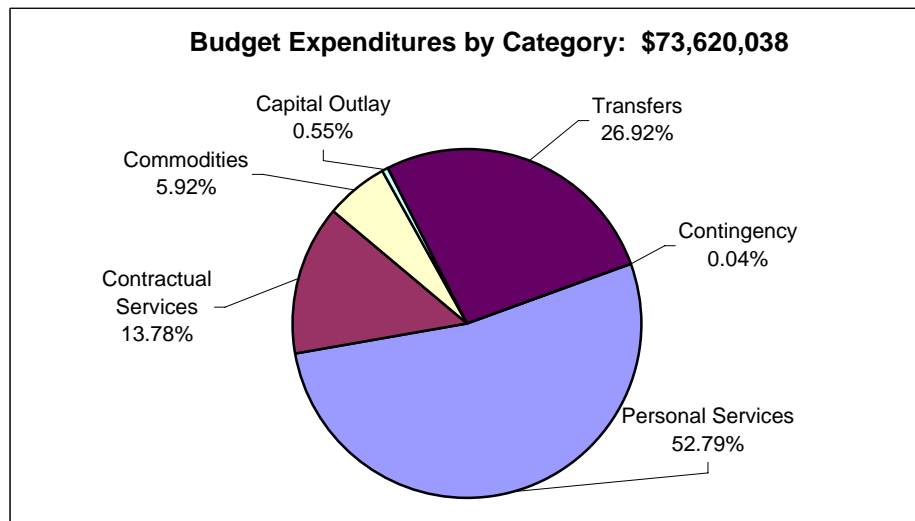
Licenses and Permits / Inspections Revenue

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 slightly more than one percent (1%) resources.



Although the graph illustrates a positive trend over the past twenty years, the recent downturn in the economy has led to a slow down in development and construction. This slowdown in growth is projected to continue in the 2011 budget.

Fund 001 - GENERAL OPERATING

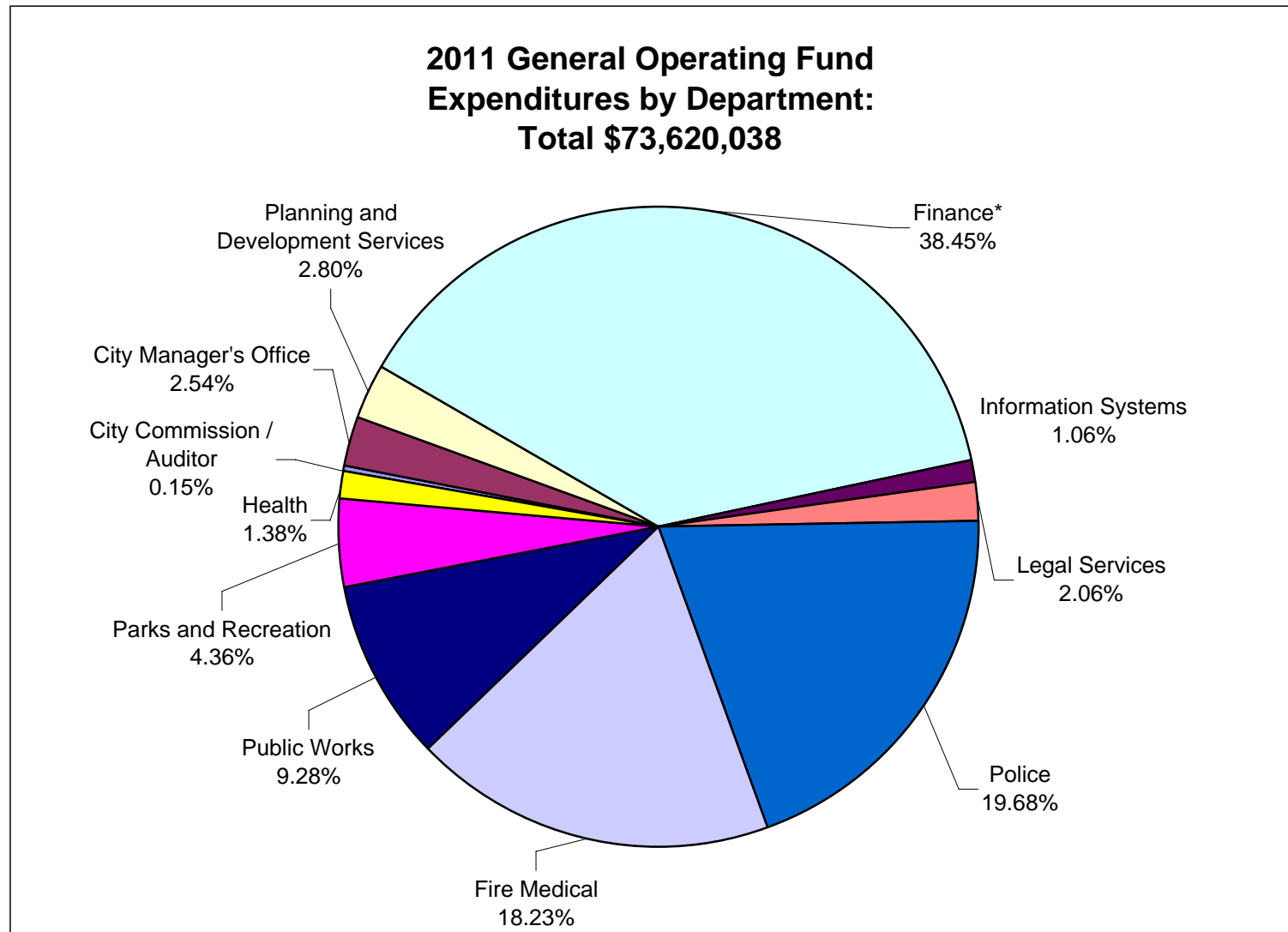


Expenditures	2009 Actual	2010 Adopted	2010 Adopted	2011 Budget
Personal Services	\$ 37,225,900	\$ 38,223,123	\$ 37,721,468	\$ 38,861,595
Contractual Services	8,973,845	9,710,138	9,496,982	10,147,515
Commodities	4,034,567	4,210,983	4,202,869	4,357,382
Capital Outlay	254,733	417,552	208,113	406,237
Transfers	8,953,078	19,882,582	11,645,731	19,821,059
Contingency	-	26,250	26,250	26,250
TOTAL EXPENDITURES	\$ 59,442,123	\$ 72,470,628	\$ 63,301,413	\$ 73,620,038
FUND BALANCE FORWARD	\$ 12,564,947	\$ 3,616,144	\$ 12,665,660	\$ 3,631,569

EXPENDITURES - DESCRIPTIONS AND TRENDS

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

Fund 001 - GENERAL OPERATING



* Finance includes general overhead and transfers

Fund 001 - GENERAL OPERATING

DIV.	EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
1010	City Commission	\$ 53,765	\$ 60,591	\$ 59,791	\$ 59,405
1015	City Auditor	\$ -	\$ 54,720	\$ 54,720	53,948
1020	City Manager	623,224	586,298	538,353	519,581
1025	Public Information	162,067	161,784	147,784	144,603
1030	Planning and Development	928,055	1,006,153	990,253	1,007,282
1032	Code Enforcement	366,334	386,764	386,464	385,489
1034	Building Inspection / Plan Review	639,746	670,978	670,978	670,961
1050	City Clerk	140,659	177,806	170,606	287,825
1053	Human Resources	407,123	494,578	463,823	463,680
1054	Risk Management	479,672	508,542	459,912	453,239
1060	Financial Administration	286,868	298,030	289,230	297,634
1065	General Overhead	2,745,213	2,977,592	2,977,592	3,781,915
1068	Transfers				
	to Health Insurance Fund	3,712,157	4,233,243	4,233,243	4,405,706
	to Equip Reserve Fund	50,000	650,000	550,000	650,000
	to Cap Improv Reserve Fund	50,000	150,000	50,000	48,000
	to achieve 5% fund balance	-	7,600,000		7,700,000
	to Sales Tax Reserve	2,991,000	3,069,311	2,669,311	2,869,311
	to Recreation Fund	1,447,000	1,646,420	1,646,420	1,679,348
	0.20% sales tax to Transportation Fund	1,592,756	2,629,764	2,600,000	2,652,500
	0.05% sales tax to Equipment Reserve	898,189	657,441	655,000	668,100
	0.30% sales tax to Cap Improv Reserve	1,889,133	3,444,646	3,440,000	3,518,800
	to Liability and Workers Comp Reserves	35,000	35,000	35,000	35,000
1070	Information Systems	722,849	835,151	785,151	777,537
1080	City Legal Services	836,010	860,799	705,799	836,111
1085	Human Relations	156,988	13,057	13,057	12,730
1090	Municipal Court / Prosecutor's Office	641,005	672,185	672,185	667,078
2100	Police	14,042,436	14,232,970	13,926,511	14,488,970
2200	Fire and Medical	13,193,586	13,255,452	13,240,452	13,422,605
3000	Street Maintenance	3,062,415	3,381,926	3,381,926	3,420,569
3010	Engineering	850,113	917,255	813,735	777,737
3020	Traffic Engineering	561,497	592,420	588,898	591,547
3030	Airport Maintenance	123,471	197,443	193,983	194,286
3040	Building Maintenance	808,498	873,427	862,892	912,438
3060	Street Lights	642,384	659,627	659,627	791,598
3070	Levee Maintenance	135,065	144,647	143,227	143,656
4500	Parks / Facility Maintenance	3,160,272	3,339,820	3,237,820	3,212,338
5100	Health Department	1,007,573	994,788	987,669	1,018,511
	TOTAL EXPENDITURES	\$ 59,442,123	\$ 72,470,629	\$ 63,301,413	\$ 73,620,038
	FUND BALANCE FORWARD	\$ 12,564,947	\$ 3,616,143	\$ 12,665,660	\$ 3,631,569

General Operating Fund

City Commission

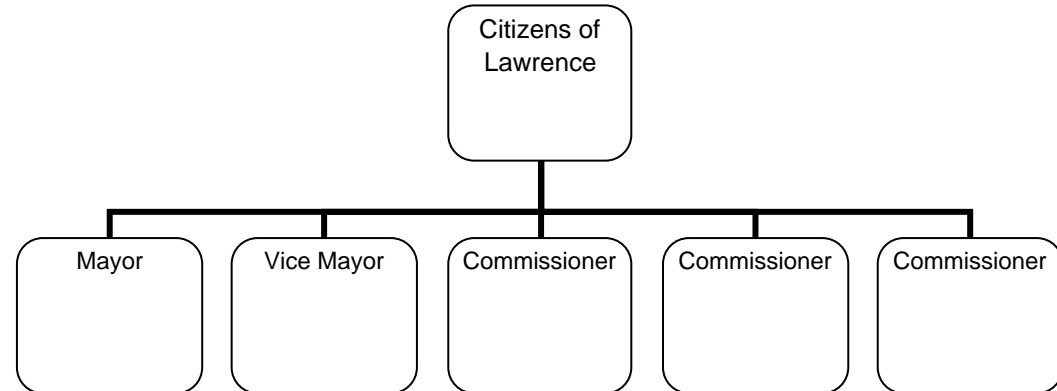
Division 1010

PROFILE

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

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

ORGANIZATIONAL CHART



CURRENT YEAR ACCOMPLISHMENTS

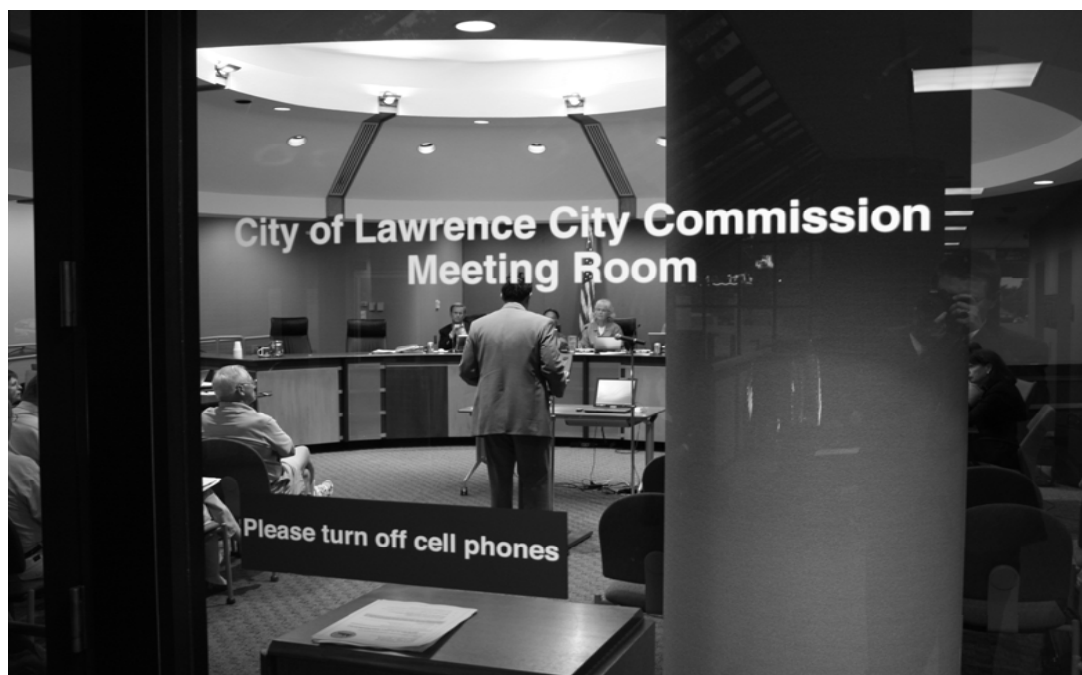
1. Provided strong direction to seek efficiency and effectiveness in City Services.
2. Secured acquisition of former Farmland Industries property, providing future economic development possibilities for the community.

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 50,474	\$ 50,991	\$ 50,991	\$ 50,305
Contractual Services	2,446	8,500	7,792	8,000
Commodities	845	1,100	1,008	1,100
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 53,765	\$ 60,591	\$ 59,791	\$ 59,405



3. Initiated renovation at Carnegie library.

4. Hired sustainability coordinator utilizing EECBG funds.

MAJOR GOALS AND OBJECTIVES FOR 2011

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

CITY COMMISSION

General Operating Fund

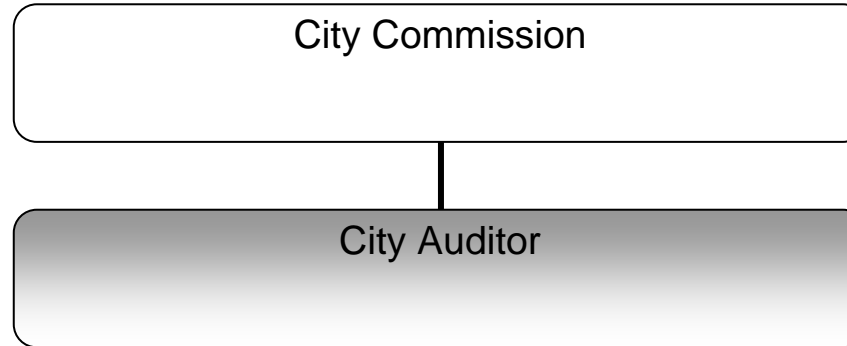
City Auditor

Division 1015

PROFILE

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

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	0.00	0.50	0.50	0.50

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ -	\$ 52,920	\$ 52,920	\$ 52,148
Contractual Services	-	1,800	1,800	1,800
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ -	\$ 54,720	\$ 54,720	\$ 53,948

MAJOR GOALS AND OBJECTIVES FOR 2011

The work plan includes the following performance audits:

1. Police Administrative Bureau
2. Vendor Information
3. Financial Indicators
4. Street Specifications
5. Capital Improvement Planning
6. Fees and Service Charges

CURRENT YEAR ACCOMPLISHMENTS

The City Auditor presented the following audits to the City Commission from June 2009 to June 2010:

1. Financial Indicators
2. Infrastructure Depreciation
3. Solid Water
4. Purchase Card Test
5. Recommendation Follow-Up

Performance audits provide information for decision-makers and make recommendations to improve information, safeguard resources, and reduce costs.

Recommendation status	Percent of recommendations
Implemented	55
In-progress	40
Not implemented	5



City of Lawrence

CITY AUDITOR

General Operating Fund

City Manager's Office

Division 1020

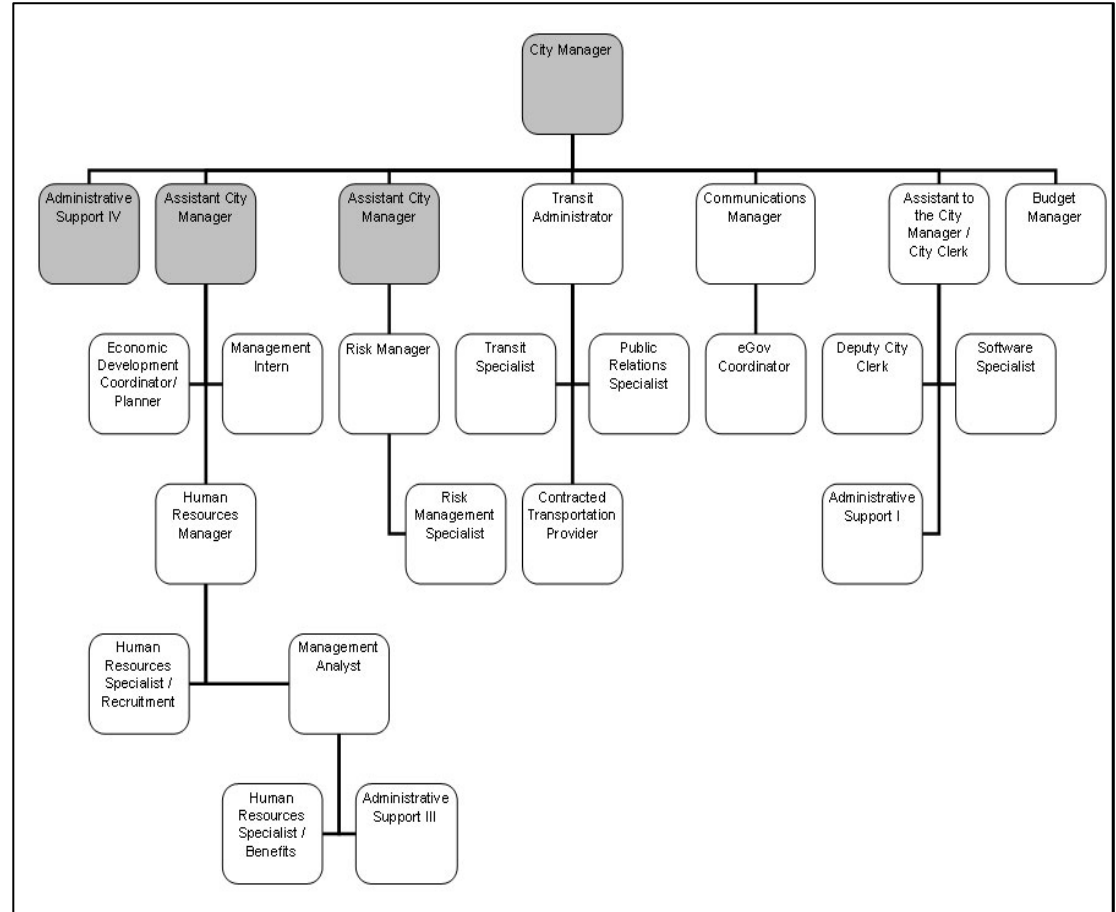
PROFILE

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, 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
- (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.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	6.00	5.50	4.50	4.50

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 597,158	\$ 560,013	\$ 512,068	\$ 492,369
Contractual Services	20,467	21,260	21,260	20,930
Commodities	5,599	5,025	5,025	6,282
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 623,224	\$ 586,298	\$ 538,353	\$ 519,581

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 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 2011

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

CURRENT YEAR ACCOMPLISHMENTS

1. Balanced the 2009 budget and was awarded the GFOA Budget Award for 2010 budget document.
2. Coordinated city involvement in community special events, including the Kansas Marathon, Tour of Lawrence and downtown concerts and events.
3. Worked with community partners on economic develop activities including construction of the Bioscience and Technology Business Center and acquisition of the BTBC Expansion facility.
4. Facilitated work of the Mayor's Peak Oil Taskforce on recommended strategies to respond to the reduction of fossil fuel availability.



City of Lawrence

CITY MANAGER'S OFFICE

General Operating Fund

Public Information Office

Division 1025

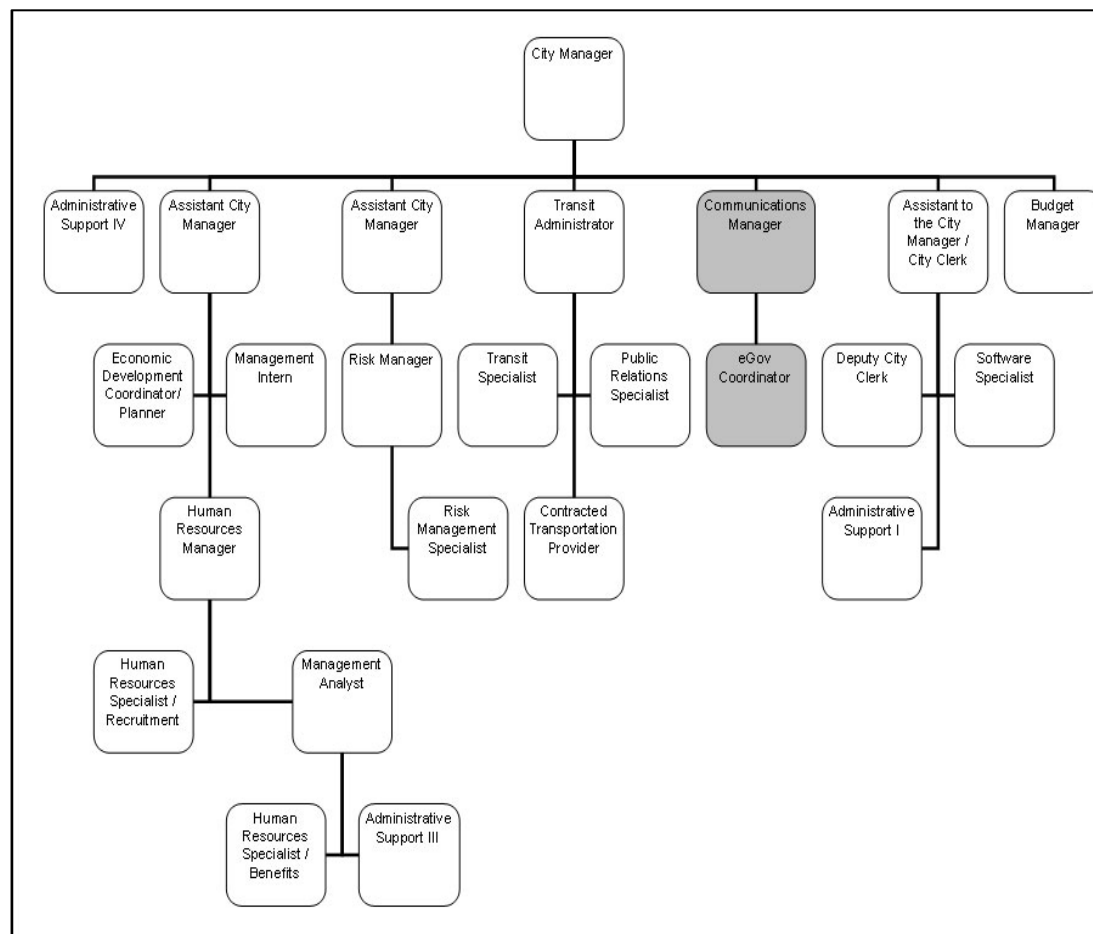
PROFILE

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

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

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

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	2.00	2.00	2.00	2.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 154,966	\$ 152,134	\$ 138,134	\$ 134,953
Contractual Services	6,281	5,800	5,800	5,800
Commodities	820	3,850	3,850	3,850
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 162,067	\$ 161,784	\$ 147,784	\$ 144,603

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Citizens satisfied with information available on City's web site	NA	NA	60%
Percent of managers rating PIO services as good or excellent	NA	NA	100%
Number of public outreach campaigns completed	106	110	100
Number of website visitors to lawrenceks.org	554,833	568,000	570,000

MAJOR GOALS AND OBJECTIVES FOR 2011

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.
5. Expand and enhance the government access channel, Channel 25.

CURRENT YEAR ACCOMPLISHMENTS

1. Reformatted and released the 2009 City wide annual report.
2. Produced "The Flame" – the City's monthly newsletter.
3. Managed public education campaigns including Share the Road for bicycle/vehicle safety.
4. Continued departmental implementation of content management system to support non-technical updates to web pages.
5. Provided media with access to special events including Sustainable Homes Tour and Energy Conservation Fair.
6. Produced city services insert in Parks and Recreation Activities guides.
7. Redesigned layout and format for Channel 25.
8. Created city-wide social media policy and launched city accounts on Facebook and Twitter. Number of Facebook and Twitter followers topped 1,000 in 2009.
9. Updated content at www.lawrenceks.org.

PUBLIC INFORMATION OFFICE

General Operating Fund

Planning and Development Services

Division 1030

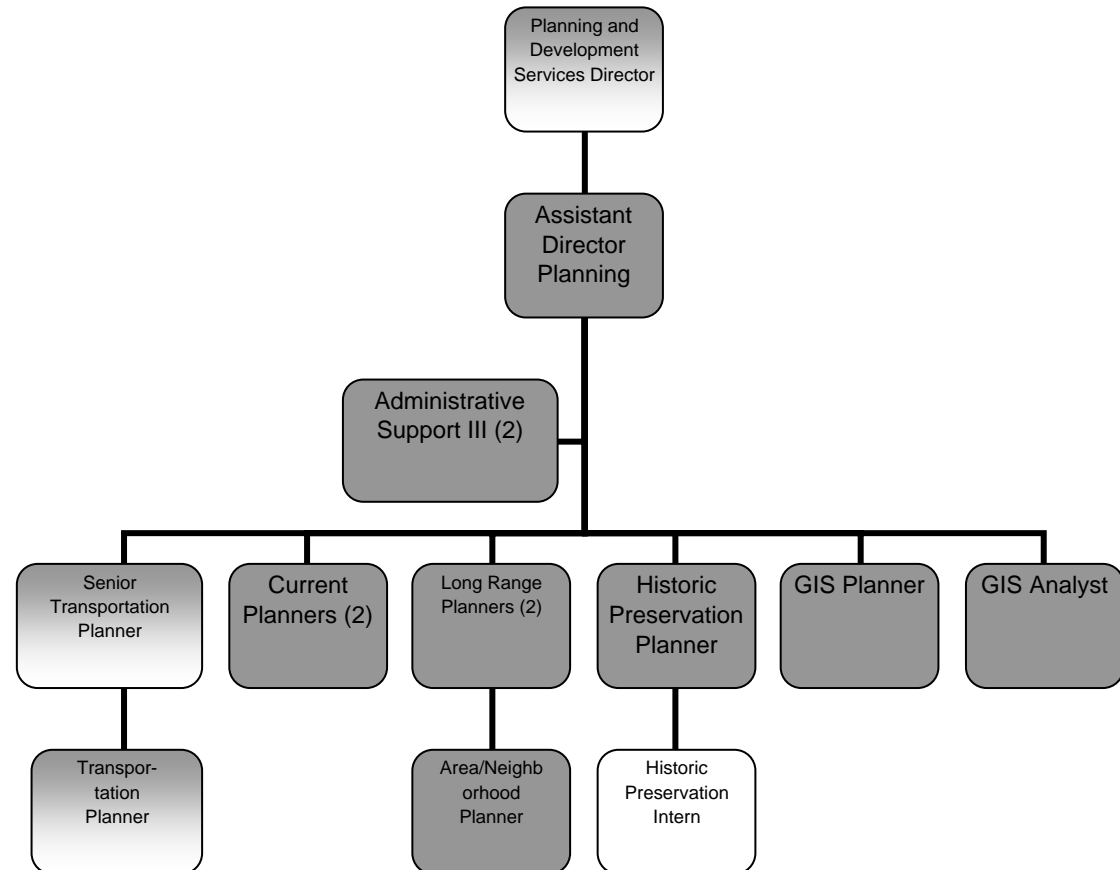
PROFILE

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

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

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

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	13.90	11.90	11.90	11.90

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 879,575	\$ 906,824	\$ 895,924	\$ 910,982
Contractual Services	24,060	54,450	49,950	51,950
Commodities	24,420	44,879	44,379	44,350
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 928,055	\$ 1,006,153	\$ 990,253	\$ 1,007,282

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Percent of completed site plan applications approved administratively within 40 days	67%	64%	80%
Percent of respondents satisfied or very satisfied with how well the City is planning growth	22% per the 2007 Direction Finder Survey	Survey planned for 2010	80%
Percent of respondents satisfied with quality of planning & development services	32% per the 2007 Direction Finder Survey	Survey planned for 2010	75%

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Begin work on reviewing the Urban Growth Area for Lawrence.
2. Continue implementing the recommendations of the Matrix Report to move towards a One Stop Shop.
3. Implement the Innoprise software module to improve department to department communication and project tracking.
4. Complete several planning efforts currently underway: NE Sector Plan, Oread Neighborhood Plan, historic survey in Oread, etc.
5. Provide training and professional development for commissions and staff.

CURRENT YEAR ACCOMPLISHMENTS

1. Processing the Northeast Sector Plan in Grant Township.
2. Processing a new Horizon 2020 Chapter - Ei
3. Processing an update to the Oread Neighborhood Plan.
4. Continued participation in CRS rating program which results in reduced flood insurance rates for the community.
5. Received a Preserve America Community designation for the City through the efforts of the Historic Resources division.
6. Contracted with a consultant to complete a historic resources survey for the area north of Memorial Stadium in the Oread neighborhood.
7. Received a Grant from the Douglas County Community Foundation/LiveWell Lawrence to conduct a Complete Streets Workshop in 2010.
8. Processing comprehensive revisions to the County zoning regulations.

SIGNIFICANT ISSUES FOR 2011

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

PLANNING AND DEVELOPMENT SERVICES

General Operating Fund

Code Enforcement

Division 1032

PROFILE

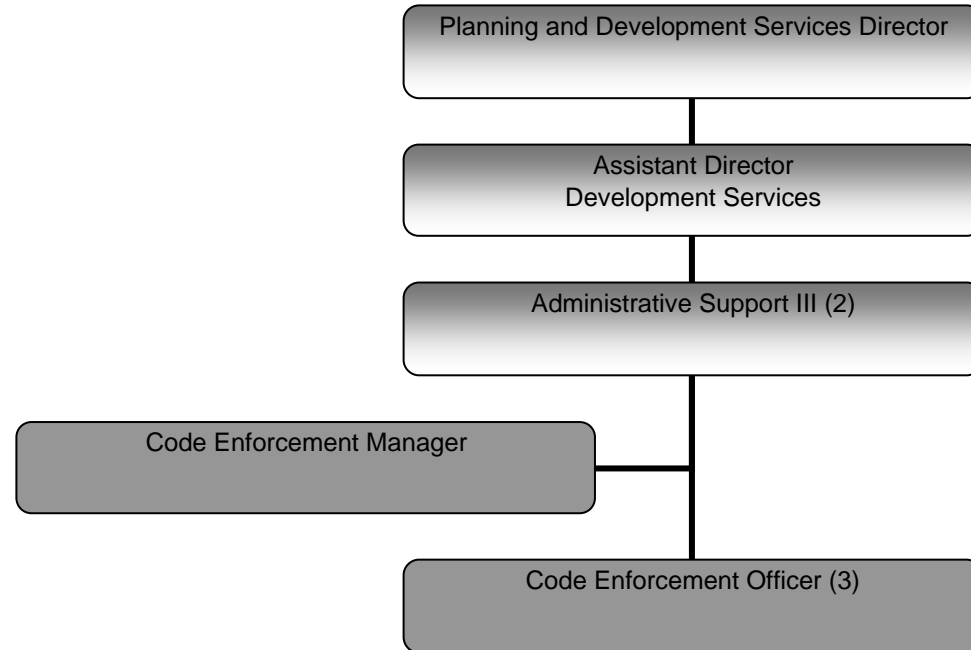
The primary responsibility of the Code Enforcement Division of the Planning and Development Services Department is to preserve the livability and integrity of residential and commercial districts and prevent deterioration and blighting influences within the community. The division oversees the rental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

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

CURRENT YEAR ACCOMPLISHMENTS

1. Successfully worked with the owners of 617 W 4th St to bring the structure in compliance with applicable city codes. Staff will continue to work with owners and contractor to complete the interior work which will allow for occupancy to occur.
2. Implemented new sidewalk snow removal ordinance which resulted in 479 cases.
3. Reviewed 2009 International Property Maintenance Code for potential adoption.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	4.90	4.90	4.90	4.90

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 316,469	\$ 322,495	\$ 322,195	\$ 322,839
Contractual Services	43,669	48,725	48,725	49,100
Commodities	6,196	15,544	15,544	13,550
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 366,334	\$ 386,764	\$ 386,464	\$ 385,489

4. Made significant progress in scanning rental inspection documents.

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Number of environmental blight inspections	542	600	600
Percent of residents surveyed who are satisfied with the livability of their neighborhood	84% per 2007 Direction Finder Survey	Survey planned for 2010	TBD
Number of structural blight cases	79	50	50
Number of weed violations	1,000	900	TBD
Number of Rental Inspections & re-inspections	743	600	600

SIGNIFICANT ISSUES FOR 2011

Continuing to provide appropriate customer responsiveness with the resources provided.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Implement the Innoprise software module to improve department to department communication and project tracking
2. Work with Information Systems Department to successfully transfer rental inspection case information to the Innoprise software module.
3. Install printers in inspector's vehicles to allow staff to serve written notices in the field.



City of Lawrence

CODE ENFORCEMENT

General Operating Fund

Building Safety/Plan Review

Division 1034

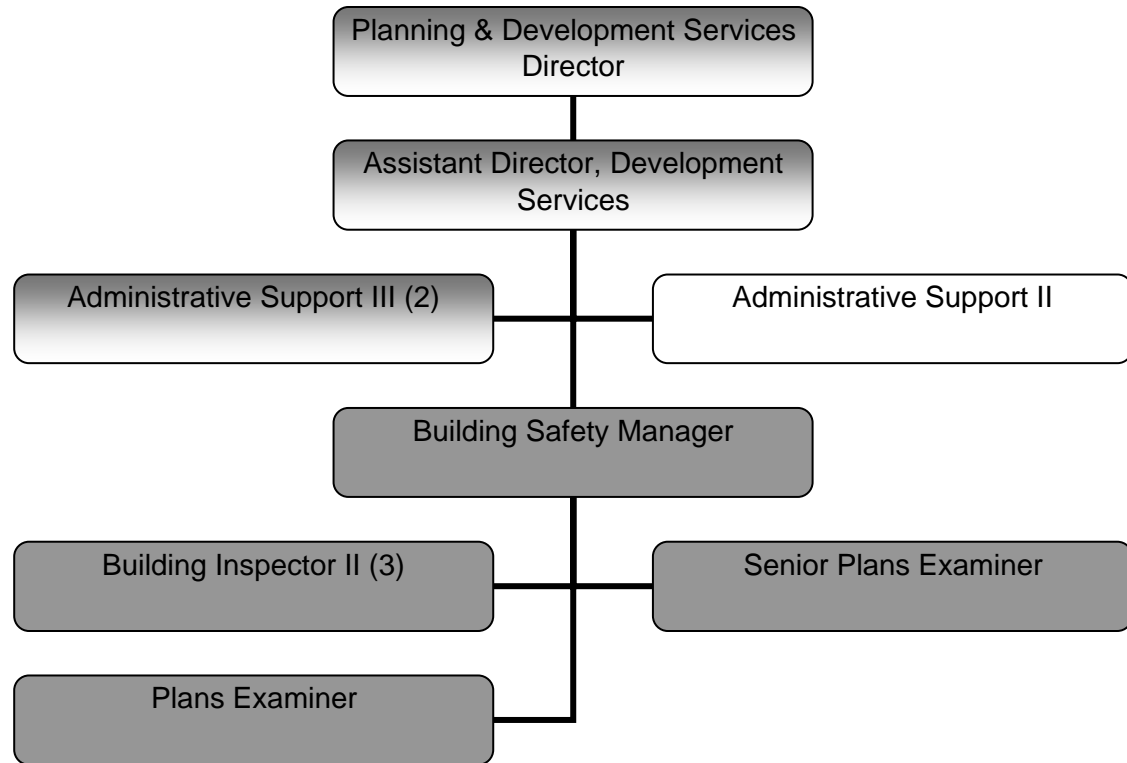
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Completed a review of the 2009 International Codes package for City Commission approval and adoption.
2. Developed a special inspection program to supplement the building inspection program for a building's special systems.
3. Continued a weekend and after-hour inspection program to ensure that contractor licensing requirements are being upheld in the field.
4. Sponsored contractor education classes on basement remodeling, window installation in new construction, and mechanical, plumbing, and electrical provisions of the 2006 International Residential Code.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	7.65	7.65	7.65	7.65

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 528,847	\$ 540,228	\$ 540,228	\$ 541,211
Contractual Services	92,532	106,550	106,550	107,250
Commodities	18,367	24,200	24,200	22,500
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 639,746	\$ 670,978	\$ 670,978	\$ 670,961

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of residential permit applications with plan review completed within 5 days	99%	98%	98%
% of commercial permit applications with plan review completed within 15 days	89%	95%	95%
% of inspections scheduled via Inspection Hotline (IH)	55%	57%	60%

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Train staff on the 2009 International Codes package if adopted by the City Commission.
2. Sponsor a greater number of continuing education classes for contractors.
3. Implement the Innoprise software module to improve department to department communication and project tracking.
4. Continue to update and expand offerings on the department website to better equip applicants to successfully navigate the permit process.
5. Continuous improvement of service delivery methods and systems.

5. Worked to improve the permit application and review process, including revision of permit application forms to eliminate unneeded duplication of information from applicants, creation of "fillable" forms, revisions to application checklists, and having administrative staff work to provide applicants with immediate feedback regarding incomplete applications.

6. Implemented changes to permit tracking systems to track conditions beyond the direct purview of building permit and inspection operations, such as collection of system development fees or other conditions required to be fulfilled by developers prior to issuance of Certificates of Occupancy.

7. Completed initial review of 99% of all residential permit applications received within 5 business days. Completed initial review of 89% of all commercial permit applications within 15 business days.

SIGNIFICANT ISSUES FOR 2011

1. Significant budget items include continuing education costs for licensed contractors, software license fees, and fuel for vehicles.
2. The most significant operational issue will be implementation of the 2009 ICC codes

BUILDING SAFETY/PLAN REVIEW

General Operating Fund

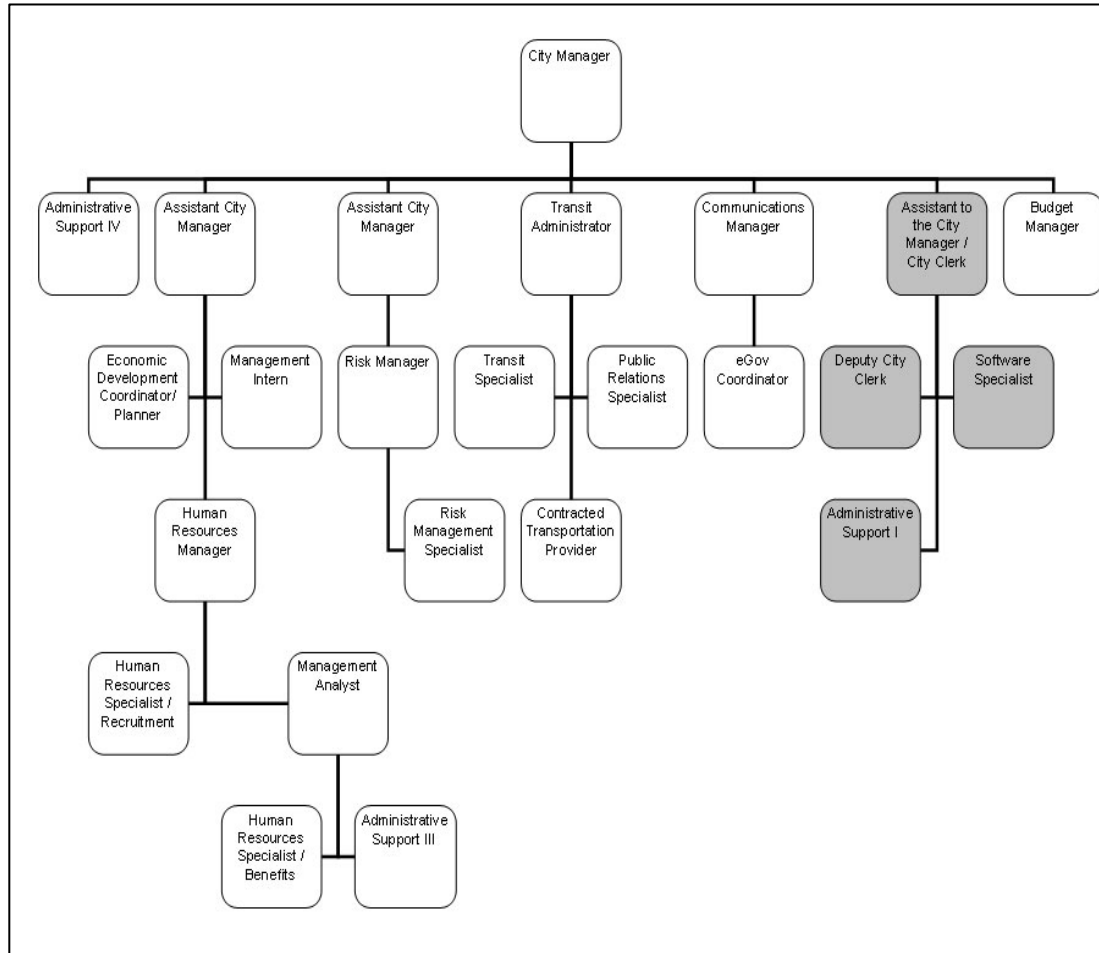
City Clerk
Division 1050

PROFILE

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

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

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	1.50	1.50	3.00	3.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 105,896	\$ 131,419	\$ 124,219	\$ 209,497
Contractual Services	30,003	35,160	35,160	67,400
Commodities	4,760	11,227	11,227	10,928
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 140,659	\$ 177,806	\$ 170,606	\$ 287,825

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Percent of minutes approved without correctional amendment	98	100	100
Average number of hours required to transcribe and distribute minutes	20	20	15
Average. number of telephone questions answered	538	538	538
Average. number of days to issue licenses and permits	6.2	3.7	3

SIGNIFICANT ISSUES FOR 2011

Significant issues include continuing to improve the effectiveness and efficiency of document management program, enhancing public access to City records (ordinances, resolutions, City Commission meeting minutes), and streamlining various procedures in order to process increasing workload while increasing customer service.

CURRENT YEAR ACCOMPLISHMENTS

1. Began offering online access to ordinances and resolutions.
2. Processed new and amended licensing procedures for pedicabs, sidewalk dining, street vendors and alarm companies.
3. Modernized and posted many license and permit applications and materials online.

MAJOR GOALS AND OBJECTIVES FOR 2011

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



CITY CLERK

General Operating Fund

Human Resources

Division 1053

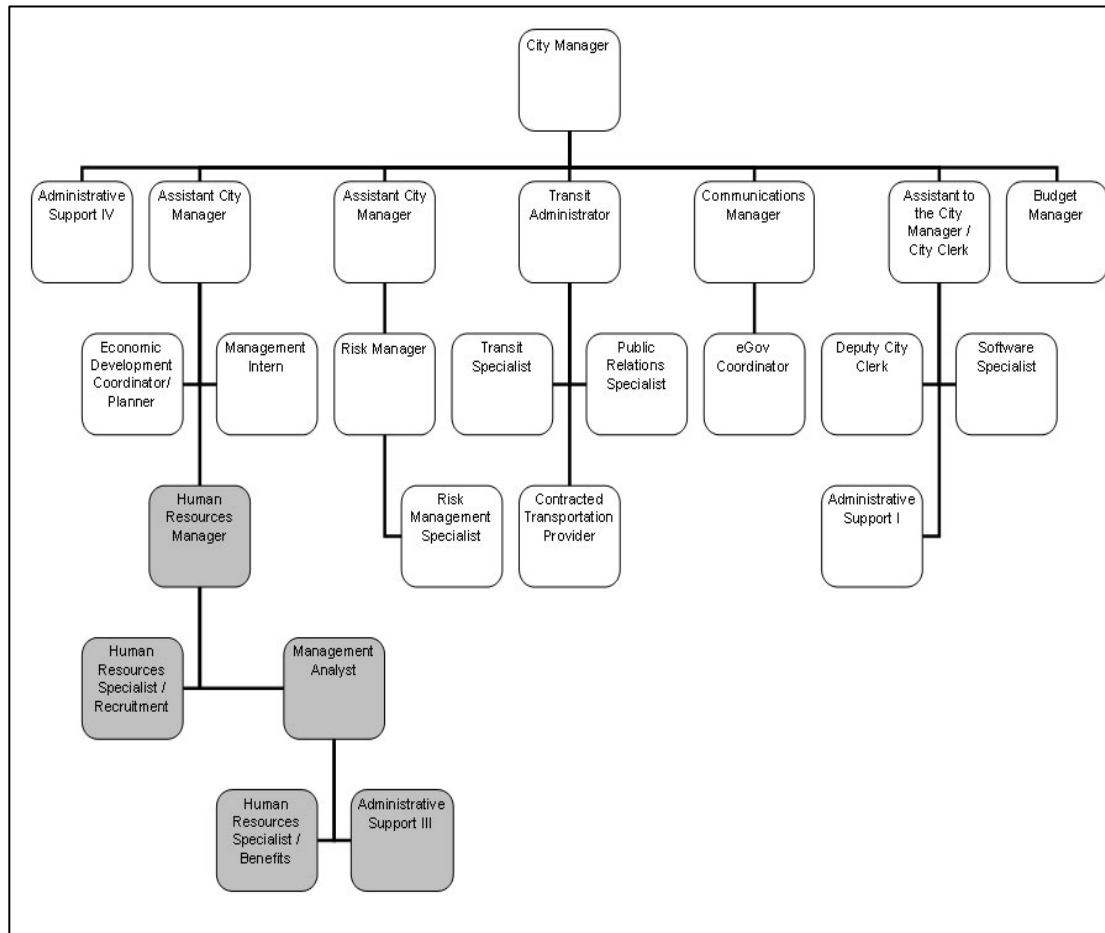
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Revised the employee service award program to include a luncheon for all employees in the fall.
2. Completed comprehensive update of the Market Employee Compensation and Benefit Study.
3. Worked in conjunction with the Fire and Police department for the third Annual Compensation and Benefits Summit.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	4.75	5.25	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 335,712	\$ 378,815	\$ 348,060	\$ 350,831
Contractual Services	59,666	98,336	98,336	98,031
Commodities	11,745	17,427	17,427	14,818
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 407,123	\$ 494,578	\$ 463,823	\$ 463,680

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Percent of residents surveyed who were satisfied with the professional City service they received	NA	NA	TBD
Percent of employee turnover (full-time)	6.30%	7.00%	7.40%
Percent of pay grades 50 th percentile/better in market	41.40%	35.00%	100%
Percent of employees rating education activities meet/exceeds expectations	86.50%	88.20%	90%

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Implement new Job Application and Human Resources Information System modules. Implement Time and Attendance automated employee time keeping system.
2. Review selected supplemental employee benefit programs which are scheduled for review and selection in 2010. May include a retiree savings plan to allow employees to save for retiree health care costs.
3. Implement the strategic plan (developed in 2010) for the city's wellness programs in order to enhance the ability for the program to reduce the rate of increase to health care costs for both the employee and the city.
4. Conduct tri-annual Employee Satisfaction Survey.
5. Add a comprehensive Workforce Trends and Analysis to the Compensation and Benefit Market Study.
6. Write a comprehensive compensation policy that incorporates current compensation practices of the city.

4. Implemented the new in house payroll system.

5. Conducted a Request for Proposal, review and revision of employee supplemental benefit programs.

6. Completed a comprehensive review of the City's Wellness programming and developed a strategic plan in order to enhance the ability for the program to reduce the rate of increase to health care costs for both the employee and the city.

7. Conducted Request for Proposals and implemented with successful vendor the City's Third Party Background check program.

8. Hosted Biometric Clinics for all employees.

9. Completed updates/reformatting for all city job descriptions and employee handbook.

SIGNIFICANT ISSUES FOR 2011

Adequate funding to maintain the employee health care program. Implementation of Payroll, Job Application, HRIS and Time and Attendance Software. Monitoring of the city's compensation system, new health care vendors and implementation of updated supplemental employee benefit plans.

HUMAN RESOURCES

General Operating Fund

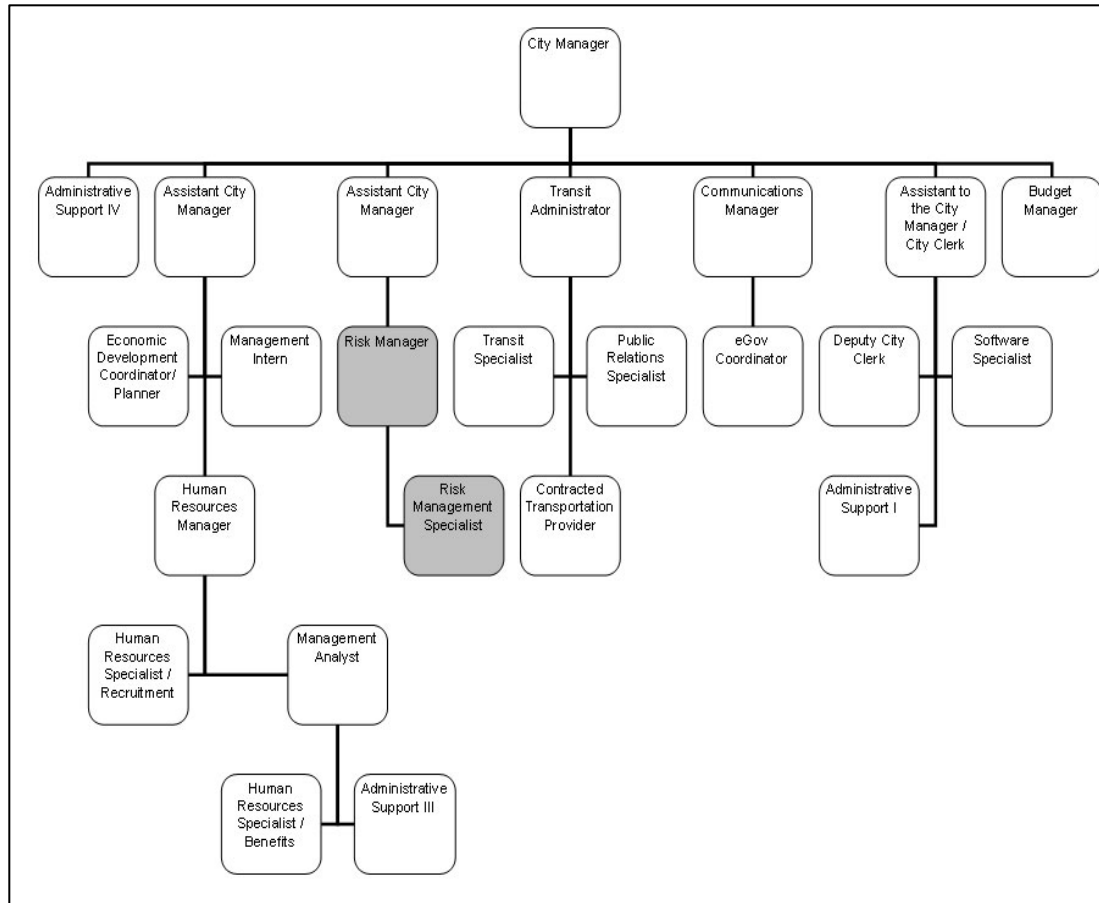
Risk Management

Division 1054

PROFILE

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

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	2.25	2.25	2.00	2.00



EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 130,687	\$ 157,157	\$ 126,402	\$ 122,734
Contractual Services	341,136	340,785	322,910	321,605
Commodities	7,849	10,600	10,600	8,900
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 479,672	\$ 508,542	\$ 459,912	\$ 453,239

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Percent change in General Liability Claims against the City	-89%	0%	-5%
Percent change in Auto Liability claims against the City	+105% but >\$30k	10%	-5%
Percent change in Workers' Compensation claims	-35%	5%	-5%

SIGNIFICANT ISSUES FOR 2011

The City continues to see 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.

CURRENT YEAR ACCOMPLISHMENTS

1. Successfully marketed Property and Casualty coverage, \$260,000,000 in assets, resulting in significant premium savings.
2. Continued online training and loss control resources (Safety Cornerstones) provided by the City's current excess workers' compensation carrier.
3. Modified numerous safety policies and implemented training programs in an effort to reduce employee/citizen injuries.
4. Corrected all Kansas Department of Labor deficiencies from prior year.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Continue to improve service delivery, efficiencies and the overall effectiveness of the Risk Management Program.
2. Continue to identify and recommend training and loss control resources from various sources.



City of Lawrence

RISK MANAGEMENT

General Operating Fund

Financial Administration

Division 1060

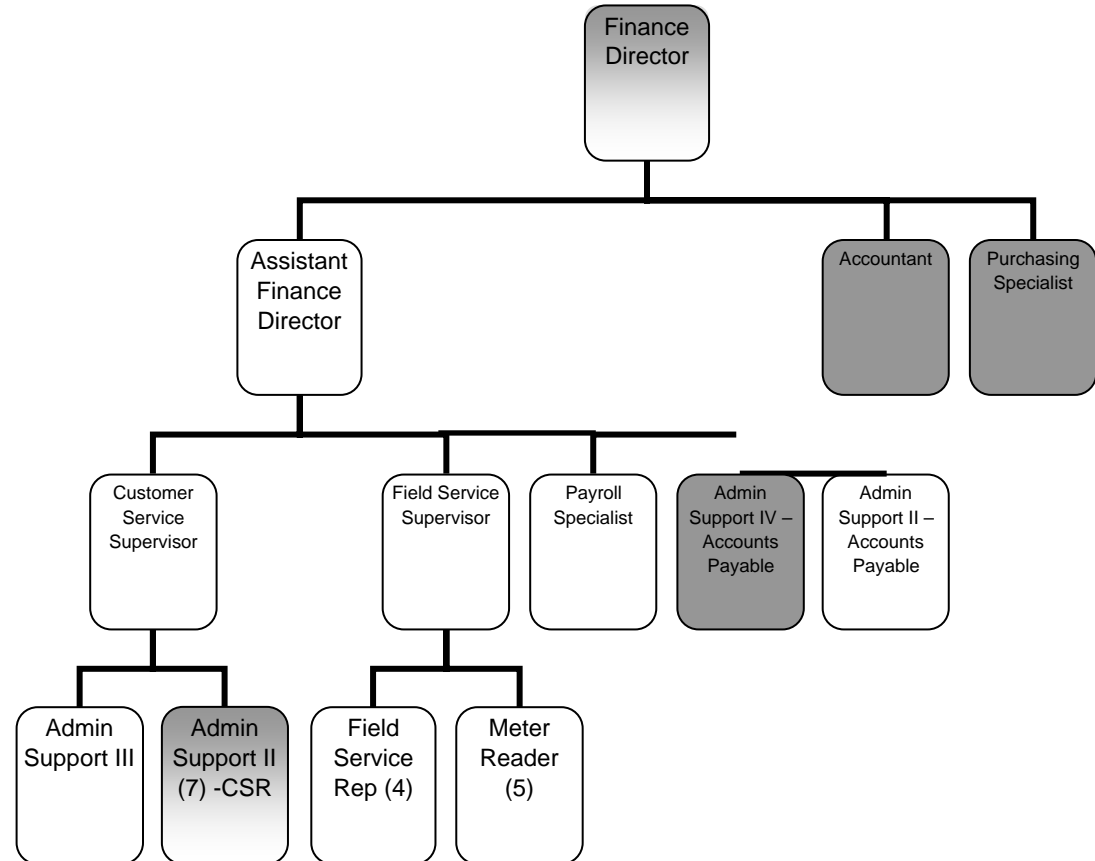
PROFILE

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

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



ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	4.13	4.13	4.13	4.13

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 273,322	\$ 277,691	\$ 277,391	\$ 277,822
Contractual Services	\$ 5,964	\$ 8,100	\$ 4,600	\$ 7,900
Commodities	7,582	12,239	7,239	11,912
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 286,868	\$ 298,030	\$ 289,230	\$ 297,634

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Average rate of return on investment	1.29	0.22	1 Yr T-bill
Percent of bank reconciliations completed in 10 days	100	100	100
Percent of invoices paid within 30 days	87.2	90	90
Percent of payrolls processed on time	100	100	100

SIGNIFICANT ISSUES FOR 2011

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

CURRENT YEAR ACCOMPLISHMENTS

1. Received a Certificate of Achievement from the GFOA for the 2008 Comprehensive Annual Financial Report.
2. Completed transition to Innoprise financial software.
3. Initiated a review of the City's current credit card acceptance policy and procedures.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Maintain the City's general obligation debt rating.
2. Review procedures used to procure credit card services provided to the City.
3. Improve the Finance Department's system of managing its documents.



City of Lawrence

FINANCIAL ADMINISTRATION

General Operating Fund

General Overhead

Account 001-1065

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ -	\$ -	\$ -	\$ 586,000
Contractual Services	2,729,491	2,928,075	2,928,075	3,146,398
Commodities	15,527	23,267	23,267	23,267
Capital Outlay	195	-	-	-
Refunds	-	-	-	-
Debt Service	-	-	-	-
Transfers				-
Contingency		26,250	26,250	26,250
Total	\$ 2,745,213	\$ 2,977,592	\$ 2,977,592	\$ 3,781,915

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

Personal Services – The 2011 budget in this division includes the total cost of compensation adjustments for all eligible employees in the General Fund. Actual 2009 expenditures and 2010 budget figures do not include a similar amount as compensation adjustments are reflected in individual operating divisions.

Contractual Services - In addition to postage and overhead expenses such as auditing services, emergency dispatch service, and office leases, this division budget includes grants to outside agencies. The 2011 budget includes \$556,472 for social services agencies; \$386,320 for vendor provided services; and \$539,000 for economic development services. Ordinance No. 8501, adopted in April 2010, establishes a Social Service Funding Advisory Board to review requests and make recommendations to the City Commission on the use of city resources for social service funding.

General Operating Fund

Transfers

Account 001-1068

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 3,712,157	\$ 4,233,243	\$ 4,233,243	\$ 4,405,706
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	8,953,078	19,882,582	11,645,731	19,821,059
Contingency	-	-	-	-
Total	\$ 12,665,235	\$ 24,115,825	\$ 15,878,974	\$ 24,226,765

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 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 2011:

Health Insurance Fund - This fund is used for the city's contribution to annual health insurance costs for employees and their families. \$4,405,706

Equipment Reserve Fund - This fund is reserved to cover the cost of repair and purchase of equipment as necessary. Also included in this fund is the transfer of funds for the .005% transportation sales tax and \$500,000 for fire apparatus from the 0.30% infrastructure sales tax approved in 2008. \$1,318,100

Capital Improvement Reserve Fund - This fund is reserved for capital improvement projects throughout the year. Revenue from the City 0.30% infrastructure sales tax is also transferred to this fund. A transfer of \$7,700,000 is budgeted in order to meet the state fund balance requirement but will only occur if revenues meet or exceed projections in 2011. \$11,266,800

Sales Tax Reserve Fund - This fund is historically reserved for capital projects related to Parks and Recreation throughout the year. \$2,869,311

Recreation Fund - Part of the sales tax collected each year is transferred into the Recreation Fund to pay for recreation projects and operations. \$1,679,348

Liability Reserve Fund - This fund is reserved for liability claims that may occur throughout the year. \$10,000

Worker's Comp Fund - This fund is reserved for worker's compensation claims that may occur throughout the year. \$25,000

Transportation Fund - Revenue from the new 0.20% City transportation sales tax will be transferred to this fund. \$2,652,500

General Operating Fund

Information Systems

Division 1070

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.

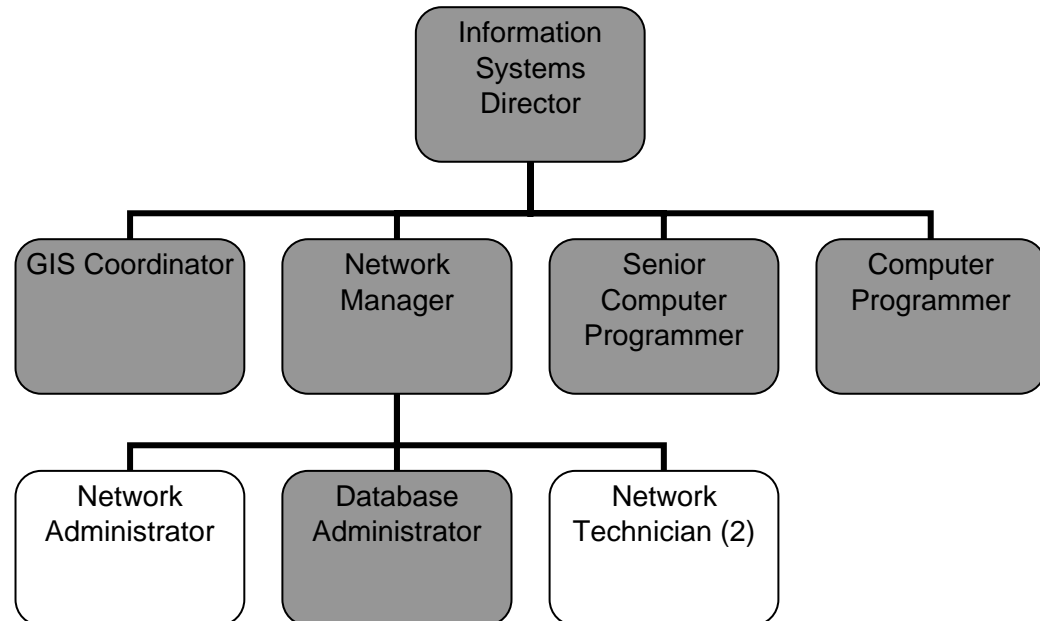
The department's employees provide technology support in these primary areas: network management, security, desktop and server management, database management, geographic information systems (GIS), midrange (AS/400) application programming, document imaging, telecommunications, and eGovernment services.

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

CURRENT YEAR ACCOMPLISHMENTS

1. Contracted with Innoprise Software to implement a full-featured ERP software system to update many core software systems used by all City employees, replacing a legacy AS/400 solution. Implemented migration of financial
2. Replaced server room HVAC equipment.
3. Replaced tape backup system with a disk-based backups.
4. Expanded use of server virtualizations using VMWare, reducing the number of physical servers to be replaced.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	7.00	7.00	7.00	6.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$470,322	\$535,274	\$485,274	\$486,157
Contractual Services	216,174	237,982	237,982	233,953
Commodities	36,353	53,895	53,895	49,427
Capital Outlay		8,000	8,000	8,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 722,849	\$ 835,151	\$ 785,151	\$ 777,537

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Percent of scheduled time systems are fully operational:			
Email	99.824	99.99	100
Network	99.826	100	100
Internet	99.826	99.95	100
E-Gov systems	99.826	99.95	100
Number of PCs supported per FTE	113	115	117
Avg hours spent completing programming requests per FTE	21.05	22	20
Percent of time telco system is fully operational	100	100	100

SIGNIFICANT ISSUES FOR 2011

1. The City's primary phone system that is 17 years old needs to be replaced.
2. The City's personal computer assets are behind on the replacement schedule.
3. Upgrading the network core switch from the current 1GB backbone to a 10GB backbone.
4. Loss of a technical staff position in the 2009 budget, and not filling a current open position, has affected the performance capabilities of our department.

5. Replaced City's primary router, Wastewater's lift-station router, and anti-spam firewall.
6. Replaced and upgraded City's email server hardware and software.
7. Improved network connectivity solutions for several City buildings.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Continue implementing Innoprise ERP Software solutions.
2. Continue with improvements in disaster recovery and business continuity planning and further develop the Business Continuity Plan Committee.
3. Develop strategy to allow the replacement of the City's aging phone system.
4. Improve data connection bandwidth to city facilities that still use ISDN technology.



INFORMATION SYSTEMS

General Operating Fund

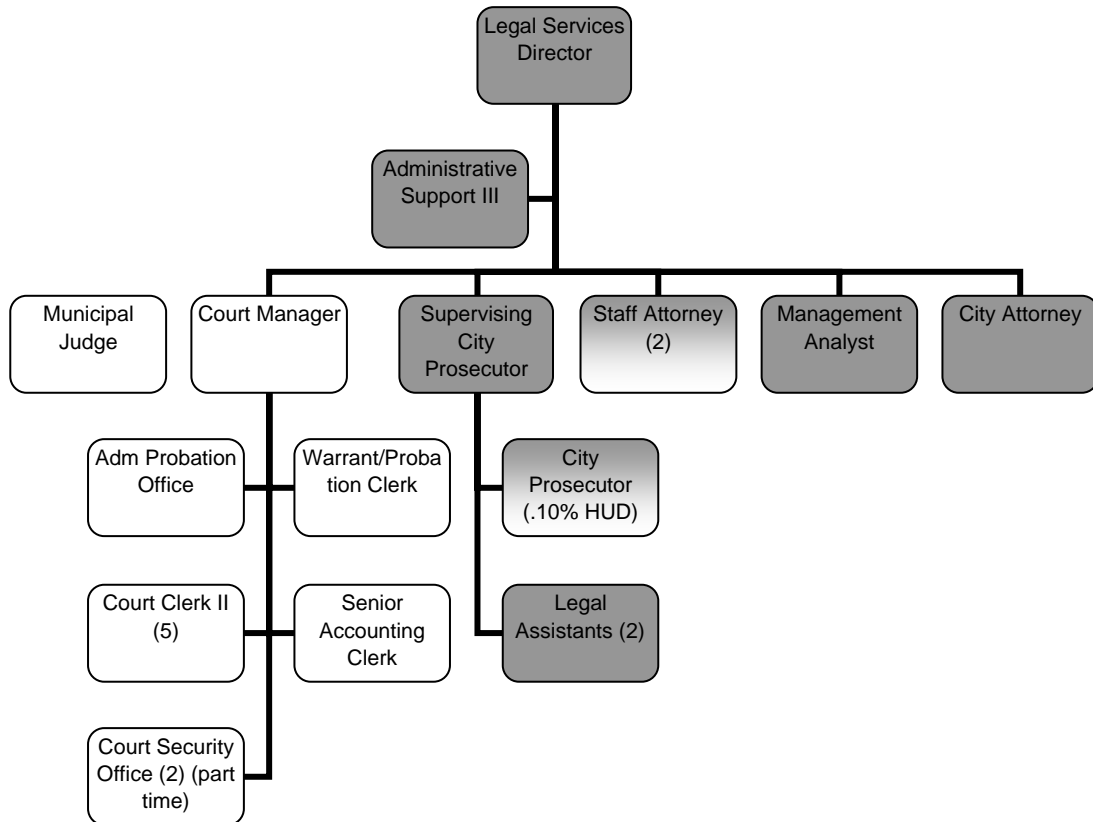
City Legal Services

Division 1080

PROFILE

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

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	9.00	9.00	8.90	8.90



EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 608,244	\$ 625,199	\$ 620,199	\$ 606,401
Contractual Services	220,235	216,550	66,550	215,460
Commodities	7,531	19,050	19,050	14,250
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 836,010	\$ 860,799	\$ 705,799	\$ 836,111

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Number of training sessions provided	37	35	35
Real property interests acquired for City projects	60	70	45
Number of ordinances prepared/reviewed	108	100	100

SIGNIFICANT ISSUES FOR 2011

To manage outside counsel litigation expenses with our pending cases.

CURRENT YEAR ACCOMPLISHMENTS

1. Annexed approximately 450 acres of the former Farmland Industries site located on East 23rd Street / Highway K-10.
2. Coordinated acquisition of property for Burroughs Creek Trail project, Kasold and other city projects.
3. Transferred enforcement of City's Human Relations code to legal staff / city prosecutors.
4. Provided instruction for the Lawrence Police Department Basic Recruit Academy.

MAJOR GOALS AND OBJECTIVES FOR 2011

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 provide high quality training on relevant legal issues to City staff.
3. To assist various City departments in achieving the goals set by the City Commission.
4. To demonstrate continued commitment to the City's local ordinance prohibiting unlawful discrimination in housing, public accommodations and employment through effective investigations.

CITY LEGAL SERVICES

General Operating Fund

Human Relations
Account 001-1085-541

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$139,809	-	-	\$ -
Contractual Services	12,452	4,450	4,450	4,450
Commodities	4,727	8,607	8,607	8,280
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 156,988	\$ 13,057	\$ 13,057	\$ 12,730

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Authorized Positions	2.50	0.00	0.00	0.00

Legal Services Director

City Prosecutor/Human Relations
Investigator

City Prosecutor/Human Relations Investigator is partially funded through a federal grant.

PROFILE / SIGNIFICANT ISSUES FOR 2011

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



City of Lawrence

General Operating Fund

Municipal Court

Division 1090

PROFILE

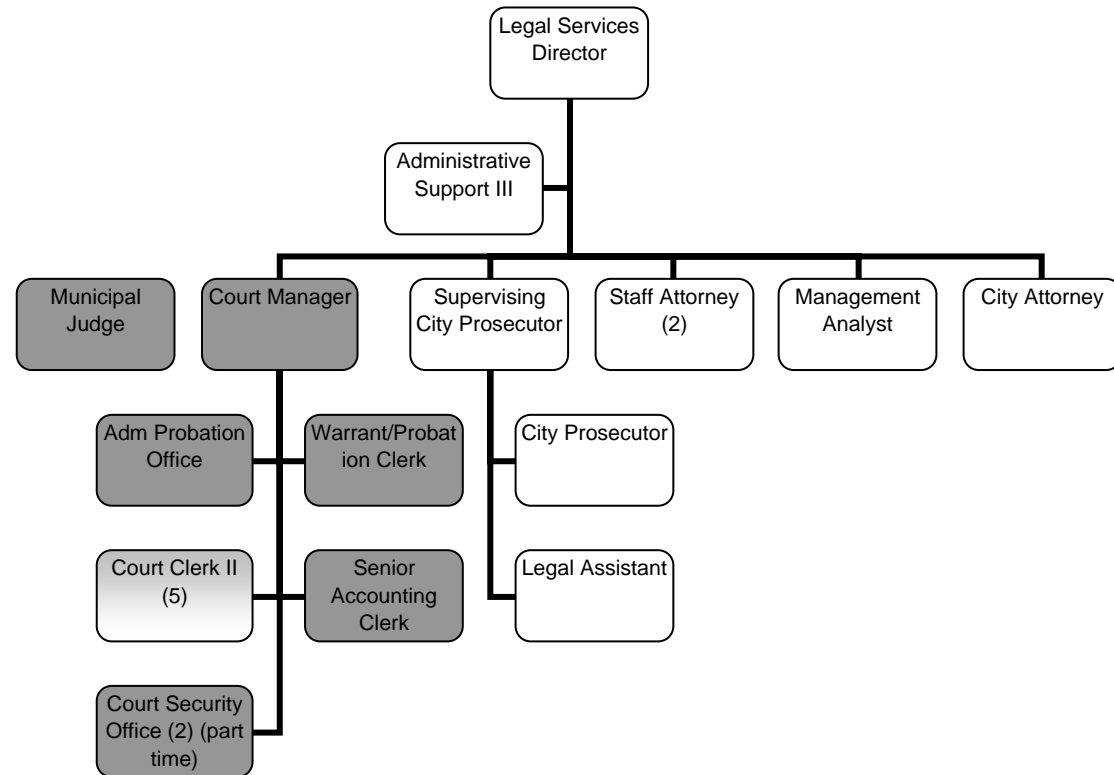
The purpose of the City of Lawrence Municipal Court is to file, manage and adjudicate alleged violations of City ordinances in a timely and professional manner. The division is dedicated to providing impartial customer service to attorneys, defendants and citizens while utilizing available resources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

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

CURRENT YEAR ACCOMPLISHMENTS

1. Maintained a high level of accuracy and professional integrity amid the steady increase in citations, court appearances and diversions.
2. Improved focus on collections by submitting all traffic and criminal cases with fines over 180 days past due to a collection agency.
3. Completed an internal case file audit to ensure that actions taken on court cases are recorded accurately.
4. Improved storage methods for closed cases to increase the efficiency of case retrieval for records requests.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	7.50	7.50	7.50	7.50

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 457,099	\$ 467,438	\$ 467,438	\$ 467,478
Contractual Services	168,820	184,542	184,542	181,395
Commodities	15,086	20,205	20,205	18,205
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 641,005	\$ 672,185	\$ 672,185	\$ 667,078

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Percent of failure to appear notices mailed within 1 day of non-compliance	83%	95%	99%
Percent of warrants issued within 2 days of non-compliance	81%	95%	100%
Percent of drivers license suspensions issued within 35 calendar days of failure to appear notice	46%	90%	90%
Percent of case files retrieved within 15 minutes	85%	90%	100%

SIGNIFICANT ISSUES FOR 2011

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

MAJOR GOALS AND OBJECTIVES FOR 2011

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



MUNICIPAL COURT / PROSECUTOR

General Operating Fund

Police
Division 2100

PROFILE

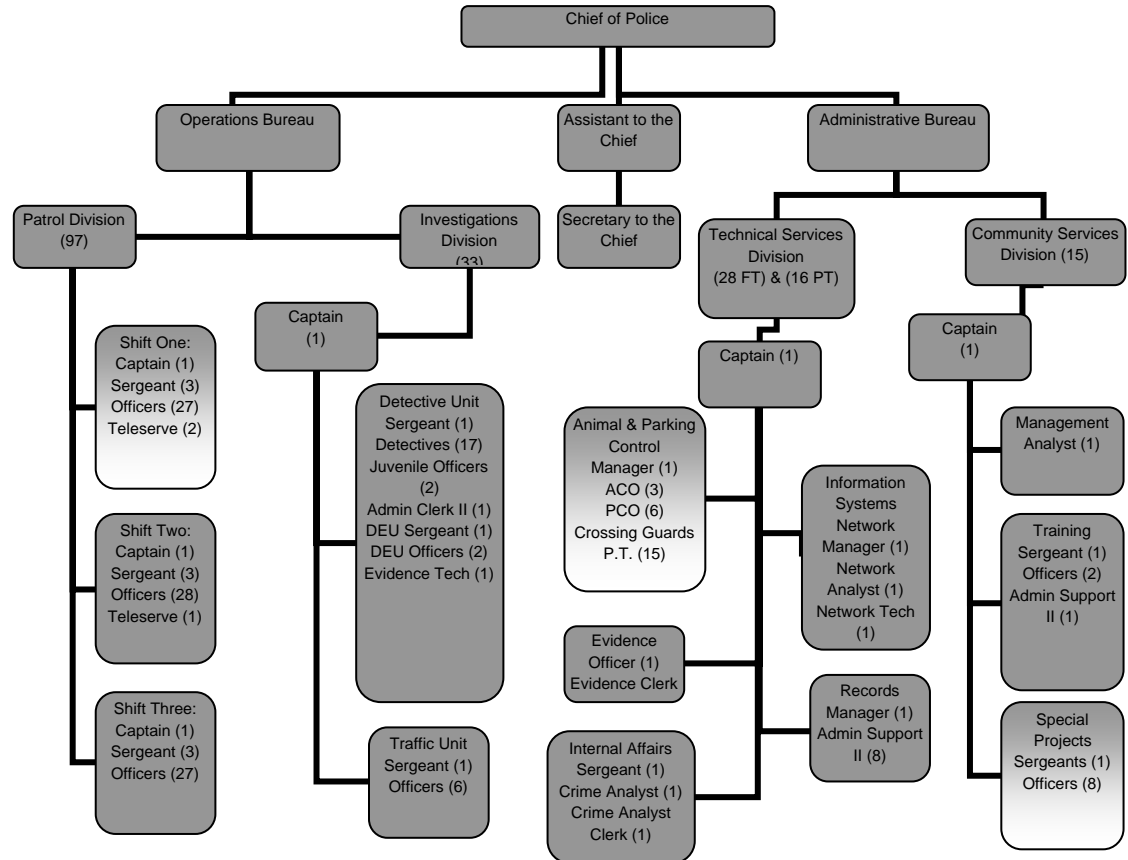
The goal of the Lawrence Police Department is to be the number one police organization within the confines of existing resources. To accomplish this goal, the department has adopted the following five Guiding Principles:

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

1. Graduated 28th and 29th Basic Recruit Academy totaling 19 recruits to full duty
2. Continued hosting a variety of law enforcement training programs including: the Central States Law Enforcement Development Seminar; the Homicide Investigation School;
3. Continued working on technology issues including mobile data computer upgrades, and computer forensics equipment.
4. Refined a new personnel deployment assigning officers to a quadrant system for entire Patrol Division.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	164.00	164.00	164.00	164.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 12,220,576	\$12,532,346	\$ 12,430,346	\$ 12,688,347
Contractual Services	1,101,029	1,017,430	1,017,430	1,059,884
Commodities	543,577	445,142	445,142	523,687
Capital Outlay	177,254	238,052	33,593	217,052
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 14,042,436	\$14,232,970	\$ 13,926,511	\$14,488,970

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Calls for Service	107,314	107,500	108,000
Offense Cases	16,319	16,500	17,000
Accident Investigation	3,499	3,500	3,600
Custodial Arrests	3,191	3,200	3,250

SIGNIFICANT ISSUES FOR 2011

The significant issue in 2010 is how to maintain existing service levels and quality of infrastructure while meeting critical budget levels.

MAJOR GOALS AND OBJECTIVES FOR 2011

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 for 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.



City of Lawrence

POLICE

General Operating Fund

Fire Medical Division 2200

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.

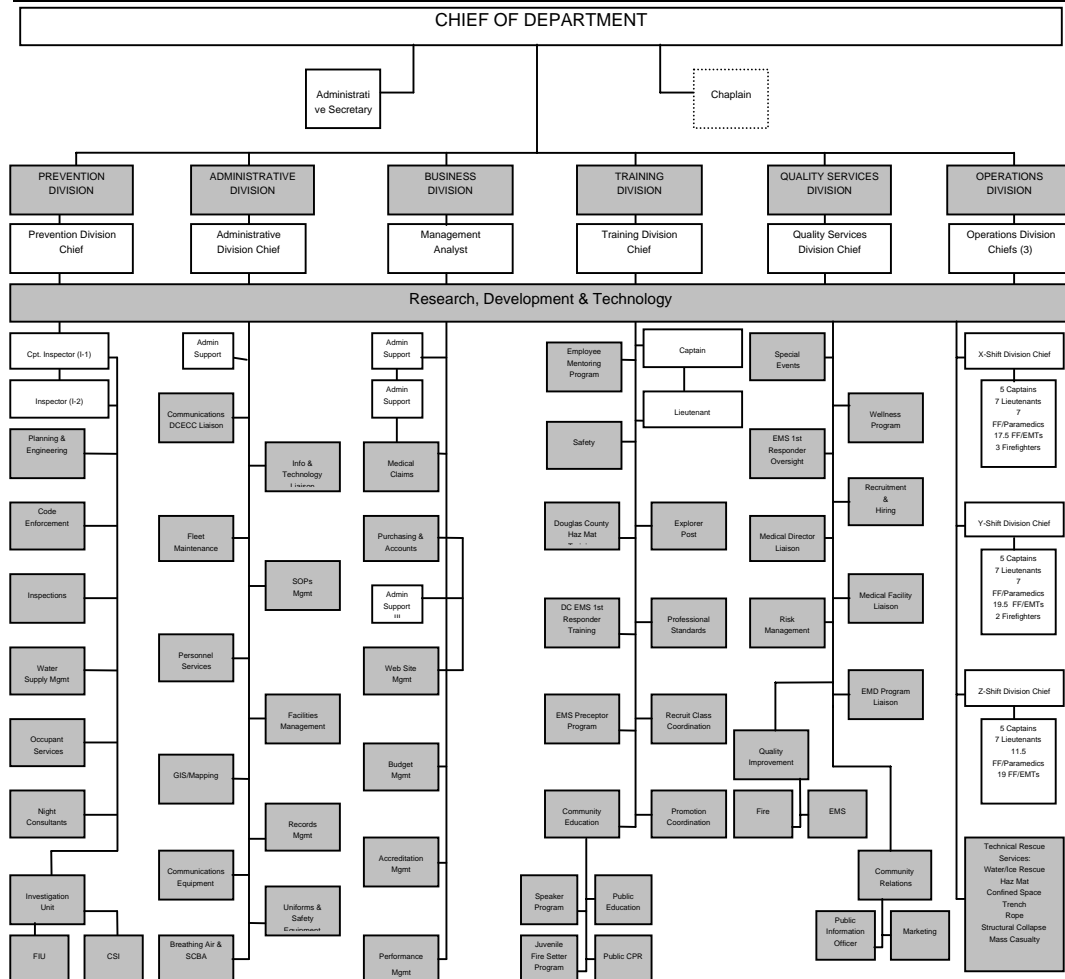
The City of Lawrence and Douglas County jointly fund the department, with the City funding 74.36% and the County funding 25.64% according to an agreement. The City funds 75% of the shared costs. Fire services are only provided within the City of Lawrence while emergency medical services and hazardous 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

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account. Also, 2 Network Technicians are funded through this account

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	145.00	145.00	145.00	145.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$11,863,011	\$11,776,231	\$11,776,231	\$ 11,893,941
Contractual Services	797,565	1,041,999	1,026,999	1,006,377
Commodities	478,471	376,722	376,722	473,122
Capital Outlay	54,539	60,500	60,500	49,165
Refunds	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$13,193,586	\$13,255,452	\$13,240,452	\$13,422,605

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Percent of time fire emergency response time is within 6 minutes within the city limits	98.30%	93.9%*	80%
Percent of time EMS emergency response time is within 6 minutes within the city limits	95.30%	94.9%*	80%
Percent of citizens indicating satisfied or very satisfied with department's professionalism	TBD	TBD	TBD
Percent of citizens indicating satisfied or very satisfied with department's quality of fire services	TBD	TBD	TBD

MAJOR GOALS AND OBJECTIVES FOR 2011

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
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.

vehicle and a rescue 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 9,543 incidents, 79% EMS.



City of Lawrence

FIRE MEDICAL

General Operating Fund

Street Maintenance

Division 3000

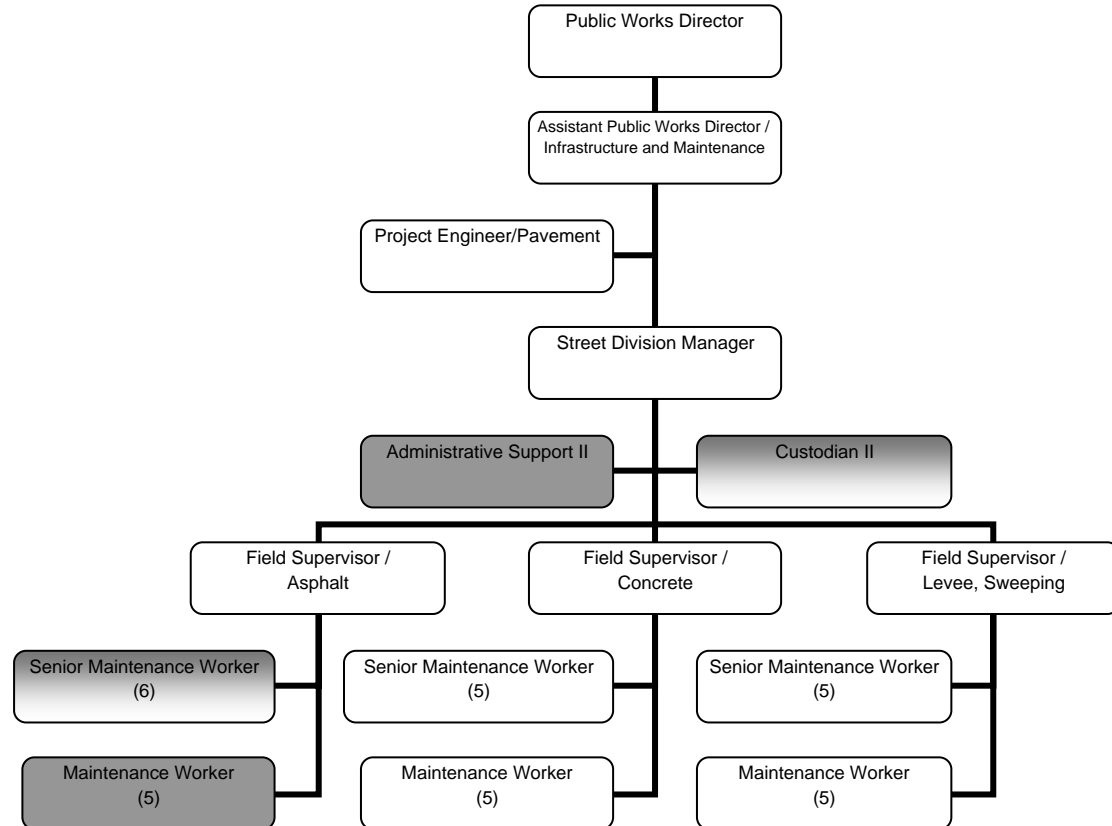
PROFILE

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

The City maintains slightly over 319 centerline miles of streets. Core street maintenance services continue to be a priority focus. The department provides comprehensive planning for pavement rehabilitation and maintenance.

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

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account. Only 0.25 of the Custodian II position is funded through this account. Also, only 2 Senior Maintenance Worker's are funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	8.25	8.25	8.25	8.25

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 399,608	\$ 406,217	\$ 406,217	\$ 408,860
Contractual Services	298,503	391,990	391,990	395,405
Commodities	2,364,304	2,583,719	2,583,719	2,580,304
Capital Outlay	-	-	-	36,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,062,415	\$ 3,381,926	\$ 3,381,926	\$ 3,420,569

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of pavement rated as acceptable or better (PCI)			
Arterials	55.70%	57%	60%
Collectors	74.70%	75%	80%
Residential	76.10%	76%	80%
% of potholes on arterials filled within 24 hours (arterial streets)	53%	65%	80%
% of residents satisfied with street maintenance	26%	26%	26%
% of residents satisfied with snow removal on arterials streets	76%	76%	76%

MAJOR GOALS AND OBJECTIVES FOR 2011

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

CURRENT YEAR ACCOMPLISHMENTS

1. Concrete and asphalt maintenance projects including resurfacing, base failure repairs, valley gutters and intersections, curb repairs and replacement, pedestrian and sidewalk issues, and special projects.
2. Provided excellent snow and ice control during winter operations. Snowfall totaled more than 35 inches in four events.
3. Major crack-sealing and microsurfacing projects were completed.
4. Special projects include Peterson Road and 9th and Sunset installation of HAWK beacon, sidewalks, and ramps, initiate reconstruction on portions of Bluffs Drive, and a reconstruction of the Rhode Island entrance to the Riverfront Parking Garage.
5. Street sweeping for approximately 7,500 lane miles.

SIGNIFICANT ISSUES FOR 2011

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

STREET MAINTENANCE

General Operating Fund

Engineering

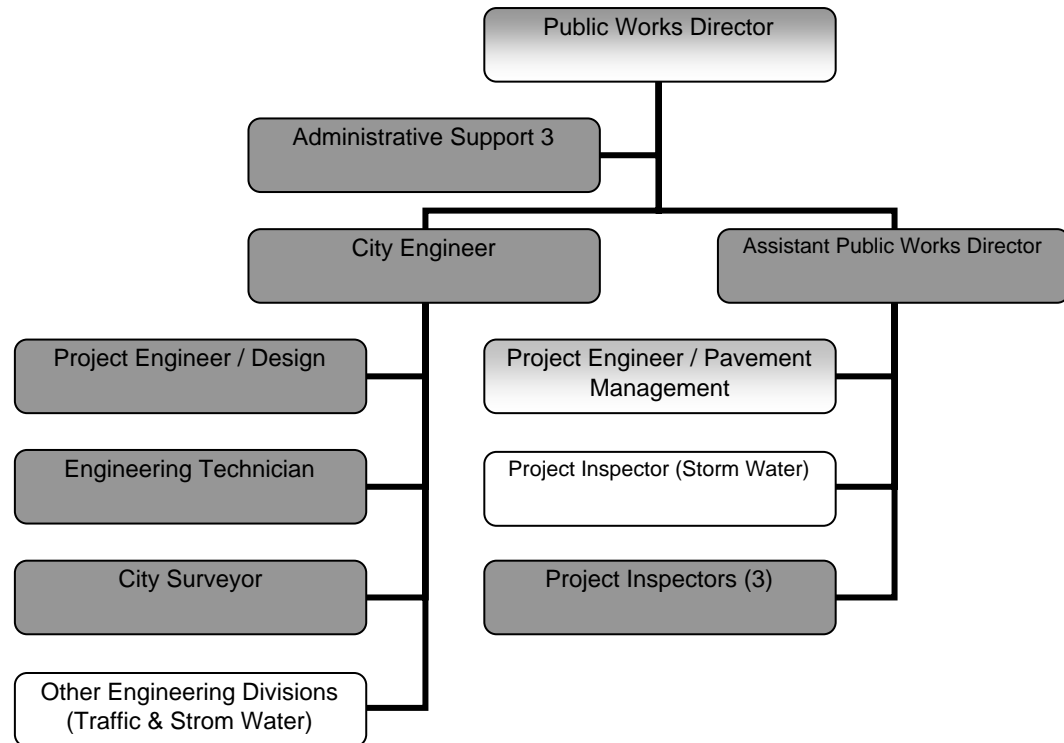
Division 3010

PROFILE

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

The Engineering staff offers technical assistance to other departments 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 2010 or 2011.

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account.
0.25 of the Public Works Director is funded through this account.

CURRENT YEAR ACCOMPLISHMENTS

1. In-house design and bidding of projects, including Burroughs Creek Rail Trail, brick street reconstruction, and the Clinton Parkway multi-use path reconstruction.

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	10.66	10.66	10.66	8.66

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 771,550	\$ 806,447	\$ 706,447	\$ 669,449
Contractual Services	37,136	48,353	47,353	45,033
Commodities	41,427	53,455	52,455	55,775
Capital Outlay	-	9,000	7,480	7,480
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 850,113	\$ 917,255	\$ 813,735	\$ 777,737

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of pavement rated as acceptable or better (PCI)			
Arterials	55.70%	57%	60%
Collectors	74.70%	75%	80%
Residential	76.10%	76%	80%
% of engineering plans reviews completed within 10 business days	42%	75%	100%
% of residents satisfied with street maintenance	26%	26%	TBD
Total lane miles of street resurfacing completed			
Overlay	9.3	8.5	TBD
Micro-surfacing	20	8.5	TBD

MAJOR GOALS AND OBJECTIVES FOR 2011

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.

2. Secured transportation enhancement grants for New York Street brick project and the Clinton Parkway shared use path.

3. Utilized infrastructure sales tax to initiate reconstruction projects. The first project, 9th Street from Iowa to Kentucky, was completed in 2010. Initiated planning and design for reconstruction of Kasold from Clinton Parkway to 31st Street.

4. Finalized street cross section for standard specifications, including right of way cross section.

5. Continued work on 23rd Street Access Management Project.

SIGNIFICANT ISSUES FOR 2011

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



City of Lawrence

ENGINEERING

General Operating Fund

Traffic Engineering

Division 3020

PROFILE

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

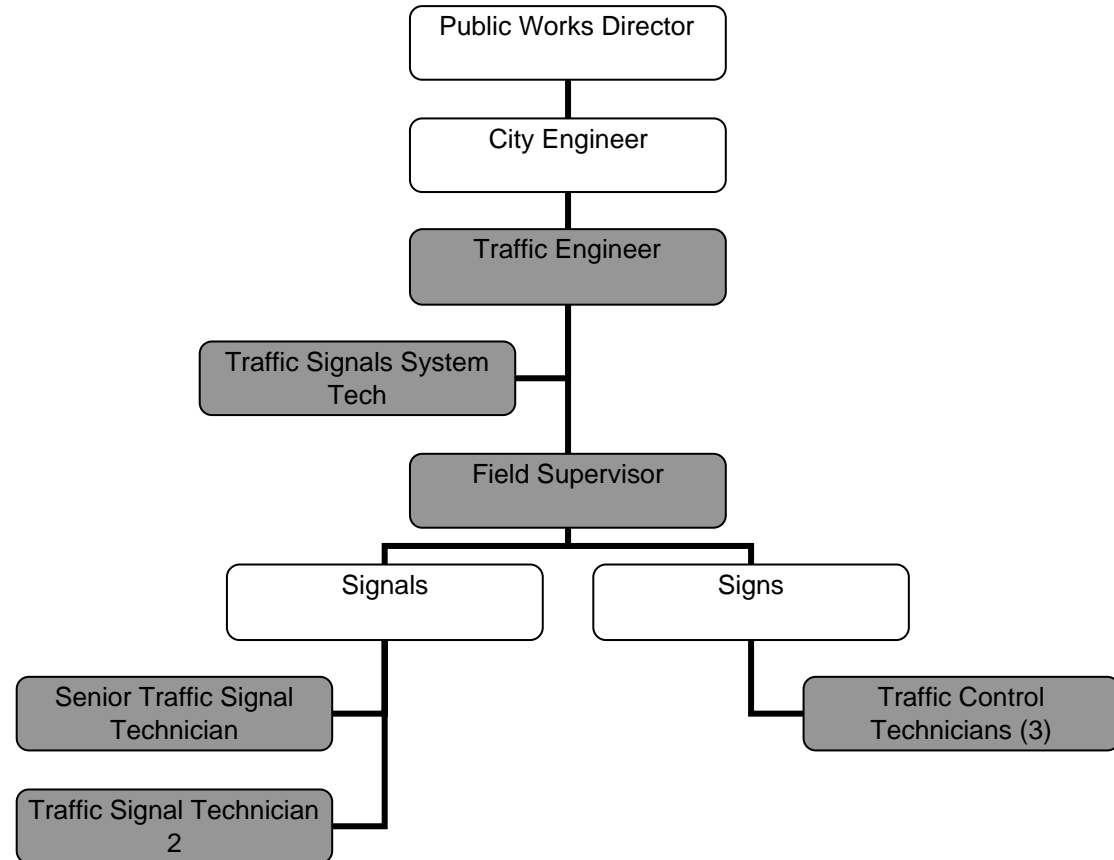
The Traffic Engineering Division works with community and neighborhood groups to address specific concerns. The Traffic Engineer provides professional staffing and recommendations to the Traffic Safety Commission.

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

CURRENT YEAR ACCOMPLISHMENTS

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

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	8.00	8.00	8.00	8.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 460,459	\$ 466,530	\$ 466,030	\$ 468,679
Contractual Services	32,514	39,800	38,300	37,550
Commodities	68,524	86,090	84,568	85,318
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 561,497	\$ 592,420	\$ 588,898	\$ 591,547

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of downed signs reinstalled within 3 days of completed locates	100%	100%	100%
% of traffic signal heads converted to LED	78%	80%	82%
% 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 2011

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.

4. Continued program installing countdown timers at signalized pedestrian crossings.

5. Continued LED upgrade program for pedestrian signals.

6. Continued coordination with consultant for the design of the architecture for intelligent transportation systems within the city.

7. Inspected signal construction at 6th and Congressional.

SIGNIFICANT ISSUES FOR 2011

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



City of Lawrence

TRAFFIC ENGINEERING

General Operating Fund

Airport Maintenance

Division 3030

PROFILE

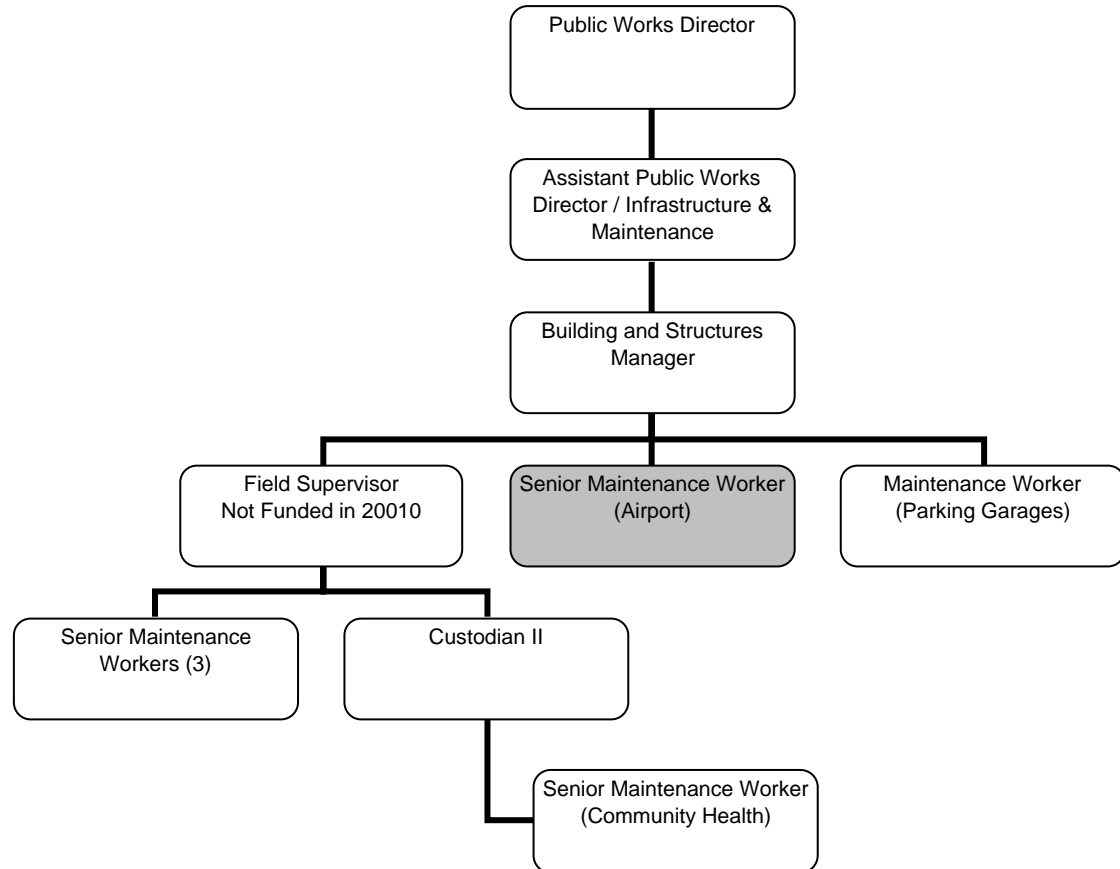
The Lawrence Municipal Airport is operated by a fixed base operator under agreement with the City. A public works employee serves as Airport Manager and serves as the primary staff liaison for the Airport Advisory Board.

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

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



ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	1.00	1.00	1.00	1.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 61,414	\$ 62,678	\$ 62,678	\$ 62,981
Contractual Services	42,849	58,065	58,065	67,945
Commodities	6,662	6,700	6,700	6,820
Capital Outlay	12,546	70,000	66,540	56,540
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 123,471	\$ 197,443	\$ 193,983	\$ 194,286

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% occupancy of t-hangar space	100%	100%	100%
% of construction inspection services provided in-house	NA	100%	100%
% of safety inspections completed on time	100%	100%	100%
Waiting list for t-hangar space	Yes	Yes (37)	Yes

MAJOR GOALS AND OBJECTIVES FOR 2011

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

CURRENT YEAR ACCOMPLISHMENTS

1. On-going project to widen the safety area for the runway 15-33.
2. Acquired new finish mower for facility, to improve overall visual appeal.
3. Coordination of the public events to increase awareness and familiarity with the municipal airport.

SIGNIFICANT ISSUES FOR 2011

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



City of Lawrence

AIRPORT MAINTENANCE

General Operating Fund

Building Maintenance

Division 3040

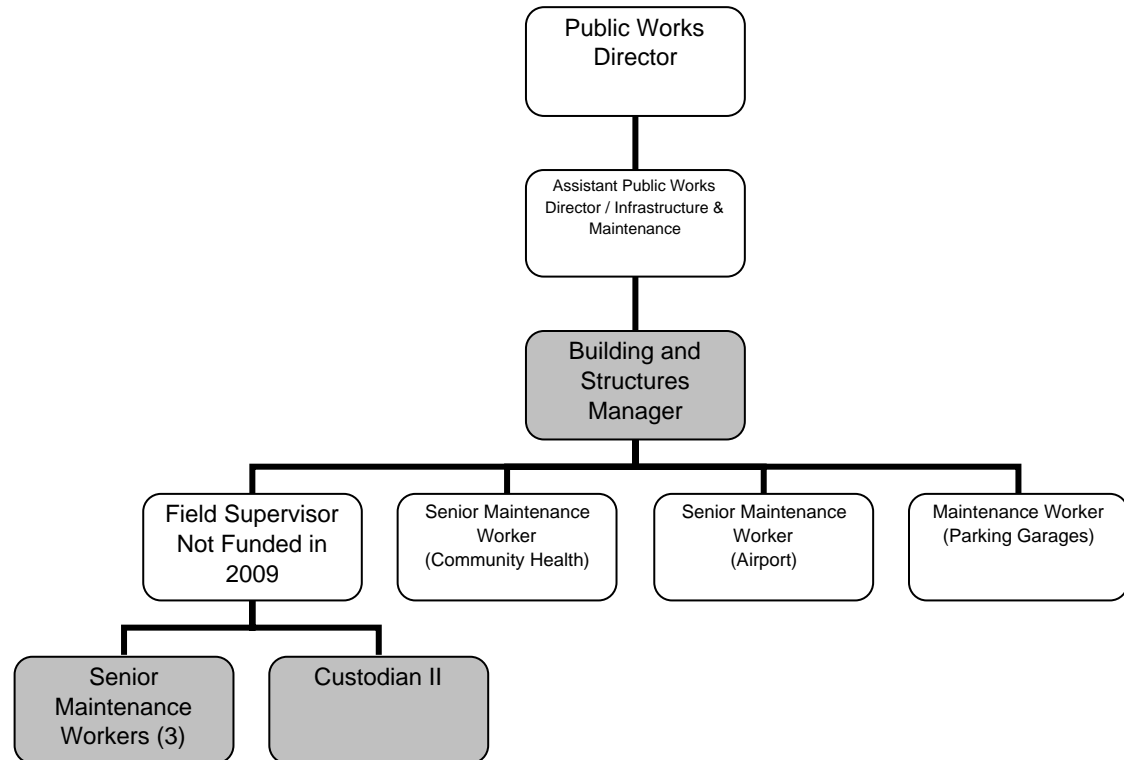
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Partial roof replacement for Douglas County Senior Center portion of building shared with Fire – Medical 1.
2. Technical assistance and professional management for library projects, including project coordination for Energy Efficiency Conservation block Grant funded HVAC replacement project.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 299,852	\$ 319,244	\$ 319,244	\$ 307,010
Contractual Services	493,670	517,883	507,348	568,628
Commodities	23,765	36,300	36,300	36,800
Capital Outlay	(8,789)	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 808,498	\$ 873,427	\$ 862,892	\$ 912,438

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of scheduled repairs completed on time	89%	90%	90%
% of emergency requests responded to within 2 hours	87%	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 2011

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.

3. Worked with Sustainability Coordinator on energy management tracking mechanism and data collection.

4. Completion of downtown projects including support of lighting and electrical improvements, such as pole replacement. Light replacement will be possibly funded through EECBG funds.

5. Continued to provide core maintenance functions for municipal building infrastructure.

SIGNIFICANT ISSUES FOR 2011

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



City of Lawrence

BUILDING MAINTENANCE

General Operating Fund

Street Lights

Account 001-3060

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	642,384	659,627	659,627	791,598
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 642,384	\$ 659,627	\$ 659,627	\$ 791,598

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

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

SIGNIFICANT ISSUES FOR 2011

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

STREET LIGHTS



City of Lawrence

General Operating Fund

Levee Maintenance

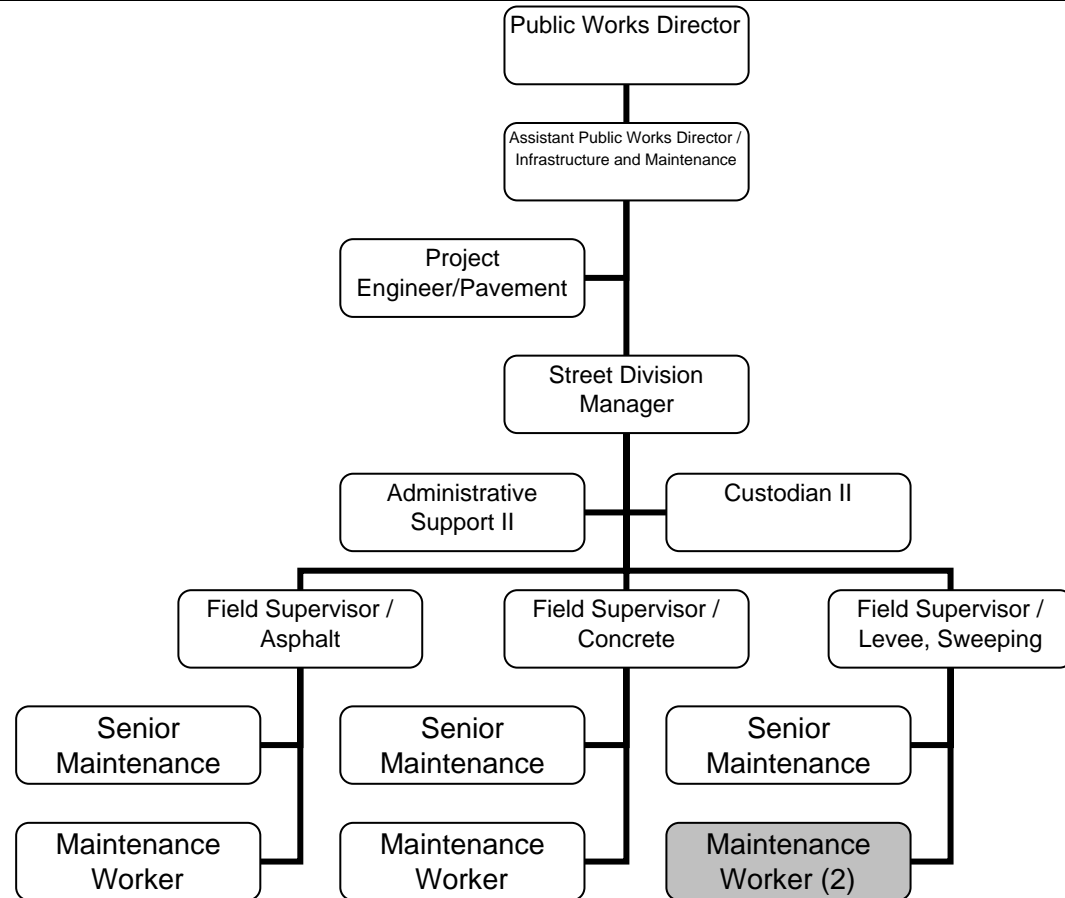
Division 3070

PROFILE

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



ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account.
Only 2 Maintenance Worker positions are funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	2.00	2.00	2.00	2.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 85,983	\$ 89,847	\$ 89,847	\$ 90,276
Contractual Services	20,931	33,500	32,080	32,080
Commodities	14,804	21,300	21,300	21,300
Capital Outlay	13,347	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 135,065	\$ 144,647	\$ 143,227	\$ 143,656

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
# of events requiring flood gate closures	3	2	1
# of events requiring 24 hour flood patrol	3	2	1
% of 24-hour mandatory flood patrol completed on time	100%	100%	100%
# of major violations identified in USACE	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2011

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

CURRENT YEAR ACCOMPLISHMENTS

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

SIGNIFICANT ISSUES FOR 2011

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



City of Lawrence

LEVEE MAINTENANCE

General Operating Fund

Parks / Facility Maintenance

Division 4100

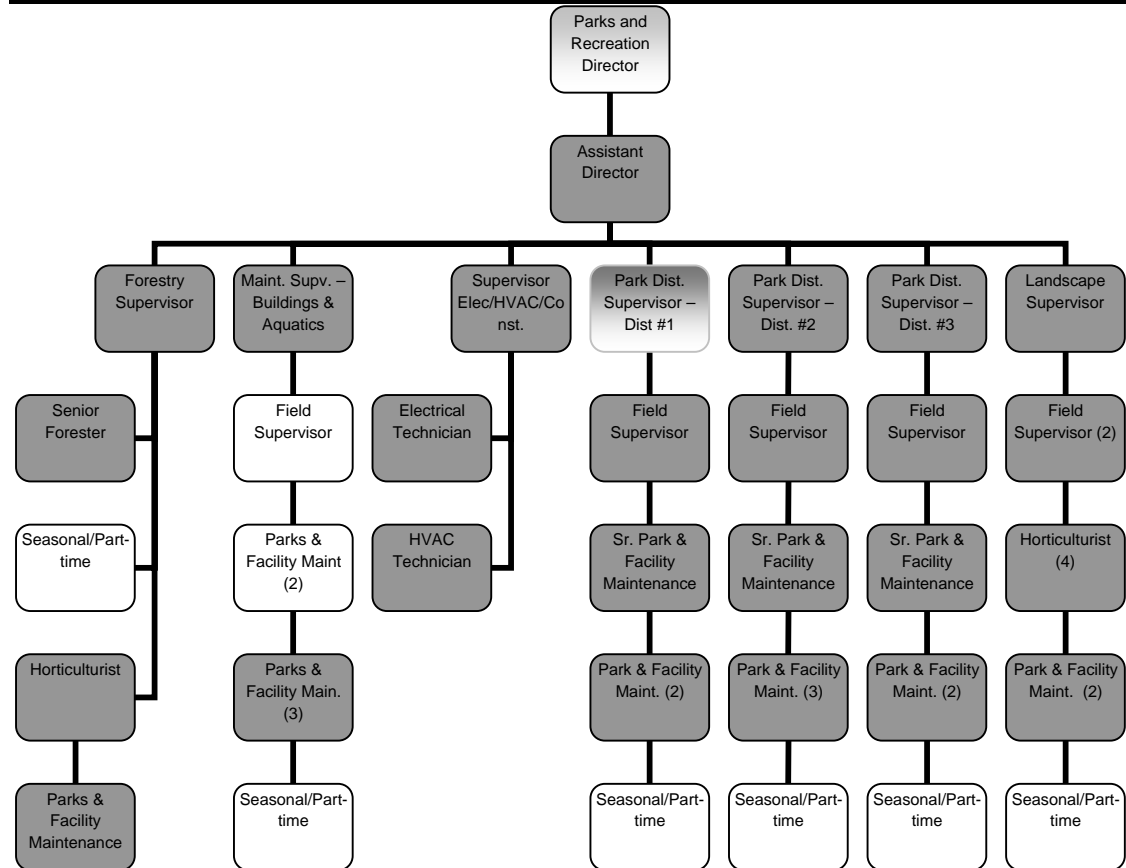
PROFILE

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

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

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

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account. 0.25 of the Director position and 0.5 of the Park District Supervisor – Dist. 1 position are funded through this account.

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	36.50	34.75	33.75	31.75

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 2,239,497	\$ 2,307,666	\$ 2,205,666	\$ 2,191,734
Contractual Services	603,663	688,354	688,354	684,154
Commodities	311,471	311,800	311,800	304,450
Capital Outlay	5,641	32,000	32,000	32,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,160,272	\$ 3,339,820	\$ 3,237,820	\$ 3,212,338

PERFORMANCE INDICATORS

Indicator	2009	2010	2011
	Actual	Estimated	Target
% of residents satisfied with appearance / cleanliness of city parks	88.30%	NA	TBD
% of residents satisfied with the condition of equipment at city parks	80.70%	NA	TBD

SIGNIFICANT ISSUES FOR 2011

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

2. Looking forward, the main concern is the lack of flexibility remaining in the general fund operating budget. Over the past 2-3 years, we have increased fuel costs, utility costs and vehicle maintenance costs, which has resulted in the elimination of full-time staff in all areas of maintenance. This, combined with increasing facility and program demand, creates the real potential for maintenance needs not being able to keep up with programmed use of the facilities.

CURRENT YEAR ACCOMPLISHMENTS

1. Completed multiple maintenance projects on the recreation centers and park facilities
2. Completed multiple upgrades to ball diamonds. Including installing four new practice facilities at the Youth Sports Complex
3. Completed construction on Burroughs Creek Park & Trail
4. Increased use of contractual labor to complete tasks previously performed by employees

MAJOR GOALS AND OBJECTIVES FOR 2011

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

PARKS/FACILITY MAINTENANCE

General Operating Fund

Health Department

Division 5100

PROFILE

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

We work on the public behalf to:

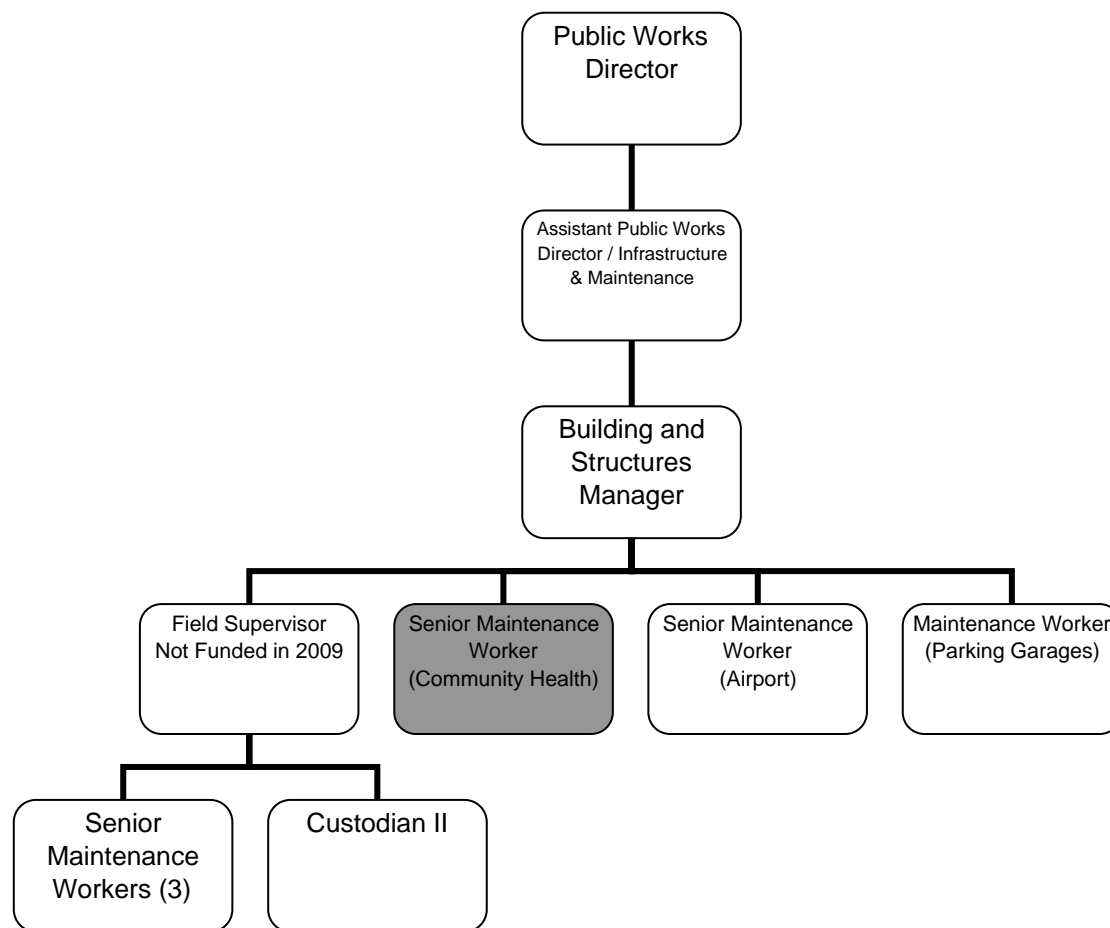
1. Safeguard community health and safety through swift response to illness outbreaks
2. Identify urgent and everyday health problems by tracking the health of the community to recognize health trends early
3. Assess health problems and promote wellness by fostering community health initiatives
4. Collaborate with community partners to protect health and control the costs associated with health problems

The 2011 budget includes \$648,929 for the City's share (40%) of the LDDCHD operating budget. The remaining 60% of the operations of the Health Department are paid by Douglas County .

CURRENT YEAR ACCOMPLISHMENTS

1. Responding to the H1N1 Influenza A pandemic with over 2,000 hours of direct clinic staffing and additional untold number of hours dedicated to response planning, coordination and communication. 21,270 vaccinations were provided in Lawrence and Douglas County.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	1.00	1.00	1.00	1.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 63,213	\$ 64,075	\$ 64,075	\$ 62,885
Contractual Services	930,205	912,073	904,954	937,439
Commodities	14,155	18,640	18,640	18,187
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 1,007,573	\$ 994,788	\$ 987,669	\$ 1,018,511

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of WIC infants who breastfeed \geq 6 months	32%	29%	\geq 30%
WIC year-end caseload / % of infant population	1,462 / 39%	1,523 / 0.38%	1,600 / 40%
Rate of reportable accidents in licensed child care (# per 10,000 child care days)	0.01	0.02	\leq 0.03
Swimming pool inspections / closure rate	609 / 3.6%	550 / 6%	550 / \leq 3%
Comm. disease case investigations initiated \leq 24 hrs.	99%	99%	100%
Percent of 2 year old clients completing the primary immunization series	79%	82%	\geq 90%
% of senior clients receiving timely home visits	98%	99%	\geq 90%



2. Working with community partners to conduct an assessment of the community's health.

MAJOR GOALS AND OBJECTIVES FOR 2011

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

HEALTH DEPARTMENT

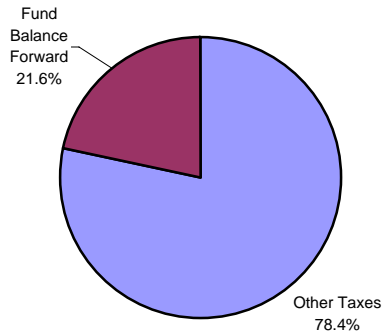


City of Lawrence

GUEST TAX FUND

Fund 206 - GUEST TAX

Budget Resources by Classification: Total \$1,192,862



RECEIPTS	2009 Actual	2010 Budget	2010 Estimated	2011 Budget
5% Guest Tax Income	850,604	947,000	885,000	935,000
TOTAL RECEIPTS	850,604	947,000	885,000	935,000
Balance, January 1	316,118	316,118	320,422	257,862
TOTAL RESOURCES AVAILABLE	1,166,722	1,263,118	1,205,422	1,192,862

REVENUE SOURCES - DESCRIPTIONS AND TRENDS

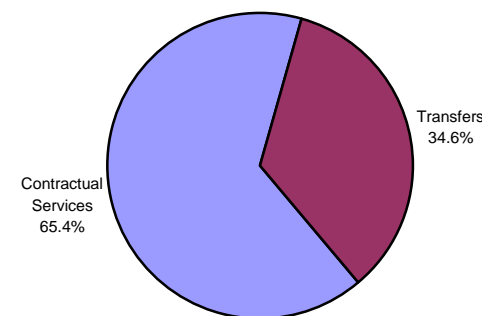
Revenue Sources- City Charter Ordinance No. 39, approved in 2009, provides that, in substitution of K.S.A. 12-1698(e), a transient guest tax of six percent shall be levied upon the gross receipts derived from or paid by transient guests for sleeping accommodations, exclusive of charges for incidental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

Trends- The guest tax rate was increased from 5% to 6% in 2009 and additional revenue is anticipated. 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	2009 Actual	2010 Budget	2010 Estimated	2011 Budget
DMI /CVB Contract	684,300	685,560	685,560	700,000
Sister Cities	7,500	7,500	7,500	7,500
Other	41,062	100,000	100,000	50,000
Transfers	113,438	410,500	154,500	400,000
TOTAL EXPENDITURES	846,300	1,203,560	947,560	1,157,500
FUND BALANCE FORWARD	320,422	59,558	257,862	35,362

**Budget Expenditures
by Category:
Total \$1,157,500**



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.

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

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

Transfers- A transfer to the Guest Tax Reserve Fund is budgeted in the amount of \$150,000. Created by City Charter Ordinance 30, money from this reserve 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. The remaining transfer is budgeted to achieve the statutory limit on fund balance. A transfer will also be made to support restoration of the Carnegie Library to serve as the offices of DMI and the CVB.

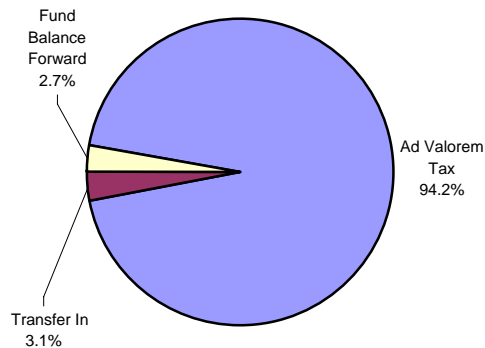


City of Lawrence

LIBRARY FUND

Fund 209 - LIBRARY

Budget Resources by Classification: Total \$3,140,978



	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
RECEIPTS				
Taxes - Current	2,734,117	2,693,038	2,693,038	2,689,980
Taxes - Delinquent	27,529	38,000	38,000	29,520
Motor Vehicle Taxes	237,440	240,177	225,000	233,915
Payment in Lieu of Taxes	2,321	116	116	6,058
Miscellaneous	16,814	-	-	-
Transfer In	-	80,000	80,000	97,000
TOTAL RECEIPTS	3,018,221	3,051,331	3,036,154	3,056,473
Balance, January 1	141,130	102,916	108,351	84,505
TOTAL RESOURCES AVAILABLE	3,159,351	3,154,247	3,144,505	3,140,978

REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Lawrence Public Library anticipates receiving approximately 92% of their 2011 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.

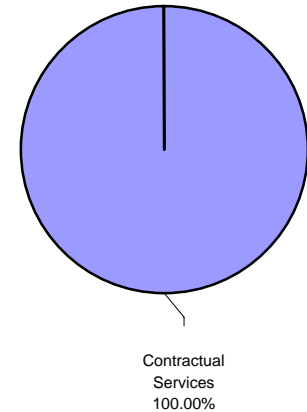
Property taxes are the major source of revenue for the Library Fund, followed by motor vehicle tax. In 2009, the miscellaneous category included a payment from the State of Kansas to offset the impact of the exemption of machinery and equipment from property taxes. This payment was eliminated from the State budget in 2009 and will not be received in 2010 or 2011.

Trends – Assessed valuation is expected to decrease in 2010. In addition, the State will not provide the payment to offset the machinery and equipment exemption for 2011. For the second consecutive year, it will be necessary to transfer in reserve funds to provide sufficient resources for recommended expenditure levels in 2011.

Fund 209 - LIBRARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	-	-	-	-
Contractual Services	\$ 3,051,000	\$ 3,060,000	\$ 3,060,000	\$ 3,070,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve	-	-	-	-
TOTAL EXPENDITURES	\$ 3,051,000	\$ 3,060,000	\$ 3,060,000	\$ 3,070,000
FUND BALANCE FORWARD	\$ 108,351	\$ 94,247	\$ 84,505	\$ 70,978

**Budget Expenditures
by Category:
Total \$3,070,000**



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.

An increase is budgeted for 2011. In order to provide sufficient resources, it will be necessary to transfer reserve funds, previously set aside for the expansion of the library, back in to this fund for operations. This transfer will deplete the reserve funds set aside for the Library.

Fund 209 - LIBRARY

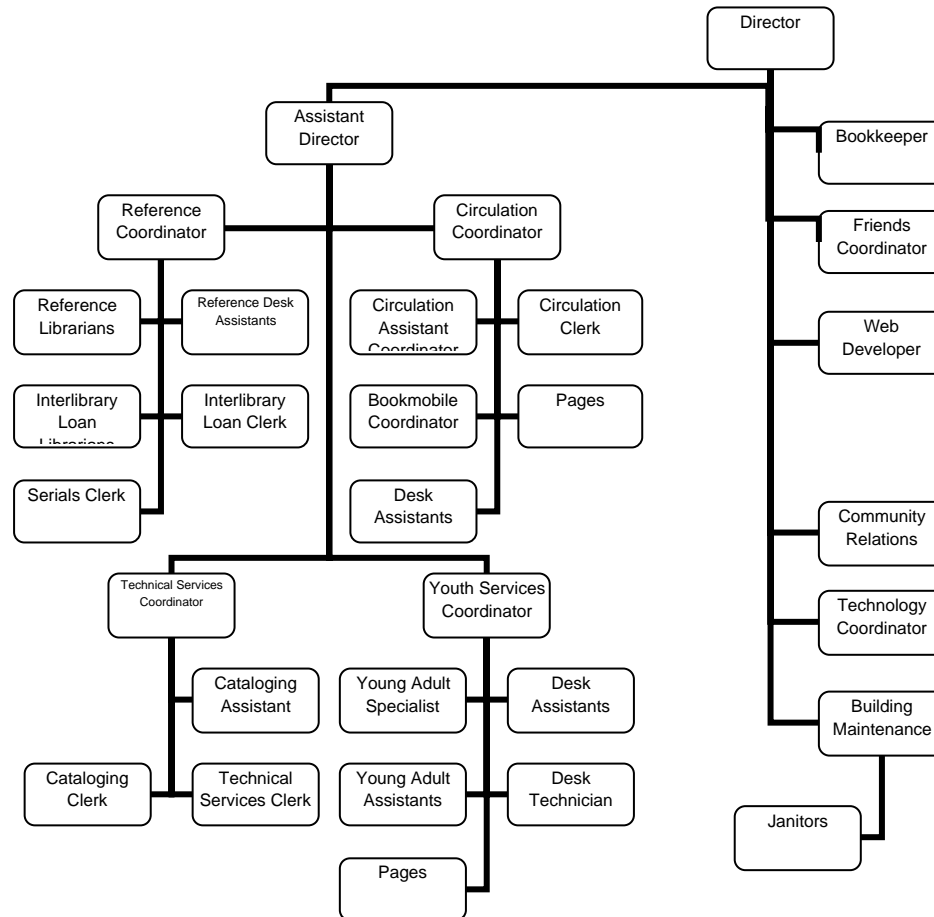
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Implemented 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. Business Center and Computer Lab opened in late 2009. Renovated Young Adult area to open by September 2010.
2. Continue to implement new marketing initiatives in order to further increase library usage in the community. Library usage has increased every year for the past decade, but there are still members of the community who do not use the library's collections, services, technology and programming as they could – advertising in local newspaper and on local radio, use library website to promote events, programs and services, using social media (Facebook, Twitter).
3. Implement expanded volunteer coordination in order to vastly increase volunteer assistance opportunities at the library. This will extend the effectiveness of the library when additional staff positions are not an option – continued VolunTeen program and have expanded use of volunteers in support of routine tasks.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	22.26	22.26	22.26	22.26

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	-	-	-	-
Contractual Services	3,051,000.00	3,060,000.00	3,060,000.00	3,070,000.00
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve	-	-	-	-
Total	3,051,000	3,060,000	3,060,000	3,070,000

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Circulation	1,364,267	1,400,000	1,450,000
User Visits	509,871	520,000	540,000
Website Visits	177,795	190,000	210,000
Reference transactions	96,018	98,000	100,000

SIGNIFICANT ISSUES FOR 2011

The two most notable issues facing the library in 2011 are sustainable funding and the provision of excellent library service from an aging library facility. Funding constraints present challenges for collections, staffing, technology, programming, programming and services. We are also challenged by the limitations posed by a library building which will be 39 years old in 2011.

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, collections and technology in 2010.

5. Explore opportunities to better serve business startups and local entrepreneurial ventures through information resource support and office technology support – Business Center opened in late 2009. Lawrence Business Hall of Fame to open in Business Center in late 2010.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Facility: continue space reallocation and renovation work and continue to work on major building shell issues (HVAC, roof).
2. Marketing: enhance advertising, develop new visuals and retailing through signage and displays.
3. Planning: evaluate and revise three-year strategic plan and technology plan.
4. Services: e-newsletter replaces print newsletters.
5. Staff and Trustees: implement compensation study and develop a pay structure; expand CPR and first aid training for staff; provide continuing education opportunities.
6. Technology: provide information on the website in a timely manner; implement new online calendaring system and online meeting room booking calendar; enhance the library catalog with additional catalog features.

LIBRARY

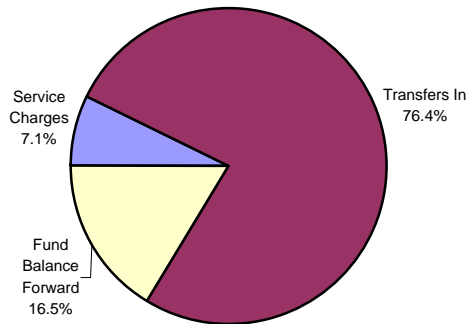


City of Lawrence

PUBLIC TRANSPORTATION FUND

Fund 210 - TRANSPORTATION

**Budget Resources
by Classification:
Total \$3,472,819**



RECEIPTS*	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Ad Valorem - Current Taxes	(278)	-	-	-
Ad Valorem - Delinquent Taxes	7,620	-	-	-
Motor Vehicle Taxes	83,824	-	-	-
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Fare Box Receipts	270,569	273,499	260,000	248,047
Interest on Investments	-	-	-	-
Miscellaneous	711	-	-	-
Transfers In	1,592,756	2,629,764	2,600,000	2,652,500
TOTAL RECEIPTS	1,955,202	2,903,263	2,860,000	2,900,547
Balance, January 1	356,740	123,194	240,064	572,272
TOTAL RESOURCES AVAILABLE	2,311,942	3,026,457	3,100,064	3,472,819

REVENUE RESOURCES - DESCRIPTIONS AND TRENDS

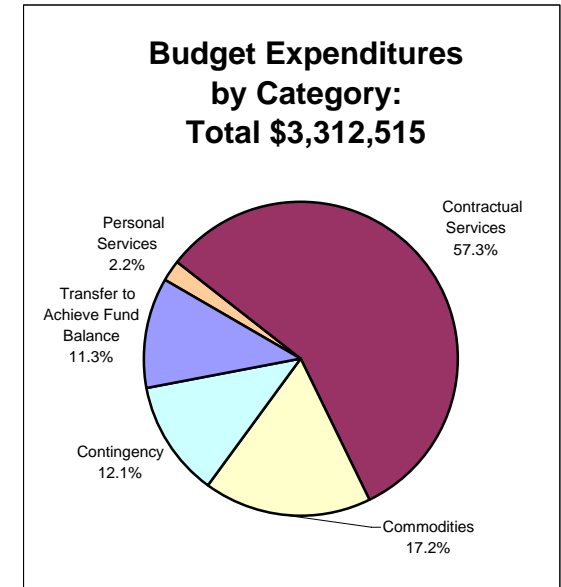
Transfer In – In 2008, voters approved a 0.20% local sales tax to fund the operations of the existing level of transit service and an additional 0.05% sales tax for expanded transit service. According to State law, all proceeds from sales tax must be deposited in the City's General Operating Fund then transferred into other funds. The sales tax went into effect April 1, 2009. As a result, only nine months of sales tax proceeds were collected. A full twelve months of collections are reflected in the 2010 budget amount. A slight increase in taxable sales is anticipated in 2011.

Fare Box Receipts – Fares collected from passengers as well as proceeds from the sale of bus passes are accounted for here. While ridership has been up in 2010, an agreement allowing anyone with a KUID to ride the T for no additional charge has resulted in a slight decrease in receipts in 2010. This trend is expected to continue in 2011.

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

Fund 210 - TRANSPORTATION

EXPENDITURES*	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	\$ 63,197	71,535	71,535	71,881
Contractual Services	1,634,771	1,841,104	1,841,104	1,896,914
Commodities	373,910	440,300	440,300	568,720
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	174,853	174,853	400,000
Transfer to Achieve Fund Balance	-	375,988	-	375,000
TOTAL EXPENDITURES	2,071,878	2,903,780	2,527,792	3,312,515
FUND BALANCE FORWARD	240,064	122,677	572,272	160,304



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - The cost of providing wages, salaries, retirement, and other fringe benefits for City employees.

Contractual Services – MV Transportation, Inc. (MV) was selected by the City and University to provide transportation services in 2008. The cost of the third year of the five-year contract with MV will be greater in 2011.

Commodities – The cost of fuel and motor vehicles is accounted for here. Beginning in 2009, the City is paying for the fuel used by the transit system as well as the repair and replacement cost for major components. Prior to 2009, these costs were included in the contract payments to MV. Higher fuel prices are expected in 2011 however, the cost of maintaining the City's aging fleet is expected to decrease as older vehicles are replaced.

* 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

PROFILE

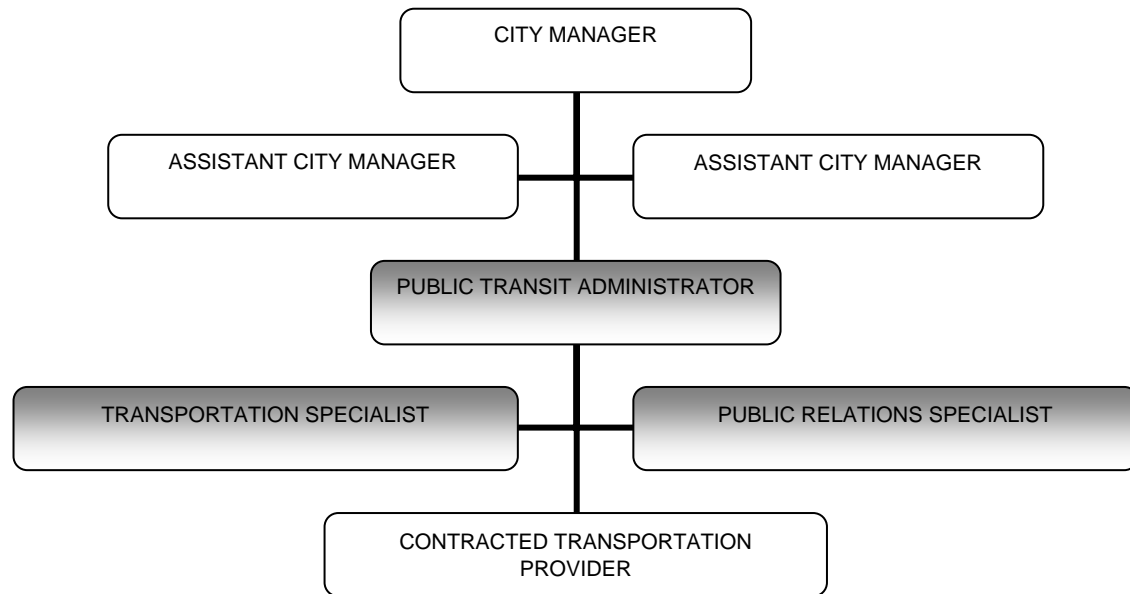
The Public Transit Department is responsible for all aspects of the City's transit program including providing safe, accessible and reliable transportation service in the community. The department primarily provides oversight activities of the public transit provider contract which operates our fixed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

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

CURRENT YEAR ACCOMPLISHMENTS

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

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account. 0.2 of the Director, 0.2 of the Transportation Specialist, and 0.21 of the Public Relations Specialist are funded through this account. Funding for these positions is also provided by federal and/or state grants.

PERSONNEL SUMMARY

	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
PERSONNEL				
Authorized Positions	0.40	0.61	0.61	0.61

EXPENDITURE SUMMARY

Expenditures	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 63,197	\$ 71,535	\$ 71,535	\$ 71,881
Contractual Services	1,634,771	1,841,104	1,841,104	1,896,914
Commodities	373,910	440,300	440,300	568,720
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	174,853	174,853	400,000
Contingency	-	375,988	-	375,000
Total	\$ 2,071,878	\$ 2,903,780	\$ 2,527,792	\$ 3,312,515

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Passengers per vehicle hour on			
Fixed Route	11.47	14.92	12
Paratransit	2.24	2.26	2.5
On-time performance of fixed-route	98.36%	99.50%	99.50%
Passenger complaints per 1,000 riders	0.02	0.05	0.05

SIGNIFICANT ISSUES FOR 2011

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

2. Replaced six 29' fixed route buses with 25" buses.
3. Placed order for three 40'low-floor hybrid buses that will be delivered in 2011. These buses will replace three 29" buses that have met their life expectancy.
4. Placed order for three medium-duty vehicles to replace three 29' fixed route buses that have reached their life expectancy.
5. Implemented the second part of Olsson Associates recommendations for coordinated transit service which included a restructuring of several routes.
6. Worked with KU in the development of a joint maintenance facility.
7. Conducted travel training with various school groups, employers, neighborhood associations, citizen organizations, as well as seniors, to educate them about transit services in the community and how the services can benefit them.

MAJOR GOALS AND OBJECTIVES FOR 2011

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

PUBLIC TRANSPORTATION

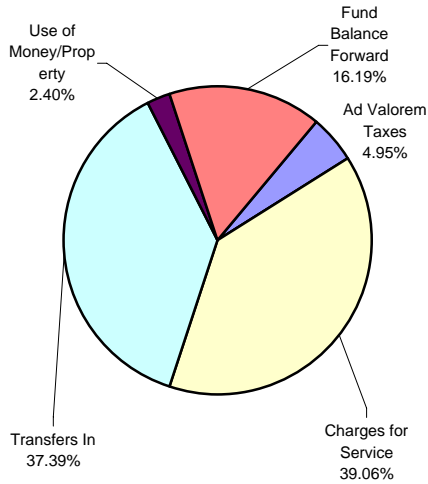


City of Lawrence

RECREATION FUND

Fund 211 - RECREATION

Budget Resources by Classification: Total \$4,383,138



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Taxes - Current	404,991	199,561	200,000	199,335
Taxes -Delinquent	3,985	4,000	8,000	5,000
Motor Vehicle Taxes	35,189	35,110	33,000	17,334
Payment in Lieu of Taxes	344	317	2	777
Fees	576,379	624,500	602,435	624,500
Aquatic Programs	621,806	669,985	646,313	669,905
Building Rental	117,376	110,000	106,110	107,699
Concessions	3,353	4,000	3,860	4,000
Special Populations	60,311	60,000	57,880	58,000
Field Rent	20,946	18,000	17,365	18,000
Class Enrollment	295,852	272,000	262,390	262,000
Miscellaneous	2,955	10,000	9,647	10,000
Transfer from General Fund	1,447,000	1,646,420	1,646,420	1,679,348
TOTAL RECEIPTS	3,590,487	3,653,893	3,593,422	3,655,898
Balance, January 1	720,862	547,704	804,492	727,240
TOTAL RESOURCES AVAILABLE	4,311,349	4,201,597	4,397,914	4,383,138

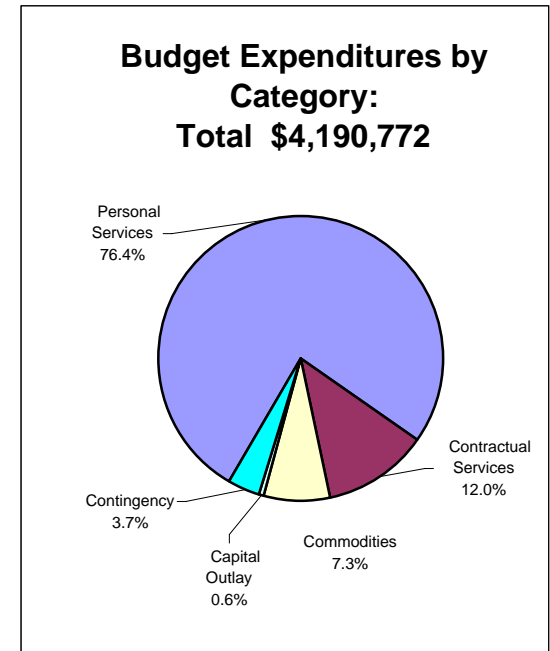
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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 - Fee increases continue to be reviewed regularly for all programs and events, The level of property tax continues to decrease in 2011 and projections for sales tax revenue appears to be decreasing as well. The recreation budget has continued to take on more maintenance and equipment purchases when possible to help support the General Fund.

Fund 211 - RECREATION

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	2,799,435	3,054,056	2,919,055	3,125,064
Contractual Services	385,968	456,479	436,302	492,386
Commodities	321,454	304,900	291,422	298,242
Capital Outlay	-	25,000	23,895	25,000
Debt Service	-	-	-	-
Contingency	-	172,104	-	150,080
Transfer to Other Funds	-	-	-	100,000
TOTAL EXPENDITURES	3,506,857	4,012,539	3,670,674	4,190,772
FUND BALANCE FORWARD	804,492	189,058	727,240	192,366



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 2011 can be attributed to increases in the unemployment, healthcare and moderate merit increases for eligible employees.

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.

Transfers - Transfers will be made to the reserve fund if funds are available.

FUND 211 - RECREATION

PROFILE

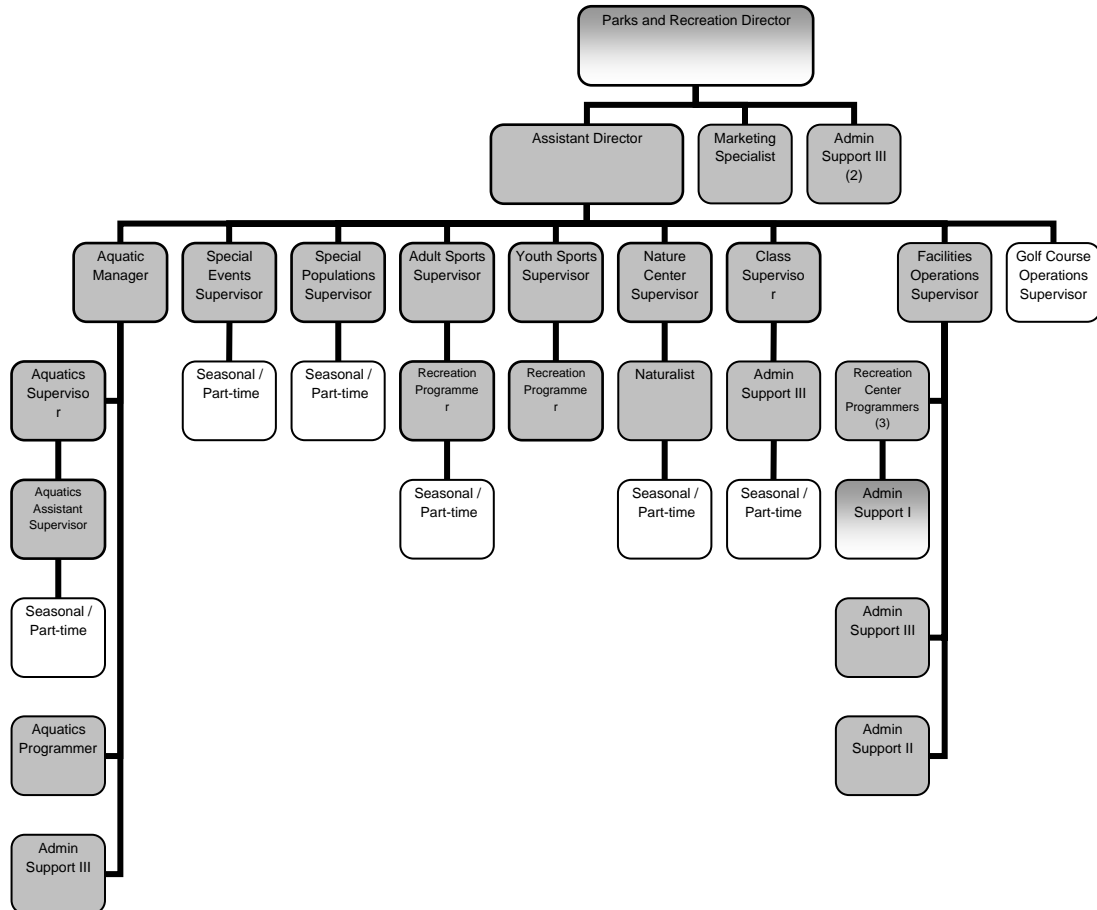
The recreation division of the Department of Parks and Recreation is responsible for providing a broad cross-section of recreation programs and services that meet the needs of the citizens of Lawrence. The division is directly responsible for staffing, scheduling, operating and programming of five recreation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

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

CURRENT YEAR ACCOMPLISHMENTS

1. Team work within the organization has been paramount with the reductions in budgets. Many staff have taken on additional responsibilities to ensure the division continues to offer the high quality activities that the community has come to expect over the years.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	28.78	29.28	29.28	29.28

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	2,799,435	3,054,056	2,919,055	3,125,064
Contractual Services	385,968	456,479	436,302	492,386
Commodities	321,454	304,900	291,422	298,242
Capital Outlay	-	25,000	23,895	25,000
Debt Service	-	-	-	-
Contingency	-	172,104	-	150,080
Transfer to Other Funds	-	-	-	100,000
TOTAL EXPENDITURES	3,506,857	4,012,539	3,670,674	4,190,772

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% Leisure program as satisfied or very satisfied	97.00%	NA	TBD
% Facility reservation system as satisfied or very satisfied	NA	NA	TBD
% residents satisfied with City recreation facilities	NA	NA	TBD
% residents satisfied with the City's indoor aquatic facility	92.90%	NA	TBD
% residents satisfied with the City's outdoor aquatic facilities	89.30%	NA	TBD

SIGNIFICANT ISSUES FOR 2011

This budget is established with little to no increase for 2011. 2010 reflects a leveling off of program enrollments that have increased over the past years at a rate of 3 to 4% per year beyond projections. Staff is stretched to their limits in providing programs and facilities to meet current demands. Staff will continue to try to enhance our revenues by constantly reviewing fees and charges while trying to grow sponsorship program along with any grant opportunities that are feasible. Staff will continue to partner with any and all organizations that can offer a cost effective means for programs and facility usage for the communities Parks and Recreation activities.

2. Expanded requirements and number of staff for certifications of many of our recreation instructors, officials and lifeguards.

3. Expanded sponsorship opportunities, including banners at facilities, City Band, wading pool and donations boxes at designated facilities.

4. Online facility reservations for shelters, ball diamonds has been received very well by the community and has been instrumental in customer service, saving staff time in these functions.

5. Continue to establish partners to compliment facilities and activities that the community expects and help balance a marginal budget.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Continue to plan and provide large space areas for activities such as gymnastics, sports and wellness through collaborations with USD 497, corporate partners and private/public partnerships.

2. Engage the public with more volunteer opportunities and assist in developing department strategies for additional facilities and program ideas.

3. Continued research of online services that enhances service to the public and supports staffing requirements.

4. Grow more programs geared to the seniors and more healthy lifestyle options for the youth and public in general.

RECREATION FUND

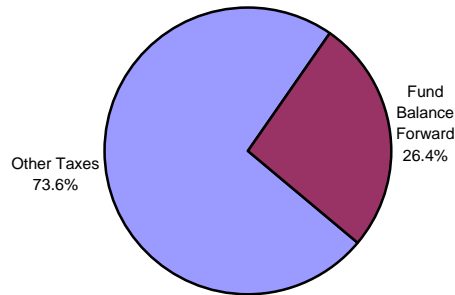


City of Lawrence

SPECIAL ALCOHOL FUND

Fund 213 - SPECIAL ALCOHOL

Budget Resources by Classification: Total \$883,403



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Liquor Tax	615,744	629,052	630,000	650,000
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	615,744	629,052	630,000	650,000
Balance, January 1	95,770	112,848	165,553	233,403
TOTAL RESOURCES AVAILABLE	711,514	741,900	795,553	883,403

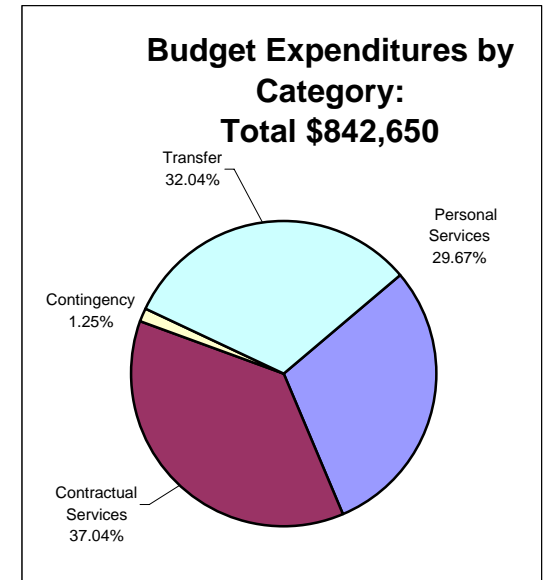
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	232,161	250,000	250,000	250,000
Contractual Services	312,150	312,150	312,150	312,150
Commodities	1,650	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	15,000	-	10,500
Transfer to achieve 5% fund balance	-	130,000	-	270,000
TOTAL EXPENDITURES	545,961	707,150	562,150	842,650
FUND BALANCE FORWARD	165,553	34,750	233,403	40,753



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 2011 budget includes \$312,150 for funding social service agencies. This is the same level of expenditure as was included in the 2010 budget. Ordinance No. 8501, adopted in April 2010, establishes a Social Service Funding Advisory Board to Review requests and make recommendations to the City Commission on the use of City resources for social service funding.

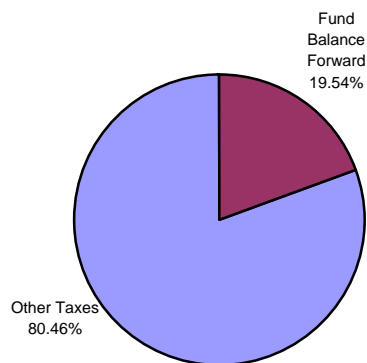


City of Lawrence

SPECIAL GAS TAX FUND

Fund 214 - SPECIAL GAS TAX FUND

Budget Resources by Classification: Total \$3,354,827



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Fuel Tax	2,561,175	2,616,174	2,600,000	2,699,130
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	2,561,175	2,616,174	2,600,000	2,699,130
Balance, January 1	606,601	442,049	655,697	655,697
TOTAL RESOURCES AVAILABLE	3,167,776	3,058,223	3,255,697	3,354,827

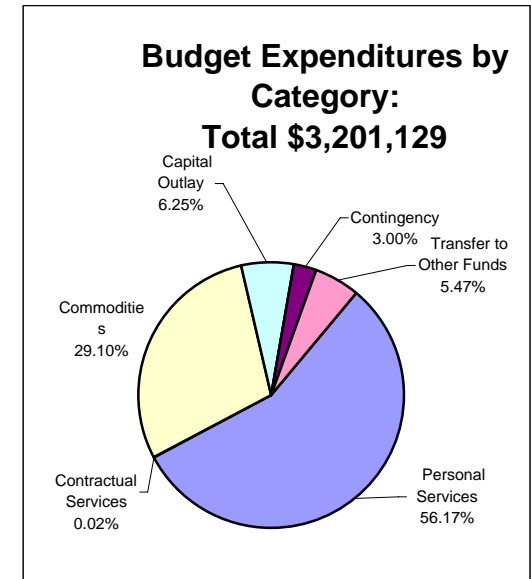
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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 increased modestly for this fund, however, the tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) has not increased since 2003. Based on economic, environmental, and technological trends, a decrease in motor fuels tax is planned in 2010. Revenue projections are based primarily on projections from the Kansas League of Municipalities.

Fund 214 - SPECIAL GAS TAX FUND

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	1,650,467	1,754,417	1,754,417	1,798,026
Contractual Services	35,844	480	480	500
Commodities	725,917	920,800	660,103	931,485
Capital Outlay	99,851	185,000	185,000	200,000
Debt Service	-	-	-	-
Contingency	-	96,118	-	96,118
Transfer to Other Funds	-	-	-	175,000
TOTAL EXPENDITURES	2,512,079	2,956,815	2,600,000	3,201,129
FUND BALANCE FORWARD	655,697	101,408	655,697	153,698



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. Slight 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. While the cost of these items has increased, funding is based on available resources.

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

Fund 214 - SPECIAL GAS TAX

PROFILE

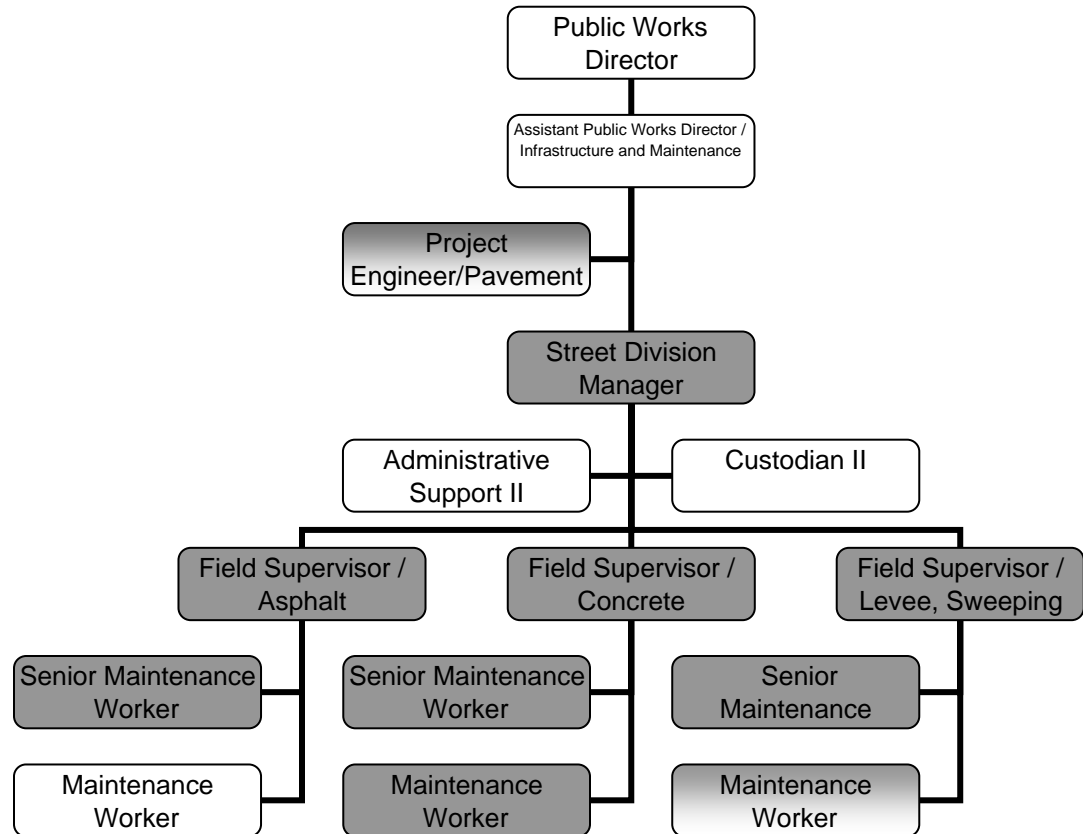
The City receives revenue generated by the state motor fuel tax and receives a share of Douglas County's receipts from property taxes collected on motor vehicles. These funds must be credited to a separate fund and used only for roadway maintenance. The activities are the same as those described in the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

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

CURRENT YEAR ACCOMPLISHMENTS

1. Concrete and asphalt maintenance projects including resurfacing, base failure repairs, valley gutters and intersections, curb repairs and replacement, pedestrian and sidewalk issues, and special projects.
2. Provided excellent snow and ice control during winter operations with snowfall totaling more than 35 inches in 11 winter events.

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account. 0.50 of the Project Engineer/Pavement position is funded through this account. Also, only 14 Senior Maintenance Worker positions and 7 Maintenance Worker positions are funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	25.50	25.50	25.50	25.50

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	1,650,467	1,754,417	1,754,417	1,798,026
Contractual Services	35,844	480	480	500
Commodities	725,917	920,800	660,103	931,485
Capital Outlay	99,851	185,000	185,000	200,000
Debt Service	-	-	-	-
Contingency	-	96,118	-	96,118
Transfer to Other Funds	-	-	-	175,000
Total	2,512,079	2,956,815	2,600,000	3,201,129

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% residents satisfied with snow removal on major city streets	75.80%	75.80%	75.80%
% residents satisfied with the condition of major city streets	40.20%	40.20%	40.20%
% residents satisfied with the timeliness of street maintenance repairs	27.70%	27.70%	27.70%

SIGNIFICANT ISSUES FOR 2011

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

3. Significant crack-sealing and microsurfacing programs to maintain condition of existing roadways.
4. Street sweeping for approximately 7,500 lane miles.

MAJOR GOALS AND OBJECTIVES FOR 2011

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.



SPECIAL GAS TAX

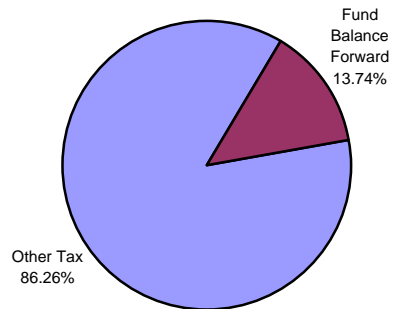


City of Lawrence

SPECIAL RECREATION FUND

Fund 216 - SPECIAL RECREATION FUND

Budget Resources by Classification: Total \$753,531



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Liquor Tax	615,744	629,052	630,000	650,000
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	615,744	629,052	630,000	650,000
Balance, January 1	88,548	92,671	144,448	103,531
TOTAL RESOURCES AVAILABLE	704,292	721,723	774,448	753,531

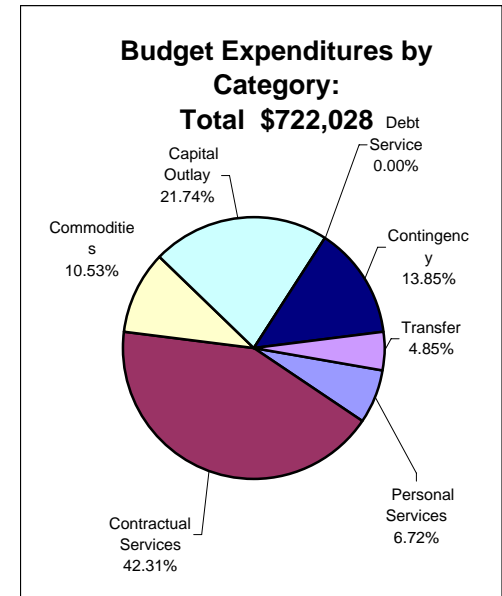
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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- 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 216 - SPECIAL RECREATION FUND

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	45,925	48,605	48,605	48,528
Contractual Services	354,767	298,500	298,500	305,500
Commodities	92,459	76,000	76,000	76,000
Capital Outlay	66,693	157,000	157,000	157,000
Debt Service	-	-	-	-
Contingency	-	10,000	-	100,000
Transfer to achieve 5% fund balance	-	100,000	90,812	35,000
TOTAL EXPENDITURES	559,844	690,105	670,917	722,028
FUND BALANCE FORWARD	144,448	31,618	103,531	31,503



EXPENDITURES - DESCRIPTIONS AND TRENDS

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

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

Commodities- Operating supplies utilized by department for operations including software, licenses, additional trees, seeds, and plants for recreation facilities, and computer and printer replacements. Expenditure levels are expected to decrease in 2010 in order to address increases in other categories.

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

Fund 216 - SPECIAL RECREATION FUND

PROFILE

The purpose of the Special Recreation Fund is to provide diverse cultural and recreational opportunities for the community as it continues to grow. Some of the expenses reflected in this fund include the City's share of the operation of the Lawrence Arts Center, the Outdoor 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.

CURRENT YEAR ACCOMPLISHMENTS

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



MAJOR GOALS AND OBJECTIVES FOR 2011

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 2011

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



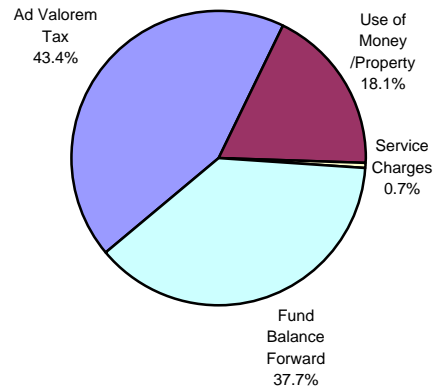
PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of residents satisfied with the cleanliness of public areas	75.80%	n/a	TBD
% of residents satisfied with the number of walking and biking trails	62%	n/a	TBD

BOND AND INTEREST FUND

Fund 301 - BOND AND INTEREST

Budget Resources by Classification: Total \$14,616,707



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Taxes - Current	5,956,432	5,784,371	5,850,000	5,777,802
Taxes - Delinquent	59,439	95,000	100,000	53,200
Motor Vehicle Taxes	510,537	516,109	490,000	508,078
Payment In Lieu of Taxes	5,057	252	50	7,354
Special Assessments	2,856,257	2,400,000	2,600,000	2,500,000
Intergovernmental Revenues	36,631	-	-	-
Interest on Investments	265,446	250,000	100,000	150,000
Airport Charges	105,212	112,136	105,000	105,000
Miscellaneous	2,000	-	-	-
Other Transfers	102,271	-	-	-
TOTAL RECEIPTS	9,899,282	9,157,868	9,245,050	9,101,434
Balance, January 1	9,150,833	5,409,926	8,412,891	5,515,273
TOTAL RESOURCES AVAILABLE	19,050,115	14,567,794	17,657,941	14,616,707

REVENUE SOURCES - DESCRIPTIONS AND TRENDS

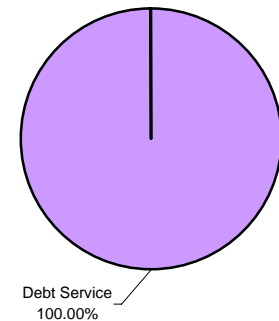
Revenue Sources- Property taxes are the major source of revenue for the Bond and Interest Fund, including special assessments and motor vehicle taxes. Interest on investments is another source of revenue. This fund is used to account for the accumulation of resources to pay general obligation bond principal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

Trends- Assessed valuation is projected to decrease slightly for the second consecutive year, resulting in lower revenues from property taxes.

Fund 301 - BOND AND INTEREST

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
GO Bonds - Principal	7,921,988	8,100,000	9,003,114	9,409,010
GO Bonds - Interest	2,715,236	2,850,000	3,139,554	3,062,618
Commission / Postage	-	-	-	-
Cash Basis Reserve	-	500,000	-	1,455,706
Transfer to achieve 5% fund balance	-	2,450,000	-	-
TOTAL EXPENDITURES	10,637,224	13,900,000	12,142,668	13,927,334
FUND BALANCE FORWARD	8,412,891	667,794	5,515,273	689,373

**Budget Expenditures by
Category:
Total \$13,927,334**



EXPENDITURES - DESCRIPTIONS AND TRENDS

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

GO Bonds - Interest- An expense associated with 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 budgeted amount provides a safety net to fund unanticipated projects.

Bond and Interest Fund

Bond and Interest Account 301 - 1066

PROFILE

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

As of June 30, 2010, the total general obligation debt for the city was \$99,545,000. 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, 2009 can be computed as follows:

Assessed Valuation - January 1, 2009	\$ 926,499,469	
Debt Limitation (30% of assessed valuation)		277,949,841
Total Bonded Debt (including notes)	151,540,000	
Less Revenue Bonds	<u>(54,990,000)</u>	
Total Debt applicable to limitation		<u>\$ 96,550,000</u>
Legal Debt Margin		<u>\$ 181,399,841</u>

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

EXPENDITURES

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	10,637,224	10,950,000	12,142,668	12,471,628
Transfers	-	2,450,000	-	-
Contingency	-	500,000	-	1,455,706
TOTAL EXPENDITURES	10,637,224	13,900,000	12,142,668	13,927,334

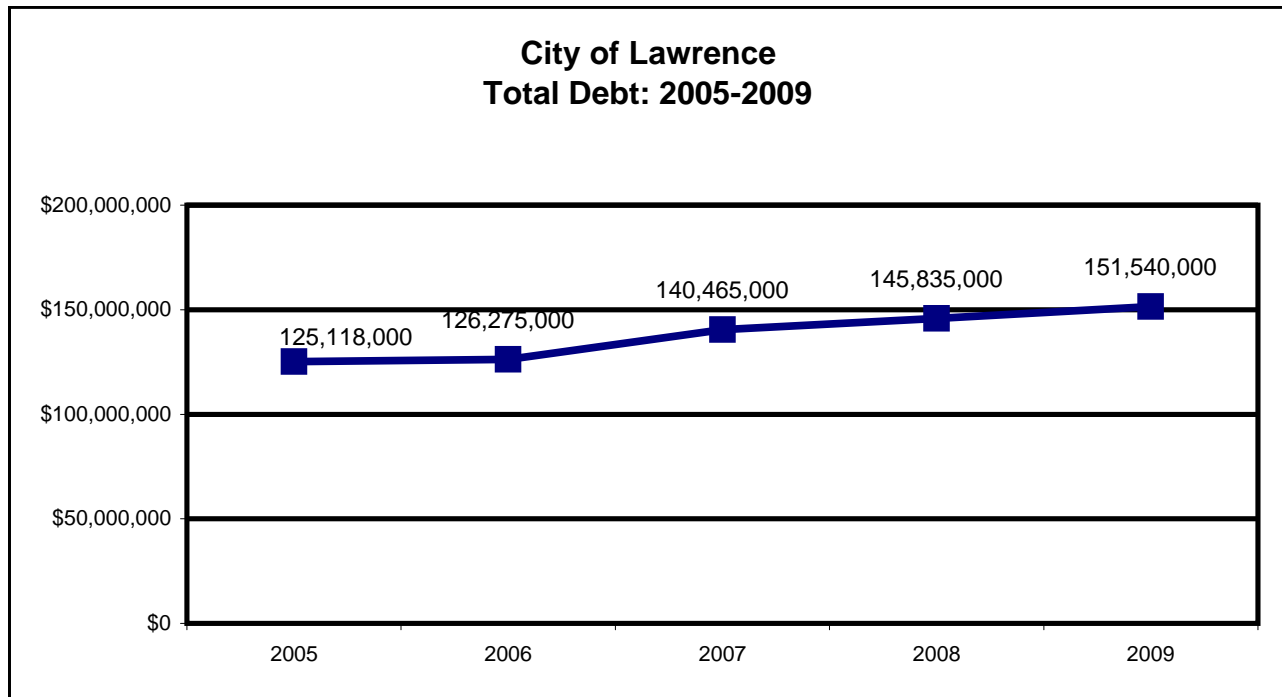
CURRENT YEAR ACCOMPLISHMENTS

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

Bond and Interest Fund

Statement of Outstanding Indebtness

	Outstanding 01/01/2009	Retired in 2009	Issued in 2009	Outstanding 12/31/2009
General Obligation Bonds	\$ 88,910,000	9,730,000	\$ 3,250,000	82,430,000
Temporary Notes	10,635,000	10,635,000	14,120,000	14,120,000
TOTAL	99,545,000	20,365,000	17,370,000	96,550,000
Revenue Bonds	46,290,000	1,685,000	10,385,000	54,990,000
TOTAL	46,290,000	1,685,000	10,385,000	54,990,000
TOTAL DEBT	\$ 145,835,000	\$ 22,050,000	\$ 27,755,000	\$ 151,540,000



Bond and Interest Fund

Current
Debt Issue

DESIGNATION	ORIGINAL AMOUNT	OUTSTANDING 1/1/2009	ISSUED AFTER 1/1/2009	RETIRED IN 2009	ESTIMATED OUTSTANDING 12/31/2009
GENERAL OBLIGATION					
Series 1999-B	2,110,000	310,000		310,000	0
Series 2000-A	2,330,000	435,000		435,000	0
Series 2000-B	2,455,000	590,000		285,000	305,000
Series 2000-C	560,000	120,000		60,000	60,000
Series 2000-D	4,280,000	2,245,000		140,000	2,105,000
Series 2000-E	4,990,000	1,825,000		890,000	935,000
Series 2000-F	8,645,000	6,830,000		425,000	6,405,000
Series 2001-A	2,840,000	1,090,000		250,000	840,000
Series 2001-B	1,420,000	680,000		125,000	555,000
Series 2002-A	9,070,000	4,245,000		765,000	3,480,000
Series 2002-B	2,115,000	1,595,000		135,000	1,460,000
Series 2002-C	920,000	525,000		75,000	450,000
Series 2003-A	4,270,000	1,945,000		210,000	1,735,000
Series 2003-B	10,190,000	6,515,000		700,000	5,815,000
Series 2003-C	2,905,000	1,555,000		235,000	1,320,000
Series 2003-D	3,145,000	2,035,000		250,000	1,785,000
Series 2004-A	3,520,000	2,125,000		280,000	1,845,000
Series 2004-B	10,600,000	7,385,000		840,000	6,545,000
Series 2004-C	1,600,000	1,115,000		125,000	990,000
Series 2005-A	11,095,000	8,625,000		855,000	7,770,000
Series 2006-A	17,130,000	14,680,000		1,265,000	13,415,000
Series 2007-A	11,345,000	10,550,000		800,000	9,750,000
Series 2008-A	11,890,000	11,890,000		275,000	11,615,000
Series 2009-A			3,250,000		3,250,000
Subtotal	\$ 129,425,000	\$ 88,910,000	\$ 3,250,000	\$ 9,730,000	\$ 82,430,000
TEMPORARY NOTES					
Temp Note 2008-I	10,635,000	10,635,000		10,635,000	0
Temp Note 2009-I	14,120,000	0	14,120,000	0	14,120,000
Subtotal	\$ 24,755,000	\$ 10,635,000	\$ 14,120,000	\$ 10,635,000	\$ 14,120,000
REVENUE BONDS					
Series 2005	25,910,000	22,325,000		1,435,000	20,890,000
Series 2007	19,800,000	19,695,000		110,000	19,585,000
Series 2008	4,270,000	4,270,000		140,000	4,130,000
Series 2009	10,385,000		10,385,000		10,385,000
Subtotal	\$ 60,365,000	\$ 46,290,000	\$ -	\$ 1,685,000	\$ 54,990,000

Bond and Interest Fund

Current Debt Service Schedule

GENERAL OBLIGATION BONDS AT- LARGE

Year	Principal	Interest	Subtotal
2010	7,508,531	2,603,267	10,111,798
2011	7,133,963	2,319,647	9,453,610
2012	7,386,704	2,057,340	9,444,044
2013	7,400,728	1,781,001	9,181,729
2014	6,739,451	1,499,054	8,238,505
2015	6,886,084	1,242,748	8,128,832
2016	6,707,369	972,048	7,679,417
2017	4,853,406	694,144	5,547,550
2018	5,082,848	487,695	5,570,543
2019	3,566,841	279,089	3,845,930
2020	2,620,000	125,263	2,745,263
2021	315,000	11,025	326,025
	66,200,925	14,072,319	80,273,244

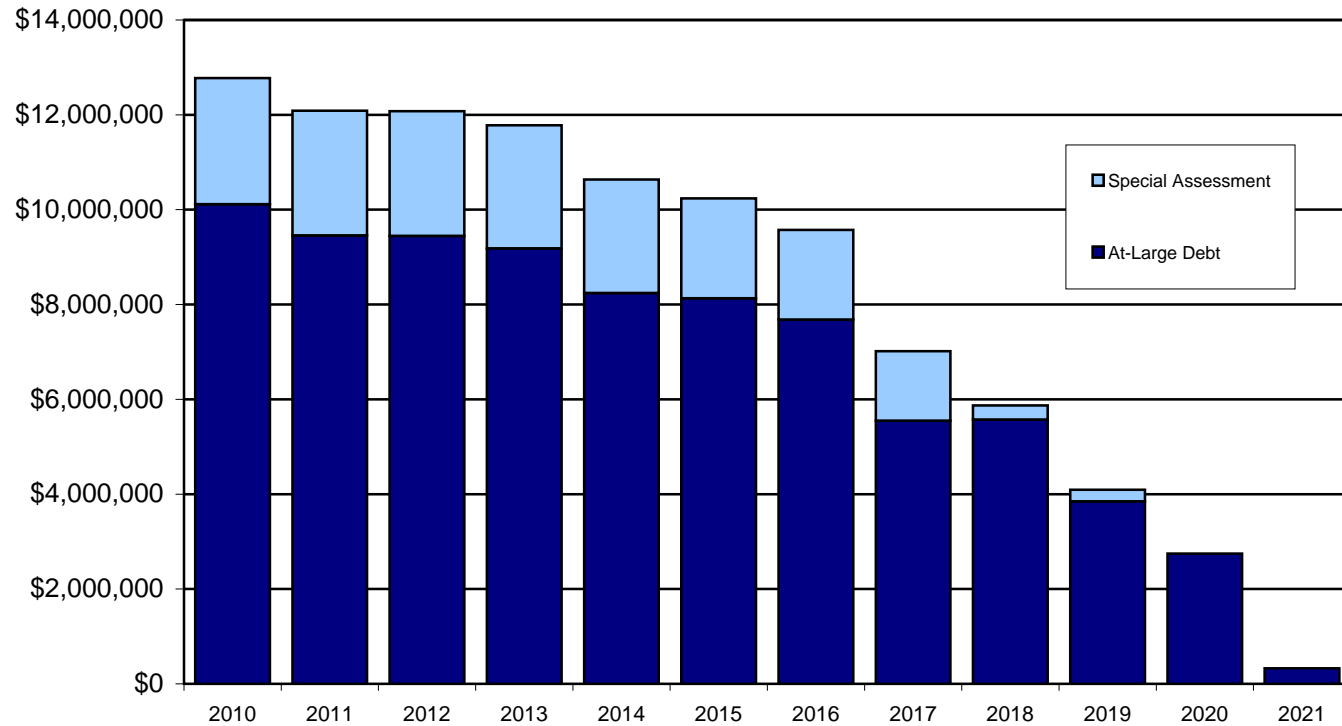
SPECIAL ASSESSMENT AMORTIZATION SCHEDULE

Principal	Interest	Subtotal
2,056,469	606,901	2,663,370
2,101,037	531,594	2,632,631
2,178,296	455,122	2,633,418
2,224,272	373,229	2,597,501
2,105,549	292,074	2,397,623
1,893,916	213,909	2,107,825
1,752,631	141,500	1,894,131
1,396,594	72,712	1,469,306
282,152	18,211	300,363
238,159	8,336	246,495
-	-	-
-	-	-
16,229,075	2,713,588	18,942,663

DEBT SERVICE SCHEDULE FOR ALL BONDS

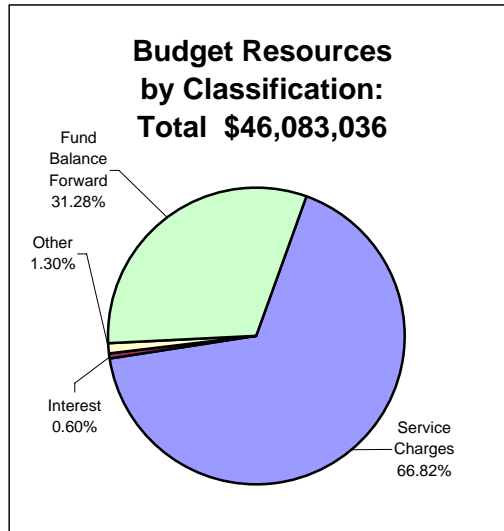
Principal	Interest	Total
9,565,000	3,210,168	12,775,168
9,235,000	2,851,241	12,086,241
9,565,000	2,512,462	12,077,462
9,625,000	2,154,230	11,779,230
8,845,000	1,791,128	10,636,128
8,780,000	1,456,657	10,236,657
8,460,000	1,113,548	9,573,548
6,250,000	766,856	7,016,856
5,365,000	505,906	5,870,906
3,805,000	287,425	4,092,425
2,620,000	125,263	2,745,263
315,000	11,025	326,025
\$ 82,430,000	\$ 16,785,907	\$ 99,215,907

City Of Lawrence General Obligation Debt Service



WATER AND WASTEWATER FUND

Fund 501 - WATER AND WASTEWATER



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Water and Sewer Charges	27,588,072	30,972,900	28,653,312	29,727,000
Interest on Investments	187,132	51,400	51,400	276,000
Development Charges	1,286,540	1,000,000	1,000,000	1,065,000
Miscellaneous & Other	286,433	673,100	241,000	601,000
TOTAL RECEIPTS	29,348,177	32,697,400	29,945,712	31,669,000
Balance, January 1	13,232,595	7,949,847	14,553,851	14,414,036
TOTAL RESOURCES AVAILABLE	42,580,772	40,647,247	44,499,563	46,083,036

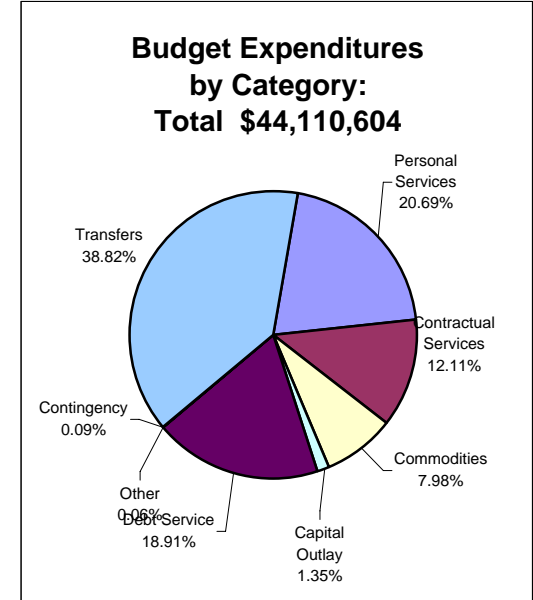
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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

Trends- Traditionally, the revenues for this fund increases in direct proportion to the amount of growth in the city as well as through the incremental rate increases dictated by the City Commission's approval of recommendations from the rate study. However, there will be no rate increase in 2011. Revenues are expected to be four percent below 2010 budget but almost four percent over 2010 estimated revenues.

Fund 501 - WATER AND WASTEWATER

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	8,663,882	8,912,684	8,688,603	9,124,645
Contractual Services	5,203,135	5,509,966	5,250,879	5,339,877
Commodities	2,625,218	3,556,821	3,490,478	3,521,342
Capital Outlay	290,349	357,000	332,939	595,000
Debt Service	7,193,479	8,798,900	8,365,527	8,341,791
Transfers to General Fund	2,744,858	2,882,101	2,882,101	3,021,849
Transfers to Reserve Funds	340,000	550,000	550,000	350,000
Transfers to Non Bonded Construction	966,000	2,000,000	500,000	1,000,000
Transfers to Achieve 5% Fund Balance	0	6,100,000	0	12,750,000
Other	0	25,000	25,000	26,000
Contingency	0	83,776	0	40,100
TOTAL EXPENDITURES	28,026,921	38,776,248	30,085,527	44,110,604
FUND BALANCE FORWARD	14,553,851	1,870,999	14,414,036	1,972,432



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. Decreases are due to restructuring within the department.

Contractual Services – The cost of services provided to the City by firms, individuals, or other City departments have increased steadily over the years. A slight decrease is budgeted for 2010 due to revenue constraints, despite the increased cost for electricity and gas

Commodities – Revenue constraints require a reduction in this category of expenditures, despite the increase in the cost of chemicals and other operating supplies.

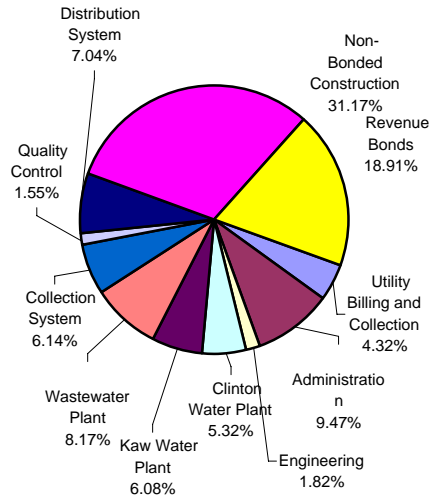
Capital Outlay – Equipment valued at more than \$1,000 and having a useful life of more than one year. The budget for capital outlay has fluctuated over the years as equipment needs change.

Transfers - Budgeted transfers in 2010 include transfers from the divisions to the General Operating Fund totaling \$3,021,849 for overhead expenses, \$1,000,000 to the Capital Improvement Fund to fund construction of water and wastewater projects for which no debt will be issued, and \$350,000 to other reserve funds. A large transfer is also budgeted to achieve the statutory limit on fund balance.

Fund 501 - WATER AND WASTEWATER

Budget Expenditures by Division:

Total \$44,110,604



EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Utility Billing and Collection	1,733,883	1,882,503	1,795,000	1,905,283
Administration	3,966,183	4,085,720	4,040,737	4,179,218
Engineering	791,730	825,669	804,264	801,185
Clinton Water Plant	1,882,203	2,194,252	2,095,000	2,346,122
Kaw Water Plant	2,492,338	2,753,755	2,625,000	2,683,489
Wastewater Plant	3,263,140	3,631,408	3,450,000	3,605,247
Collection System	2,647,289	2,845,837	2,595,000	2,708,651
Quality Control	563,064	743,062	665,000	683,290
Distribution System	2,527,612	2,915,142	3,150,000	3,106,328
Non-Bonded Construction	966,000	8,100,000	500,000	13,750,000
Debt Service				
Temp Note Interest				
Revenue Bonds	7,193,479	8,798,900	8,365,527	8,341,791
TOTAL EXPENDITURES	28,026,921	38,776,247	30,085,527	44,110,604
FUND BALANCE FORWARD	14,553,851	1,871,000	14,414,036	1,972,432

EXPENDITURES - DESCRIPTIONS AND TRENDS

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



City of Lawrence

Water and Wastewater Fund

Utility Billing

Division 1069

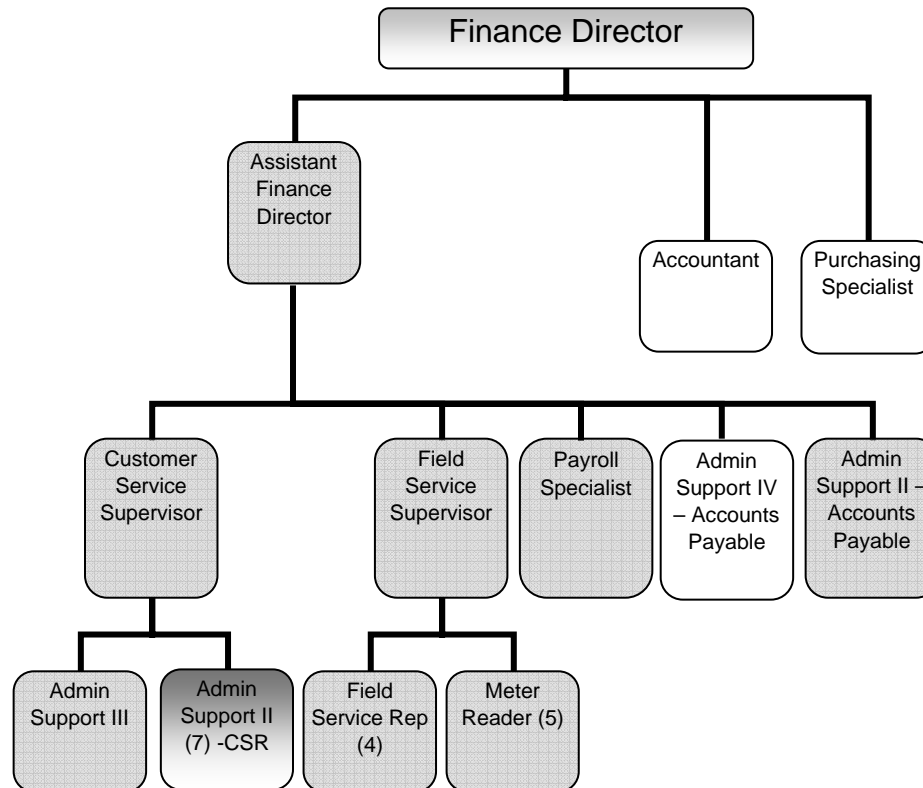
PROFILE

The Utility Billing Division of the Finance Department is responsible for the billing and collecting of water, wastewater, sanitation, and storm sewer charges. Each week, utility bills are prepared for approximately one-fourth of the City's 33,000 customers. Customers can initiate, transfer, terminate, and pay for services on a 24/7 basis through the website.

CURRENT YEAR ACCOMPLISHMENTS

1. Prepared a rate plan to provide adequate cash flow to fund operations and the proposed capital improvement plan.
2. Began preparing for transition to Innoprise billing software.
3. Initiated review of vendor responsible for the printing and mailing of utility bills

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	22.26	22.26	22.26	22.26

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 1,250,847	\$ 1,302,343	\$ 1,237,974	\$ 1,338,591
Contractual Services	300,535	364,166	346,167	354,227
Commodities	74,760	82,896	78,799	79,367
Capital Outlay	24,791	21,000	19,962	20,000
Debt Service		-	-	-
Transfers	82,950	87,098	87,098	87,098
Other		25,000	25,000	26,000
Total	\$ 1,733,883	\$ 1,882,503	\$ 1,795,000	\$ 1,905,283

MAJOR GOALS AND OBJECTIVES FOR 2011

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.

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
Percent of utility bills sent as scheduled	98.9	98	99
Percent of telephone calls abandoned	7.8	5.4	8
Percent of water meters needing reread	0.63	0.7	1
Percent of water meters read as scheduled	99.4	70	100

SIGNIFICANT ISSUES FOR 2011

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



UTILITY BILLING

Water and Wastewater Fund

Administration

Division 7100

PROFILE

The Administrative Division provides direction, analysis, and support services for all other divisions in such areas as budgeting, management system, policy development, employee development, business practices and public communications and programs.

CURRENT YEAR ACCOMPLISHMENTS

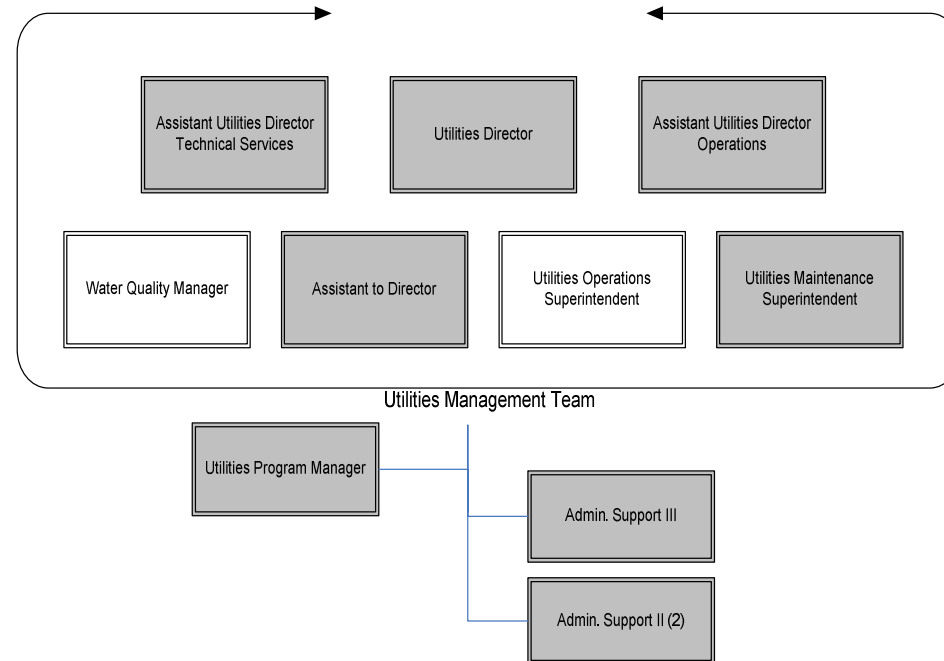
1. Implementation of "green initiatives" for energy savings such as replacement of T12 lighting with more efficient T8 lighting and identification of other initiatives such as determining green house gas emissions for all facilities.

2. Maintained certification of the Department's Management System for ISO 14001 Environmental Management, OHSAS 18001 Occupational Health & Safety Management, ISO 9001 Quality Management, and NPB EMS for Biosolids Management Systems.

3. Successful completion of voluntary, in-depth Kansas Department of Labor health and safety inspection, with high marks on department wide health and safety conditions.

4. Conducted many public tours of Utilities treatment facilities, including a recent tour of the Kaw Water Treatment and Wastewater Treatment Plants for the local Sierra Club.

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account. Also, 4 additional FTEs, 1 Staff Attorney, 0.5 of the Budget Manager, 1 Assistant City Manager, 1 NetwroK Technician and 0.5 of the City Auditor are funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	14.00	13.00	13.00	13.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 1,167,000	\$ 1,263,117	\$ 1,229,882	\$ 1,284,707
Contractual Services	621,620	361,600	352,085	324,600
Commodities	93,806	84,850	82,617	102,450
Capital Outlay	4,563	-	-	200,000
Debt Service		-	-	
Transfers	2,079,194	2,376,153	2,376,153	2,267,461
Contingency	-	-	-	-
Total	\$ 3,966,183	\$ 4,085,720	\$ 4,040,737	\$ 4,179,218

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
# GBA service request work orders entered	1,147	1,200	1,200
# invoices processed under approved budget	2,557	3,000	3,000
Lost time accidents	0	0	0

SIGNIFICANT ISSUES FOR 2011

1. Ensuring sufficient funds to maintain an aging infrastructure.
2. Planning future CIP projects and water and wastewater rates based on accurate data regarding population growth, economic development and infrastructure needs and priorities.
3. Funding increased General Fund transfers, which impact user rates and reduce available revenues for water and wastewater costs of service.
4. Increasing regulatory requirements for water and wastewater operations.

MAJOR GOALS AND OBJECTIVES FOR 2011

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.



City of Lawrence

ADMINISTRATION

Water and Wastewater Fund

Engineering

Division 7110

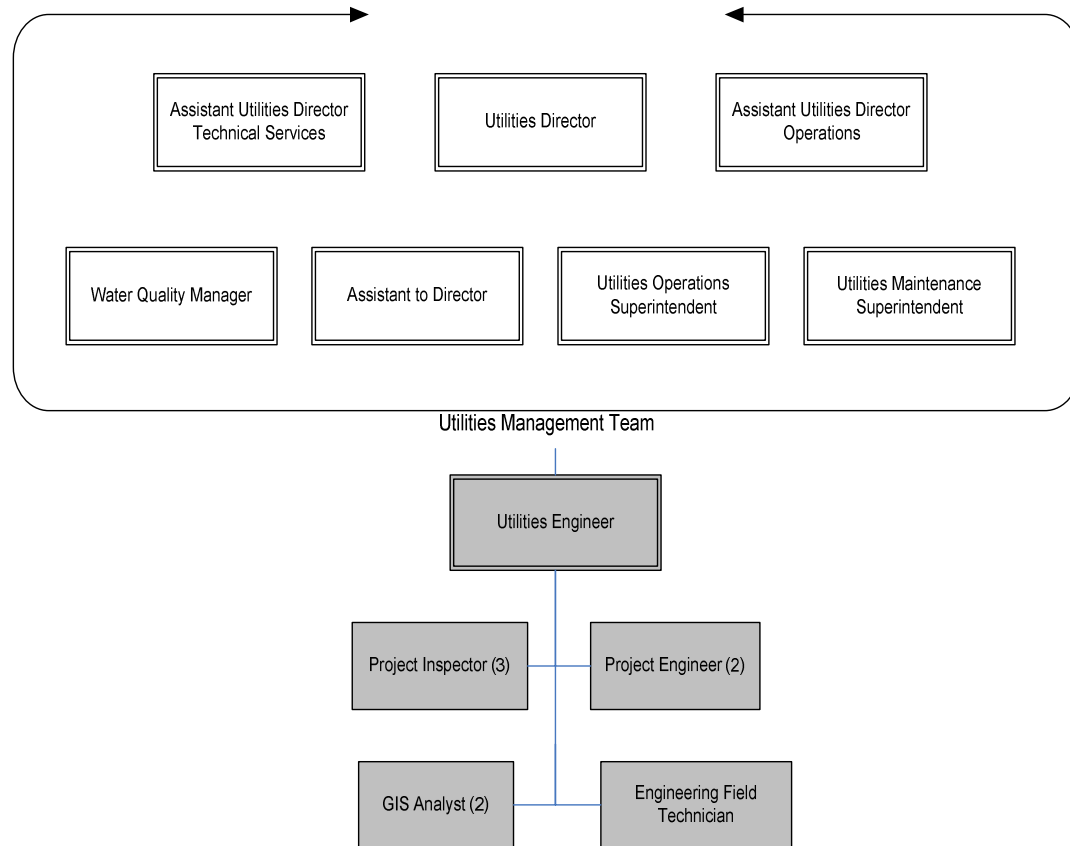
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Substantial update of the design criteria, material specifications and standard details for water mains and sanitary sewers for use by the development community and others.
2. Documentation of business practices via flow charts and standard operating procedures.
3. Ongoing development of a "pipe condition index" using GIS and work order data to identify aging and/or compromised infrastructure and prioritization of repair and rehabilitation.
4. Ongoing management of non-Master Plan projects, including utility relocations and utility improvements, *e.g.*, Fairfield Farms Benefit Districts waterline and lift station/forcemain; Airport waterline and sanitary sewer extensions; sanitary sewer replacement at 15th & New Hampshire/11th & Delaware; WWTP North Final & Kaw WTP Well Field Electrical Rehabilitation.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	12.00	10.00	9.00	9.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 693,156	\$ 687,915	\$ 669,814	\$ 686,223
Contractual Services	31,279	35,600	34,663	25,850
Commodities	45,251	90,000	87,632	76,350
Capital Outlay	10,468	-	-	-
Debt Service	-	-	-	-
Transfers	11,576	12,155	12,155	12,762
Other	-	-	-	-
Total	\$ 791,730	\$ 825,669	\$ 804,264	\$ 801,185

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% Water Distribution Inspection testing passing 1 st time	88.90%	92%	95%
% Sanitary Sewer Inspection testing passing 1st time	87.40%	90%	95%
Average number of projects in process (yearly average of each month's count)	15	14	15
Lost time accidents	0	0	0

SIGNIFICANT ISSUES FOR 2011

1. Application of wireless technology to GIS for field staff real-time access.
2. Adequate funding of Capital Improvements Plan given continued forecast for depressed revenues.
3. Addressing demands on aged infrastructure as infill development trends increase.

5. Ongoing management of multiple projects from the 2003 Water and Wastewater Master Plans, e.g., 2008 – 2010 Watermain Rehab Projects; Pump Station Replacement, Pump Station 9 Wet Weather Storage, Kaw WTP Transmission Main; Anaerobic Digester Improvements and 8th & Michigan Sanitary Sewer Rehabilitation.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Complete Water and Wastewater Master Plans.
2. Implement hydraulic modeling software.
3. Initiate all 2011 Capital Improvement Projects.
4. Continued verification of asset inventories, establishment of condition indices and forecast of future replacement requirements and funding.



City of Lawrence
ENGINEERING

Water and Wastewater Fund

Clinton Water Treatment Plant

Division 7210

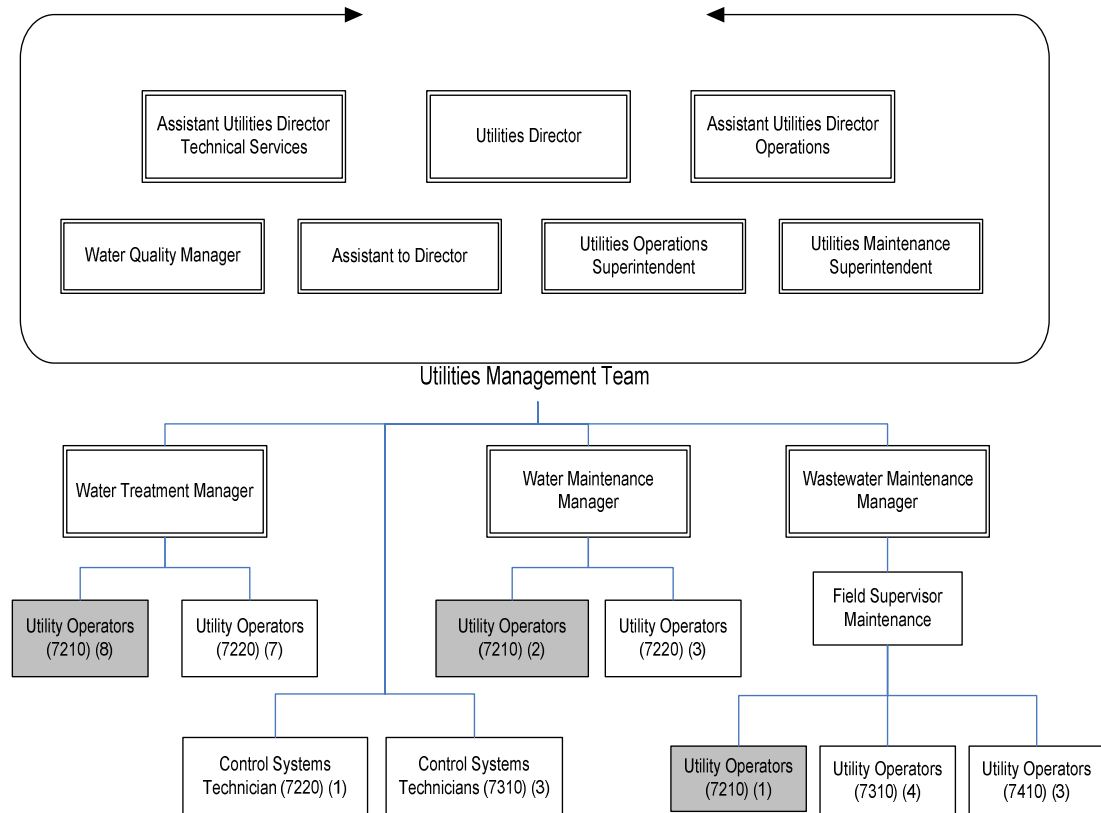
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Treated and pumped a combined total of 978 million gallons of water from January 1 through April 30, 2010 from Clinton and Kaw Treatment Plants.
2. In-house installation of pH and ammonia instruments.
3. Installation of air vibrators lime feed bins.
4. Implementation of new data entry system, expanded automation and computer system tie in to backup generator for control during power outage.
5. Completion of scheduled pump rehabilitation and electrical program maintenance.
6. In-house design/installation of ferric chloride storage and feed system.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	11.00	11.00	11.00	11.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 677,272	\$ 707,307	\$ 675,021	\$ 723,375
Contractual Services	452,808	611,950	584,017	674,700
Commodities	718,555	830,150	792,257	900,250
Capital Outlay	14,668	25,000	23,860	25,000
Debt Service	-	-	-	-
Transfers	18,900	19,845	19,845	20,837
Contingency	-	-	-	1,960
Total	\$ 1,882,203	\$ 2,194,252	\$ 2,095,000	\$ 2,346,122

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% Water pumped that is billed	94%	95%	>95%
Lost time accidents	0	0	0
% Tests in compliance with regulations	100	100	100
NPDES violations	0	0	0

SIGNIFICANT ISSUES FOR 2011

1. Maintaining recent improvements to department standards.
- 2.. Increasing regulatory requirements for water operations.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Continue to address taste and odor concerns noted in 2007 Citizen Survey.
2. Replace dust collector.
3. Improve early warning awareness of algae outbreaks in source water.
4. Filter profiling to expand the Clinton Plant capacity to 25-million gallons per day capacity.
5. Installation of fiber optic line for improved communication.
6. Increased energy efficiency via lighting, vehicle use, equipment selection and operations.



City of Lawrence

CLINTON WATER TREATMENT PLANT

Water and Wastewater Fund

Kaw Water Treatment Plant

Division 7220

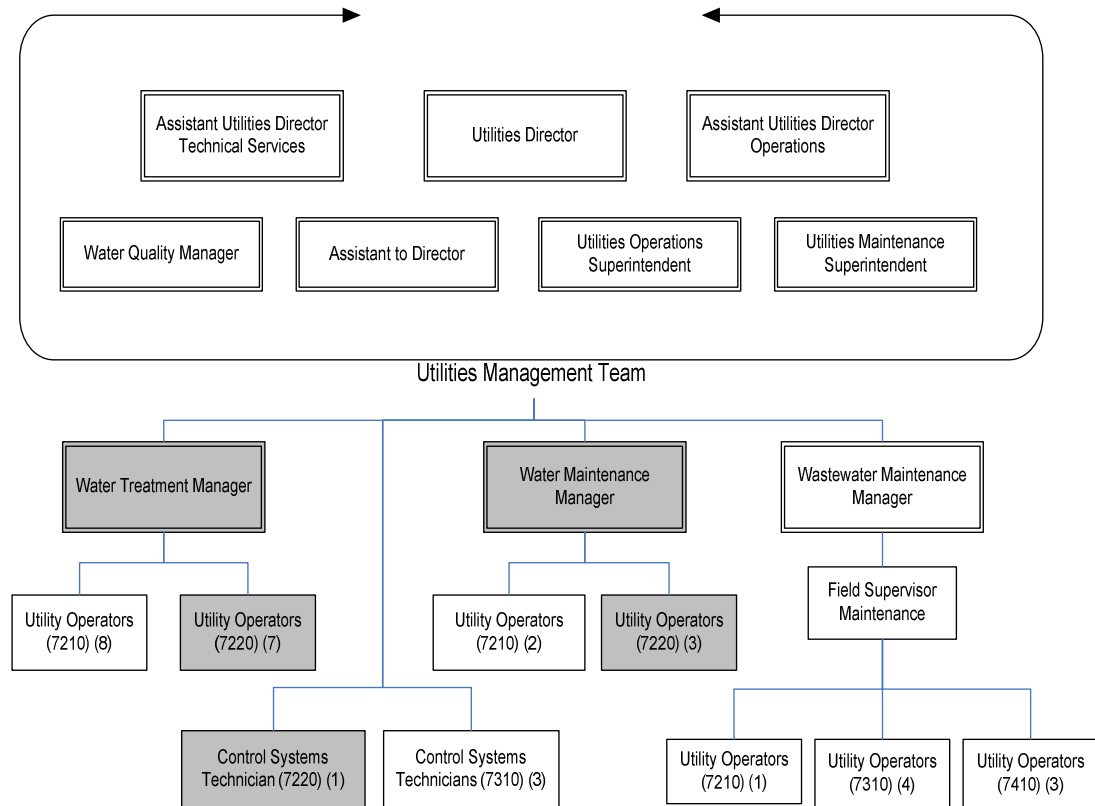
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Treated and pumped a combined total of 978 million gallons of water from January 1 through to April 30, 2010 from Clinton and Kaw Plants.
2. Implementation of a nitrification monitoring program at the water storage tanks, with estimated annual cost savings of \$15,000.
3. Implementation of new data entry system, expanded automation and substantial progress on in-house project totally upgrading SCADA system.
4. Completion of in-house project adding 6 elevated water storage tanks to new water SCADA automated system, at an estimated cost savings of over \$120,000.
5. Completion of in-house relocation of chemical storage and feed locations for polymer, bisulfite and fluoride for operational efficiency and safety.
6. Completion of brick and roof improvements.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	15.00	13.00	13.00	13.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 1,046,305	\$ 954,594	\$ 909,563	\$ 985,063
Contractual Services	868,319	996,950	949,921	875,500
Commodities	554,561	717,900	684,035	737,400
Capital Outlay	-	60,000	57,170	60,000
Debt Service	-	-	-	-
Transfers	23,153	24,311	24,311	25,526
Contingency	-	-	-	-
Total	\$ 2,492,338	\$ 2,753,755	\$ 2,625,000	\$ 2,683,489

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% Water pumped that is billed	94%	95%	>95%
Lost time accidents	0	0	0
% Tests in compliance with regulations	100	100	100
NPDES violations	0	0	0

SIGNIFICANT ISSUES FOR 2011

1. Addressing the infrastructure and equipment needs of an aging plant facility.
2. Increasing regulatory requirements for water operations.
3. Maintaining recent improvements to department standards.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Continue to address taste and odor concerns noted in 2007 Citizen Survey.
2. Completion of safety improvements and concrete repairs to handrails, walkways and stairs.
3. Instrumentation and control system upgrades, including a flow-paced feed system and filter controls.
4. Modification of chemical treatment process to reduce chemical costs while maintaining high quality services.
5. Monitor and control zebra mussels.
6. Complete Low Service #1 electrical and pump improvements.



City of Lawrence

KAW WATER TREATMENT PLANT

Water and Wastewater Fund

Waste Water Treatment Plant

Division 7310

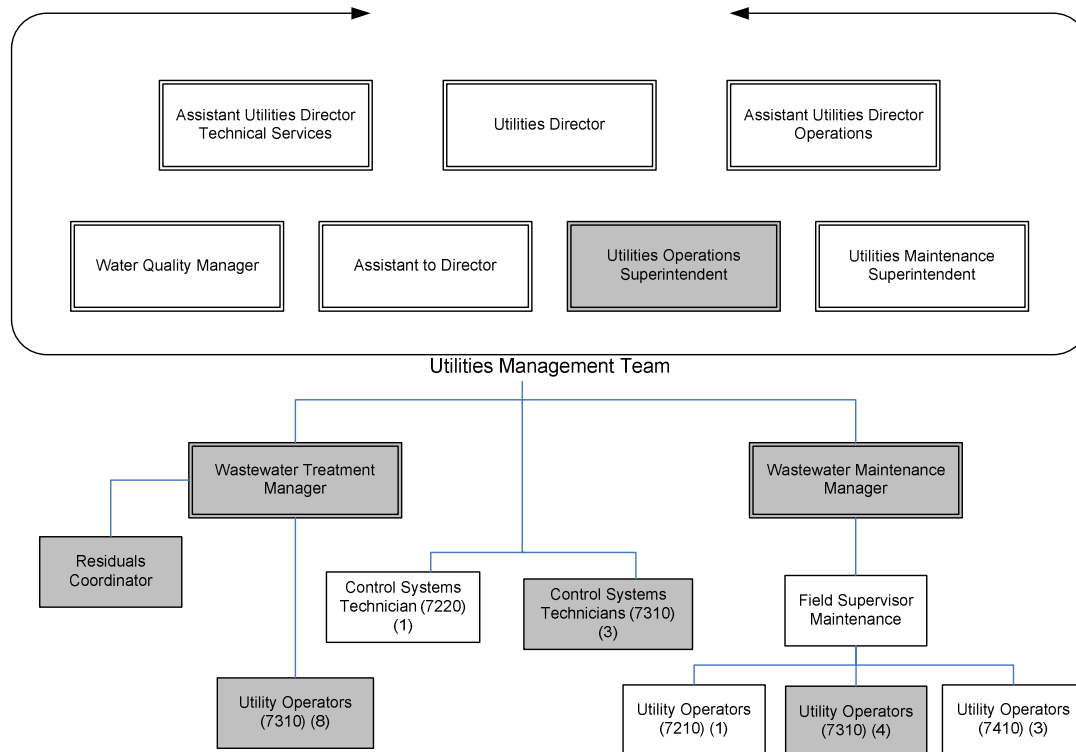
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Completion of in-house automation improvements, including enhanced controls to dissolved air floatation process, Activflo polymer feed system, composite sampling and thickened sludge pumping system.
2. In-house rehabilitation of fine screen and belt presses and replacement of rooftop HVAC unit.
3. Completion of scheduled pump rehabilitation and electrical program maintenance.
4. Pump Station #7 placed into service, with 100% in-house SCADA design, development and implementation at significant cost savings.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	19.00	19.00	19.00	19.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 1,315,181	\$ 1,379,442	\$ 1,323,169	\$ 1,384,177
Contractual Services	1,391,226	1,482,500	1,422,023	1,483,500
Commodities	516,704	627,600	601,998	618,350
Capital Outlay	10,629	75,000	71,940	75,000
Debt Service	-	-	-	-
Transfers	29,400	30,870	30,870	32,413
Contingency		35,996	-	11,807
Total	\$ 3,263,140	\$ 3,631,408	\$ 3,450,000	\$ 3,605,247

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
NPDES Violations	0	0	0
Lost time accidents	0	0	0
Complaints received	0	0	0
% Biosolids beneficially reused	100%	100%	100%

SIGNIFICANT ISSUES FOR 2011

1. Planning for and implementation of expansion/rehabilitation of the anaerobic digester complex.
2. New regulatory requirements for wastewater operations under the new NPDES permit for additional testing and monitoring as well as studies for assessing cost and feasibility for WWTP to meet effluent nutrient goals.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Continue 100% compliance with regulations, including removal of more than 97% of Biochemical Oxygen Demand and Total Suspended Solids from wastewater prior to discharge to the Kaw River.
2. Implement shared equipment pool in coordination with other City departments.
3. Replace MCC 7 electrical switch gear.
4. Beneficially reuse 100% of biosolids through Class A Biosolids Public Distribution and Class B Agricultural Land Distribution.
5. Increase energy efficiency via lighting, vehicle use, equipment selection and operations.
6. Investigate technological solution for optimization of blower system in aeration basins for decreased energy usage and improved performance.



City of Lawrence

WASTEWATER TREATMENT PLANT

Water and Wastewater Fund

Sanitary Sewer Collection Division 7410

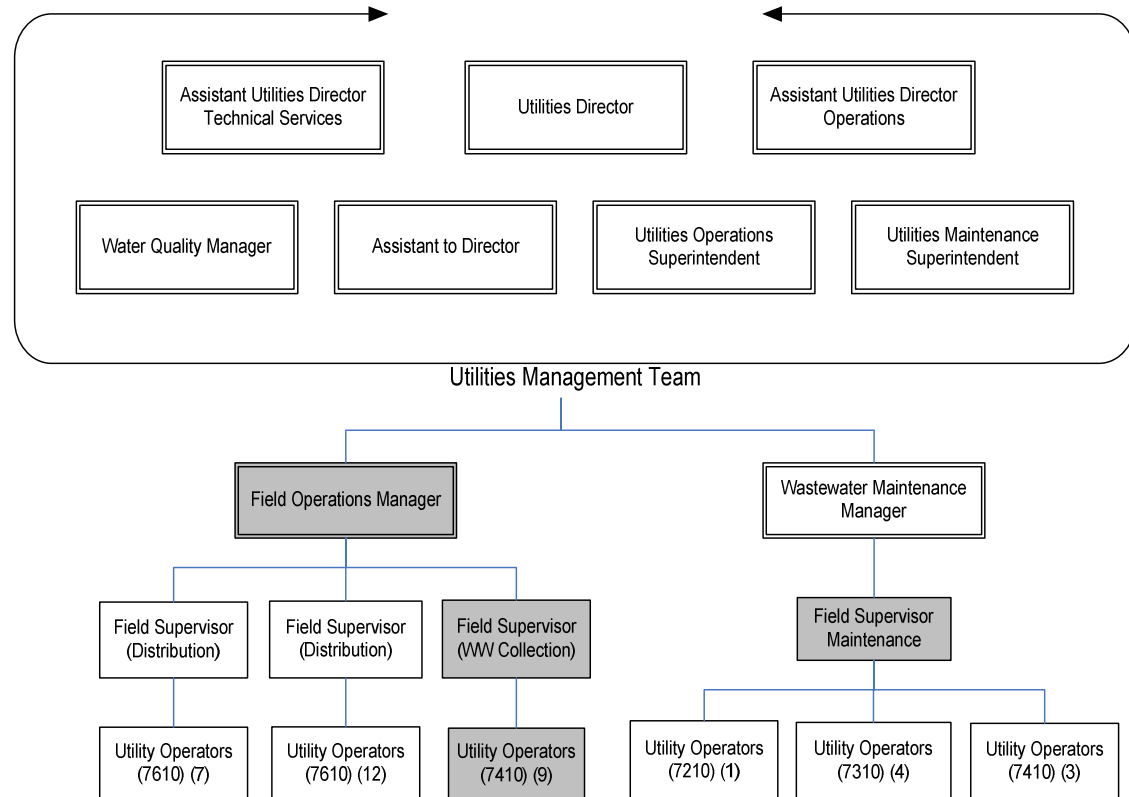
PROFILE

The mission of the Sanitary Sewer Collection Division is to convey wastewater from customers to the Wastewater Treatment Plant, prevent sanitary sewer overflows and maintain the wastewater collection system by preventing significant health, safety and environmental impacts. Division responsibilities include maintenance of approximately 406 miles of sanitary sewer gravity main, 23 miles of sanitary sewer force main, 10,119 manholes, and 1,500 clean outs.

CURRENT YEAR ACCOMPLISHMENTS

1. Inspection of 37 miles of sanitary sewer pipe via Closed Circuit Television.
2. Cleaning of 25% of the gravity system through 4-Year Section Cleaning Program and scheduled preventive maintenance.
3. New Pump Stations #50 and #7 placed into service, with 100% in-house SCADA design, development and implementation at significant cost savings.
4. Installation of flow meters on Lift Stations 4, 5 and 9 as part of Permanent Flow Meter Program, with 31 meters now installed city wide for gathering accurate wastewater flow data 24/7.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	15.00	15.00	15.00	15.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 888,451	\$ 962,531	\$ 883,879	\$ 972,200
Contractual Services	1,197,110	1,248,600	1,146,573	1,163,000
Commodities	111,768	194,625	178,722	151,025
Capital Outlay	174,335	105,000	96,420	105,000
Debt Service		-	-	-
Transfers	275,625	289,406	289,406	303,876
Contingency		45,675	-	13,550
Total	\$ 2,647,289	\$ 2,845,837	\$ 2,595,000	\$ 2,708,651

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
City Main Blockages	25	28	25
% Planned Maintenance Completed	1	1	1
% Planned TV Inspection Completed	100	100	100
Lost time accidents	2	0	0

SIGNIFICANT ISSUES FOR 2011

1. Aging collection system components, including 180 miles of clay pipe sewer.
2. Private inflow and infiltration from home and building foundation drains, causing capacity and treatment challenges.
3. Expanded collection system infrastructure presents resource challenges in maintaining the expanded system.
4. Implementation of the grease program.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Construct new pump station #25, with 100% in-house SCADA design, development and implementation for continued cost savings.
2. Continue reduction of city main blockages through proactive maintenance programs; including cured in place pipe program, point repairs, chemical root control program, section cleaning, scheduled preventive maintenance, grease program and TV inspections.
3. Rehabilitate aging collection system infrastructure and replacement of aging equipment.
4. Continue pump rehabilitation and electrical maintenance programs.
5. Eliminate sanitary sewer overflows due to lift station operations.



City of Lawrence

SANITARY SEWER COLLECTION

Water and Wastewater Fund

Quality Control

Division 7510

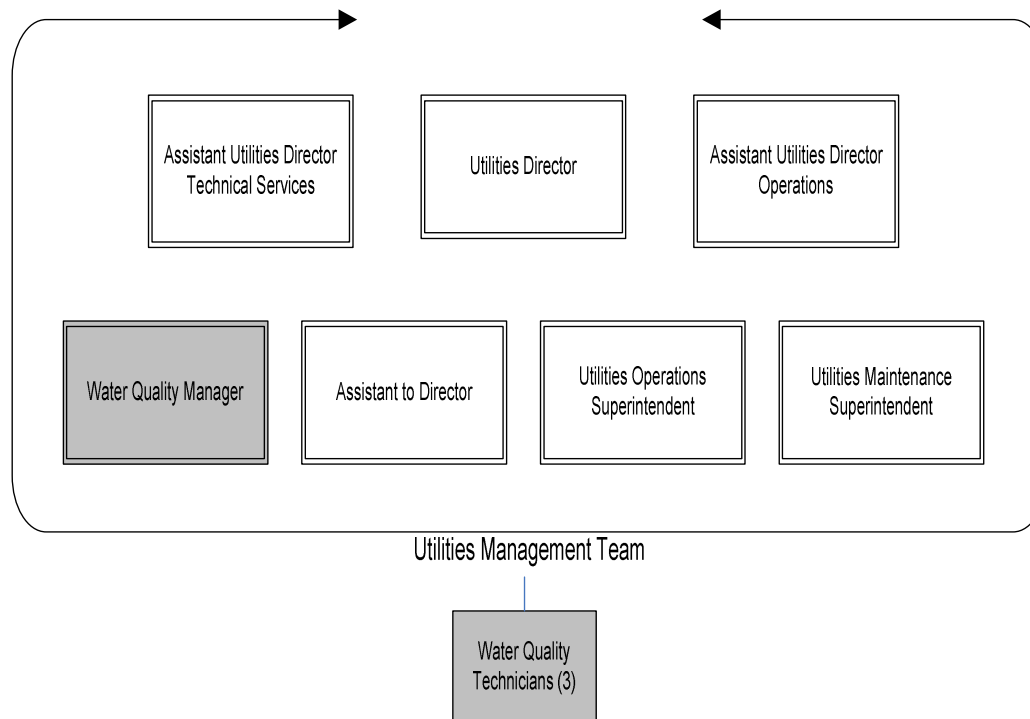
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Annual Compliance Summary for Industrial Pretreatment Program was completed March 2010.
2. Industrial Pretreatment Permits and onsite inspections of industrial facilities completed as required by city ordinance.
3. Water and Wastewater Compliance Reports submitted within established deadlines.
4. 2009 Consumer Confidence Report completed and ready for mailing to customers in April 2010.
5. All laboratories received accreditation under the National Environmental Laboratory Accreditation Program for Year 2010/2011.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	5.00	4.00	4.00	4.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 303,760	\$ 305,207	\$ 273,341	\$ 311,117
Contractual Services	110,865	167,100	149,653	152,000
Commodities	129,019	184,200	164,968	151,050
Capital Outlay	6,610	71,000	63,587	55,000
Debt Service	-	-	-	-
Transfers	12,810	13,451	13,451	14,123
Contingency		2,105	-	-
Total	\$ 563,064	\$ 743,062	\$ 665,000	\$ 683,290

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
In-house Lab Analyses	28,627	290	30,000
Lab Analyses Outsourced	4777	5000	4900
Compliance Rate	100%	100%	100%
Lost time accidents	0	0	0
Industrial Pretreatment inspections	18	5	5
Industrial Pretreatment Surcharge Billing	\$89,562	80,000	75,000

SIGNIFICANT ISSUES FOR 2011

1. Increased capital outlay expenditures for testing to improve control over chemical feeds and for the overall improvement of water quality.

6. Worked with industries to reduce total phosphorous discharges and minimize impact in plant effluent discharges.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Provide testing, reporting, technical support and other services to water and wastewater operations.
2. Respond and track customer taste and odor calls, locations and trend water quality problems.
3. Identify potential water quality issues through expanded data analyses.
4. Education and outreach to food preparation facilities for reduction of sanitary sewage overflows and wastewater maintenance costs due to fats, oils and grease.
5. More timely turnaround of laboratory analyses.



City of Lawrence

QUALITY CONTROL

Water and Wastewater Fund

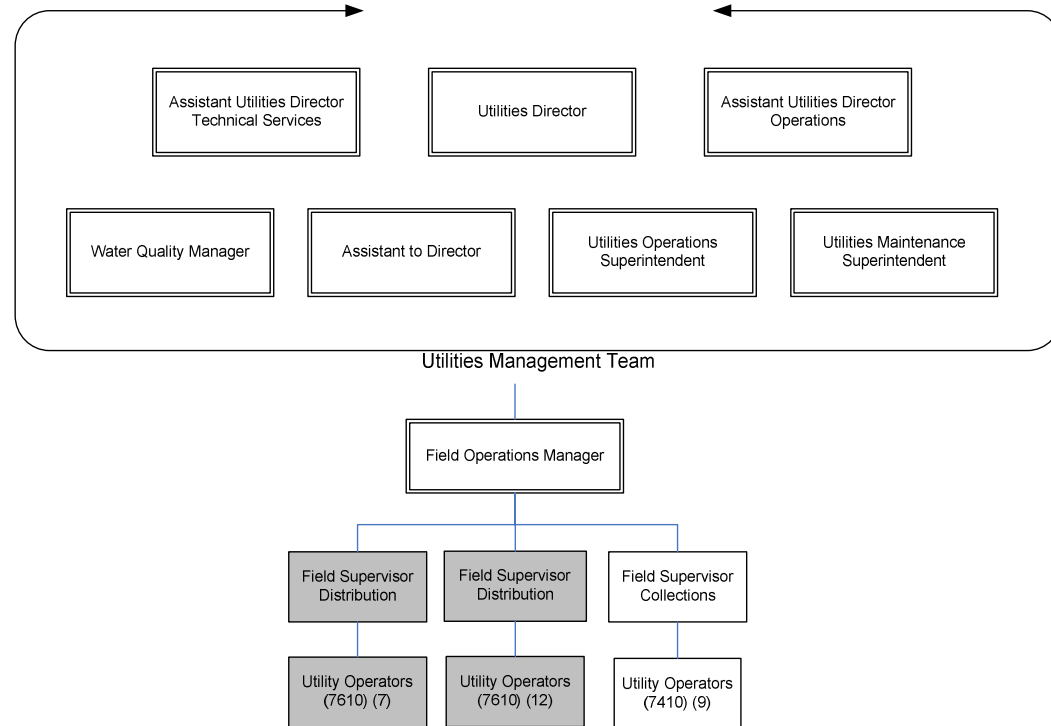
Water Distribution System

Division 7610

PROFILE

The mission of the Water Distribution Division is to install, maintain and repair the water distribution system. The distribution system is the network of pipes conveying clean, safe, potable water for consumption to residences, businesses, industries and rural water districts. It consists of 430 miles of water main, 11,315 valves, 3,451 fire hydrants and approximately 32,525 service connections. The system also provides water for fire protection

ORGANIZATIONAL CHART



CURRENT YEAR ACCOMPLISHMENTS

1. Between April 1, 2009 and March 31, 2010, field crews installed 161 new water services, repaired 89 main breaks, replaced 9,685 feet of water mains, exercised 982 valves and replaced 2,484 water meters.

2. Reorganization of inventory warehouses and implementation of GBA database for improved "just-in-time" stocking and cost management.

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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	22.00	21.00	22.00	22.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 1,321,910	\$ 1,350,229	\$ 1,485,960	\$ 1,439,192
Contractual Services	229,373	241,500	265,777	286,500
Commodities	380,794	744,600	819,450	705,100
Capital Outlay	44,285	-	-	55,000
Debt Service	-	-	-	-
Transfers	551,250	578,813	578,813	607,753
Contingency	-	-	-	12,783
Total	\$ 2,527,612	\$ 2,915,142	\$ 3,150,000	\$ 3,106,328

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
# Hydrants painted, inspected, repaired	2,046	1,720	1,750
# Lost time accidents	2	-	-
# Water services installed	179	256	256
# Water main breaks	103	60	54
Water Main Installed (feet)	10,992	12,000	15,000
# Valves Exercised	1,702	2,947	2,947
# Hydrant Flow Test	1,009	842	842

SIGNIFICANT ISSUES FOR 2011

1. Condition assessment of 1,954 concrete pipe transmission main.
2. Corrosion with cast iron and ductile iron water pipe causing leaks.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Continue pro-active maintenance programs guided by AWWA standards to assure continuous distribution reliability and delivery of clean, safe water to customers.
2. Water Main Rehabilitation. Continue water main replacement program replacing 4-inch and smaller aged transmission pipe and deteriorating mains.
3. Valve Exercise Program. Continue exercising smaller distribution system valves (up to 14-inches) every 4 years and larger valves (16-inch and larger) annually.
4. Meter Replacement Program. Continue replacing water meters for sustained accuracy in water usage readings for accurate billing and prevention of water loss.



City of Lawrence

WATER DISTRIBUTION SYSTEM

Water and Wastewater Fund

Debt Service Account 501-7700

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	7,193,479	8,798,900	8,365,527	8,341,791
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 7,193,479	\$ 8,798,900	\$ 8,365,527	\$ 8,341,791

Water and Wastewater Fund

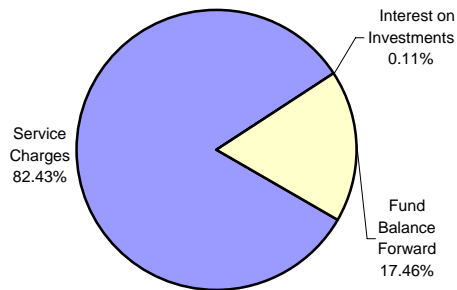
Non-Bonded Construction Account 501-7800

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfer to Non - Bonded Construction	966,000	2,000,000	500,000	1,000,000
Transfer to Achieve Fund Balance	-	6,100,000	-	12,750,000
Contingency	-	-	-	-
Total	\$ 966,000	\$ 8,100,000	\$ 500,000	\$ 13,750,000

SOLID WASTE FUND

Fund 502 - SOLID WASTE

Budget Resources by Classification: Total \$13,080,150



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Sanitation Service Charge	7,667,602	8,081,037	8,100,000	8,503,015
Roll Off	1,612,816	1,530,000	1,505,500	1,650,000
Extra Pickups, Miscellaneous	518,358	393,000	537,037	628,600
State Grants	-	-	-	-
Interest on Investments	2,586	75,000	5,000	15,000
TOTAL RECEIPTS	9,801,362	10,079,037	10,147,537	10,796,615
Balance, January 1	2,374,935	1,094,588	2,279,363	2,283,535
TOTAL RESOURCES AVAILABLE	12,176,297	11,173,625	12,426,900	13,080,150

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 2011.

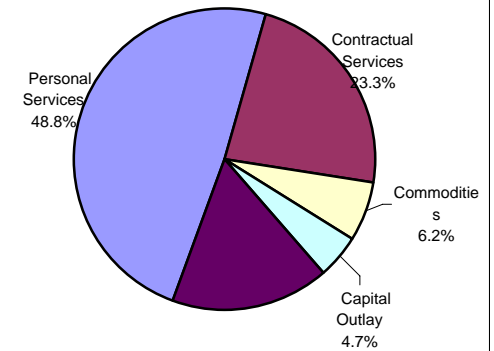
Trends- The City is currently negotiating with Hamm, Inc. regarding landfill rates, which have remained constant since 1993. An appropriate increase is expected and will require rates paid by City customers to be increased. In addition, increased maintenance and operating costs, including employee benefit costs, as well as minimal growth in the number of customers and geographic size of the service area, continue to impact the revenue requirements for this fund.

The market for recycled materials fluctuates as does the revenue the City receives from the sale of these materials. The 2011 budget assumes an increase in this revenue source due to increased prices and to new charges for a number of compost related programs.

Fund 502 - SOLID WASTE

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	6,048,710	6,389,717	5,887,503	6,113,105
Contractual Services	2,193,476	2,424,220	2,228,417	2,922,290
Commodities	537,807	849,650	782,711	779,820
Capital Outlay	730,916	971,000	890,551	588,200
Debt Service	-	-	-	-
Transfer to Other Funds	386,025	386,025	354,183	386,025
Transfer to Achieve 5% fund balance	-	-	-	1,750,000
Contingency	-	-	-	-
TOTAL EXPENDITURES	9,896,934	11,020,612	10,143,365	12,539,440
FUND BALANCE FORWARD	2,279,363	153,013	2,283,535	540,710

**Budget Expenditures
by Category:
Total \$12,539,440**



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees. Decrease due to holding five positions vacant for 2011. Funding is included for a merit pool for eligible employees.

Commodities - Goods and supplies for operating the divisions and providing the services of the department. The commodities category includes fuel, the cost of which is expected to increase for 2011. However, reductions in other line items result in a decrease from 2010 budget.

Capital Outlay - Funds for scheduled vehicle and equipment replacement. The needs to replace failing equipment and add additional equipment fluctuate as do expenditure levels. A reduction is necessary in 2011 to stay within forecasted revenues.

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, 2011 transfers equal those made in 2009 and 2010.

Solid Waste Fund

Residential Solid Waste

Division 3510

PROFILE

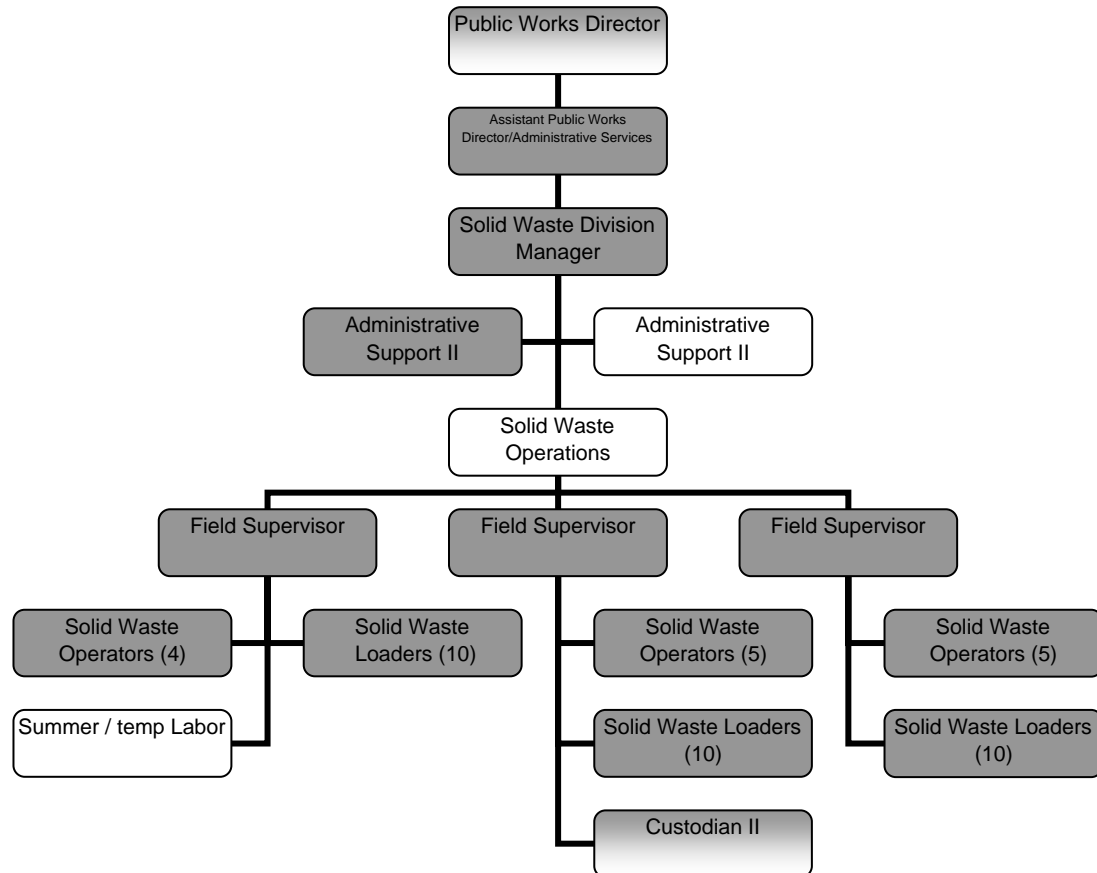
The Solid Waste Residential Collection Division of the Public Works Department is charged with collection of refuse generated from residential areas. Residential collection is on Tuesday, Wednesday, and Thursday. Monday is used for yard waste pick-up and Friday is for training, equipment maintenance, 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.

CURRENT YEAR ACCOMPLISHMENTS

1. Continued yard waste collection using preferred containers only with very positive rates of compliance.
2. Provided residential yard waste services for more than 31,000 units with a citizen survey satisfaction rate over 90%.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	53.84	53.84	53.84	50.84

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 3,168,370	\$ 3,331,470	\$ 3,078,492	\$ 3,150,932
Contractual Services	910,249	952,456	880,130	1,193,719
Commodities	221,454	377,150	348,511	335,780
Capital Outlay	237,012	510,000	471,273	341,350
Debt Service	-	-	-	-
Transfers	224,225	224,225	207,198	1,085,225
Contingency	-	-	-	-
Total	\$ 4,761,310	\$ 5,395,301	\$ 4,985,604	\$ 6,107,006

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 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	99.50%	99.50%	99.74%

SIGNIFICANT ISSUES FOR 2011

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

3. Expanded use of roll-out carts, providing convenience to customers and reducing the potential for injuries to solid waste employees.

4. 17 3-member crews provide residential collection for solid waste, grass and leaves, and integrated commercial rear load dumpster services.

MAJOR GOALS AND OBJECTIVES FOR 2011

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



RESIDENTIAL SOLID WASTE

Solid Waste Fund

Commercial Solid Waste

Division 3520

PROFILE

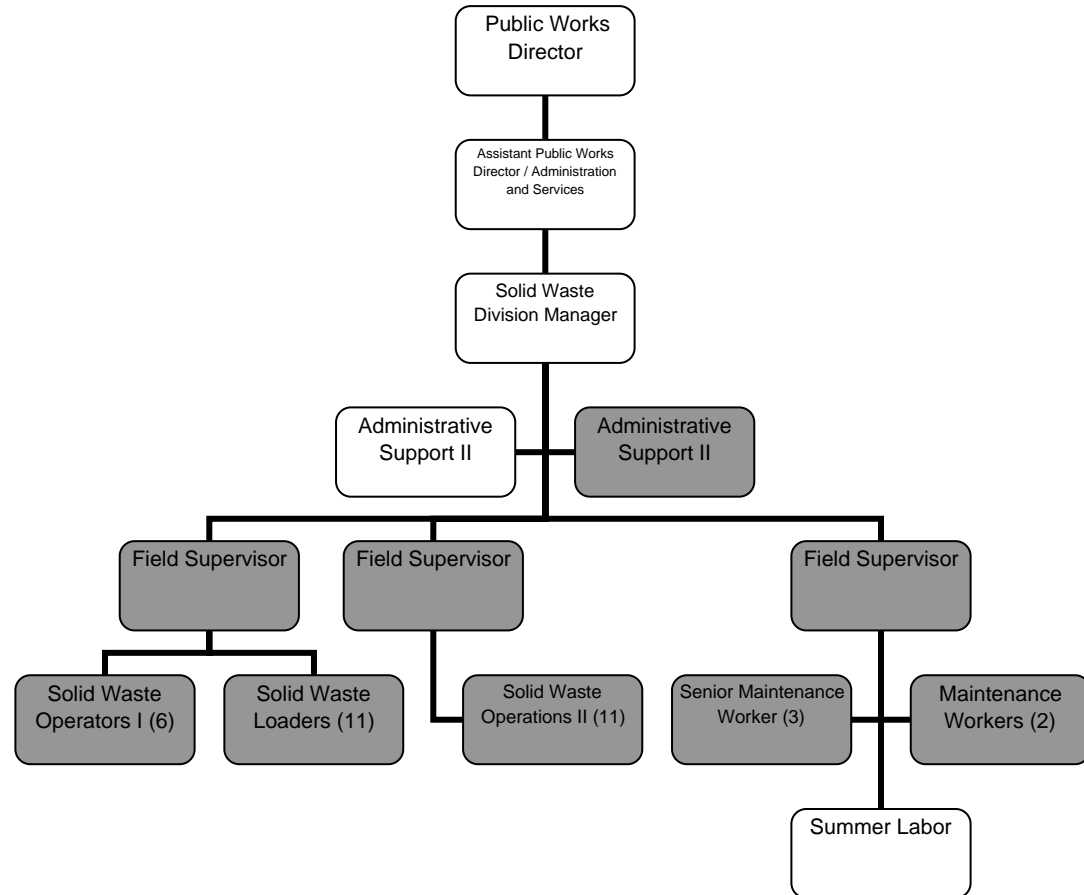
The Solid Waste Commercial Collection Division of the Public Works Department is responsible for the collection and disposal of all refuse and solid waste generated by commercial establishments, apartment complexes, industry, and most of the University of Kansas.

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.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	39.00	39.00	39.00	37.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 2,367,198	\$ 2,517,630	\$ 2,283,797	\$ 2,410,749
Contractual Services	1,067,985	1,266,477	1,148,849	1,514,096
Commodities	244,261	385,760	349,931	348,740
Capital Outlay	484,197	444,000	402,762	241,850
Debt Service	-	-	-	-
Transfers	158,500	158,500	143,779	905,500
Contingency	-	-	-	-
Total	\$ 4,322,141	\$ 4,772,367	\$ 4,329,118	\$ 5,420,935

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of residents satisfied or very satisfied with solid waste collection services	91%	91%	91%
% of roll-off accounts that are permanent placements	64%	64%	65%
% change in number of roll-off service calls	-6%	1%	2%

SIGNIFICANT ISSUES FOR 2011

1. Adequacy and condition of primary office facility needs attention.
2. Reasonable and consistent rate adjustments to address operational needs and increasing costs (fuel, steel, labor).
3. Replacement of equipment in a cost effective manner.
4. No service enhancements planned for 2011

CURRENT YEAR ACCOMPLISHMENTS

1. Use of the roll-off program continued to increase.
2. Expansion of compactor lease programs, including the addition of several schools.
3. Provided commercial solid waste services to over 1,400 customers and industrial accounts.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. To accommodate growth in commercial sector with greater number of dumpsters.
2. To address roll off service demands and facilitate compactor installations.
3. Coordinate with the University of Kansas for dormitory closings and openings to handle large volumes of waste generated in an efficient and effective manner.



COMMERCIAL SOLID WASTE

Solid Waste Fund

Waste Reduction/Recycling

Division 3530

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:

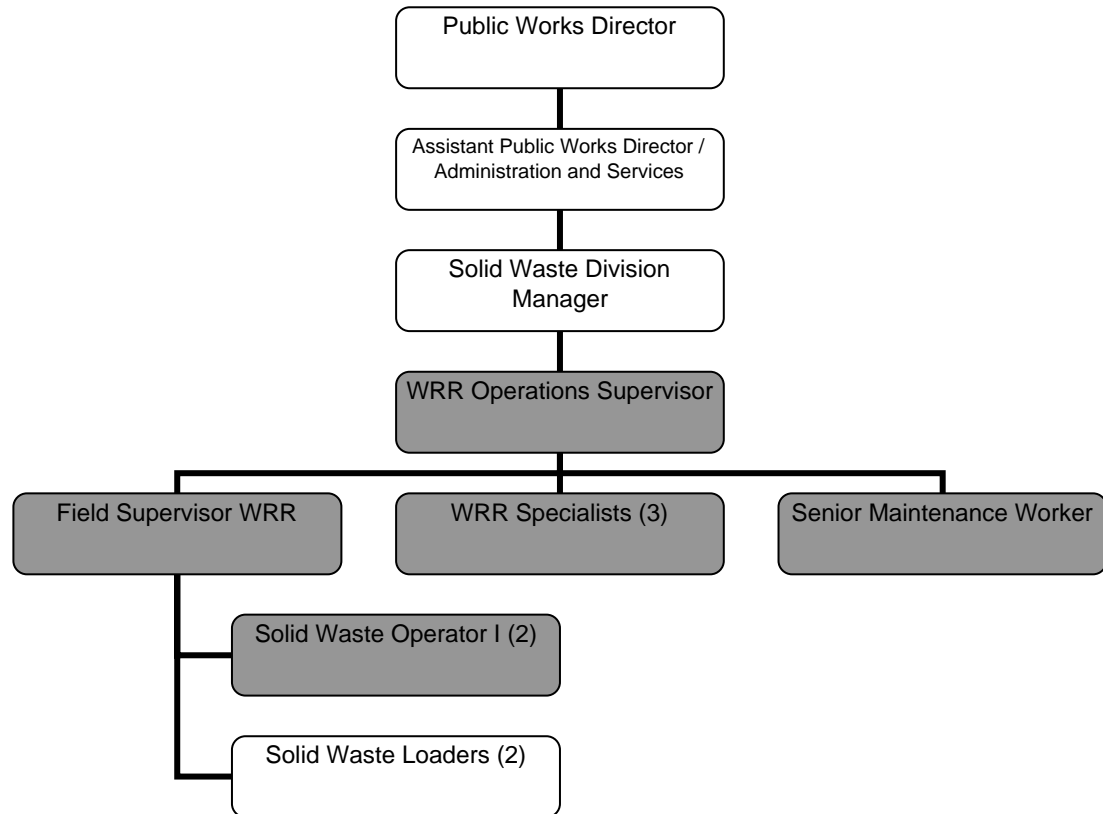
1. the household hazardous waste
2. fibers recycling programs, such as the drop-off locations, collection, processing, and sale of collected materials for newspaper, cardboard and mixed paper
3. home energy conservation fair
4. yard waste composting and annual sale events
5. other education and outreach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

Commercial services include:

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

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

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009	2010	2010	2011
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	8.00	8.00	8.00	8.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 513,142	\$ 540,617	\$ 525,214	\$ 551,424
Contractual Services	215,242	205,287	199,438	214,475
Commodities	72,092	86,740	84,269	95,300
Capital Outlay	9,707	17,000	16,516	5,000
Debt Service		-	-	-
Transfers	3,300	3,300	3,206	145,300
Contingency		-	-	-
Total	\$ 813,483	\$ 852,944	\$ 828,643	\$ 1,011,499

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of municipal solid waste recycled	TBD	35%	35%
Pounds of municipal solid waste disposed per person per day (KS normalized data)	TBD	3.46	3.5
% of residents satisfied with the City's drop-off recycling sites	50%	50%	50%
% of residents satisfied with the City's efforts to inform citizens about recycling opportunities	50%	50%	50%
% of residents satisfied with household hazardous waste disposal services	51.80%	51.80%	51.80%

SIGNIFICANT ISSUES FOR 2011

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

CURRENT YEAR ACCOMPLISHMENTS

1. Over 14,000 tons of material were recycled by the Solid Waste Division, including grass and leaves, newspaper, cardboard, brushy wood waste, holiday trees, and metals.
2. Hosted 2 e-waste collection events.
3. Special education and outreach programs were designed for effective and environmentally friendly management of wastes. Major special events included the Earth Day activities and the Home Energy Conservation Fair.
4. Staff continued to provide support for the Sustainability Advisory Board.
3. Revenue from the sale of recycling materials decreased dramatically in 2009 due to market conditions, and avoided landfill fees exceeded \$200,000.

MAJOR GOALS AND OBJECTIVES FOR 2011

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

WASTE REDUCTION/RECYCLING

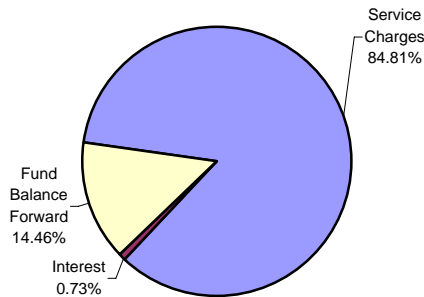


City of Lawrence

PUBLIC PARKING SYSTEM FUND

Fund 503 - PUBLIC PARKING SYSTEM

Budget Resources by Classification:
Total \$1,358,735



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Meter	449,981	559,524	600,000	600,000
Overtime Parking	394,624	429,992	450,000	450,000
Riverfront Garage	160,075	148,771	150,000	100,000
9th & New Hampshire Garage	8,288	10,000	8,000	10,000
Interest on Investments	(1,662)	10,000	1,000	1,000
Lease Payment	-	-	-	-
Miscellaneous	5,877	-	-	-
TOTAL RECEIPTS	1,017,183	1,158,287	1,209,000	1,161,000
Balance, January 1	343,998	135,211	237,736	197,735
TOTAL RESOURCES AVAILABLE	1,361,181	1,293,498	1,446,736	1,358,735

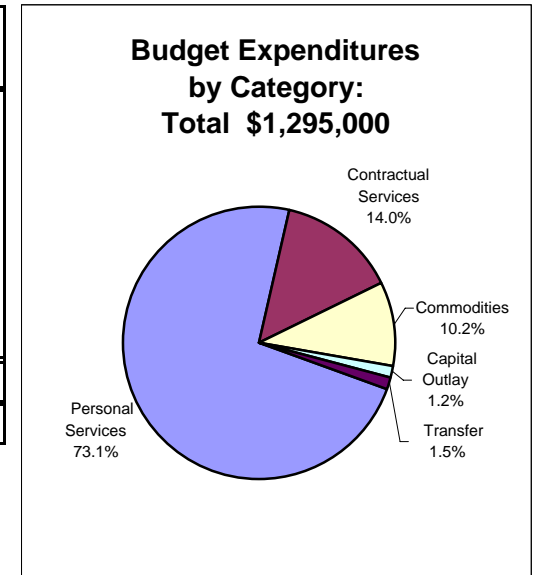
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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

Trends- Revenue in this fund has experienced slowed growth in recent years. The significant increases budgeted for 2010 assume an increase in the cost of metered parking, as well as the fines for overtime parking. This was the first increase in overtime fines since 2004. Reductions are anticipated in revenue generated by the Riverfront parking garage due to renegotiation of an agreement with the owners of the Riverfront building.

Fund 503 - PUBLIC PARKING SYSTEM

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	846,123	882,932	882,932	888,737
Contractual Services	146,448	172,446	172,446	169,534
Commodities	107,981	120,513	120,513	123,427
Capital Outlay	-	15,000	15,000	15,000
Debt Service	-	-	-	-
Transfer	22,893	58,110	58,110	18,302
Contingency	-	-	-	80,000
TOTAL EXPENDITURES	1,123,445	1,249,001	1,249,001	1,295,000
FUND BALANCE FORWARD	237,736	44,497	197,735	63,735



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, municipal court clerks, and part-time seasonal employees. An increase is budgeted for 2011 for merit based wage adjustments for eligible employees.

Contractual Services – Cost of equipment repair, vehicle maintenance, as well as electricity and other utilities. Decreases are necessary due to revenue constraints, despite anticipated increases in electricity and other utility costs as well as elevator maintenance contracts, etc.

Commodities- Office supplies, meters and parts, fuels, trees, seeds, and plants. Increases over 2009 funding levels will be used to enhance beautification efforts in the downtown parking areas.

Capital Outlay – Expenditures fluctuate according to needs each year. In 2010, funds were budgeted for the replacement of a number of the streetlights in downtown in need of repair.

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 2011.

Public Parking System Fund

Parking Control

Division 2300

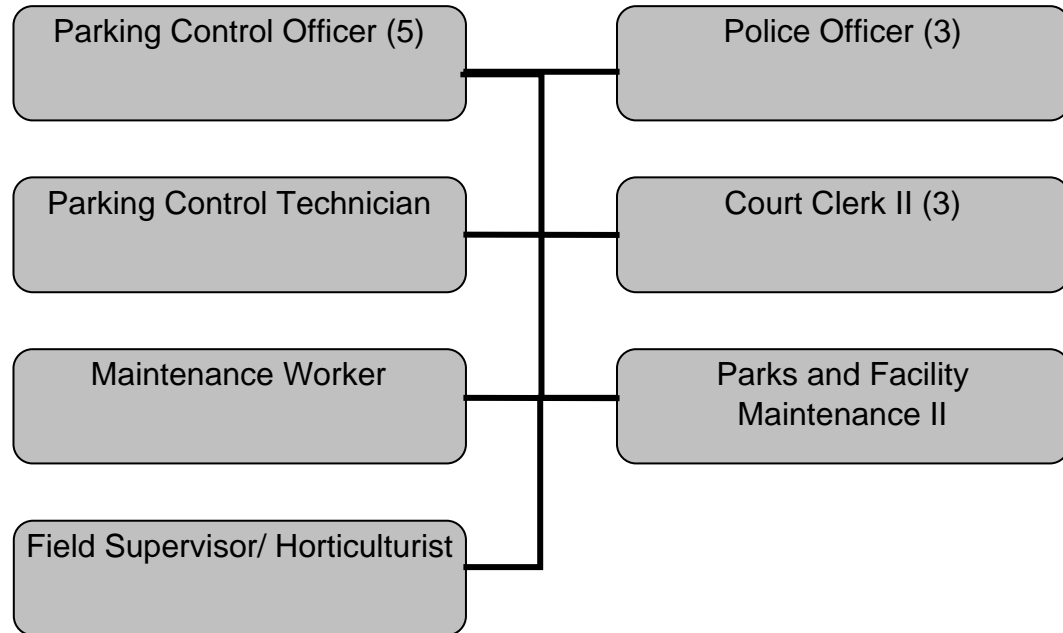
PROFILE

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

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

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

ORGANIZATIONAL CHART



CURRENT YEAR ACCOMPLISHMENTS

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

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

PERSONNEL SUMMARY

	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
PERSONNEL				
Authorized Positions	14.00	14.00	15.00	15.00

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	\$ 846,123	\$ 882,932	\$ 882,932	\$ 888,737
Contractual Services	146,448	172,446	172,446	169,534
Commodities	107,981	120,513	120,513	123,427
Capital Outlay	-	15,000	15,000	15,000
Debt Service	-	-	-	-
Transfer	22,893	58,110	58,110	18,302
Contingency	-	-	-	80,000
Total	\$ 1,123,445	\$ 1,249,001	\$ 1,249,001	\$ 1,295,000

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of residents satisfied with parking enforcement services	58.80%	NA	TBD
% of residents satisfied with the availability of parking downtown	42.90%	NA	TBD
% of residents satisfied with the beautification of downtown	68%	NA	TBD

SIGNIFICANT ISSUES FOR 2011

Implementation of fine and fee increases.

MAJOR GOALS AND OBJECTIVES FOR 2011

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



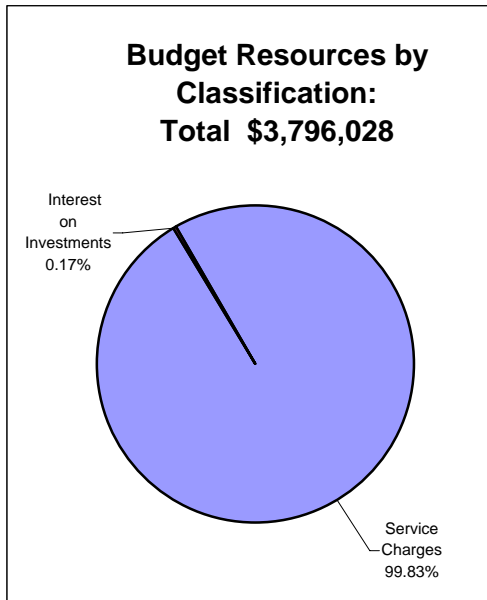
PUBLIC PARKING



City of Lawrence

STORM WATER UTILITY FUND

Fund 505 - STORM WATER UTILITY



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Storm Water Utility Charges	2,919,032	2,890,385	2,950,000	2,950,000
Interest on Investments	(6,445)	20,000	5,000	5,000
Miscellaneous	500	7,000	-	-
Debt Proceeds	-	-	-	-
TOTAL RECEIPTS	2,913,087	2,917,385	2,955,000	2,955,000
Balance, January 1	1,107,730	468,124	1,016,390	841,028
TOTAL RESOURCES AVAILABLE	4,020,817	3,385,509	3,971,390	3,796,028

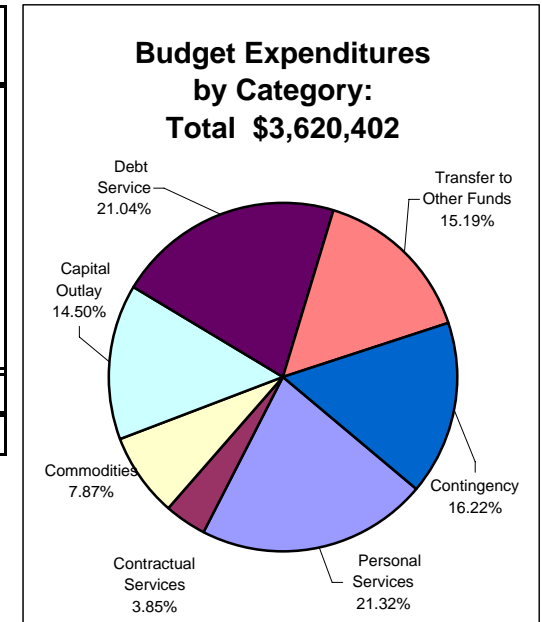
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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 2011 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	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	702,437	739,551	739,551	771,787
Contractual Services	181,249	133,790	133,790	139,400
Commodities	355,204	284,294	284,294	285,034
Capital Outlay	104,707	435,000	435,000	525,000
Debt Service	860,830	766,739	766,739	761,855
Transfer to Other Funds	800,000	452,000	452,000	550,000
Contingency	0	415,803	318,988	587,326
TOTAL EXPENDITURES	3,004,427	3,227,177	3,130,362	3,620,402
FUND BALANCE FORWARD	1,016,390	158,332	841,028	175,626



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services- Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. The increase in 2011 can be attributed in part to the increased cost of the City's contribution to employee health care and 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. Expenditures include \$75,000 for Yankee Tank Dam improvements.

Debt Service- Debt Service expenditures allow for the payment of bonded debt at the completion of construction for major improvement projects.

Transfer to Other Funds - A transfer will be made into a construction account to fund future capital projects. Transfers will also be made to the General Fund for continued funding of the curb repair program and to the Workers Comp Reserve Fund. In 2009, a substantial transfer was made to the Capital Improvement Reserve Fund however, revenue constraints prevent this transfer in 2010. In 2011, a transfer is budgeted, however, it will only be made if resources are available.

Stormwater Utility Fund

Storm Water Utility
Division 3900

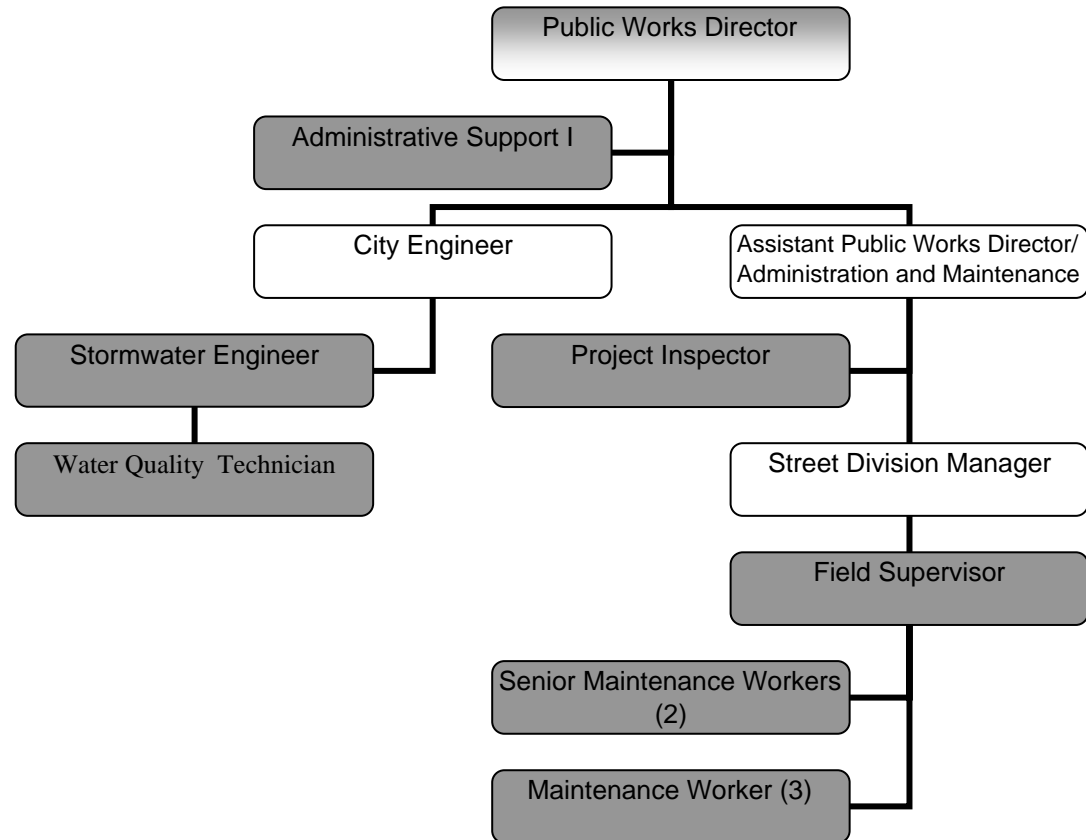
PROFILE

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

CURRENT YEAR ACCOMPLISHMENTS

1. Continued focus on existing infrastructure maintenance, such as:
 - 1550 lf of stormwater pipe cleaned
 - 1671 catch basins cleaned
 - 27 catch basins rebuilt
 - 4755 lf of ditches cleaned
 - 2311 lf of storm sewer installed
2. Bowersock Dam rehabilitation coordination and bidding.
3. Draft stream buffer ordinance completed.
4. Draft post construction manual for best management practices completed.

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

PERSONNEL	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Authorized Positions	10.50	10.50	10.50	10.50

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 702,437	\$ 739,551	\$ 739,551	\$ 771,787
Contractual Services	181,249	133,790	133,790	139,400
Commodities	355,204	284,294	284,294	285,034
Capital Outlay	104,707	435,000	435,000	525,000
Debt Service	860,830	766,739	766,739	761,855
Transfers	800,000	452,000	452,000	550,000
Contingency	-	415,803	318,988	587,326
Total	\$ 3,004,427	\$ 3,227,177	\$ 3,130,362	\$ 3,620,402

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 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	0	10	0
Number of storm water quality violations issued	1	10	0
Number of storm water education program participants	78	94	125

SIGNIFICANT ISSUES FOR 2011

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

MAJOR GOALS AND OBJECTIVES FOR 2011

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



STORM WATER UTILITY

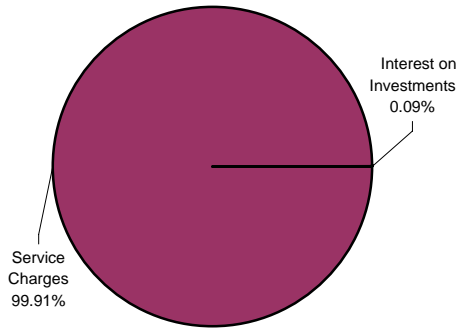


City of Lawrence

PUBLIC GOLF COURSE FUND

Fund 506 - PUBLIC GOLF COURSE

**Budget Resources
by Classification:
Total \$1,568,907**



RECEIPTS	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Golf Course Fees	919,416	1,011,500	915,000	1,099,000
Interest on Investments	1,144	-	500	1,000
Miscellaneous	465	8,000	9,000	9,000
Transfers In	-	-	-	-
TOTAL RECEIPTS	921,025	1,019,500	924,500	1,109,000
Balance, January 1	249,170	116,498	292,022	459,907
TOTAL RESOURCES AVAILABLE	1,170,195	1,135,998	1,216,522	1,568,907

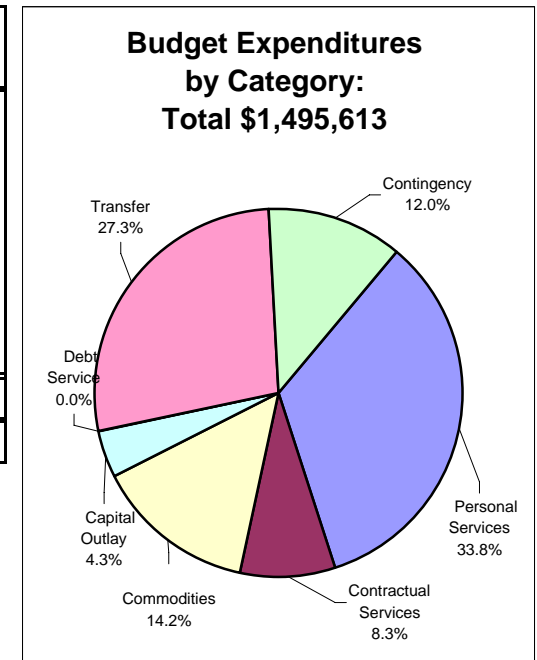
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

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. Increases in fees were implemented for weekend rates in 2009. We will continue to monitor play and pricing but at this time are not recommending increases for 2011.

Fund 506 - PUBLIC GOLF COURSE

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimated	2011 Budget
Personal Services	\$ 459,147	\$ 509,515	\$ 509,515	\$ 505,343
Contractual Services	143,292	120,200	74,796	124,300
Commodities	258,329	211,900	131,857	212,226
Capital Outlay	17,405	65,000	40,447	65,000
Debt Service	-	-	-	-
Transfer	-	-	-	409,000
Contingency		176,505	-	179,744
TOTAL EXPENDITURES	878,173	1,083,120	756,615	1,495,613
FUND BALANCE FORWARD	292,022	52,878	459,907	73,294



EXPENDITURES - DESCRIPTIONS AND TRENDS

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

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

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

Transfer - A transfer to the capital improvement reserve fund is budgeted that will only be made if resources are available.

Public Golf Course Fund

Public Golf Course

Division 4900

PROFILE

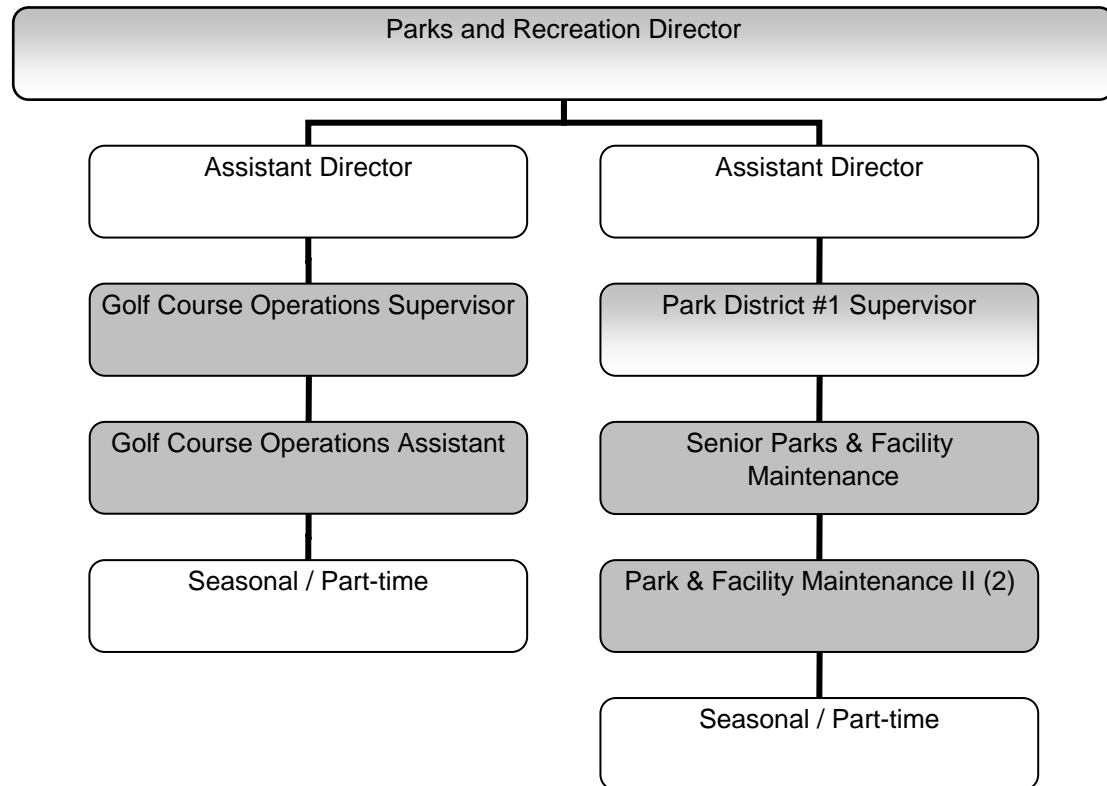
The municipal golf course division is responsible for the operation and maintenance of Eagle Bend Golf Course and related facilities. The \$3.2 million dollar, 18 hole municipal golf course, in its twelfth year of operation, is located east of the Clinton Lake Dam in the southwest quadrant of the City.

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

CURRENT YEAR ACCOMPLISHMENTS

1. Continued fairway and tee renovation program that upgrades the turf type to Zoysia as finances allow
2. Restructured Volunteer program to include over 4,000 hours of time contributed to Eagle Bend
3. Increased satisfaction and participants with the new and improved men's and women's league format
4. Continue to host over 20+ tournaments

ORGANIZATIONAL CHART



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

PERSONNEL SUMMARY

	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
PERSONNEL				
Authorized Positions	5.5	5.75	5.75	5.75

EXPENDITURE SUMMARY

EXPENDITURES	2009 Actual	2010 Adopted	2010 Estimate	2011 Budget
Personal Services	\$ 459,147	\$ 509,515	\$ 509,515	\$ 505,343
Contractual Services	143,292	120,200	74,796	124,300
Commodities	258,329	211,900	131,857	212,226
Capital Outlay	17,405	65,000	40,447	65,000
Debt Service	-	-	-	-
Transfers	-	-	-	409,000
Contingency	-	176,505	-	179,744
Total	\$ 878,173	\$ 1,083,120	\$ 756,615	\$ 1,495,613

PERFORMANCE INDICATORS

Indicator	2009 Actual	2010 Estimated	2011 Target
% of residents satisfied with the quality of Eagle Bend Golf Course	58.80%	NA	TBD
% of overall golf experience rated good or excellent	93.94%	94%	95%

SIGNIFICANT ISSUES FOR 2011

Constant evaluation of the playability of Eagle Bend Golf course, pricing and customer service is always foremost along with staying within the confines of the projected expenses and revenues. We also need to keep up on the area courses that are restructuring and determine what if any impact that restructure could have on the operation of Eagle Bend.

MAJOR GOALS AND OBJECTIVES FOR 2011

1. Continue to operate the Eagle Bend Golf Course facility as an enterprise account of fees exceeding operating expenses.
2. Increase number of players by offering great customer service, well maintained facility and continuing our marketing plan.
3. Continue Zoysia renovation program as funds allow
4. Marketing to increase number of online tee reservations and weekday play.



City of Lawrence

PUBLIC GOLF COURSE



City of Lawrence

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

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

Capital Improvement Budget

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

Impact of Capital Budget on Operating Budget

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

2011 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

2011 CAPITAL IMPROVEMENT BUDGET

Project	Cash						General Obligation Bonds Backed By		Water and Waterwater Revenue Bonds	Fed. or State Aid	Total
	Infrastructure Sales Tax	Reserve Funds	General Fund	Guest Tax Fund	Water and Wastewater Fund	Stormwater Fund	Property Tax	Special Assmt.			
City At Large Projects - Continued Projects											
Carnegie Building				50,000							50,000
Bioscience Incubator			75,000								75,000
Kasold - Clinton Pkwy to 31st	5,000,000									1,000,000	6,000,000
City At Large Projects - New Projects											
Iowa - Yale to BBP	550,000						1,250,000			3,800,000	5,600,000
Fire Apparatus Replacement - Quint 6	500,000						473,236				973,236
KLINK- W. 6th Street, Mass. to Iowa, Monterey to Folks							1,000,000			400,000	1,400,000
Farmland Infrastructure - Phase I							1,000,000	2,000,000			3,000,000
Bob Billings Parkway, Kasold to Crestline (westbound only)							1,300,000				1,300,000
Street Maintenance	500,000										500,000
Yankee Tank						75,000					75,000
Water and Wastewater Utility Fund Projects											
Misc Water System Improvements					500,000						\$ 500,000
General Sanitary Sewer Improvements					500,000						\$ 500,000

Project	Cash						General Obligation Bonds Backed By		Water and Waterwater Revenue Bonds	Fed. or State Aid	Total
	Infrastructure Sales Tax	Reserve Funds	General Fund	Guest Tax Fund	Water and Wastewater Fund	Operating Fund	Property Tax	Special Assmt.			
Total All Projects											
At Large Projects- Continued	\$ 5,000,000	\$ -	\$ 75,000	\$ 50,000		\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 6,125,000
At Large Projects - New	\$ 1,550,000	\$ -	\$ -	\$ -		\$ 75,000	\$ 5,023,236	\$ 2,000,000	\$ -	\$ 4,200,000	\$ 12,848,236
Water and Wastewater Utility Fund Projects	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
TOTAL ALL PROJECTS	\$ 6,550,000	\$ -	\$ 75,000	\$ 50,000	\$ 1,000,000	\$ 75,000	\$ 5,023,236	\$ 2,000,000	\$ -	\$ 5,200,000	\$ 19,973,236

2011 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

The following capital improvement projects are already underway or are new projected slated for the 2011 construction year. Included are project costs and a description of any anticipated operating budget and/or related service impacts.

Carnegie Building Renovations

Project Description: Renovation of the historic building into a public meeting and recreation space as well as home to the Lawrence Convention and Visitor's Bureau and the Freedom's Frontier National Heritage Area.

2011 City Cost: \$50,000

Operating Budget Impact: This is the annual debt service payment for the renovation of this facility. Additional staffing, equipment, and materials are anticipated in 2011 and are budgeted in the Recreation Fund. However, these increases should be offset by charges for rental of the facility for private events. Long-term plans include a reduction in lease payments for office space currently home to the Convention and Visitors Bureau.

Construction of Bioscience Incubator

Project Description: The City has agreed to participate in a project along with Douglas County and the Lawrence Douglas County Bioscience Authority, to construct a wet lab, research facility that could serve as an incubator for new bioscience related businesses.

City Cost: \$75,000

Operating Budget Impact: This is the second in a ten-year commitment. The funds come from the general overhead budget in the General Operating Fund.

Kasold Street, Clinton Parkway to 31st - Reconstruction Phase I

Project Description: Reconstruction of a five-lane section and sidewalk along Kasold Drive, from Clinton Parkway to 31st Street.

City Cost: \$5,000,000

Operating Budget Impact: City funding for this project will come entirely from the City's Infrastructure Sales Tax. No addition staffing is required to monitor progress of this project and a reduction in maintenance and repair costs for this section of roadway is anticipated upon completion and over the life of the road.

Iowa, from Yale Road to Bob Billings Parkway

Project Description: Reconstruction of a five-lane section and sidewalk along Iowa, from Yale Road to Bob Billings Parkway.

City Cost: \$1,800,000

Operating Budget Impact: City funding for this project will come from the City's Infrastructure Sales Tax and from debt. An annual debt service payment will be required. No addition staffing is required to monitor progress of this project and a reduction in maintenance and repair costs for this section of roadway is anticipated upon completion. Addition of the turning lane should improve traffic safety.

2011 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

KLINK - mill and overlay – W. 6th Street, from Massachusetts to Iowa and Monterey Way to Folks Road

Project Description: This project includes mill and overlay, full depth patching, curb repair, and construction of bus turn-outs on 6th street between Massachusetts and Iowa and from Monterey Way to Folks Road. In addition, 6th street between Hy-Vee and Folks will be widened to extend a center turn lane. Sidewalks will be removed and replaced and some utility adjustments may be necessary, however, there will be no need for property acquisition.

City Cost: \$1,000,000

Operating Budget Impact: Short term impacts include the cost of staff time to review plans and bid documents and to monitor progress of project, however no additional staff is required. Longer-term impacts include an annual debt service payment which should be partially offset by decreased maintenance costs for this section of pavement by preventing the need for more costly repairs in the future.

Fire Apparatus Replacement – Quint 6

Project Description: Replacement of a 1992 Pierce Quint (Unit 614), which has been in service for 11,006 engine hours and 111,350 miles.

City Cost: \$973,236

Operating Budget Impact: Funding will come from the City's Infrastructure Sales Tax and from debt. Annual debt service payments will be required, however, reduced maintenance and repair costs are also anticipated from replacing this aging piece of apparatus.

Farmland Infrastructure, Phase I

Project Description: This project will begin work on the recently acquired former Farmland Industries site. While the City has funding for the remediation, additional funds will be needed to install infrastructure and make other improvements necessary for redevelopment of the site.

City Cost: \$1,000,000

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

Bob Billings Parkway, Crestline to Kasold (Westbound)

Project Description: Reconstruction of the existing pavement structure, base / sub-grade preparation, removal and replacement of curb and gutter, construction of bus turn-outs, installation of under-drain if necessary, and removal and replacement of some storm water inlets and pipes. westbound lanes of a section of Bob Billings Parkway from Kasold to Crestline.

City Cost: \$1,000,000

Operating Budget Impact: An annual debt service payment will be required. No additional staffing is required to monitor progress of this project and a reduction in maintenance and repair costs for this section of roadway is anticipated upon completion.

Street Maintenance

Project Description: Proceeds from the 0.30% sales tax for infrastructure will be used to repair portions of streets throughout the City. Projects will be selected according to highest need.

City Cost: \$500,000

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

2011 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Yankee Tank

Project Description: The City will participate in a project to rehabilitation the Yank Tank Dam, also know as the Lake Alvamar Dam. The bulk of funding for this project, which is estimated to cost \$1.9 million, will come from a grant received by the natural Resources Conservation Service (NRCD), an agency of the US Department of Agriculture. The local match (estimated at \$522,000) will be provided by a number of interested parties including the local property owners, the Wakarusa Watershed District, KDOT, Douglas County, and the City.

City Cost: \$75,000

Operating Budget Impact: City funding will come from the City's Storm water fund, resulting in a \$75,000 impact on the operating budget for 2011. Staff has recommended that the City's participation in the project be conditional on this property being annexed into the City, however, no additional resources (staffing or maintenance) would be necessary.

Misc. Water System Improvements

Project Description: These are annual projects to improve the treatment and distribution system reliability. Projects range from plant safety improvements, inspection of system assets such as concrete water mains and water towers and program specific projects such as large valve replacement, SCADA Improvements, water main relocations, and large equipment replacement.

City Cost: \$500,000

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

General Sanitary Sewer System Improvements

Project Description: These are annual projects to improve the treatment and collection system reliability. Projects range from plant safety improvements, additional CIPP, sewer main relocations, and large equipment replacement.

City Cost: \$500,000

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

2011 CAPITAL IMPROVEMENT BUDGET PROJECTION OF AVAILABLE DEBT SERVICE FUNDS

City of Lawrence
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	6.71	3,668,190	929,170	4,800,085	-202,725	7,947,026
2001	545,451,921	6.75	4,051,274	806,224	5,165,537	-308,039	7,638,987
2002	593,159,174	7.12	4,366,170	1,140,000	6,137,522	-631,352	7,007,635
2003	629,033,427	7.13	4,410,000	2,744,000	6,624,510	529,490	7,537,125
2004	674,353,182	7.10	4,700,233	2,089,000	6,029,126	760,107	8,297,233
2005	718,149,570	7.07	4,978,998	1,955,000	7,460,359	-526,361	7,770,871
2006	776,860,997	7.05	5,310,303	1,280,000	7,068,577	-478,274	7,292,597
2007	824,365,924	7.01	5,765,441	2,781,261	8,100,577	446,125	7,738,722
2008	853,590,988	7.01	5,965,722	3,345,000	7,898,410	1,412,312	9,151,035
2009	862,037,581	7.09	6,049,875	1,434,000	8,296,537	-812,662	8,338,373
2010	853,676,870	7.00	5,915,981	740,000	7,780,424	-1,124,444	7,213,929
2011	853,152,998	7.00	5,792,909	750,000	6,948,131	-405,223	6,808,706
2012	861,684,528	7.00	5,971,474	850,000	7,513,550	-692,076	6,116,630
2013	870,301,373	7.00	6,031,189	860,000	7,809,640	-918,451	5,198,179
2014	879,004,387	7.00	6,091,500	850,000	7,421,601	-480,100	4,718,078
2015	887,794,431	7.00	6,152,415	830,000	7,935,859	-953,444	3,764,635
2016	896,672,375	7.00	6,213,940	810,000	7,969,177	-945,238	2,819,397
2017	905,639,099	7.30	6,545,054	810,000	8,002,743	-647,689	2,171,708
2018	914,695,490	7.70	6,972,724	710,000	9,095,752	-1,413,028	758,680
2019	923,842,445	7.90	7,225,372	710,000	7,955,488	-20,117	738,563
2020	933,080,869	7.40	6,835,750	750,000	7,475,246	110,504	849,067

* Assumes estimated Assessed Value for 2011 then a 1% increase

** Assumes following CIP Budget-
\$5,000,000 annually

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

APPENDIX

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.
EECBG	Energy Efficiency & Conservation Block Grant Program
ERC	Employee Relations Committee
ERU	Equivalent Residential Unit
FAA	Federal Airport Administration
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO Bonds	General Obligation bonds
GPS	Global Positioning System
HHW	Household Hazardous Waste
IAFF	International Association of Fire Fighters
ITC	Investigative Training Center
KDOT	Kansas Department of Transportation
KU	University of Kansas

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

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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.
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.

GLOSSARY OF TERMS

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.

GLOSSARY OF TERMS

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.
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.

GLOSSARY OF TERMS

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.

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

WATER TAPS

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

WATER MAIN EXTENSIONS

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

BUDGET POLICIES

CITY OF LAWRENCE

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.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

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.
- 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.

CITY OF LAWRENCE INVESTMENT AND CASH MANAGEMENT POLICY

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.

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.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

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.

12.0 Daily Cash Management Practices and Policies

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

13.0 Separate Provisions of Policy and Conflicts with Kansas Laws

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

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

1.0 **Policy**

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

Accounting and Reporting Capabilities:

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

2.0 **Fund Accounting Systems**

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

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

1. Governmental Funds

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

2.0 Proprietary Funds

CITY OF LAWRENCE GOVERNMENTAL ACCOUNTING POLICY

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

3.0 **Basis of Accounting**

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

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

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;

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

- Trends in bond markets structures;
- Trends in interest rates; and,
- Other factors as deemed appropriate.

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.

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

Revenue Bonds

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

Special Assessment Bonds

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

Debt Issuance With Intergovernmental Agencies

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

Structure of Debt Obligations

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

Call Provisions

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

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

Variable Rate Long-Term Obligations

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

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.

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

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

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**

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

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.

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.

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

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