

- 1. Under legal services (on line item budget) \$200k is listed as "legal services". What is this for? Do we hire outside counsel? If so, who are we hiring and what are they doing for us?**

We do hire outside counsel for litigation. We also use private law firms for their expertise in water rights, annexation and zoning law, as well as employment law. Other legal services paid from this line item include court reporters, mediators, and temporary judges.

- 2. I know you said there is a difference between the parks and rec department budget and the Park and Rec fund budget. Can you explain the difference in numbers, herein, generally?**

The parks and recreation department budget in the general fund pays for the personnel, equipment, supplies, and services required to maintain city parks and recreation facilities. The Recreation Fund is used to pay for the personnel to operate the City's recreation facilities as well as for the maintenance of aquatic facilities and the nature center.

- 3. Specifically, in the park and rec fund there is a line item listed for \$37K for sidewalk and path improvement. Is this in addition to the 25K listed elsewhere (streets budget, I think), for sidewalks?**

The special recreation fund includes \$37,000 for capital improvements located within city parks and around recreation facilities as needed. In 2012, these funds have been used to install new sidewalk in Watson Park, repair fencing along bike trails in Green Meadows Park, and for other miscellaneous trail and sidewalk repairs. No money was spent from this account in 2011. In 2010, money from this account was used to install concrete abutments and a bridge along the DeVictor Park trail.

The \$25,000 included in the gas tax fund is for repairs to sidewalks and paths along the city rights of way. No money was spent from this account in 2010 or 2011 and none has been spent from this account as of the end of June 2012.

- 4. In the general overhead budget, there is a line item for 125K "other/contingencies". What is this money used for?**

In the 2013 budget, the "other/Contingencies" line item in general overhead is \$915,000. This is where the items that are to be funded through the .87 mill levy increase recommended by the City Manager were budgeted. The breakdown is as follows:

- \$20,000 for supplemental pay for city employees on military leave
- \$300,000 for additional police equipment
- \$275,000 for additional police staffing
- \$60,000 for additional paint striping efforts
- \$75,000 for additional economic development efforts

Also included in this line item is the cost of merit increases for eligible employees paid from the general operating fund and a contingency for items that come up that weren't anticipated when the budget was adopted.

Should the City Commission adopt the mill levy increase, the items outlined above will be reflected in the appropriate expenditure category (personal services, contractual services, commodities, capital outlay, etc.)

5. How much is the City's workers compensation fund? Is this a carry over fund year to year? What percentage of the fund is spent, annually?

The worker's compensation liability fund accounts for resources set aside for the City's self-funded worker's compensation program. The balance of the fund is generally between \$1 million and \$1.5 million. Annual expenditures depend upon exposure and actual medical expenditures, typically in the \$850,000 to \$1 million range. The net assets in the Workers Compensation Fund as of 12/31/11 were \$1,176,706. 2011 expenses were \$932,245 – approximately 79% of the fund.

6. In the police budget, there are a number of line items listed with an account #4203, representing equipment purchases <\$5000. These amounts vary, from \$600 to 41K. What do these numbers represent? What is this money spent on? Is there a line item that breaks this spending out?

These funds are used to purchase small equipment that costs less than \$5,000. The use of these funds varies from year to year and is different for each division. The bulk of expenditures from these accounts are for computer equipment (i.e. mobile data computers, laptops, external hard drives, flash drives, etc.). Other examples in 2011 included surge protector/power strips, a fax machine, battery chargers, digital camera equipment and memory cards, holsters, siren mounts, light bars, pistol grips, cell phone accessories, jumper cables, flashlights, animal control poles, animal leashes, projection equipment, wireless microphone, training mats and pads, typewriter and supplies, key fobs for the KCJIS system, GPS equipment, digital voice recorders, a metal detector, and a forensic extraction device.

7. In the police budget, what does "R&M" mean?

R&M stands for "repair and maintenance."

8. Generally, why are line items budgets repetitive in regard to individual accounts? i.e. salaries appears repeatedly in many budgets? Do we have cumulative amounts by account#?

The budget for each fund is divided into divisions. In some instances, there is only one division in the department. For instance, the City Commission is considered a department and division for budgeting purposes. There are some departments (i.e. planning and development services, police, city attorney's office, public works, parks and rec) that have multiple divisions for budgeting purposes. For instance, police investigations is a separate division of the budget than police patrol. This allows us to better identify the costs associated with providing a particular program or function, and creates an additional level of budget control. Each division manager has a set of line items they are responsible for monitoring and controlling.

9. How much property tax money will go into the rec fund after the sports village is approved?

The property tax mill levy for recreation was eliminated beginning with the 2012 budget. Therefore, no property tax goes into the recreation fund. No property tax will go into the recreation fund if the sports village is approved. The plan is to fund operations of the sports village using proceeds from the county-wide sales tax and revenues from classes and events held at the sports village. Current projections assume an increase of \$300,000 in sales tax will be transferred into the rec fund in the first year if the sports village is approved.

10. In the CIP budget for the sports village, I see 3 million for GO bond money in 2012 and 1 million in 2014. Are these numbers in addition to the amounts budgeted for water and waste water infrastructure for the sports village?

Yes, the cost of water and sewer infrastructure needed for the sports village will be funded through the water and wastewater fund. This is in addition to the \$4,000,000 of general obligation debt.

11. What percentage of the water/wastewater fund increase can be attributed to infrastructure for the proposed sports village?

Approximately 3.5% of the increase in projected expenses in 2013 is related to water and sewer infrastructure for the proposed sports village. However, this percentage is subject to change as the City Commission has not determined the utility rates or the improvement projects for 2013.

12. Who will pay the farmland assessment? The entire city? The SE side? Only farmland tenants?

The special assessments will be paid by the City and by purchasers of businesses located within the business park who will benefit from the road and other improvements.

13. Is there a city-wide debt service/interest budget sheet? Can I get a copy of that?

The statement of indebtedness we will be submitting to the State as part of our 2013 budget is attached. It shows the total outstanding debt as of Jan 1, 2012 was \$169,302,681. The principal and interest payment amounts for 2012 and 2013 are also provided.

14. Can you explain what the City's retiree health care program is, and how much it costs?

Retired city employees are eligible to participate in the City's healthcare plan. The retiree pays 80% of their monthly premium for individual coverage and the City pays the remaining 20%. (Retirees pay 100% of the monthly premium for employee plus spouse or family coverage.) Retiree healthcare claims are projected to total \$896,000 in 2013. These claims will be paid through retiree contributions (premiums, deductibles and co-pays) as well as the City's contribution.

City of Lawrence

2013

STATEMENT OF INDEBTEDNESS

Type of Debt	Date of Issue	Date of Retirement	Interest Rate %	Amount Issued	Beginning Amount Outstanding Jan 1, 2012	Date Due		Amount Due 2012		Amount Due 2013	
						Interest	Principal	Interest	Principal	Interest	Principal
General Obligation:											
Series 2001-A	5/15/01	9/1/12	4.50	2,840,000	295,000	3/1,9/1	9/1	13,718	295,000		
Series 2001-B	9/15/01	9/1/13	4.20	2,345,000	290,000	3/1,9/1	9/1	12,550	140,000	6,600	150,000
Series 2002-A	5/15/02	9/1/13	3.90	9,070,000	1,830,000	3/1,9/1	9/1	77,775	890,000	39,950	940,000
Series 2002-B	5/15/02	9/1/19	4.20	2,115,000	1,180,000	3/1,9/1	9/1	54,525	140,000	48,645	140,000
Series 2002-C	9/15/02	9/1/14	2.90	920,000	285,000	3/1,9/1	9/1	10,133	90,000	7,073	95,000
Series 2003-A	1/1/03	9/1/16	3.55	4,270,000	1,285,000	3/1,9/1	9/1	50,990	240,000	42,110	250,000
Series 2003-B	1/1/03	9/1/16	3.65	10,190,000	4,325,000	3/1,9/1	9/1	171,780	790,000	142,550	825,000
Series 2003-C	5/15/03	9/1/14	2.55	2,905,000	820,000	3/1,9/1	9/1	28,675	265,000	19,705	275,000
Series 2003-D	9/15/03	9/1/15	2.70	3,145,000	1,250,000	3/1,9/1	9/1	45,555	290,000	35,550	305,000
Series 2004-A	5/15/04	9/1/15	2.80	3,520,000	1,260,000	3/1,9/1	9/1	46,675	305,000	36,000	310,000
Series 2004-B	9/15/04	9/1/16	2.75	10,600,000	4,820,000	3/1,9/1	9/1	172,531	900,000	141,031	930,000
Series 2004-C	5/15/05	9/1/16	4.00	1,600,000	730,000	3/1,9/1	9/1	26,531	135,000	21,941	140,000
Series 2005-A	9/15/05	9/1/17	3.55	11,095,000	6,000,000	3/1,9/1	9/1	213,038	920,000	182,678	950,000
Series 2006-A	9/15/06	9/1/18	4.00	17,130,000	10,770,000	3/1,9/1	9/1	430,800	1,385,000	375,400	1,430,000
Series 2007-A	9/15/07	9/1/19	3.85	11,345,000	8,065,000	3/1,9/1	9/1	346,275	885,000	310,875	915,000
Series 2008-A	9/15/08	9/1/20	3.44	11,890,000	10,370,000	3/1,9/1	9/1	353,963	1,000,000	323,963	1,035,000
Series 2009-A	9/15/09	9/1/21	2.80	3,250,000	2,760,000	3/1,9/1	9/1	78,275	245,000	73,375	250,000
Series 2010-A	1/15/2010	9/1/2034	5.48	2,975,000	2,975,000	3/1,9/1	9/1	158,080		158,080	
Series 2010-B	9/15/2010	9/1/2022	2.01	8,920,000	8,235,000	3/1,9/1	9/1	169,512	690,000	160,888	695,000
Series 2011-A	9/15/2011	9/1/2023	1.90	3,895,000	3,895,000	3/1,9/1	9/1	91,594	295,000	89,400	300,000
Series 2012-A	9/15/2012	9/1/2024		18,000,000		3/1,9/1	9/1			1,050,000	2,126,000
Total G.O. Bonds					71,440,000			2,552,974	9,900,000	3,265,812	12,061,000
Revenue Bonds:											
Series 2005	8/1/05	11/1/25	4.02	25,910,000	17,765,000	5/1,11/1	11/1	737,850	1,625,000	672,850	1,680,000
Series 2007	8/1/07	11/1/32	4.30	19,800,000	19,350,000	5/1,11/1	11/1	870,750	125,000	865,125	130,000
Series 2008	9/1/08	11/1/27	4.24	4,270,000	3,810,000	5/1,11/1	11/1	154,660	165,000	149,710	170,000
Series 2009	7/1/09	11/1/31	3.79	10,385,000	9,955,000	5/1,11/1	11/1	540,845	295,000	533,175	300,000
Series 2010-C	9/15/2010	9/1/2023	2.10	8,305,000	7,705,000	3/1,9/1	9/1	163,525	600,000	156,025	605,000
Series 2012	11/1/2012	11/1/2032		32,000,000						600,000	1,000,000
SRF	6/14/2007	9/1/2021	3.44	44,773,720	24,902,681	3/1,9/1	3/1,9/1	838,527	2,125,724	764,772	2,199,478
Total Revenue Bonds					83,487,681			3,306,157	4,935,724	3,741,657	6,084,478
Other:											
Temp Note 2011 I	9/15/2011	10/1/2012	0.39	14,375,000	14,375,000	4/1,10/1	10/1	306,336	14,375,000		
Temp Note 2012 I	9/15/2012	10/1/2013		31,550,000		4/1,10/1	10/1			150,000	31,550,000
Total Other					14,375,000			306,336	14,375,000	150,000	31,550,000
Total Indebtedness					169,302,681			6,165,466	29,210,724	7,157,469	49,695,478