



2010 Budget in Brief



An Overview of the
City of Manhattan's Operating Budget
& Capital Improvement Program

Dear Citizen:

In order to help local residents better understand the 2010 City Budget, the Department of Finance has prepared the following condensed version of the annual operating budget.

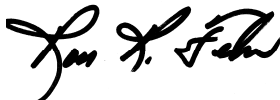
This brief version of the 2010 City Budget summarizes the essential elements of the City's most important operating policy. It is my hope that the *Budget in Brief* will provide each reader a quick way to locate information related to the more detailed budget document.

The 2010 City Budget process began in January 2009 as each Department submitted their capital improvement requests. Only high priority and highly justified requests for capital spending are approved as part of the annual fiscal budget. The City Commission approved the 2010 City Budget in August of 2009 after four major Public Work Sessions on the budget.

I trust you will find the *Budget in Brief* easy to read as well as helpful. Please remember that the complete operating budget will be available mid-December for review at the Manhattan Public Library (located at 629 Poyntz Avenue), the City's website, the City Manager's Office and the Finance Department—both located at City Hall, 1101 Poyntz Avenue.

Your questions and comments are always welcome. Thank you for your interest in our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Fehr". The signature is written in a cursive, flowing style.

Ron Fehr,
City Manager

City of Manhattan, Kansas

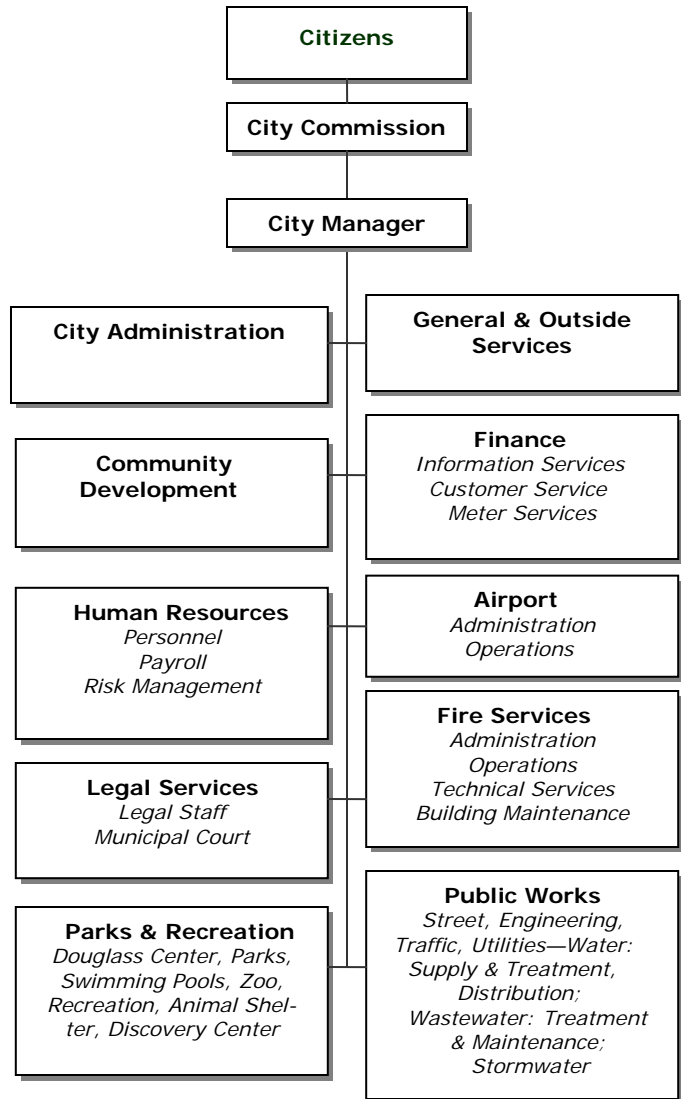
Elected Officials

Mayor	Bob Strawn
City Commissioner	Bruce Snead
City Commissioner	Jim Sherow
City Commissioner	Loren Pepperd
City Commissioner	Jayne Morris-Hardeman

Appointed Officials

City Manager	Ron Fehr
Assistant City Manager	Jason Hilgers
Assistant City Manager	Lauren Palmer
City Clerk/Communications Manager	Gary Fees
Airport Director	Peter Van Kuren
City Attorney	William Frost
Director of Community Development	Karen Davis
Director of Finance	Bernie Hayen
Director of Fire Services	Jerry Snyder
Director of Human Resources	Cathy Harmes
Director of Parks and Recreation	Curt Loupe
Director of Public Works	Dale Houdeshell

City of Manhattan Organizational Structure



A countywide police department was approved by the voters in 1972 and began operating in 1974. State law created a Law Board that sets policy for the Riley County Police Department (RCPD). The City contributes 80% of the Riley County Police Department's annual budget.

City Government Overview

The City of Manhattan is a city of the first class and operates under the Commission-Manager form of government.

The Governing Body consists of five City Commissioners who are elected at-large in non-partisan elections for overlapping terms. Elections for the Commission are held on the first Tuesday in April of odd numbered years. The three candidates receiving the highest number of votes are sworn in and begin to serve at the next regularly scheduled meeting.

Annually, in April, the Commission elects one of its members to serve as the Mayor. The Mayor presides over Commission meetings, has full voting rights, as do the other Commissioners, but has no veto power. The Commission is the legislative body of the City Government. It determines all matters of City policy and must approve all City ordinances and resolutions as well as adopt the annual City Budget.

The City Manager is the chief administrative officer for the City and is appointed to serve at the pleasure of the Governing Body. The City Manager has a voice at all Commission proceedings, but does not have a vote. The City Manager is directly responsible for the daily operations of the entire municipal organization and hires department heads to aid in this function.

2010 Budget Summary

General Fund	\$23,122,213
Special Revenue Funds	41,542,422
Bond & Interest Fund	13,484,910
Enterprise Funds	<u>21,008,905</u>
TOTAL BUDGET	\$99,158,450

Adopted 2010 City Budget Mill Levy Summary

	2009		2010	
	Taxes	Mill Rate	Taxes	Mill Rate
General Fund	\$1,198,432	2.787	\$1,174,944	2.721
City Employee Benefits	148,097	0.344	318,232	0.737
Fire Equipment Reserve	51,020	0.119	50,000	0.116
KS Police & Fire Pension (KP&F)	82,884	0.193	150,000	0.347
Library	1,504,603	3.499	1,834,103	4.247
Library Employee Benefits	377,494	0.878	402,296	0.932
Riley County Health Dept.	223,133	0.519	229,207	0.531
RCPD	10,563,876	24.568	11,038,936	25.562
Bond & Interest	585,136	1.361	905,004	2.096
TOTAL	14,734,675	34.268	16,102,722	37.289

The RCPD Mill levy rate includes a delinquency rate estimate of 2% for 2010.

The 2010 mill levy was calculated on an actual City valuation of \$431,845,310, which is \$1,868,433 or 0.4% more than the valuation for the 2009 budget year.

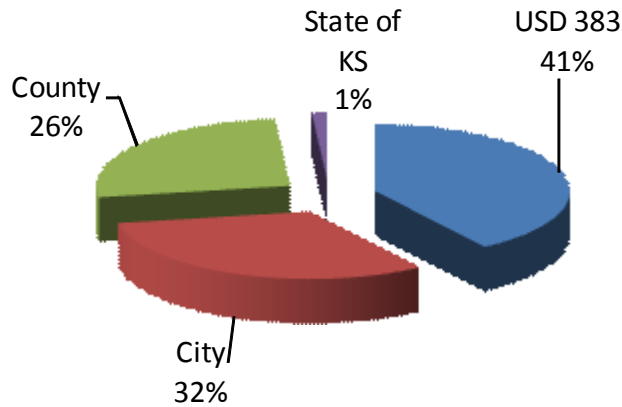
A mill levy is the tax rate property owners pay on the assessed valuation of their property. One "mill" is equal to \$1 of property taxes for every \$1,000 in assessed valuation.

Assessed Valuation =

Property Value x State Assessment Rate of 11.5% (for residential)

Property Tax = (Assessed Valuation x Mill Levy Rate)/1000

Division of the Tax Dollar in Riley County



Based on Home value of \$229,071

	Tax Dollars	Mills
USD 383	\$1,260.43	47.847
City of Manhattan	\$982.30	37.289
Riley County	\$823.69	31.268
State of Kansas	\$39.51	1.500
TOTAL	\$3,105.95	117.904

This page shows the distribution of property tax levies based on final budgets and the final valuation. Residential property in the City and Riley Co. is assessed at 11.5% of market value. For example, property with a \$229,071 market value will have an assessed value of \$26,343. The property taxes on a typical property for fiscal 2010 is shown on the following page.

Tax Computation for a Typical Homeowner

The tax computations below reflect a property valued at \$219,594 in 2008 and adjusted for each year's average value increase. The calculations **do not** include USD 383, Riley County, Pottawatomie County, or State of Kansas property taxes.

	2008	2009	2010
Increase in Valuation:	12.8%	3.9%	0.4%
Home Value:	219,594	228,158	229,071
Residential Appraisal Rate (set by State law):	11.5%	11.5%	11.5%
Tax Value:	25,253	26,238	26,343

	2008 Budget		2009 Budget		2010 Budget	
	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid
	31.683		34.268		37.289	
General Fund	2.976	\$75	2.787	\$73	2.721	\$72
Library	3.378	\$85	3.499	\$92	4.247	\$112
Library EBF	0.723	\$18	0.878	\$23	0.932	\$25
Fire Equip. Reserve	0.122	\$3	0.119	\$3	0.116	\$3
Bond & Interest	1.037	\$26	1.361	\$36	2.096	\$55
Employee Benefit Fund	0.627	\$16	0.344	\$9	0.737	\$19
KP&F	0.211	\$5	0.193	\$5	0.347	\$9
Industrial Promotion	0.121	\$3	0	\$0	0	\$0
RCPD	22.001	\$556	24.568	\$645	25.562	\$673
Riley County Health	0.487	\$12	0.519	\$14	0.531	\$14
Total City Tax Bill		\$800		\$899		\$982

2010 Mill levy rates include a delinquency rate estimate of 2% for RCPD.

2010 Revenues By Category

Budgeted 2010 revenues are \$99,158,450. The City budget is financed through a wide variety of revenue sources. The property tax supported funds receive most of their revenue from various taxes, fees, and user fees. The enterprise funds are supported mainly by user fees.

2010 Beginning Cash Balances

General Fund	\$2,085,123
City/University	0
Aggieville Business Improvement District (BID)	500
Downtown Business Improvement District (BID)	500
Economic Development	5,598,287
Employee Benefit	0
Fire Equipment Reserve	431,240
Fire Pension KP&F	2,311
General Improvement	5,182
Industrial Promotion	335,398
Library (& Library Employee Benefits)	3,126
Park Development	50,146
Sales Tax	528,561
Special Alcohol	174,235
Special Parks & Recreation	371,740
Special Street & Highway	324,595
Special Sunset Zoo	52,720
Tourism & Convention	0
Riley Co. Health Department	0
Riley Co. Police Department	0
Capital Improvement Reserve	2,204,930
Tax Increment Financing-Downtown	0
Federal Entitlement	0
Bond & Interest	2,402,264
Water Fund	2,050,000
Wastewater Fund	1,000,000
Stormwater Fund	550,000
TOTAL	\$18,170,858

Unspent funds from prior years are always included as budgeted revenue in accordance with Kansas statutes. These unspent funds provide for lower property tax levies, ensure proper cash flows, act as a buffer for unplanned emergencies, and allows the City to pay for budgeted expenditures.

General Fund Taxes & Assessments

Ad Valorem Property Tax	\$1,174,944
Special Assessments	5,000
Delinquent Tax	12,000
Motor Vehicle Tax	105,474
Housing PILOT Tax	30,000
City Sales Tax	4,641,000
County Sales Tax	2,603,040
City/County Compensating Use Tax	521,000
Special Liquor Tax	375,000
Gas/Electric Franchise Fee	2,085,526
Telecommunications Franchise Fee	160,000
Cable Franchise Fee	500,000
TOTAL	\$12,212,984

General Fund Other Revenue Sources

Business Licenses & Permits	\$119,000
Non-Business Licenses & Permits	693,200
From Other Agencies	69,000
Services & Sales	1,358,400
Municipal Court Fines	1,698,750
Investment Income	150,000
Use of Money & Property	376,900
Contributions & Transfers	4,358,856
TOTAL	\$8,824,106

General Fund Grand Total

Beginning Cash Balance	\$2,085,123
Taxes & Assessments	12,212,984
Other Revenue Sources	8,824,106
TOTAL	\$23,122,213

**Special Revenue Funds
Taxes & Assessments**

Ad Valorem Property Tax	\$14,356,324
State and Local Taxes	8,938,400
Motor Vehicle Tax	1,139,816
Delinquent Tax	114,197
Benefit District Assessments	97,500
TOTAL	\$24,646,237

**Special Revenue Funds
Other Revenue Sources**

Gasoline Tax Refund	\$1,626,170
Transfers	1,985,286
Franchise Revenue	269,000
Transient Guest Tax	920,110
Special Liquor Tax	750,000
Services & Sales	224,500
Grants	300,000
Proceeds from Loans	88,000
Donations	40,000
Investment Income	199,467
State Highway Maintenance	31,056
Miscellaneous	379,125
TOTAL	\$6,812,714

Special Revenue Funds Grand Total

Taxes & Assessments	\$24,646,237
Other Revenue Sources	6,812,714
Cash Balances	10,083,471
TOTAL	\$41,542,422

Bond & Interest Fund Revenue Sources

Special Assessments	\$5,671,905
Ad Valorem Property Tax	905,004
Transfers	4,362,217
Motor Vehicle Tax	51,497
Delinquent Tax	18,023
Donations	74,000
Cash Balance	2,402,264
TOTAL	\$13,484,910

Enterprise Funds Revenue Sources

Water Income	\$6,471,905
Wastewater Income	6,205,000
Stormwater Income	1,250,000
Tap/Meter Services	277,000
Tower Communication Rent	113,000
Farm Income	25,000
Contributions & Transfers	3,067,000
Cash Balances	3,600,000
TOTAL	\$21,008,905

Grand Total 2010 Budgeted Revenues

General Fund	\$23,122,213
Special Revenue Funds	41,542,422
Bond & Interest Fund	13,484,910
Enterprise Funds	21,008,905
TOTAL REVENUES	\$99,158,450

2010 Explanation of Expenditures By Fund

Overall Budget

The adopted 2010 budget for the City of Manhattan contains expenditures of \$99,158,450. The budget consists of the General Fund, Special Revenue Funds, the Bond & Interest Fund, and the Enterprise Funds (Water, Wastewater, and Stormwater Funds).

General Fund

The General Fund is the main operating budget within the City Budget. This budget finances the services and programs for the City Manager's Office, Finance, Airport, Fire Services, Human Resources, Streets, Engineering, Traffic Control, Douglass Center, Parks, Zoo, Swimming Pools, Recreation, Discovery Center, Animal Shelter, Legal Services, Municipal Court, Community Development, General Services and Outside Services.

State and local sales taxes, user fees, franchise fees, motor vehicle taxes, municipal court fines, transfers, and transfers from other funds finance the General Fund.

Special Revenue Funds

Special Revenue Funds are funds with a specific revenue source and whose expenditures must be used for a specific purpose. The authority for the creation of these funds and the specific use of the revenue is governed by ordinance or state statute.

The funds on the following page have been classified as Special Revenue Funds. Several of these funds are not under the day-to-day control of the City Manager, and these are noted by an asterisk (*).

Fund Main Source of Revenue

City/University	Franchise Fees & Sales Taxes
Aggieville BID*	District Fees
Downtown BID*	District Fees
Economic Development	Sales Taxes
City Employee Benefits	Sales Taxes
Fire Equipment Reserve	Sales Taxes
KP&F	Sales Taxes
General Improvement	Sales Taxes
Industrial Promotion	Carry Forward Funds
Library*	Property Taxes
Library Employee Benefits*	Property Taxes
Park Development	Sales Taxes
Sales Tax	Sales Taxes
Special Alcohol	Liquor Taxes
Special Parks & Recreation	Liquor Taxes
Special Street & Highway	Gasoline Taxes
Special Sunset Zoo	Zoo Admission Fees
Tourism & Convention	Transient Guest Taxes
Riley County Health Dept.*	Property Taxes
RCPD*	Property Taxes
Capital Improvement Reserve	Carry Forward Funds
Downtown Redevelopment TIF	Property and Sales Taxes
Federal Entitlement	Federal CDBG Funds

Bond & Interest Fund

The Bond and Interest Fund services debt issued by the City primarily in the form of principal and interest payments on general obligation bonds. Annually, the City levies a property tax to pay debt service on outstanding bonds and interest payments. Special assessments are another source of revenue for this fund. Special Assessments are the fees paid by benefiting property owners for water, sewer, street, and sidewalk improvements. Approximately 52% of all principal and interest payments are derived from special assessments. Other sources of revenue included in this fund are the motor vehicle tax, delinquent property taxes, sales taxes, and transfers from other funds.

Enterprise Funds

Enterprise Funds are accounts that rely entirely on user fees and charges to finance utility system operations and improvements. They are expected to be totally self-sufficient. The City's enterprise funds include the Water, Wastewater, and Stormwater Funds.

2010 Overview of Expenditures By Function

General Government

The function of General Government is to provide those services that are generally considered “internal” to the organization. General Government encompasses the functions of: City Manager’s Office, including the City Commission; the Departments of Finance; Human Resources/Personnel; Municipal Court; and Legal Services. This area also functions to provide General Services, such as insurance and professional services to the entire organization.

Public Safety

The Department of Fire Services protects life and property. This department is divided into four divisions: Administration, Operations, Technical Services and Building Maintenance.

The Operations Division oversees fire suppression, first responder services, rescue, hazardous materials responses—including aircraft rescue, education and training. The Division also serves as a search and rescue team and hazardous materials response team for the State of Kansas.

The Technical Services Division provides the following services: building permits, inspections, plan review, fire investigation, code enforcement, public education, and activities related to Fire Prevention Week, Home Safety Check Program, Operation Rescue Alert, Fire Safety, Speakers Bureau, and Communications.

The Building Maintenance Division manages the daily maintenance and repairs for City Offices, the Municipal Auditorium and Fire Department Facilities.

The Department of Fire Services is spread across four stations: a headquarters fire station and three sub-stations. These stations are located in four response areas to ensure that travel time to any location within the City under normal conditions does not exceed a maximum of five minutes 90% of the time.

Airport

Manhattan Regional Airport (MHK) provides Commercial and General Aviation services for the Flint Hills Region. In August 2009 MHK commenced daily, non-stop service to Dallas-Fort Worth International Airport (DFW) on regional jets operated by American Airlines/American Eagle. Additionally, scheduled daily airline service connects passengers to Kansas City International and Denver International Airports recording over 11,000 passenger enplanements annually. General Aviation Services include air charter, air cargo, flight instruction, air photo, major aircraft maintenance, aircraft refueling, tie-down, and aircraft storage. A Federal contract Air Traffic Control Tower safely separates over 30,000 aircraft operations each year. These operations include light airplanes, military training aircraft, military transport, and Commercial Jet Airliners.

Public Works

This Department is responsible for maintaining and upgrading Manhattan's public infrastructure such as: streets, traffic control, stormwater drainage, water treatment, wastewater treatment, and providing City-related engineering services.

Public Works is responsible for coordinating the pavement management system, initiating maintenance projects on 205 centerline miles of streets, providing vehicle maintenance for City vehicles and maintenance of pavement markings. The Engineering Division is responsible for surveying, drafting, GIS mapping, and designing/inspecting public construction projects.

The Utilities Division provides both quality drinking water and sanitary sewer service to all City residents. The Division maintains and operates 16 water supply wells, a 20 million gallon per day water softening treatment plant, 6 water storage tanks, 261 miles of water lines, 4 booster pumping stations, 2 pressure reducing stations, and 1,693 fire hydrants.

The Utilities Division also operates and maintains an 8.7 million gallon per day activated sludge wastewater treatment plant, 231 miles of sanitary sewer piping, 16 sewer lift stations, 13 pumps, and 535 acres used for land application of biosolids.

Community Development

The Department of Community Development oversees important aspects for the City related to growth and development. These functions include, but are not limited to: land use planning, processing development applications, historic preservation, and grants management.

Parks and Recreation

The Department focuses on establishing, preserving, and managing public parks, greenways and recreational facilities. The goal is to create opportunities that benefit and enhance the quality of life in the community. The Parks Department also oversees the operation of both Sunrise and Sunset cemeteries and provides maintenance and emergency response for all public trees within the City.

The Parks Division manages 27 parks and green space areas: CiCo Park, City Park, Frank Anneberg Park, Sunset Zoological Park, Northeast Park, Warner Park, Bluemont Park, Blue River Recreation Area, Douglass Park, Eisenhower Park, Girl Scout Park, Goodnow Park, Griffith Park, Harbour Park, Hudson Trail, Linear Park Trail, Longs Park, Northview Park, Pioneer Park, Sojourner Truth Park, Stagg Hill Park, Wildcat Creek, Linear Park, Briarcliffe Park, Cedar Acres Natural Area, Southeast Park, Spencer Park; 32 sports fields; 3 swimming pools; numerous playgrounds; public buildings and landscaped areas.

The Recreation Division maintains 4 community centers: City Auditorium, Community House, Douglass Community Center, and the Manhattan Train Depot. The Division offers a wide variety of programming such as arts and crafts, aerobics, theater classes, sports, special events and parties. Manhattan Christian College, USD 383, various local sports organizations and the Boys & Girls Club also use these programs and facilities.

The Zoo Division maintains 26 acres of land and over 300 animals representing 5 continents. The zoo offers educational programs and a myriad of volunteer opportunities. Sunset Zoo is one of 218 Association of Zoos and Aquariums (AZA) accredited institutions in the United States. Sunset Zoo strives to be a recreational and educational resource for the community. The mission of Sunset Zoo is “to inspire conservation of the natural world”.

The T. Russell Reitz Regional Animal Shelter/Control Division protects public health, welfare, and property through enforcement of City and County ordinances, including the dangerous dog ordinances, sheltering unwanted companion animals, providing public education, and promoting humane treatment and responsible pet ownership.

Economic Development and Industrial Promotion

In 2002, voters of Riley County passed a new County half-cent sales tax for Roads and Jobs to replace the half-cent sales tax which was being collected to pay off the Law Enforcement Center bonds. In 2010, it is estimated that about \$2.6 million will be collected by the City for economic development activities.

Funding includes support for the Manhattan Area Chamber of Commerce, which is budgeted to be paid \$135,000 in accordance with its contract to provide economic development services for the community, promote industrial and business development and market the Corporate Technology Park as well as the K-State Research Park. \$40,000 is set aside as the City's contribution to help fund the Military Relations Coordinator to serve as a liaison to Fort Riley to ensure that the Manhattan community is cooperating in meeting the needs of the Fort. An additional \$40,000 is used to support the 24/7 campaign that markets businesses within the Manhattan region.

Employee Benefits

There are two employee benefit funds that provide for the payment of City and Library employee benefits. City ordinances established the Employee Benefits Contribution Fund and the Library Employee Benefits Contribution Fund for this purpose. These funds are supported primarily by sales taxes and property taxes.

Cultural and Educational

The General Operating Fund provides funding for cultural activities throughout the City of Manhattan. This funding allows citizens to enjoy events such as the Arts in the Park Concert Series, Civic Theater, and Municipal Band productions. The Children's Theater and Adult and Youth Performing Arts Programs are also made possible through these funds. In 2010, the City will provide the Manhattan Center for the Arts with \$46,000 towards their cultural programming.

Manhattan Public Library

Each day over 1,275 people use Manhattan Public Library's collection of books, digital materials, data bases, high speed Internet computers, programs and services. The library is primarily funded by a property tax levy from the City of Manhattan. By Charter Ordinance, there is a six-mill limit for the library fund.

Social Services

In 2010, the City Commission allocated slightly more than one mill, or \$455,837 to provide funding to social service agencies. The Social Services Advisory Board (SSAB) recommends the distribution of these funds to selected agencies with final approval by the City Commission.

Big Brothers/Big Sisters	\$37,000
Boys & Girls Club	28,782
Crisis Center	48,825
Homecare & Hospice	45,000
Kansas Legal Services	25,000
KSU Child Development Center	11,491
Manhattan Day Care	65,000
Manhattan Emergency Shelter	72,000
Riley County Area Transportation Agency	47,513
Sheperd's Crossing	44,000
Sunflower CASA Project, Inc.	27,226
University for Man	4,000
TOTAL	\$455,837

Special Alcohol Funds

The City of Manhattan receives Special Alcohol Funds from the State of Kansas which is supported from the 10% liquor tax collected from drinking establishments within the City limits. This revenue is collected by the State of Kansas and returned to the respective cities. Equal shares are distributed to the General Fund, Special Alcohol Program, and Special Parks and Recreation Funds.

The Special Alcohol Program Fund deals with the education, prevention, treatment, and intervention of alcohol and drug abuse. The City contracts with various agencies to perform statutory services.

The Special Parks and Recreation fund is limited to the purchase, establishment, maintenance, or expansion of park and recreation services, programs, and facilities.

Other

Other City program support includes: \$5,000 for the Crime Stopper Program, \$5,700 towards the maintenance of the Wolf House Museum, and \$45,000 for Downtown Manhattan, Inc.

The City will provide funding to the Riley County/Manhattan Health Department in 2010 in the amount of \$251,150.

Also included in the 2010 budget is \$488,300 to finance projects that mutually benefit the City and Kansas State University. These expenditures are budgeted in the City/University Projects Fund, and are funded by transfers of a portion of City sales tax and franchise fees generated and received in the General Fund. This program was started by mutual campus agreement and City Ordinance as a result of the annexation of KSU in 1994.

Debt Service

The City of Manhattan uses long-term financing to pay for the cost of developing new subdivisions and the cost of major infrastructure improvements. Usually, the City issues general obligation bonds (G.O. bonds) to finance these major improvements. Principal and interest payments on G.O. debt are made from the Bond and Interest Fund.

There are three major revenue sources that fund the City's Bond and Interest Fund. The first source is property tax which is annually levied to pay for the City's portion of general obligation debt. The second source is sales tax which is transferred into the fund. The third source is special assessment revenues derived from benefit district payments.

2010 Budgeted Expenditures By Fund

GENERAL FUND	2009 Budget	2010 Budget
General Government	669,600	682,510
Finance, Information Services, & Customer Service	1,063,570	1,072,350
Airport	657,610	616,330
Community Development	583,710	609,450
Human Resources	416,375	426,799
<i>Public Works</i>		
Administration	216,674	223,914
Street	1,651,686	1,724,927
Engineering	775,104	817,990
Traffic Control	461,155	474,020
<i>Parks & Recreation</i>		
Administration	157,450	160,700
Douglass Center	223,720	213,340
Parks	2,118,503	2,070,991
Swimming Pools	297,153	407,465
Sunset Zoo	827,255	847,160
Recreation	1,294,587	1,308,870
Animal Shelter	537,572	533,577
Discovery Center	74,500	150,000

GENERAL FUND (cont.)	2009 Budget	2010 Budget
<i>Fire Services</i>		
Administration	207,865	211,050
Operations	3,787,000	3,879,000
Technical Services	670,230	820,080
Building Maintenance	384,590	397,790
<i>Legal Department</i>		
Administration	303,150	270,750
Municipal Court	483,095	569,280
General Services	3,459,443	3,788,900
Outside Services	809,020	844,970
TOTAL GENERAL FUND	\$22,130,617	\$23,122,213

Included within these departmental budgets is \$289,650 in Capital Improvement Program (CIP) spending. See pages 26 through 33 for a detailed overview of the City of Manhattan's CIP)

SPECIAL REVENUE FUNDS	2009 Budget	2010 Budget
City/University Projects	510,800	488,300
Aggieville BID	36,000	36,000
Downtown BID	60,000	62,500
Economic Development	9,444,616	8,725,782
City Employee Benefits	1,122,500	1,382,136
Fire Equipment Reserve	686,262	591,591
KP&F	652,120	675,916
General Improvement	119,345	64,647
Industrial Promotion	423,100	420,429
Library	1,926,383	1,980,219
Library Employee Benefits	400,000	439,800
Park Development	150,810	78,898
Sales Tax	5,201,295	5,489,561
Special Alcohol	426,600	552,349
Special Parks & Recreation	870,060	752,316
Special Street & Highway	2,219,757	2,001,029
Special Sunset Zoo	315,765	321,775
Tourism & Convention	707,800	920,110
Riley County Health Dept.	239,191	251,150
RCPD	11,271,456	11,847,984
Capital Improvement Reserve	2,875,000	2,234,930
Downtown Redevelopment TIF	1,395,000	1,925,000
Federal Entitlement	0	300,000
TOTAL SPECIAL REVENUE FUNDS	\$41,053,860	\$41,542,422
BOND & INTEREST FUND	\$11,955,567	\$13,484,910

ENTERPRISE FUNDS

<i>Water</i>	2009 Budget	2010 Budget
General & Administration	685,694	644,277
Meter Services	572,984	323,155
Supply & Treatment	2,420,445	2,745,660
Distribution	1,219,785	1,019,035
Non-operating	6,081,677	6,179,778
Total Water Fund	10,980,585	\$10,911,905

Wastewater

General & Administration	506,426	541,655
Non-operating	4,445,870	4,508,915
Treatment	1,562,024	1,651,135
Maintenance	1,088,917	1,538,295
Total Wastewater Fund	\$7,603,237	\$8,240,000

Stormwater

Total Stormwater Fund	\$1,671,000	\$1,857,000
TOTAL ENTERPRISE FUNDS	\$20,254,822	\$21,008,905

SUMMARY OF BUDGETED CITY EXPENDITURES

	2009	2010	Difference
General Fund	\$22,130,617	\$23,122,213	\$991,596
Special Rev Funds	41,053,860	41,542,422	488,562
Bond & Interest Fund	11,955,567	13,484,910	1,529,343
Enterprise Funds	20,254,822	21,008,905	754,083
TOTAL BUDGET	\$95,394,866	\$99,158,450	\$3,763,584

2010 Capital Improvements By Department

Uses by Department

Funding Sources	Airport	Fire	City/ University	General Government
General Fund	0	100,000	0	64,350
Debt Service	115,000	0	0	45,000
Fed. & State Grants	0	0	0	265,500
Fire Equip. Res.	0	0	0	0
Special Street & Highway	0	0	0	0
General Improv.	0	0	0	0
Special Parks & Recreation	0	0	0	0
Park Development	0	0	0	0
Special Sunset Zoo	0	0	0	0
City University	0	0	488,300	0
Other Sources & Trusts	0	0	0	18,750
Water	0	0	0	4,200
Wastewater	0	0	0	1,200
Stormwater	0	0	0	0
Other Requests	0	0	0	108,000
Total	\$115,000	\$100,000	\$488,300	\$507,000

This summary depicts the sources and amounts of funding the City expects to utilize in carrying out the 2010 Capital Improvement Program.

Uses by Department

	Parks & Recreation	Public Works	Utilities	Total
General Fund	72,000	256,000	0	\$492,350
Debt Service	0	4,833,200	0	\$4,993,200
Fed. & State Grants	288,000	254,250	0	\$807,750
Fire Equip. Res.	0	0	0	\$0
Special Street & Highway	0	1,228,750	0	\$1,228,750
General Improv.	0	50,000	0	\$50,000
Special Parks & Recreation	189,000	0	0	\$189,000
Park Development	0	0	0	\$0
Special Sunset Zoo	0	0	0	\$0
City University	0	0	0	\$488,300
Other Sources & Trusts	45,000	1,208,300	0	\$1,272,050
Water	0	0	1,132,000	\$1,136,200
Wastewater	0	0	1,222,000	\$1,223,200
Stormwater	0	0	1,565,000	\$1,565,000
Other Requests	0	0	0	\$108,000
Total	\$594,000	\$7,830,500	\$3,919,000	\$13,553,800
Total Equipment:				\$1,088,000
Total Projects:				\$12,465,800

2010 Capital Improvements Program Detail

The City has a six-year Capital Improvements Program that lists the projects and equipment the City expects to finance. A project or piece of equipment is included in the CIP if it has an expected cost in excess of \$5,000 and a life of several years.

CIP Equipment

Division	Description	Funding Source	Total Cost
City Parks	Recondition Equipment (all)	Special Park & Rec.	\$45,000
City Parks	Replace Cemetery 1995 Hustler 60" Mower, Unit #884	Special Park & Rec.	\$25,000
Engineering	Aerial & LIDAR Update Plus Software Update	General Fund/Special Street & Highway	\$25,000
Fire Operations	Reach Back (Hazardous Materials Identifier)	General Fund	\$15,000
Information Systems	Upgrade/Replace Three Servers	General Fund/ Water/ Wastewater	\$12,000
Recreation	Purchase New 21 Passenger Bus	Special Park & Rec./ Lease Purchase	\$69,000
Wastewater	Lift Station Backup Power	Wastewater	\$260,000
Wastewater	One Ton 4x4 Flat Bed Truck	Wastewater	\$40,000
Wastewater	Replace 1999 Pickup Truck, Unit #51	Wastewater	\$19,000
Stormwater	Replace 1998 S-10 Pickup, Unit #49	Stormwater	\$15,000
Street	Four Salt Spreaders	Special Street & Highway	\$22,500
Street	Replace 1991 Backhoe, Unit #227	General Fund/Lease Purchase	\$70,000

Division	Description	Funding Source	Total Cost
Street	Replace 1998 Pickup Truck, Unit #21	General Fund	\$16,500
Street	Replace 2000 One Ton Truck, Unit #24	General Fund	\$40,000
Street	Replace 2000 Tandem Dump Truck, Unit #36	General Fund/Lease Purchase	\$100,000
Street	Salt Brine Equipment	Special Street & Highway	\$5,000
Street	Salt Brine Storage Tank	Special Street & Highway	\$15,000
Technical Services	Replace Civil Defense/Storm Warning System	General Fund	\$20,000
Traffic	Change Existing School Zone Flashers To Solar L.E.D.	Grants	\$50,000
Traffic	Replace Incandescent Lamp Signal Head—LED Replacement Program	Grants	\$15,000
Traffic	Replace School Flashers	Grants	\$15,000
Water	350 KW Generator/N.W. Booster	Water	\$65,000
Water	Replace 1997 Dodge Truck, Unit #44	Water	\$25,000
Water	Replace 1999 Dump Truck, Unit #440	Water	\$85,000
Water	Replace 2000 Pickup, Unit #39	Water	\$19,000
TOTAL EQUIPMENT:			\$1,088,000

(Continued on page 30)

CIP Projects

Division	Description	Funding Source	Total Cost
Airport	Replace Terminal Flooring	Short Term Finance/ Bond & Interest	\$115,000
City Boards	Downtown Historic Design Guidelines	Grants/Other Sources	\$30,000
City Boards	Historic Street Lighting	Other Sources	\$96,000
City Parks	Community Matching Grant for Park Projects	Special Park & Rec.	\$10,000
City Parks	Road and Linear Park Trail Repair 2010	Special Park & Rec.	\$25,000
City Parks	Upgrade and Improvements Twin Oaks/Anneberg park	Special Park & Rec.	\$15,000
City Parks	Water Reclamation—Irrigation at City Park	General Fund/Grants	\$360,000
City/University	Campus Tree Walk/Tree inventory	City/University	\$5,000
City/University	Transportation System Planning	City/University	\$7,500
City/University	Emergency Prevention Coordination and Communication	City/University	\$100,000
City/University	KSU/City Good Neighbor Program	City/University	\$10,000
City/University	KSU/City NISTAC Support Building Project	City/University	\$50,000
City University	KSU/City Sidewalk Bicycle and Lighting Improvements	City University	\$104,300
City University	KSU/City Visitor's Center	City-University	\$50,000
City-University	Recycling/Sorting Center	City-University	\$150,000
City-University	Sunset Avenue Crosswalk Improvements at College Heights Rd.	City-University	\$11,500
Community Development	Housing Rehabilitation Program	General Fund/Grants/ Other Sources	\$195,000
Community Development	Manhattan Urban Area Comprehensive Plan	General Fund/Grants	\$100,000
Engineering	17th Street Reconstruction From Poyntz to Anderson Ave.	G.O. Bond	\$500,000
Engineering	Casement & Hayes Drive Intersection Improvements	Short-term Financing	\$45,000
Engineering	McCall Road—Road & Stormwater Improvements	G.O. Bond/Other Sources	\$5,416,500

Division	Description	Funding Source	Total Cost
Engineering	Turn Lanes US 24 & Northfield	Short-term Financing/ Other Sources	\$250,000
Information Systems	Upgrade Extended Assurance for All Server Operating Systems and CALs	General Fund	\$29,000
Wastewater	Miller Ranch Lift Station Wetwell Repair	Wastewater	\$37,000
Wastewater	Sewer Infiltration and Inflow Prevention 2010	Wastewater	\$424,000
Wastewater	Wastewater Lift Station Telemetry	Wastewater	\$80,000
Wastewater	Western interceptor Relief Sewer SCS-17	G.O. Bond	\$362,000
Stormwater	CiCo Park Storm Drainage Study	Stormwater	\$50,000
Stormwater	Hartford Road System	G.O. Bond	\$1,000,000
Stormwater	Levee Certification for FEMA	Stormwater	\$100,000
Stormwater	Levee Restudy	Stormwater	\$300,000
Stormwater	Maintenance Program 2010	Stormwater	\$100,000
Street	Sidewalk improvements 2010	General Improvement	\$50,000
Street	Street Improvement Program 2010	Special Street & Highway	\$1,000,000
Sunset Zoo	Renovate Existing Bear Exhibit	Other Sources	\$45,000
Technical Services	Establish Rental Inspection Program	General Fund	\$65,000
Traffic	Existing Traffic Signal Controller Upgrades	General Fund/Special Street & Highway	\$35,000
Traffic	TCB McCalll to Marlatt Signal Coordination (Wireless)	Grants/Special Street & Highway	\$205,000
Water	Annual Well Rehabilitation and Maintenance	Water	\$154,000
Water	Low Service Transmission Main to Sunset & Tecumseh Stations	G.O. Bond	\$220,000

(Continued on page 32)

Division	Description	Funding Source	Total Cost
Water	New and Parallel Water Lines (Airport/TecPark)	G.O. Bond	\$114,000
Water	Paint Miller Ranch Tower	Water	\$300,000
Water	Water Main Replacement & Rehab Program	Water	\$150,000
TOTAL PROJECTS:			\$12,465,800

TOTAL 2009 CIP **\$13,553,800**

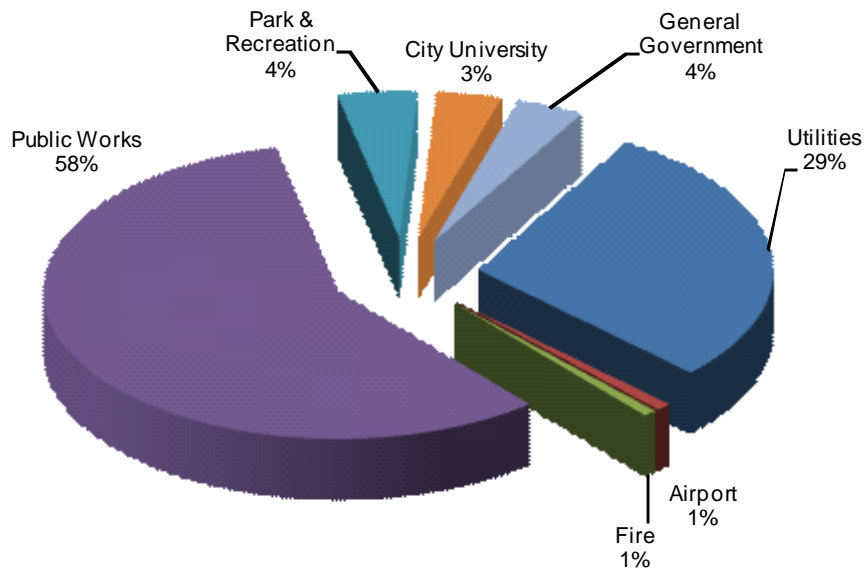
CIP Comparison

CIP	2008 Budget	2009 Budget	2010 Budget
Equipment	\$1,733,150	\$885,500	\$1,088,000
Projects	\$49,837,147	\$37,710,202	\$12,465,800
Total Costs	\$51,570,297	\$38,580,702	\$13,553,800

CIP Summary

Included in the 2010 Budget is the approved 2010 CIP as it impacts the 2010 Budget. The 2010 CIP totals \$13,553,800. However, only \$4,366,777 has an operational impact on the 2010 budget. The remaining amount is funded through general obligation bonds, federal and state grants, and other sources and trusts.

**CIP Breakdown by Department
Projects and Equipment Total Cost
\$13,553,800**



Bond & Interest Fund

This fund provides the revenue necessary to retire the City's outstanding bonded indebtedness. This debt primarily consists of G.O. bonds used to pay the cost of various public improvements to infrastructure and public facilities, such as the park and recreation system, streets, and benefit districts for water and sewer improvements in new subdivisions.

2010 Bond and Interest Fund Revenue Sources

Fund Balance	\$2,402,264
Ad Valorem Property Tax	905,004
Special Assessments	5,671,905
Delinquent Property Tax	18,023
Motor Vehicle Tax	51,497
Sales Tax Transfer	1,797,833
Donations	74,000
Other Transfers*	2,564,384
TOTAL REVENUE	\$13,484,910

*Includes transfers from Special Revenue Funds, Enterprise Funds, and Trust & Agency Funds.

2010 Bond and Interest Fund Expenditures

Assessment Fee	\$106,662
Cash Reserves	750,000
General Principal	7,853,000
General Interest	4,138,060
Temporary Notes Principal	259,000
Temporary Notes Interest	22,422
State Loan Principal	206,963
State Loan Interest	148,803
TOTAL EXPENDITURES	\$13,484,910

Total Outstanding Debt Obligations Projected As of December 31, 2009

Outstanding Debt as of 12/31/09

G.O. Bonds, City-At-Large portion	\$23,436,514
*Special Assessment G.O. Bonds (Benefit District)	64,038,486
Temporary Notes (General Obligation)	20,475,000
Special Revenue Bonds (South-end)	15,500,000
Special Revenue Bonds (North-end)	20,835,000
TDD Sales Tax Revenue Bonds	505,000
Lease Purchase Obligations	1,110,921
State Dept of Health & Environment Loan	5,983,101
State Dept of Transportation - Revolving Fund Loan	4,000,070

TOTAL OUTSTANDING DEBT **\$155,884,092**

*The delinquency rate on the special assessments paid by property owners in the benefit districts is 10%. Approximately 73% of G.O. debt is for special assessments.

Actual Debt Limit Calculations as of 12/31/09

City Valuation	\$429,976,877
Motor Vehicle Valuation—1/1/09	38,060,566
Debt Limit Ratio	30%
State Imposed Debt Limit	\$140,027,035
G.O. Debt/Temp. Notes Subject to Debt Limit	63,620,855

DEBT AUTHORITY REMAINING **\$80,304,180**

Water, sewer, and stormwater G.O. Bonds, Temporary Notes, and Revenue Bonds are not subject to the state debt limit.

Actual Lease Purchase Obligations as of December 31, 2009

Fire Pumper Ladder Truck	\$60,369
Fire Truck	91,494
21-Passenger Van	10,528
Aerial Truck	22,023
Aerial Truck	32,872
Rubber Tire Loader	49,735
Dump Truck	33,037
Flat Bed Truck/Knuckle Boom Loader	38,434
Dump Truck	30,689
Fire Truck	556,740
Street Sweeper	100,000
Motor Grader	85,000
Total Actual Lease Purchase Obligations	\$1,110,921

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