



*2009 City Budget*

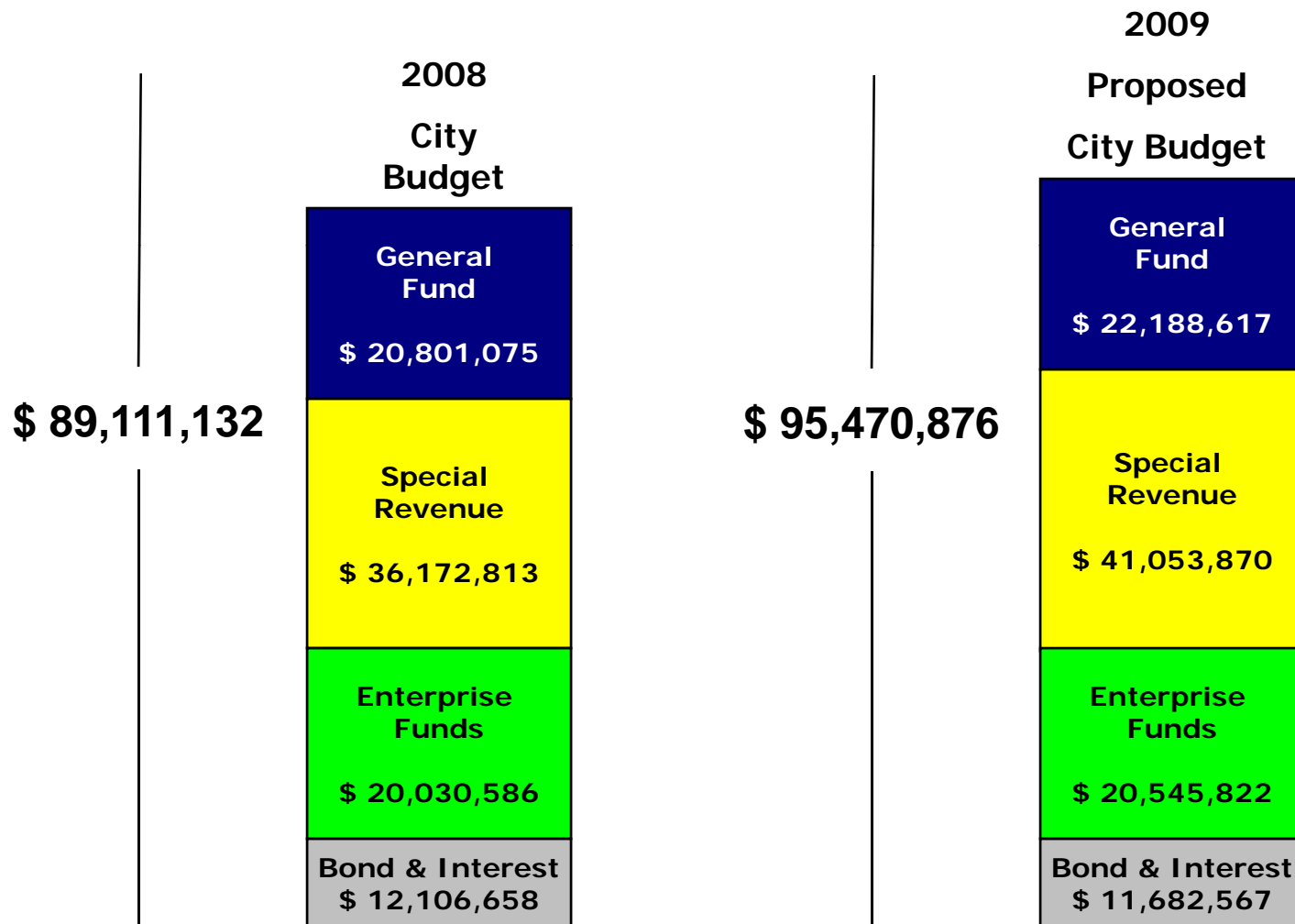
# **Fourth Work Session**



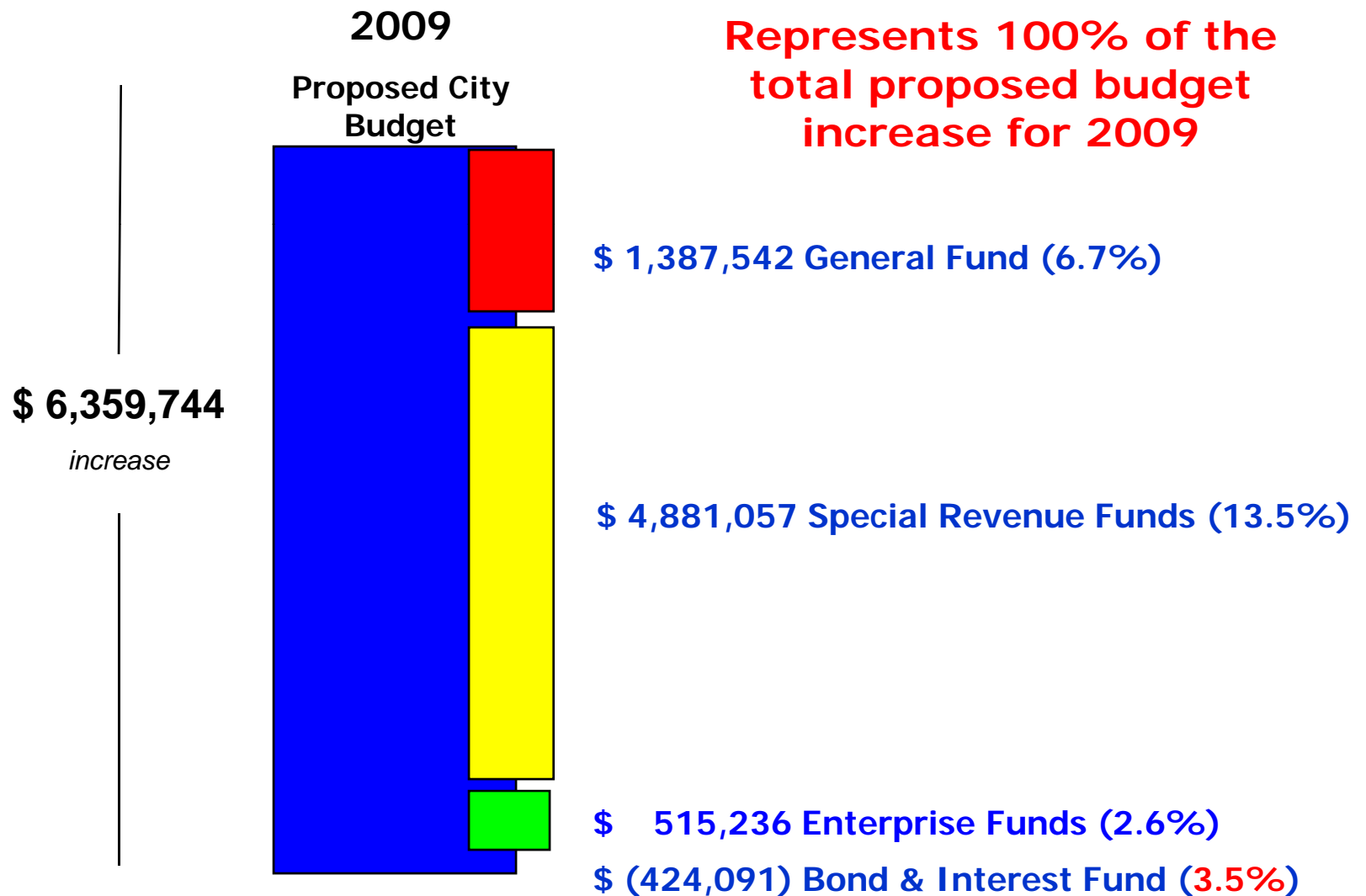
*2009 City Budget*

**Overall City Budget  
and General Fund**

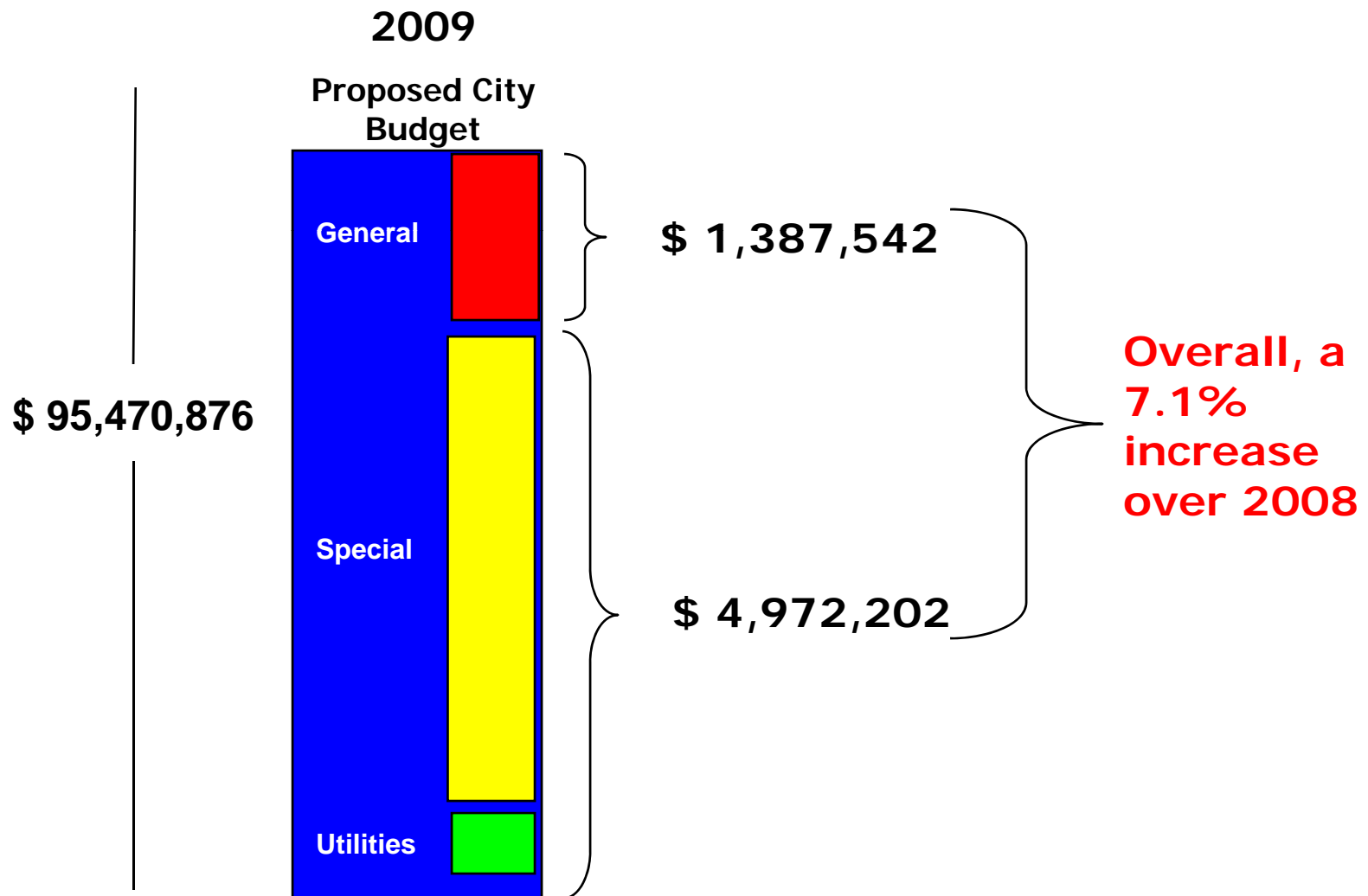
# Overview of the 2009 City Budget



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# Overview of the 2009 City Budget





# *2008 City Valuation*

County Certifications

**430,162,781**

An increase of 3.9% Over 2007

# Mill Levy Changes

May 20th

**38.074**

June 10th

**35.889**

June 24th

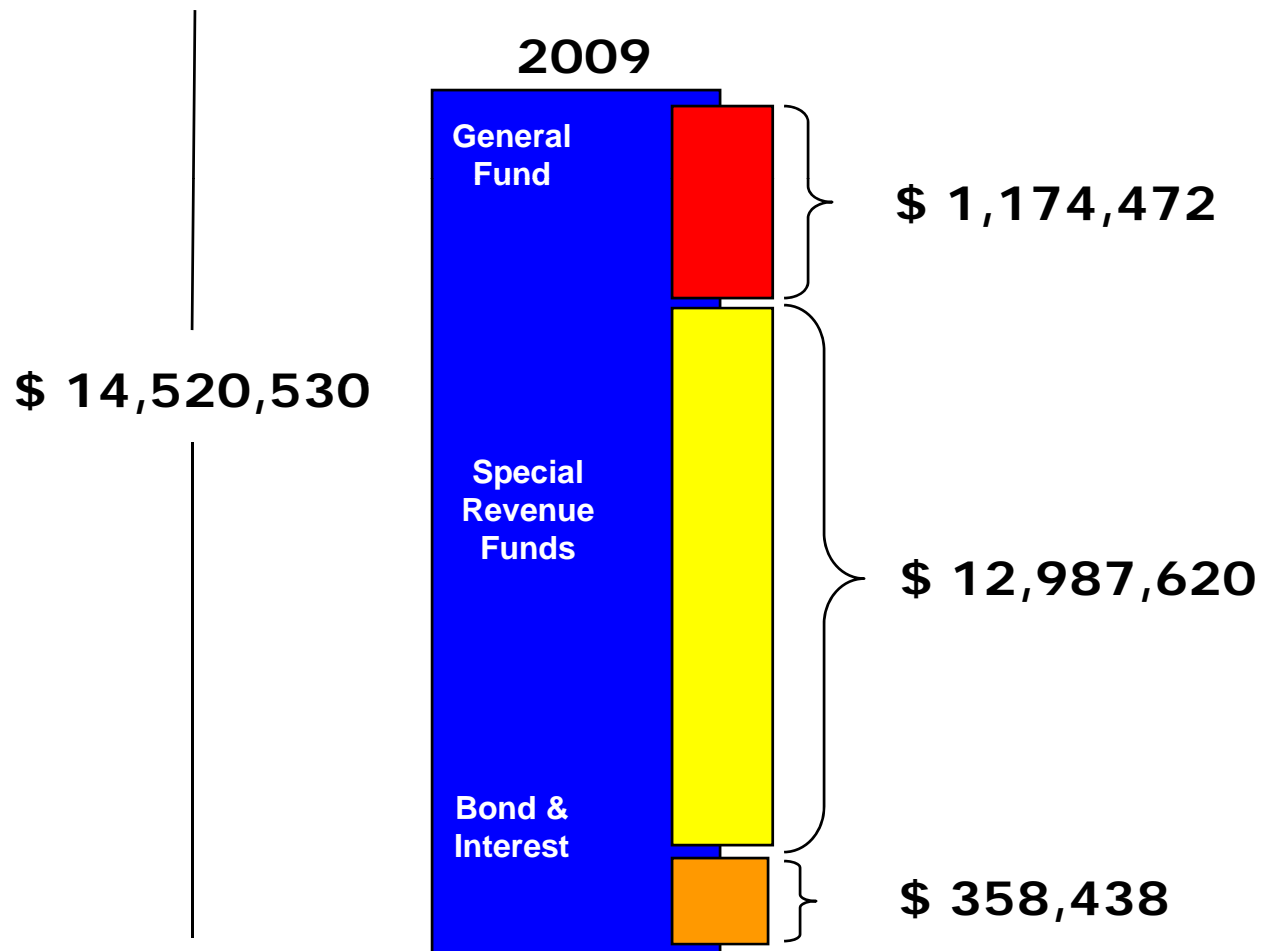
**33.987**

**33.756**

*Reduced by cuts, reductions,  
and deferrals*

*Management recommendation*

# Overview of 2009 Property Taxes





# Possible Tax Impact

## Homeowner impact

### 2008 Budget

\$ 219,600 Home

*times 11.5%*

\$ 25,253 taxable value

*times 31.683 mill levy*

**\$ 800 in City taxes**

### 2009 Proposed Budget

\$ 228,160 Home

*times 11.5%*

\$ 26,238 taxable value

*times 33.756 mill levy*

**\$ 886 in City taxes**

**...or an additional \$ 86 in City property taxes**



# Possible Tax Impact

\$ 76	RCPD
10	Library
1	Health Department
<hr/>	
<b>\$ 87</b>	
<b>\$ 17</b>	<i>2009 Delinquent Taxes</i>
\$ (6)	General Fund
(8)	Employee Benefits
---	Fire Equipment Reserve
---	Kansas Police & Fire
---	Industrial Promotion
(4)	Bond & Interest
<hr/>	
<b>\$ (18)</b>	

**Additional \$ 86 in City taxes**



# *Annual Property Tax Bill*

	2005	2006	2007	2008	2009
City Taxes	\$ 734	\$ 710	\$ 741	\$ 800	\$ 886
Outside Agencies	\$ 526	\$ 507	\$ 621	\$ 671	\$ 758
City Services	\$ 208	\$ 203	\$ 120	\$ 129	\$ 128
CPI Inflator	\$ 208	\$ 215	\$ 221	\$ 230	\$ 239

Source: *Federal Reserve Bank of Minneapolis*



# *Annual Property Tax Bill*

	2005	2006	2007	2008	2009
City Taxes	\$ 734	\$ 710	\$ 741	\$ 800	\$ 886
CPI Inflator	\$ 734	\$ 758	\$ 779	\$ 810	\$ 842

A red arrow points from the 2005 City Taxes value (\$734) down to the 2005 CPI Inflation value (\$734). Red horizontal lines connect the CPI Inflation values for 2005, 2006, 2007, 2008, and 2009, with a red arrowhead pointing to the right at the end of the line for 2009.

Source: *Federal Reserve Bank of Minneapolis*



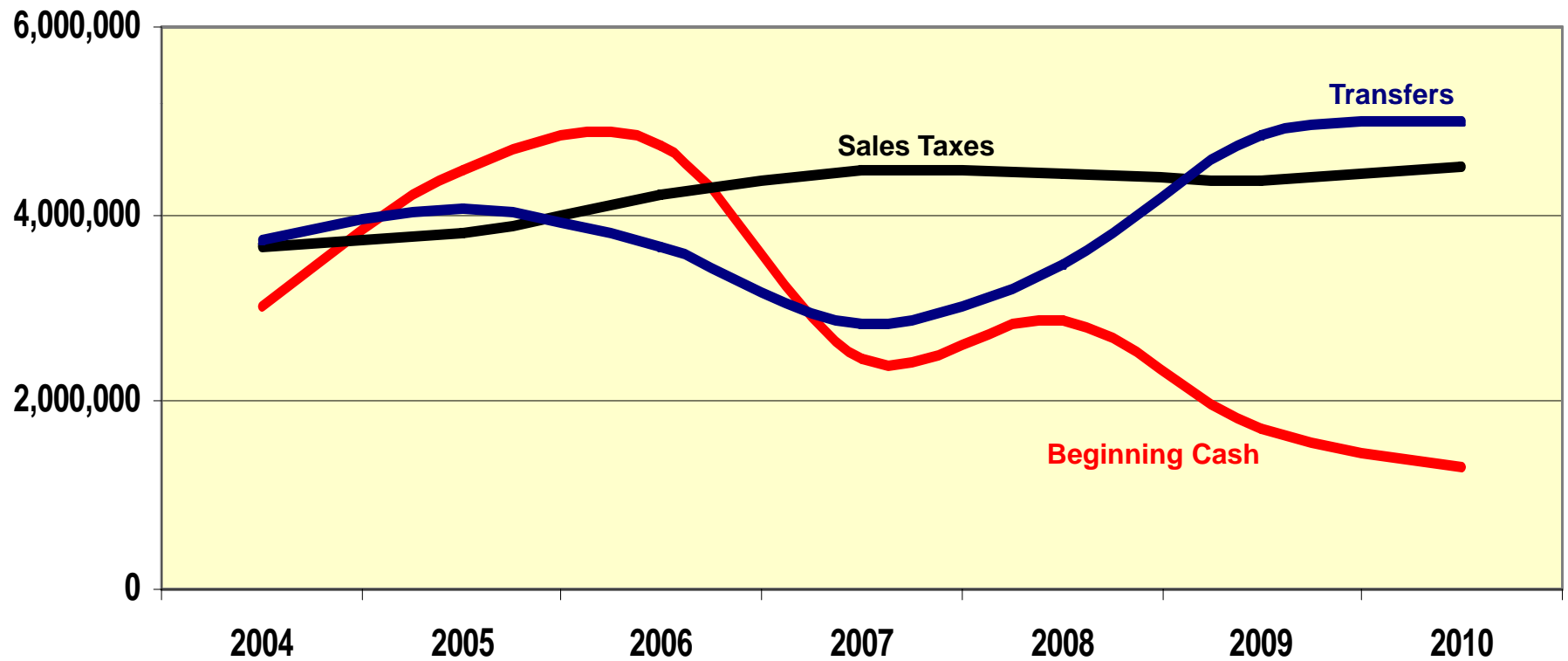
# *Future Issues*

- Declining cash balances in the General Fund
- 2010 Bond & Interest Fund

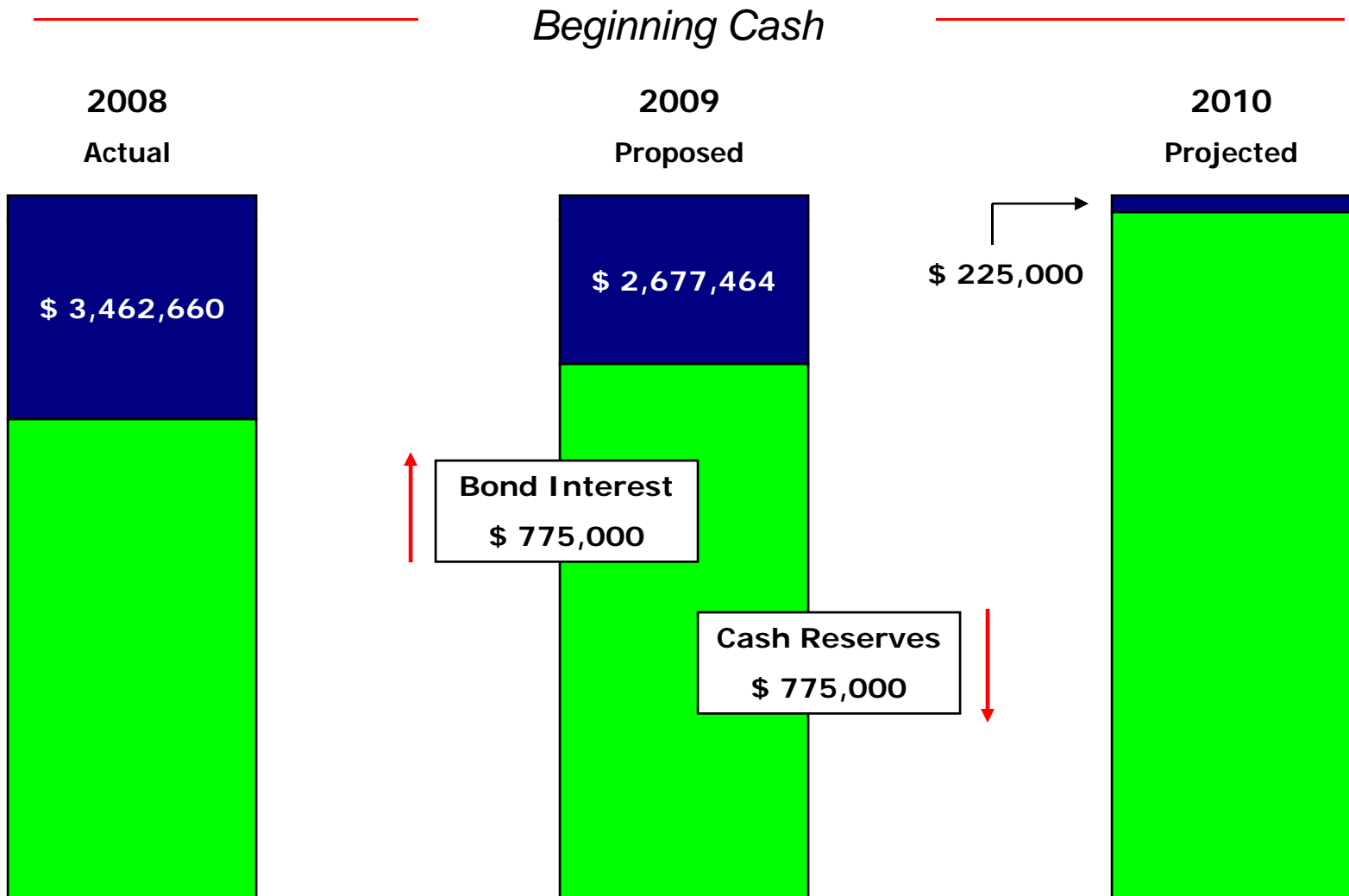
*These two issues will have an impact on future budgets  
beginning as early as the next City Budget for 2010*

# Future Issues – General Fund

*Beginning Cash, Sales Taxes, and Transfers*



# Future Issues – Bond & Interest

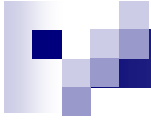




# *Budget Calendar Reminder*

- ✓ Budget publication no later than **August 1<sup>st</sup>**
- ✓ Public hearing on the 2009 City Budget on **August 12<sup>th</sup>** at a special City Commission meeting. Utility rate ordinances presented for first reading.
- ✓ Second reading of ordinance on the 2009 City Budget on **August 19<sup>th</sup>**. Utility rate ordinances presented for second reading.

**Reminder:** *The published budget can be reduced but not increased.*



# **Questions on City Budget?**



*2009 Water & Wastewater  
Rate Increases*

**Rate  
Discussion**

## *Overview of Water Utility*

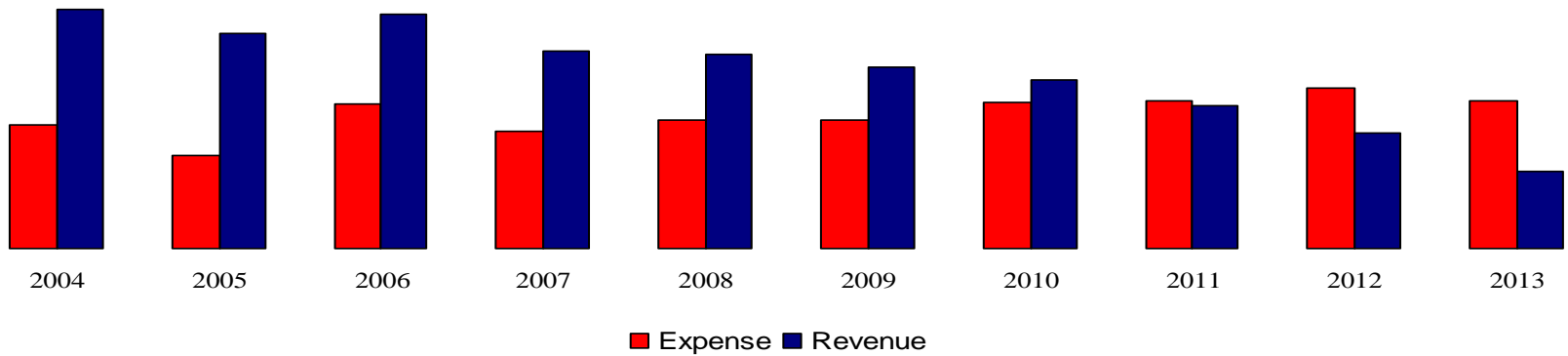
- Steady community growth
- 12,000 customers in 2000
- Over 14,000 customers in 2008
- Water plant expansion to 30 MGD
- Estimated cost of water plant expansion - \$16M

# Current Projections

Based on 1990 rate structure



Based on 2008 rate structure (15%)



# Proposed Projections

**Rates based on 5,000 gal. usage (15%/10%/10%)**

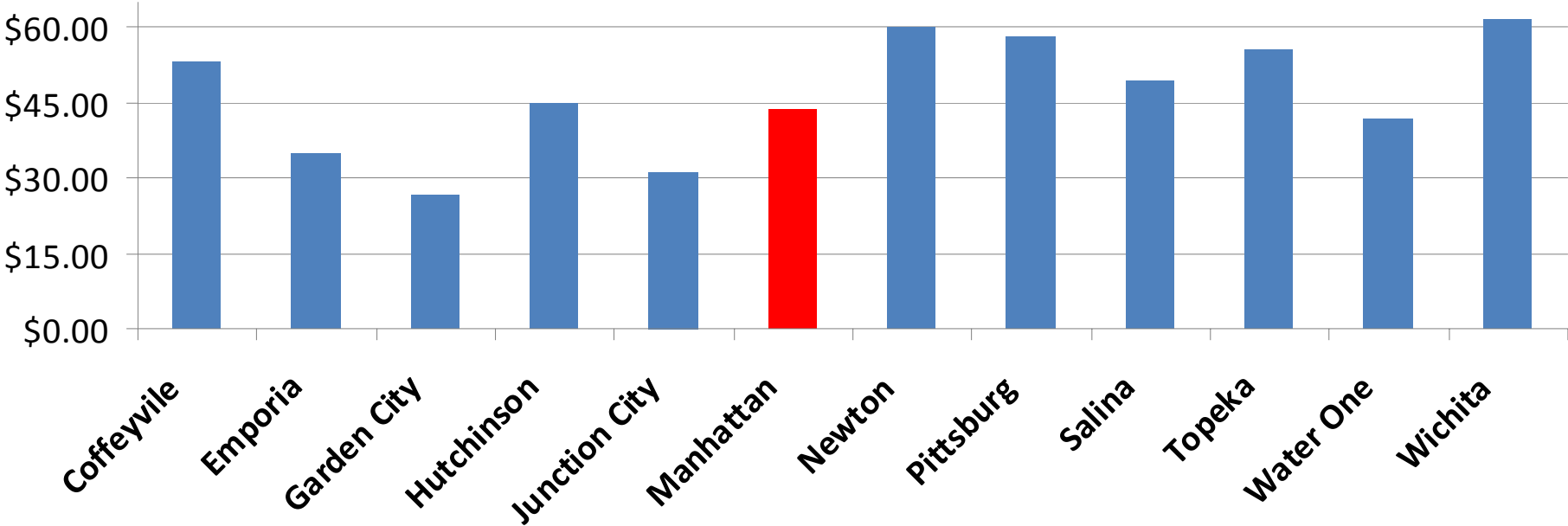
\$ 15.00	\$ 17.27	\$ 19.00	\$ 20.90
<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>

**Inflationary Increases Since 1990 (2.5%)**

\$ 22.82	\$ 23.39	\$ 23.90	\$ 24.58
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# Comparisons

2009 Residential Water Rates  
per 13,500 gal. usage



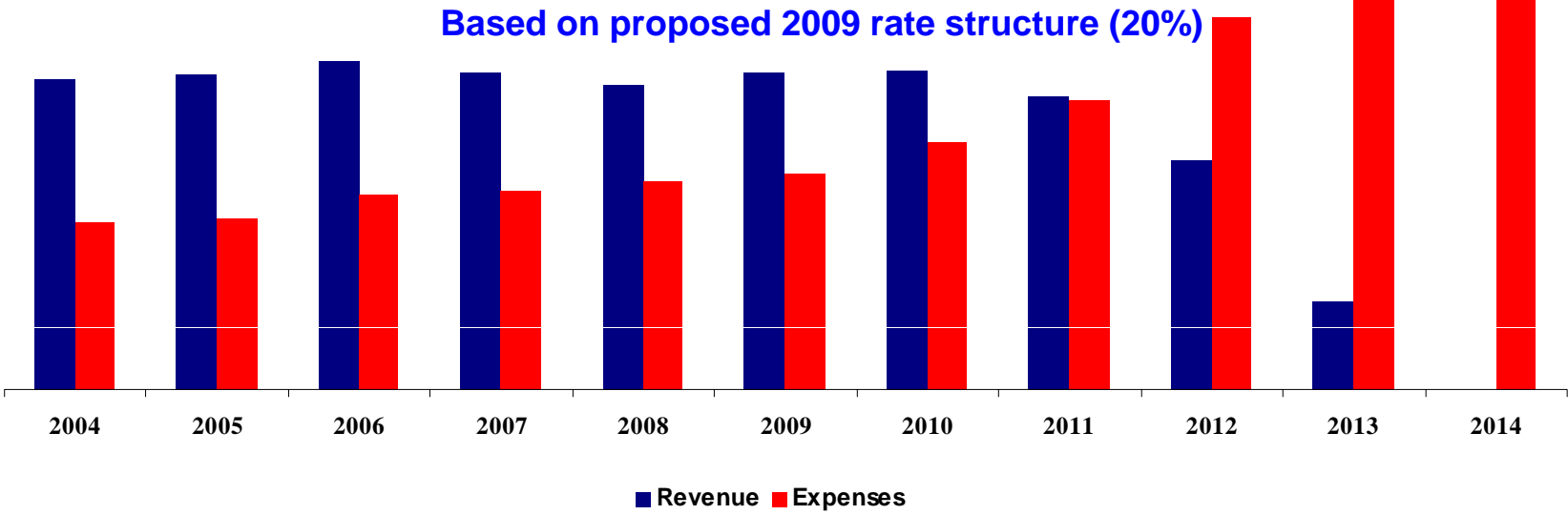
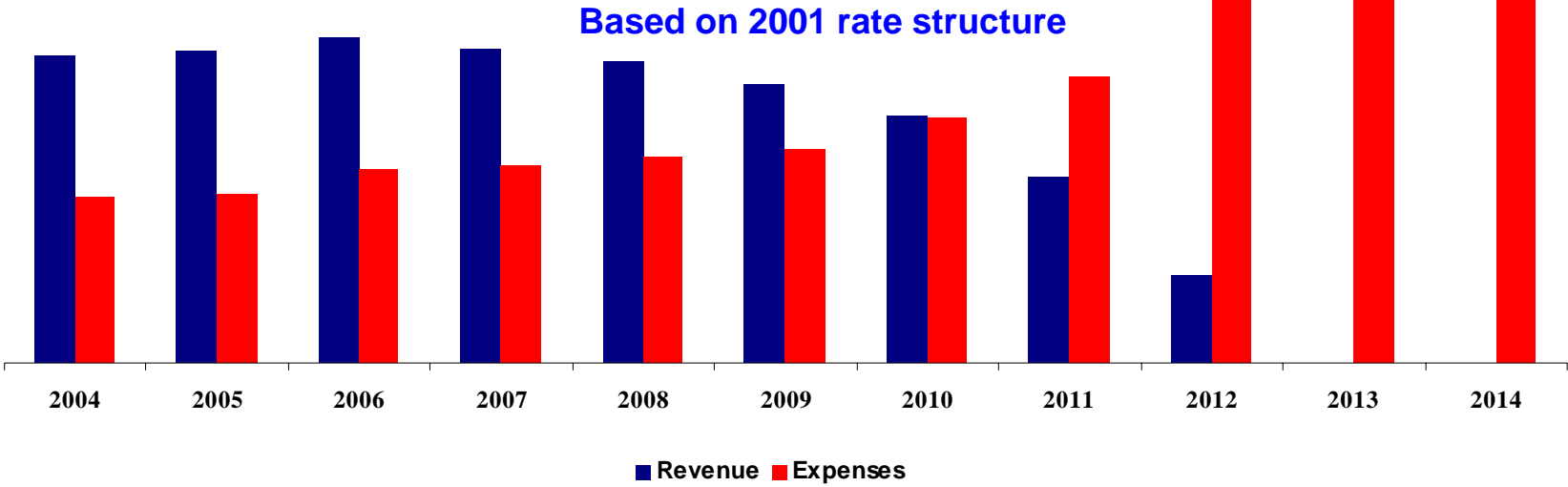
## *Considerations*

- Continue to debt finance all water projects over \$ 1M
- Continue with a 15% rate increase in effect as of January 2008 – postpone other rate increases
- Proceed with a second 10% rate increase beginning in 2009 and a third 10% rate increase beginning in 2010

## *Overview of Wastewater Utility*

- Steady community growth
- 12,000 customers in 2000
- Over 14,000 customers in 2008
- Wastewater plant expansion from 8.7MGD to 11MGD
- Estimated cost of wastewater plant expansion - \$32M

# Current Projections



# Proposed Projections

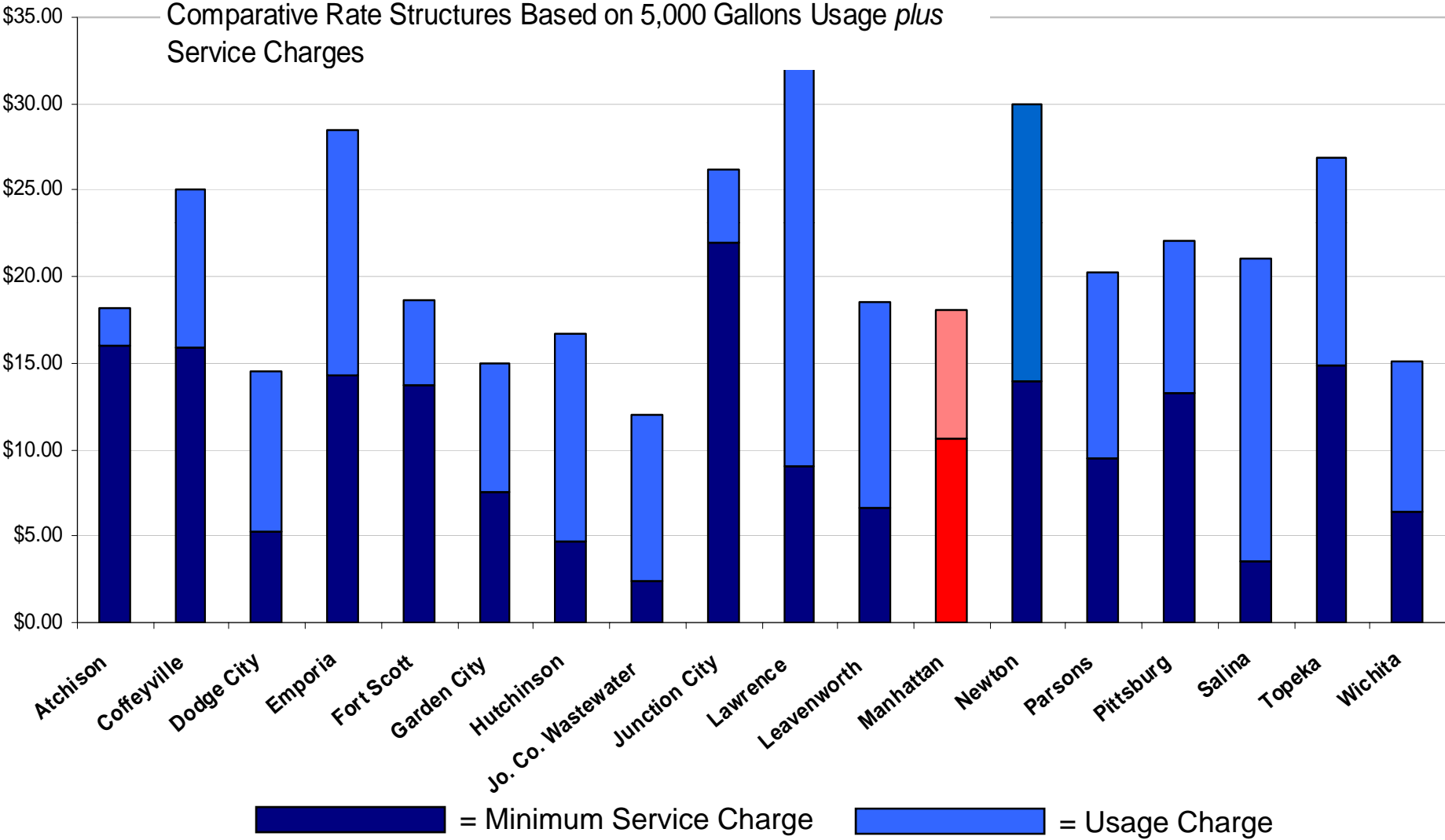
Rates based on 5,000 gal. usage (20%/20%/15%/10%)

\$ 15.49	\$ 18.58	\$ 22.30	\$ 25.65	\$ 28.22
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>

Inflationary Increases Since 2001 (2.5%)

\$ 18.87	\$ 19.34	\$ 19.83	\$ 20.32	\$ 20.83
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# Projected 2009 Comparisons





# *Homeowner Impact*

**2008**

**\$ 671 in Outside  
Agency taxes**

**\$ 129 in City taxes**

Water \$17.27

Sewer 15.49

Stormwater 3.00

Surcharge .17

**Total Monthly \$35.93**

**2009**

**\$ 758 in Outside  
Agency taxes**

**\$ 128 in City taxes**

Water \$19.00

Sewer 18.58

Stormwater 3.50

Surcharge .17

**Total Monthly \$41.25**



**Questions  
on  
Rate Increases?**