
**Public Hearing
for the
2009 City Budget & CIP**

2009 Budget Highlights and Initiatives

- Continued progress with Downtown Redevelopment with the completion of North 4th St. landscaping/streetscape, the construction of a roundabout at 4th and Bluemont, and the opening of new businesses along 3rd Street Place
- Final planning for the South-end along with issuance of STAR bonds
- Design for total replacement of City Park Pool with a modern outdoor aquatics facility
- Continued support of Ft. Riley and cooperation with other regional entities to resolve challenges
- Planned construction of two new fire stations, one of which is a relocation of Station No. 3

(continued)

2009 Budget Highlights and Initiatives

- Continued emphasis on bioscience and technology initiatives including NBAF in our economic development strategies
- Commencement of major upgrades to the Water Treatment Plant and Wellfields as well as major mandated and capacity improvements at the Wastewater Treatment Plant
- Continued reinvestment in water distribution, sanitary sewer collection, and storm water utilities infrastructure (for example, \$500 thousand plus in sanitary sewer improvements targeted for the Northview area)
- Completing provision of regional wastewater treatment services to the east US 24 corridor/Blue Township in Pottawatomie County as well as participating in a transportation corridor study of US 24 highway between Manhattan and Wamego

(continued)

2009 Budget Highlights and Initiatives

- Several significant intersection and street improvements as well as annual maintenance to accommodate growth and safety (Juliette & Bluemont; K-113 & Claflin; East Marlatt & US 24; Davis Drive/Miller Parkway & K-18)
 - Airport improvements and future planning (Runway 21 Safety Area Expansion -- \$7 million)
 - Continued leveraging of local tax dollars (FAA; KDOT; CDBG Housing Rehab; OEA; etc.)
 - Emphasis on communication and services to the citizens of Manhattan (online payments/registration; more web-based communication; etc.)
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City Budget Review

2009 Budget Highlights

- An increase of about \$1,623,799 in property taxes
- An increase in sales tax projections of about 3%
- An increase of \$246,000 in electric/gas franchise fees
- The addition of two new full time employees (a stormwater engineer and a transportation engineer which is proposed to be 90% grant funded) and one position for six months.
- In order to keep a slight increase in the Bond & Interest tax levy, there was a decrease in that fund's cash reserve from \$1 million to \$500 thousand

(continued)

2009 Budget Highlights

- Outside agencies remain at requested levels with the exception of RCPD which reduced slightly. Overall, outside agencies increased 10.6% over 2008
 - ATA funding for 2009 has been left in the SSAB budget and funded at 39% more than in 2008. Overall, funding for social services increased by 13.1% over 2008
 - Rate increases in 2009 are still proposed for the water utility and the wastewater utility
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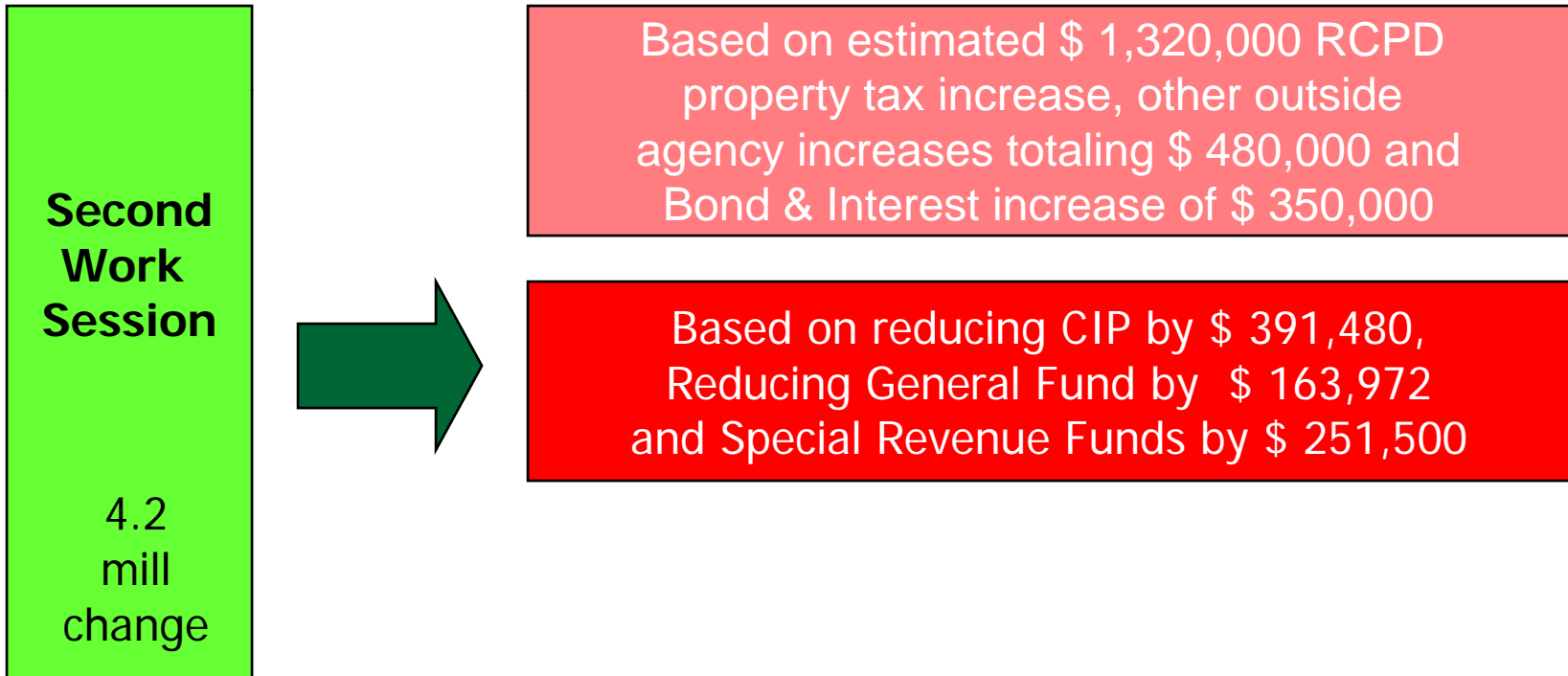
2009 Short-term debt to be retired by 2012 (or before)

- Fire Burn Training/Bldg. (\$79,745) Bond & Interest Fund
 - Shirley Lane Stormwater (\$42,470) Stormwater Fund
 - Eisenhower Ballfield Lighting (\$55,963) Park Dev. & Spec. Park & Rec. Funds
 - CICO-Eisenhower Irrigation (\$30,578) Spec. Park & Rec. Fund
 - Griffith park Lighting (\$29,916) Park Dev. Fund
 - Twin Oaks Parking Lots (\$49,031) Park Dev. Fund
 - Amory Bldg. Office Remodel (\$27,975) Industrial Promotion Fund
 - City Park Playground renovation (\$70,363) Spec. Park & Rec. Fund
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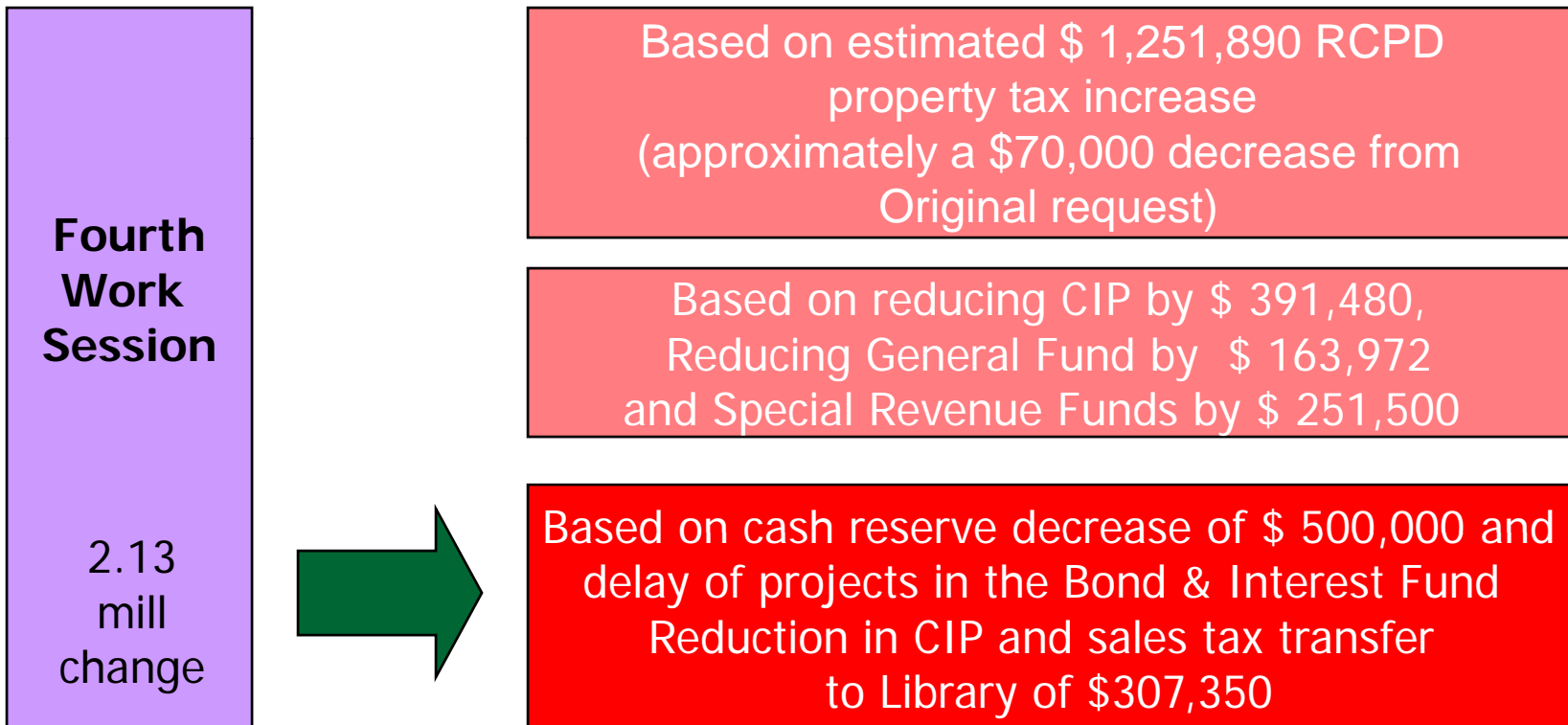
Work Session Review



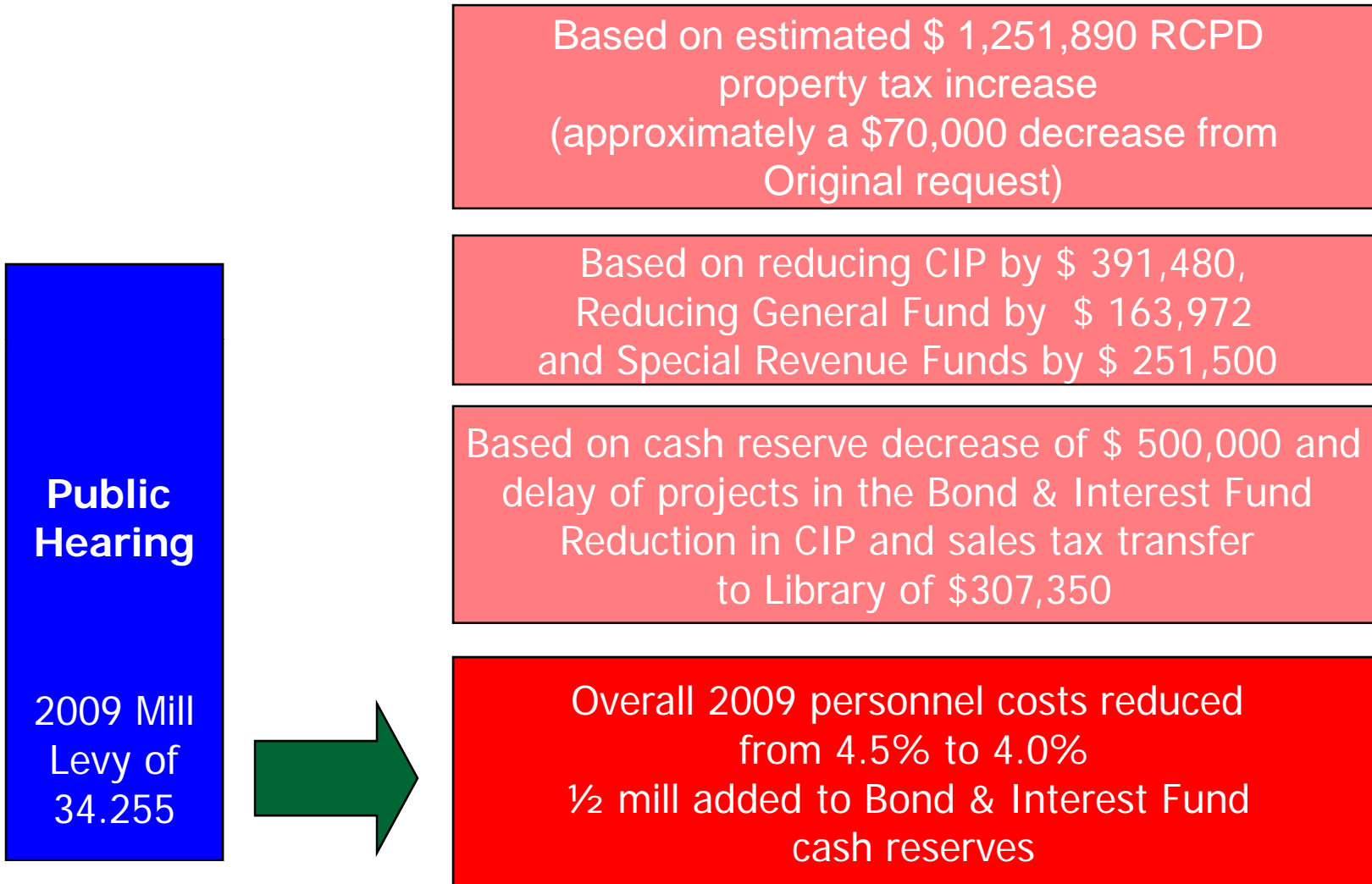
Work Session Review



Work Session Review



Work Session Review



2009 Proposed Tax Levy Rate

Proposed mill levy rate of **34.255**

- Represents the first increase in the tax rate since the 2003 City Budget
 - Still represents one of the lowest mill levies since 1987
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2009 Proposed Tax Levy Rate

\$ 14,734,672 *in proposed 2009 property taxes*

\$ 13,110,873 *in 2008 property taxes*

\$ 1,623,799 *increase over 2008 property taxes*

\$ 12,953,749 *in new improvements valuation for 2008*

\$ 410,414 *in new improvement property taxes for 2009*

25% *of the increased property taxes for 2009 have never appeared on the tax roll*



2009 Proposed Tax Levy Rate

	2006	2007	2008	2009
Home values =	170,320	194,676	219,594	227,280
City Taxpayer	\$ 710	\$ 741	\$ 799	\$895
City Taxes Levied	\$ 11,648,970	\$ 12,157,635	\$ 13,110,873	\$14,734,672
Direct City Services	\$ 3,149,751	\$ 1,919,750	\$ 2,082,710	\$2,024,273

Average Homeowner = **\$96**

2009 Budget Snapshots

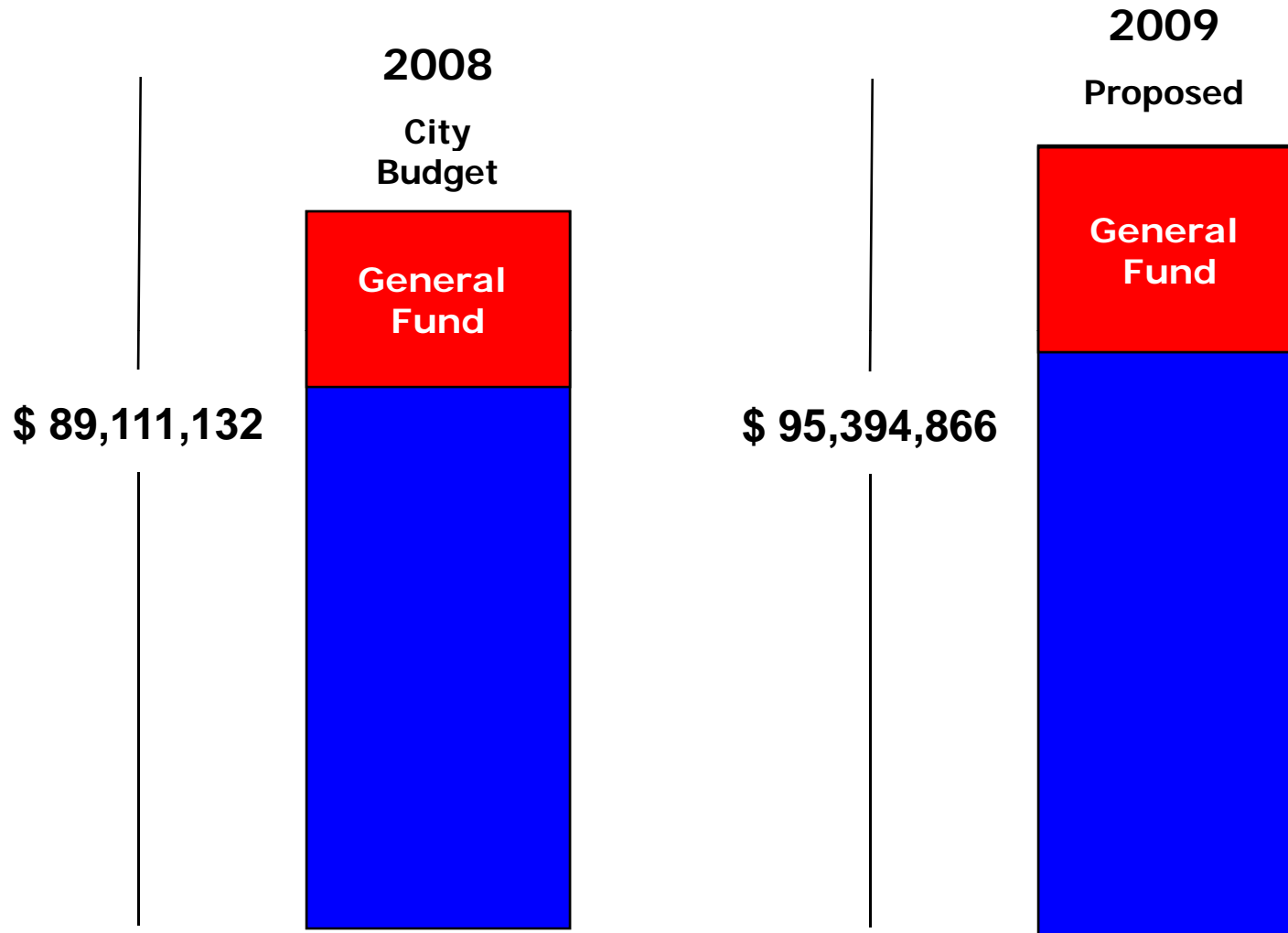
Property Tax Funds	2008 Budget	2009 Proposed
General Fund [6.4%]	\$ 20,801,075	\$ 22,130,617
Bond & Interest [-1.3%]	\$ 12,106,658	\$ 11,955,567
RCPD [11.6%]	\$ 10,102,584	\$ 11,271,456
Library [6.8%]	\$ 2,178,938	\$ 2,326,383
City Emp. Ben. [2.8%]	\$ 1,091,700	\$ 1,122,500

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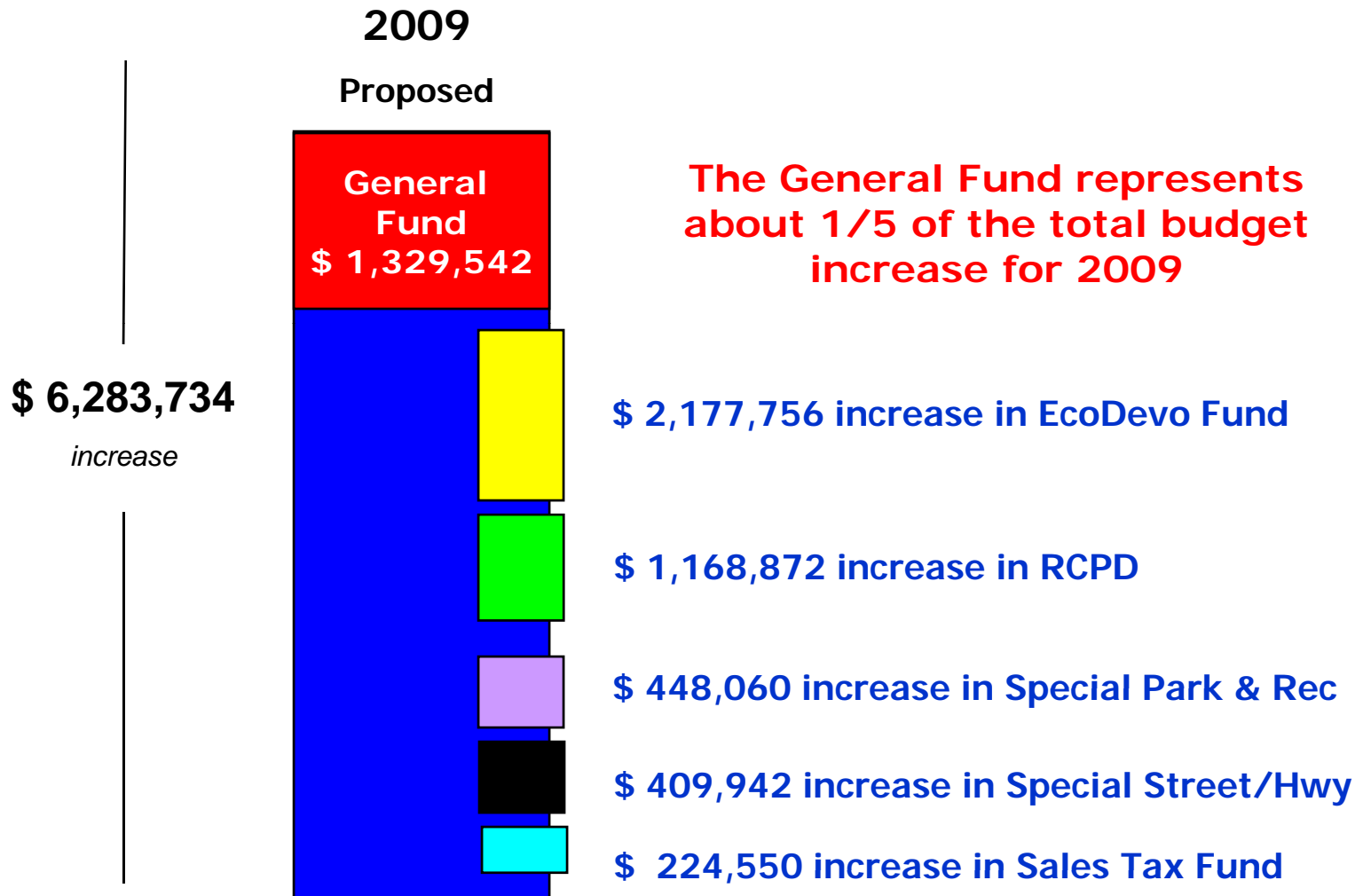
2009 Budget Snapshots

Property Tax Funds	2008 Budget	2009 Proposed
Industrial Promo. [-15.4%]	\$ 500,000	\$ 423,100
KP&F (Fire) [24.6%]	\$ 523,260	\$ 652,120
Fire Equip. Reserve [-4.5%]	\$ 718,550	\$ 686,262

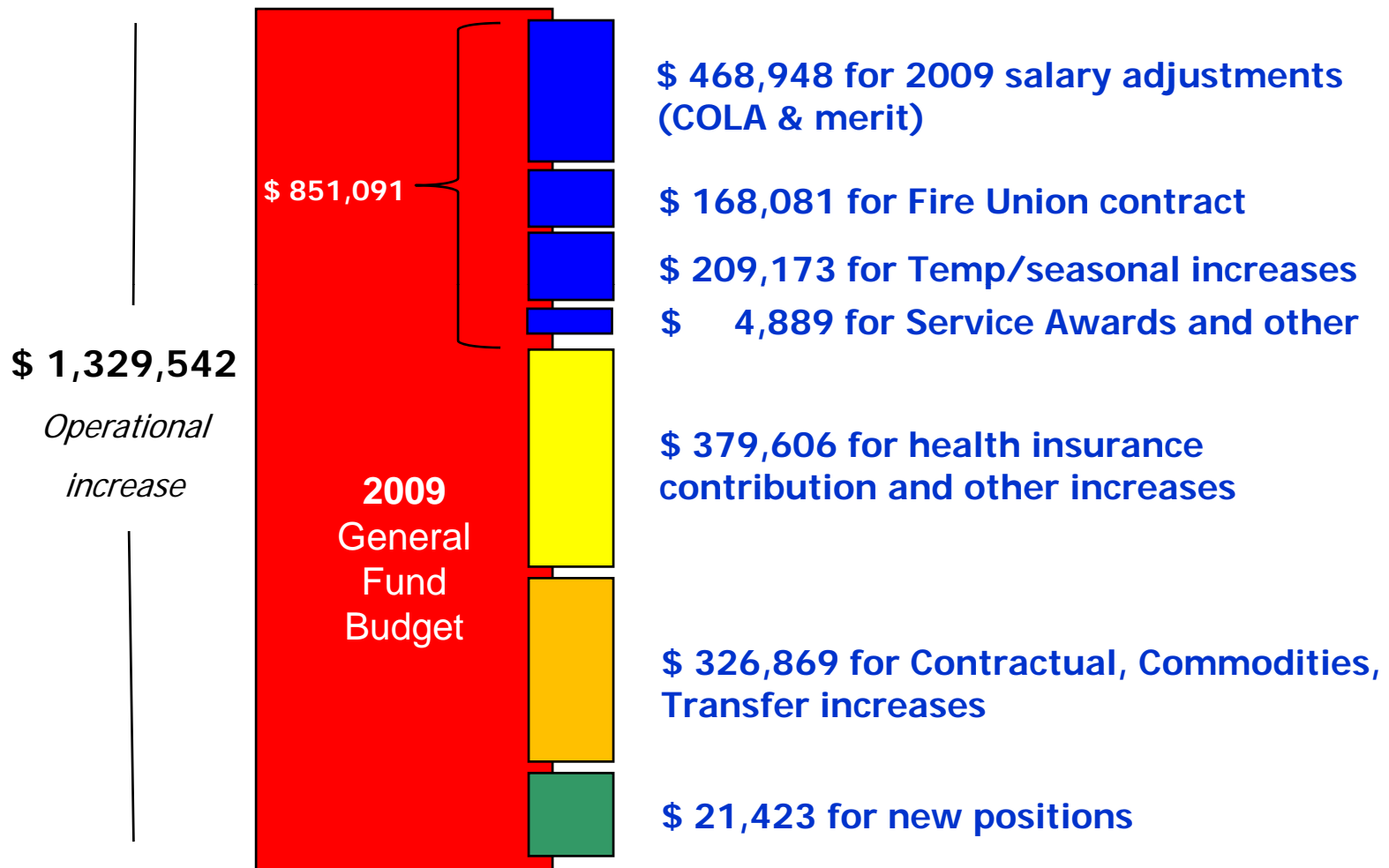
2009 Budget Overview



2009 Budget Overview



General Fund Increase



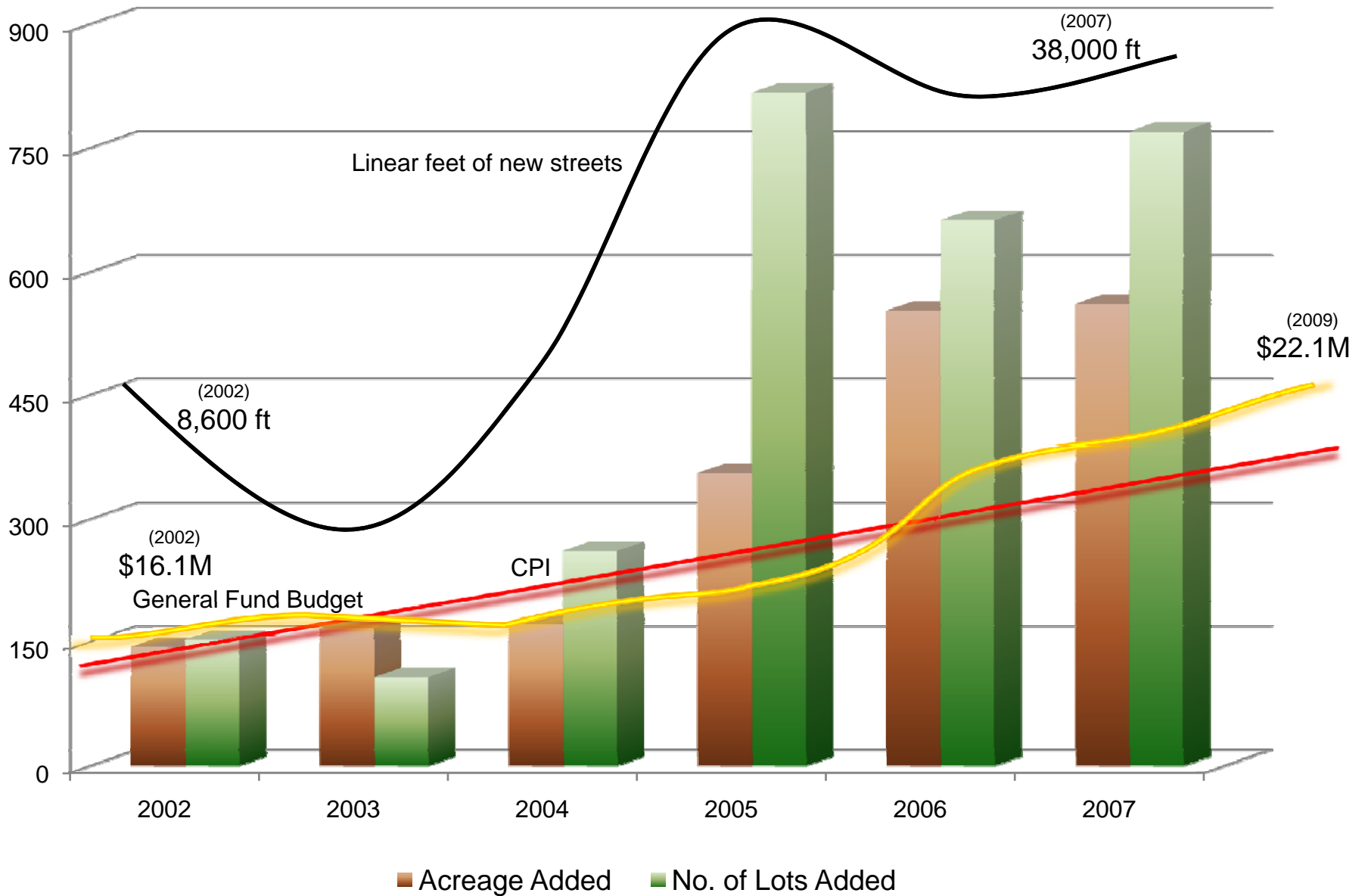
Note: *There is a \$249,447 decrease in the 2009 General Fund CIP compared to 2008*

Remaining Budget Issues

Remaining Budget Issues

- City Budget as it relates to City Growth
 - Water rate increase
 - Wastewater rate increase
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City Growth/City Budget

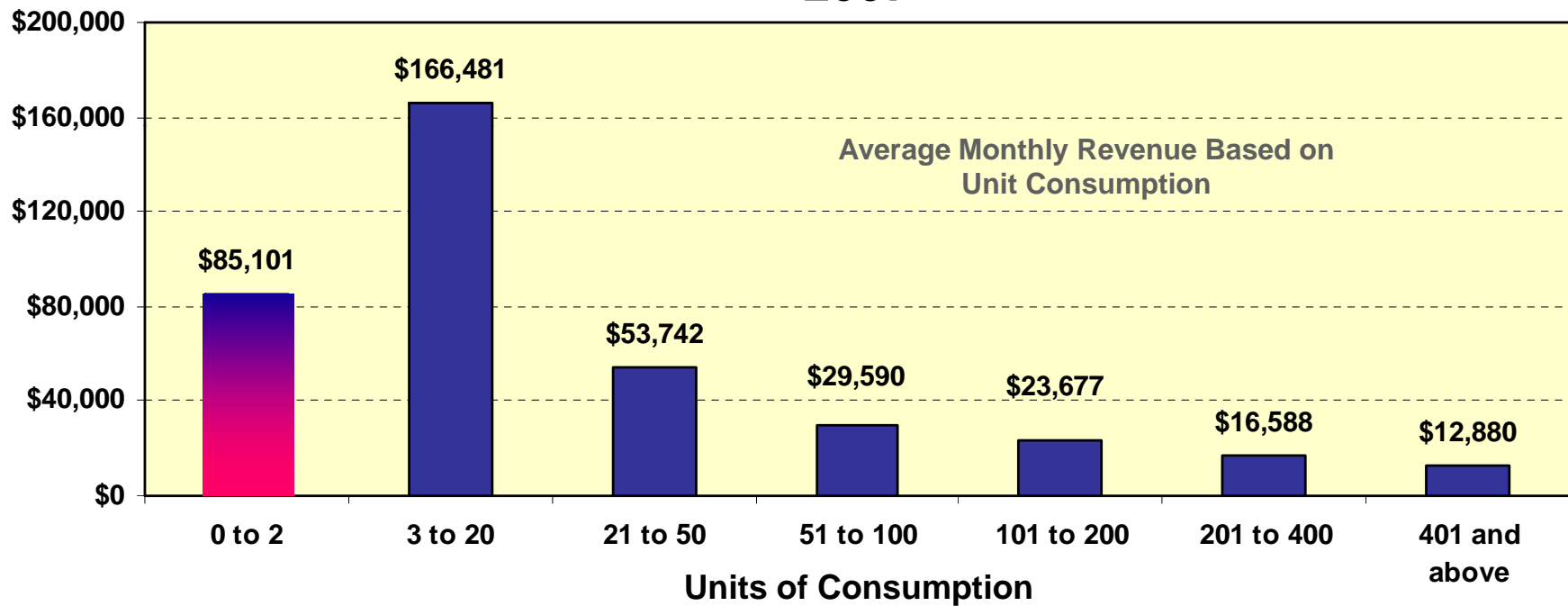


Water Rate Increase

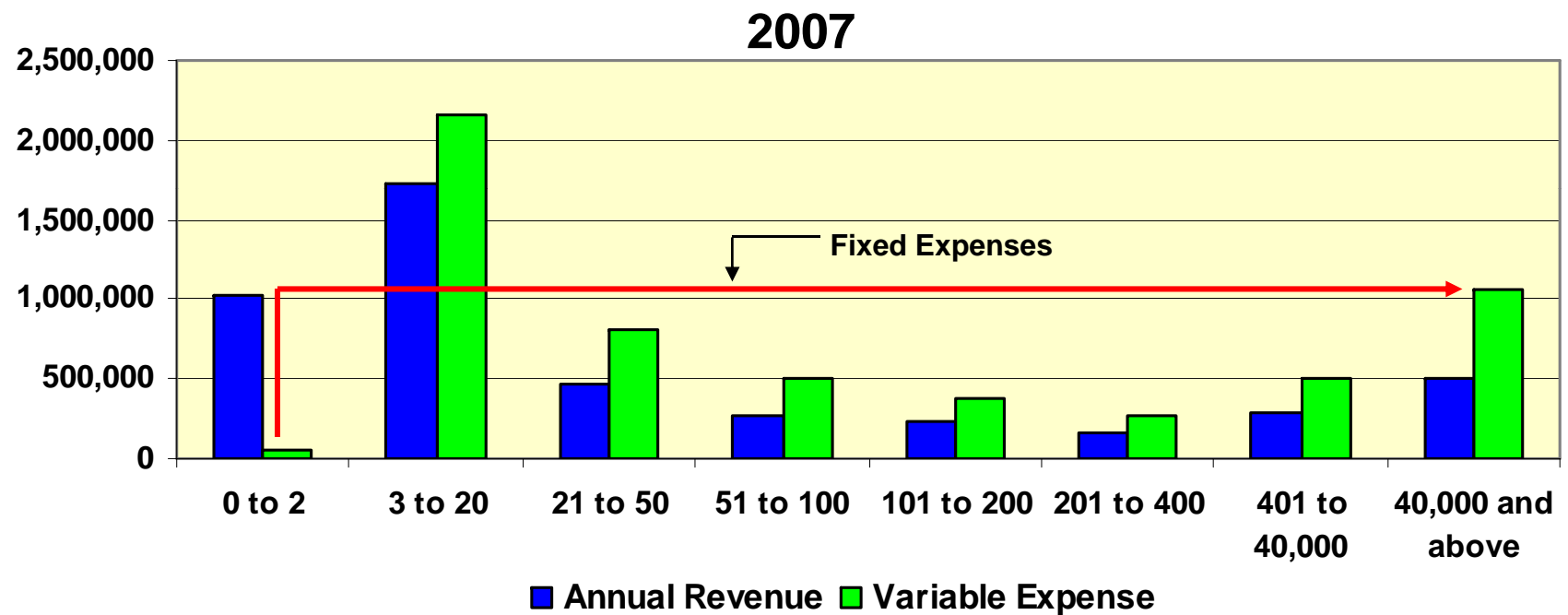
- 7% increase is necessary in January of 2009 in order for the Water Fund to meet ongoing anticipated expenses
 - Additional rate increases will be required and are proposed to be 6% in 2010 and 5% for every year after (Note: 2010 increase was 7%)
 - Last water rate increase was in 2008. Prior to 2008, the last increase was in 1990
 - Even with the proposed rate increases, Manhattan's rate structure remains competitive with other city utilities surveyed
 - 2009 Water Fund has been adjusted anticipating this increase
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Consumption and Revenue

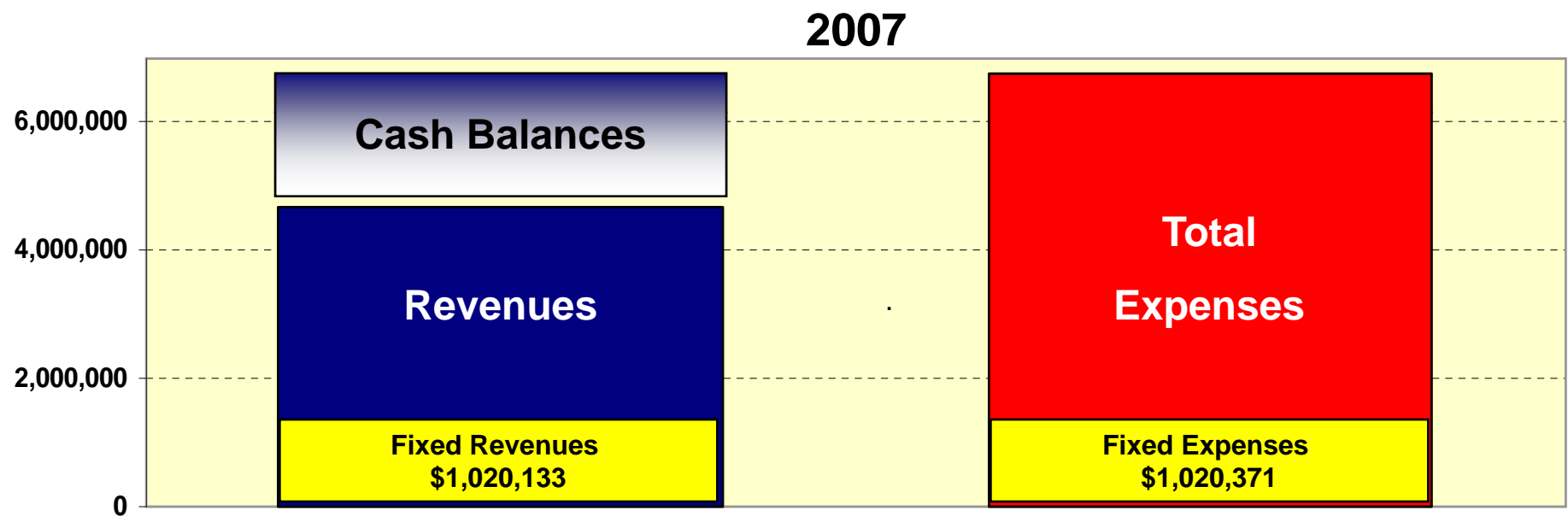
2007



Variable and Fixed Expenses

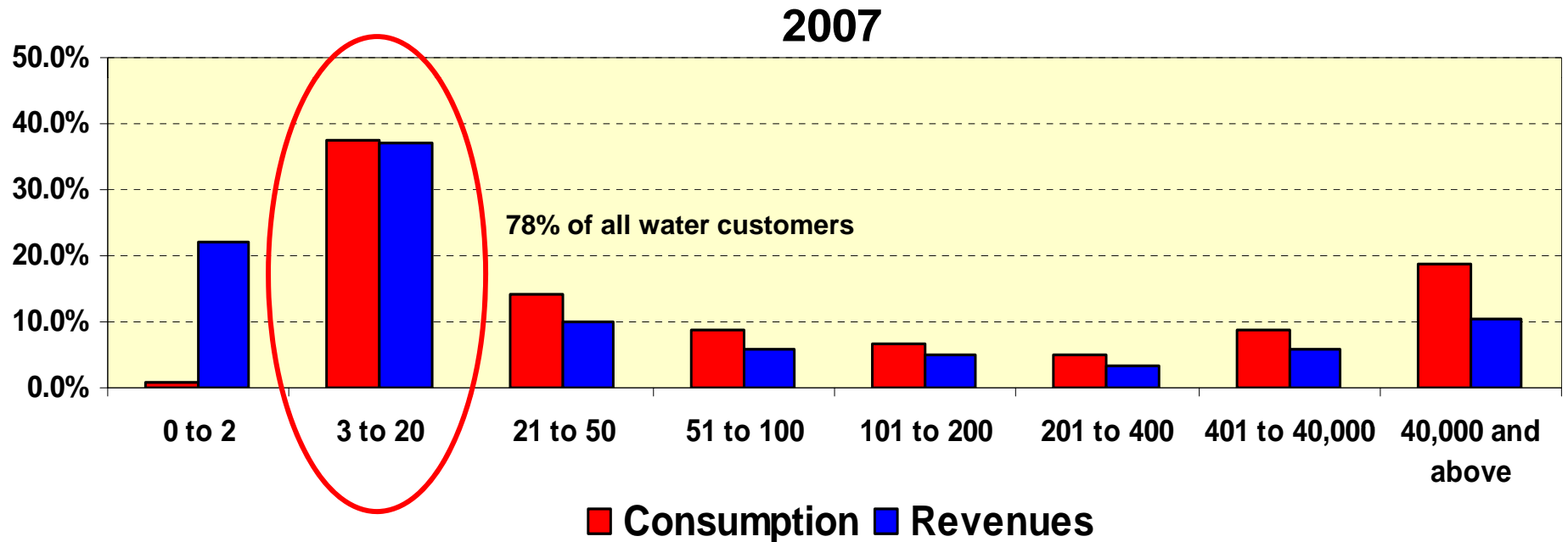


Variable and Fixed Expenses

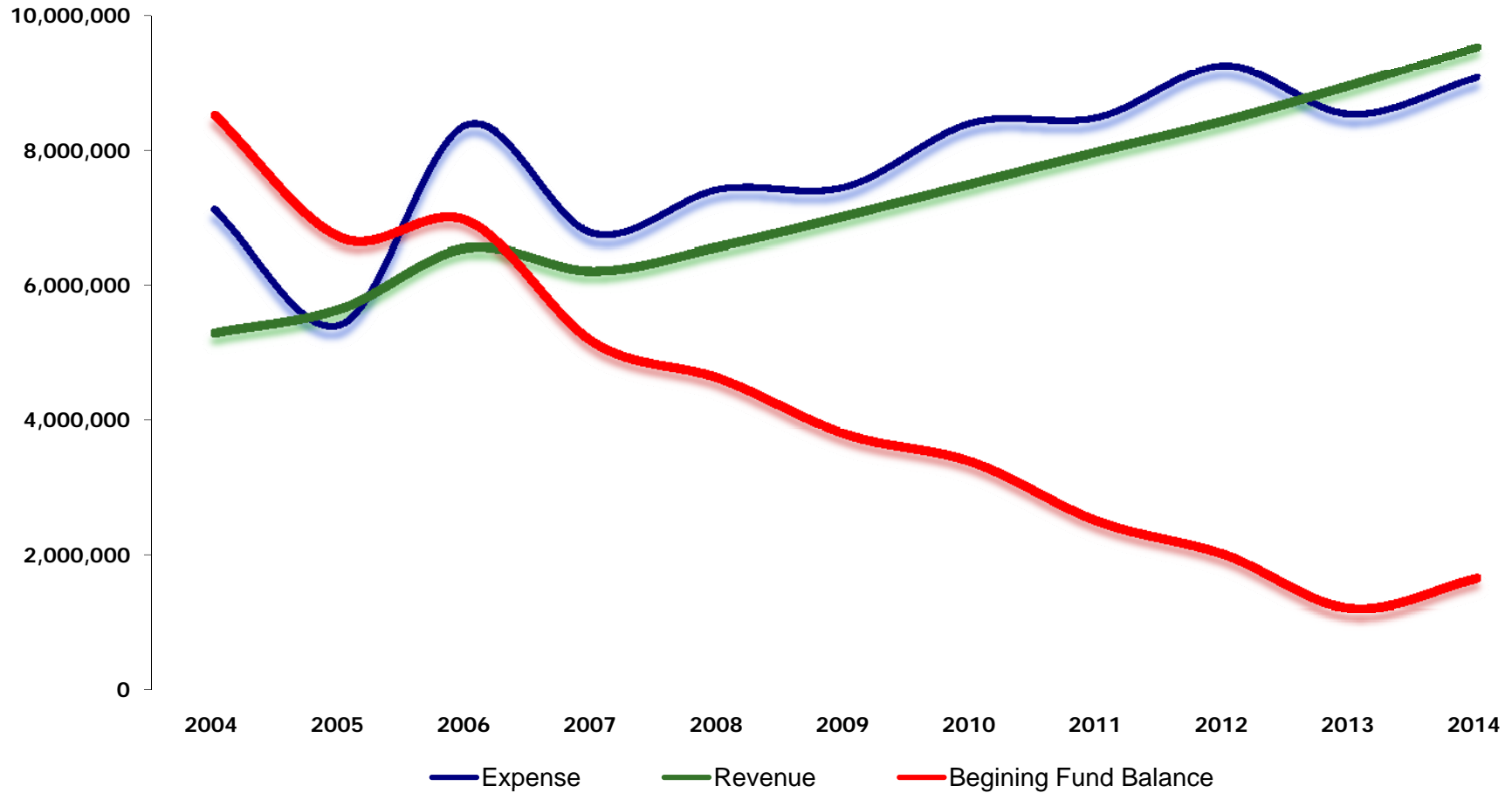


Consumption and Revenue by User Category

	2007	2008	2009
	\$ 1.78	\$ 2.05	\$ 2.19
Rate Scale	\$ 1.20	\$ 1.38	\$ 1.48
	\$.97	\$ 1.12	\$ 1.19



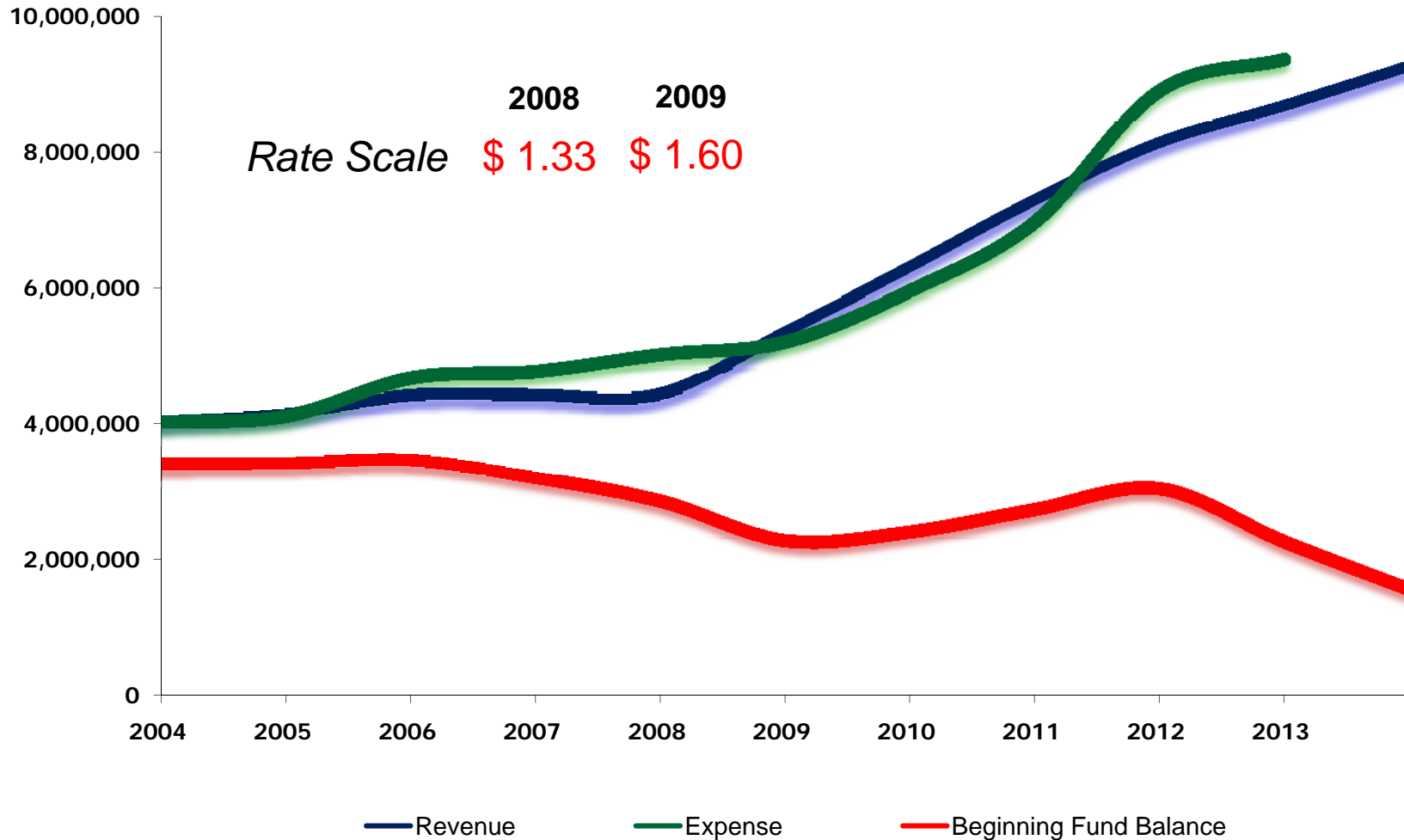
Water Financial Projections



Wastewater Rate Increase

- 20% increase is necessary in January of 2009 in order for the Wastewater Fund to meet ongoing anticipated and mandated expenses
 - 2009 Wastewater Fund has been adjusted anticipating this increase
 - Additional rate increase amounts will be discussed for the 2010 City Budget and beyond
 - The proposed ordinance adjusting wastewater rates also includes additional charges for certain higher discharges affecting a small number of users
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Wastewater Financial Projections



(assuming approval of first reading)

**2009 Annual City Budget
2nd reading of Budget Ordinance
and annual CIP Resolution**

August 19th

**Certify 2009 Budget to
County Clerk by August 25th**

Other Issues?

Questions?
