

CITY COMMISSION AGENDA MEMO

July 1, 2008

FROM: Bernie Hayen, Director of Finance

MEETING: July 10, 2007

SUBJECT: 2009 City Budget Overview

PRESENTER: Bernie Hayen, Director of Finance

BACKGROUND

Each year, the Finance Department presents an overview of the annual budget for the next calendar (fiscal) year which leads to a proposed published budget and a public budget hearing to adopt the new city budget. In accordance with Kansas budgeting laws, once the proposed budget is published, the total expenditures for each fund can be lowered—but not raised.

The City Commission has conducted three work sessions on the proposed 2009 City Budget and 2009-2014 Capital Improvement Plan including presentations by a number of outside agencies that receive funding by the City. This will be the fourth work session on the 2009 City Budget.

DISCUSSION

The proposed 2009 City Budget of \$ 95,470,876 represents a 7.1% increase over the 2008 City Budget or approximately \$ 6.36 million more in budgeted spending. However, nearly all of this proposed 2009 increase is non-operational in nature reflecting increases in a number of reserve accounts and increases in special assessments related to newly formed benefit districts.

The proposed 2009 City Budget includes the following highlights:

- an increase of \$1,124,941 in property taxes levied to support the 2009 City Budget compared to the 2008 City Budget or about a 8.5% increase.
- an increase of 2.8% in sales tax projections for the General Fund as well as the Sales Tax Fund;
- an increase of \$246,000 in General Fund revenues from all franchise fees;
- the addition of 1 new employee position, one part-time position, and one six-month Assistant City Attorney position; and,
- a decrease in the Bond & Interest Fund of \$424 thousand due to a delay in issuing bonds for certain City projects.

General Fund

The proposed General Fund budget of \$ 22,188,617 reflects slightly more than a 6.7% increase or \$ 1,387,542 over the 2008 City Budget.

This increase is attributed to several factors:

- (1) Salary Adjustments (*including cost-of-living, merit, minimum wage changes*) = \$ 909,091
- (2) New Positions = \$ 21,423
- (3) Health Insurance Contribution and Other Increases = \$ 379,606
- (4) Contractual Services, Commodities, and Transfers = \$ 326,869
- (5) Capital Improvement Program = (249,447 *decrease*)

The following table summarizes the General Fund’s expenditure increases (or decreases) that were budgeted in 2008 plus actual expenditures for 2006 and 2007. The proposed budget for 2009 is shown in the last column:

	2006 Actual	2007 Actual	2008 Budget	2009 Proposed
Personnel Services	\$ 11,822,650	\$ 12,954,676	\$ 13,949,803	\$ 15,259,923
Contractual Services	2,417,466	2,556,587	3,183,228	3,247,344
Commodities	1,322,928	1,494,129	1,708,162	1,890,075
Capital Outlay	652,567	635,221	676,052	426,605
Cash Reserves	----	----	500,000	500,000
Grants	409,526	437,581	513,580	567,220
Transfers and Other Costs	2,029,587	2,704,687	270,250	297,450
Total:	\$ 18,654,724	\$ 20,782,881	\$ 20,801,075	\$22,188,617

Special Revenue Funds

Special Revenue funds are divided into two categories: those which support City services such as employee benefit funds; and, those which support other services such as the Riley County Police Department and the Manhattan City Library. In 2009, the total of these funds are proposed to increase by about \$ 4.9 million.

This includes an increase in the City’s economic development fund of about \$ 2.2 million; and, an increase in the allocation to the Riley County Police Department of \$ 1.2 million.

Bond & Interest Fund

The City's portion of capital debt will continue to increase in the foreseeable future. The annual principal and interest payments on a growing number of city-wide benefit districts also will increase in 2009 by over \$ 400 thousand.

In order to maintain the Bond & Interest tax levy at about one mill, it will be necessary to significantly reduce cash reserves within this Fund from \$1 million down to \$225 thousand. This is due, in large part, to the rising delinquency rates for special assessments collected through the Riley County Treasurer.

Enterprise Funds

As a result of the growing number of utility customers, water and wastewater revenues have increased. However, in order to meet the needs of increased customers, it continues to be necessary to periodically examine the rate structure of all utilities. The rates in the Water Fund were increased in 2008 and proposed to increase in both 2009 and 2010. These increases are necessary for the City to meet the requirements of community-wide growth and to ensure funding for various projects in the foreseeable future.

Rates in the Wastewater Fund are proposed to be increased in 2009 with additional rate increase in the future. These increases also are necessary for the City to meet the requirements of community-wide growth and to ensure funding for various projects in the foreseeable future.

Rates supporting the Stormwater Fund were increased in April, 2007 and in January of 2008 with a final increase in January, 2009. These increases were necessary for the City to meet the requirements of the federal and state stormwater management program and to ensure funding for various projects in the foreseeable future.

Summary

The City of Manhattan continues to enjoy unprecedented community-wide growth in terms of housing and commercial businesses. This growth not only broadens the City's property tax base, but also strengthens the City's commercial districts as a regional shopping hub.

Although the overall 2009 City Budget reflects an increase compared to the 2008 City Budget, a majority of these increases are directly related to additional reserves across several funds. The 2009 proposed City Budget is summarized in the following table which includes a historical comparison:

	2006 Budget	2007 Budget	2008 Budget	2009 Proposed
General Fund	19,194,738	19,407,122	20,801,075	21,188,617
Special Revenue Funds	27,021,509	30,497,451	36,172,813	41,053,870
Enterprise Funds	17,173,937	19,437,073	20,030,586	20,545,822
Bond & Interest Fund	9,654,383	10,642,557	12,106,658	11,682,567
Total:	\$73,044,567	\$79,984,203	\$89,111,132	\$95,470,876

Finally, the 2009 proposed City Budget reflects considerable City Administration scrutiny as well as City Commission direction spanning months of preparation and deliberation.

FINANCING

Funding of the 2009 City Budget and 2009-2014 Capital Improvement Program is discussed throughout this memorandum and covers a wide-range of revenue sources.

RECOMMENDATION

City Administration recommends the City Commission provide feedback related to the proposed 2009 City Budget and 2009-2014 Capital Improvement Program.

POSSIBLE MOTION

Since this is a work session, no motion is necessary.

BNH/bnh

Attachments:

1. 2009 Notice of Budget Hearing
2. 2009 City Budget Summary and Historical Comparisons (*General Fund, Special Revenue Funds, Enterprise Funds, Bond & Interest Fund*)
3. Analysis of County Valuation and Property Taxes Levied
4. Budget Reduction Worksheets
5. Tax Computation for Typical Homeowner
6. Residential Property Tax Comparisons with Proposed utility Rate Increases
7. Commercial Property Tax Comparisons
8. Statewide Comparison of Property Tax

NOTICE OF BUDGET HEARING

The governing body of
City of Manhattan

will meet on the 12th day of August, 2008 at 7:00 p.m. in the City Commission Chambers at 1101 Poyntz Avenue for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.

Detailed budget information is available at City of Manhattan Finance Department and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2009 Expenditures and Amount of 2008 Ad Valorem Tax establish the maximum limits of the 2009 budget
Estimated Tax Rate is subject to change depending on the final assessed valuation

FUND	2007		2008		Proposed Budget 2009		
	Prior Year Actual Expenditures	Actual Tax Rate *	Current Year Est of Expenditures	Actual Tax Rate *	Expenditures	Amount of 2007 Ad Valorem Tax	Est. Tax Rate *
001 General	20,782,881	2.730	20,301,075	2.976	22,188,617	1,198,442	2.786
106 Employee Benefit	1,000,000	0.757	1,091,700	0.627	1,122,500	148,098	0.344
107 Fire Equipment Reserve	179,618	0.276	323,875	0.122	686,262	51,020	0.119
108 KP & F	450,000	0.259	523,260	0.211	652,120	82,885	0.193
109 General Improvement	60,770		97,775		119,345		
110 Industrial Promotion	339,245	0.249	253,493	0.121	423,100		
111 Library	1,639,394	3.644	1,850,830	3.378	1,926,383	1,504,613	3.498
112 Library EBF	261,016	0.645	325,571	0.723	400,000	377,497	0.878
113 Park Development	128,674		268,040		150,810		
123 Riley Co. Health Dept.	212,880	0.521	223,632	0.487	239,191	223,135	0.519
124 Riley Co. Police Dept	9,311,532	22.929	9,992,566	22.001	11,271,456	10,574,899	24.583
301 Bond and Interest	8,553,594	1.078	9,098,078	1.037	11,682,567	365,753	0.850
118 Special Highway	1,467,867		1,694,165		2,219,767		
102 City University	379,600		394,200		510,800		
103 Aggieville Business Imprv	25,489		36,400		36,000		
104 Downtown Business Impr	49,259		59,590		60,000		
105 Economic Development	3,148,272		1,594,281		9,444,616		
115 Sales Tax	4,581,250		4,976,745		5,201,295		
116 Special Alcohol	320,494		404,500		426,600		
117 Special Parks and Rec	293,320		308,068		870,060		
119 Special Sunset Zoo	218,175		233,120		315,765		
121 Tourism & Convention	654,000		661,000		707,800		
126 Capital Imprv Reserve	50,000				2,875,000		
127 Tax Inc Finance-Downtown	495,353		1,325,000		1,395,000		
501 Water	6,749,384		8,155,515		11,271,585		
521 Wastewater	4,770,318		5,272,443		7,603,237		
531 Stormwater	988,620		1,217,280		1,671,000		
Totals	67,111,005	33.088	70,682,202	31.683	95,470,876	14,526,341	33.770
Less: Transfers	10,069,476		8,374,368		7,981,417		
Net Expenditure	57,041,529		62,307,834		87,489,459		
Total Tax Levied Assessed	12,157,635		13,110,873		xxxxxxxxxxxxxxxx		
Valuation	367,438,289		413,817,343		430,162,781		

Outstanding Indebtedness,	<u>2006</u>	<u>2007</u>	<u>2008</u>
January 1,			
G.O. Bonds	51,340,000	54,960,000	65,495,000
Revenue Bonds	1,960,000	6,105,321	16,667,084
Temporary Notes & Loans	9,159,580	27,619,312	36,736,112
Lease Pur Princ	746,550	672,175	861,598
Total	<u>63,206,130</u>	<u>89,356,808</u>	<u>119,759,794</u>

*Tax rates are expressed in mills

Director of Finance

General Operating Fund

BUDGETED EXPENDITURES

		2003	2004	2005	2006	2007	2008	(Proposed) 2009	Percent Change	
1	<i>General Government</i>	535,255	515,918	516,705	547,695	668,810	695,198	679,600	-2.2%	1
	<i>Finance</i>									
2	Finance & Accounting	409,367	433,551	466,242	512,540	511,100	530,072	584,800	10.3%	2
3	Information Technology	244,897	243,308	283,754	249,981	353,350	371,919	319,710	-14.0%	3
4	Customer Services	231,517	146,225	152,735	158,957	160,355	190,059	167,060	-12.1%	4
5	<i>Airport</i>	619,801	582,541	576,021	649,062	726,230	599,923	658,610	9.8%	5
	<i>Fire Services</i>									
6	Operations, Technical, Inspections	3,400,220	3,468,749	3,549,451	3,855,191	4,078,840	4,402,108	4,676,995	6.2%	6
7	Building Maintenance	179,092	259,440	297,500	377,850	367,695	353,975	384,190	8.5%	7
8	<i>Human Resources</i>	291,016	266,898	256,806	334,655	382,281	412,984	418,475	1.3%	8
	<i>Public Works</i>									
9	Administration	133,290	129,350	43,457	124,660	142,620	184,864	218,974	18.5%	9
10	Streets	1,149,013	1,108,703	1,200,280	1,224,480	1,270,976	1,446,229	1,651,986	14.2%	10
11	Engineering	399,188	403,881	505,841	480,115	652,255	744,988	779,904	4.7%	11
12	Traffic Control	302,306	298,633	316,107	366,759	375,630	453,233	460,355	1.6%	12
	<i>Parks & Recreation</i>									
13	Administration	144,325	148,146	152,709	162,608	146,150	152,988	159,150	4.0%	13
14	Douglass Center	210,304	177,079	181,098	184,143	184,579	211,313	223,220	5.6%	14
15	City Parks	1,412,266	1,382,318	1,532,911	1,765,060	1,991,810	2,059,475	2,119,503	2.9%	15
16	Swimming Pools	231,497	260,357	266,350	251,900	264,550	275,945	* 297,153	7.7%	16
17	Discovery Center	0	0	0	0	0	72,820	74,500	2.3%	17
18	Animal Shelter	222,500	234,337	244,777	364,940	426,980	510,364	535,972	5.0%	18
19	Recreation	1,150,205	1,164,921	1,187,169	1,192,551	1,098,287	1,207,027	1,297,087	7.5%	19
20	Sunset Zoo	588,286	604,384	631,344	678,618	778,220	800,609	828,555	3.5%	20
21	<i>Community Development</i>	429,597	395,945	418,236	530,033	515,090	568,643	589,010	3.6%	21
22	<i>Legal Services & Municipal Court</i>	580,238	638,239	654,501	672,013	691,540	721,675	795,345	10.2%	22
23	<i>Economic Development</i>	232,300	0	0	0	0	0	0	----	23
24	<i>Outside Services</i>	449,868	521,475	516,425	617,522	662,924	728,180	809,020	11.1%	24
25	<i>General Services</i>	2,551,114	2,584,725	2,740,009	3,893,406	2,956,850	3,106,484	3,459,443	11.4%	25
	Total Budget :	16,097,462	15,969,123	16,690,428	19,194,738	19,407,122	20,801,075	22,188,617	6.7%	
	Budgeted CIP (included in total budget):	78,650	141,620	358,150	746,450	710,265	525,950	426,605		

* Note: The 2009 budget reflects an increase in minimum wage and an offset for City pool closure for 2009.

Special Revenue Funds

BUDGETED EXPENDITURES

(Proposed)

	2004	2005	2006	2007	2008	2009
1 City/University Projects (102)	307,700	309,500	367,200	379,600	394,200	510,800
2 Aggieville BID (103)	28,600	32,000	30,650	30,500	36,400	36,000
3 Downtown BID (104)	55,500	55,500	55,000	55,500	59,590	60,000
4 Economic Development (105)	1,554,400	-----	-----	-----	-----	-----
5 <i>MEDOFAB</i>	0	1,427,860	1,290,000	554,300	319,265	1,116,000
6 <i>RICOED</i>	0	1,500,000	3,535,590	5,183,884	6,947,595	8,328,616
7 Employee Benefits (106)	877,000	908,000	970,000	1,000,000	1,091,700	1,122,500
8 Fire Equipment Reserve (107)	284,000	306,206	412,000	450,000	718,550	686,262
9 KP&F Pension (108)	360,000	360,000	412,000	450,000	523,260	652,120
10 General Improvement Fund (109)	62,650	82,000	50,400	62,813	97,775	119,345
11 Industrial Promotion (110)	420,600	450,000	507,420	477,750	500,000	423,100
12 Library (111)	1,387,634	1,409,150	1,514,409	1,639,588	1,850,830	1,926,383
13 Library Employee Benefits (112)	171,100	178,300	228,851	261,016	328,108	400,000
14 Park Development Fund (113)	49,600	97,306	218,770	240,504	371,240	150,810
Sales Tax Fund (115)						
15 <i>Revenue to General Fund</i>	1,620,872	2,000,000	1,420,500	1,149,900	1,581,900	2,165,200
16 <i>Revenue to Park Development</i>	4,111	50,000	150,000	86,500	211,000	0
17 <i>Revenue to Employee Benefits</i>	632,427	650,000	650,000	650,000	800,000	953,175
18 <i>Revenue to General Improvement</i>	0	0	0	0	23,100	114,320
19 <i>Revenue to KP&F</i>	288,295	300,000	300,000	344,000	426,745	556,850
20 <i>Revenue to Fire Equipment Reserve</i>	154,919	200,000	300,000	320,500	534,000	0
21 <i>Revenue to Library</i>	0	0	1,129,500	260,350	300,000	311,750
22 <i>Revenue to Bond & Interest</i>	736,876	500,000	1,103,130	1,770,000	1,100,000	1,100,000
23 Special Alcohol Programs (116)	428,762	367,500	325,000	360,574	404,500	426,600
24 Special Park & Recreation (117)	306,400	250,000	493,668	591,760	422,000	870,060
25 Special Street & Highway (118)	1,686,100	1,668,972	1,776,687	1,710,000	1,809,815	2,219,767
26 Special Sunset Zoo (119)	165,500	223,860	298,220	290,000	282,005	315,765
28 Downtown Redevelopment TIF (127)	0	0	0	800,000	1,325,000	1,395,000
29 Tourism & Convention (121)	650,000	625,000	762,000	654,000	661,000	707,800
30 Health Department (123)	193,875	199,691	205,482	212,880	225,651	239,191
31 RCPD (124)	7,743,348	7,745,352	8,515,032	9,311,532	10,102,584	11,271,456
32 Capital Improvement Reserve (126)	0	0	0	1,200,000	2,725,000	2,875,000

Total of All Special Funds: 20,170,269 21,896,197 27,021,509 30,497,451 36,172,813 41,053,870

Enterprise Funds

BUDGETED EXPENDITURES

(Proposed)

Water Fund

	2004	2005	2006	2007	2008	2009	
33 General & Administration	601,231	654,749	552,103	614,770	607,287	674,294	33
34 Meter Services	435,036	453,216	889,365	447,823	982,895	572,884	34
35 Supply & Treatment	3,091,932	3,807,096	3,060,680	3,125,547	2,407,240	2,419,845	35
36 Distribution	650,300	1,232,342	1,255,850	2,254,490	1,141,279	1,218,585	36
37 Non-Operating	4,372,850	4,388,995	3,812,984	4,806,427	5,692,399	6,385,977	37
Water Fund Expenditures:	9,151,349	10,536,398	9,570,982	11,249,057	10,831,100	11,271,585	

Wastewater Fund

38 General & Administration	514,370	597,082	527,038	518,470	490,798	508,326	38
39 Non-Operating	3,427,957	3,574,813	2,898,426	3,711,709	4,814,875	4,444,870	39
40 Treatment	1,250,451	1,620,434	2,635,900	2,009,714	1,570,705	1,561,924	40
41 Maintenance	1,023,582	1,202,152	691,841	720,212	997,122	1,088,117	41
Wastewater Fund Expenditures:	6,216,360	6,994,481	6,753,205	6,960,105	7,873,500	7,603,237	

Stormwater Fund

42 General Expenditures	748,100	949,360	849,750	1,227,911	1,325,986	1,671,000	42
Stormwater Fund Expenditures:	748,100	949,360	849,750	1,227,911	1,325,986	1,671,000	

Total of Enterprise Funds: 16,115,809 18,480,239 17,173,937 19,437,073 20,030,586 20,545,822

Bond & Interest Fund

BUDGETED EXPENDITURES

(Proposed)

	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	
43 Bond & Interest Fund	8,295,746	8,284,403	9,654,383	10,642,557	12,106,658	11,682,567	43

Total City Budget: 60,550,947 65,351,267 73,044,567 79,984,203 89,111,132 95,470,876

Analysis of Assessed Valuation Growth for 2009 Property Taxes

2008 Riley County Valuation	397,469,784	3.8% (actual increase)
2008 Pott. County Valuation	32,692,997	6.3% (actual increase)
2008 City Valuation	430,162,781	
2007 Riley County Valuation	383,049,944	
2007 Pott. County Valuation	30,767,399	
2007 City Valuation	413,817,343	
Valuation Growth	16,345,438	12,953,749 (Estimated valuation from new improvements)
Percent Increase over 2007	3.9%	
2009 Taxes Levied (possible) \$	14,520,530	
2008 Taxes Levied \$	13,110,873	
2009 Increase in Property Taxes over 2008 \$	1,409,657	
2009 Property Tax Increase from Valuation Growth \$	551,755	\$410,414 (Estimated taxes from new improvements)
Growth in Taxes Levied for 2009 \$	857,902	<i>A positive number shows an increase in total property taxes levied</i>

	<i>(possible)</i>				<i>(possible)</i>		
<u>Property Taxes for Outside Agencies</u>	2009 Taxes Levied		2008 Taxes Levied	Difference	2009 Levies	2008 Levies	<i>(change)</i>
RCPD \$	10,363,401	71.4%	\$ 9,104,566	\$ 1,258,835	24.092	22.001	2.091
Library	1,474,521	10.2%	1,397,691	76,830	3.428	3.378	0.050
Library EBF	369,947	2.5%	299,308	70,639	0.860	0.723	0.137
Riley County Health Department	218,672	1.5%	201,598	17,074	0.508	0.487	0.021
\$	12,426,541	85.6%	\$ 11,003,163	\$ 1,423,378			
<u>Property Taxes for City Services</u>							
General Fund \$	1,174,472	8.1%	\$ 1,231,361	\$ (56,889)	2.730	2.976	(0.246)
Employee Benefit Fund	145,136	1.0%	259,445	(114,309)	0.337	0.627	(0.290)
Fire Equipment Reserve	50,000	0.3%	50,677	(677)	0.116	0.122	(0.006)
General Improvement	-	0.0%	-	-	0.000	0.000	0.000
Park Development	-	0.0%	-	-	0.000	0.000	0.000
KP&F	81,227	0.6%	87,258	(6,031)	0.189	0.211	(0.022)
Industrial Promotion	-	0.0%	50,000	(50,000)	0.000	0.121	(0.121)
Bond & Interest Fund	358,438	2.5%	428,969	(70,531)	0.833	1.037	(0.204)
\$	1,809,273	12.5%	\$ 2,107,710	\$ (298,437)	33.094	31.683	
* Estimated delinquency \$	284,716	2%			0.662		
Property Taxes Levied \$	14,520,530	✓	\$ 13,110,873				
Required Tax Levy	33.756	✓	31.683				

Summary of Tax and Levy Reductions

1st work session proposed tax and levy	16,228,270	37.726	**
4th work session proposed tax and levy	14,235,814	33.105	
Operational Spending Change	-1,992,456	4.621	
Proposed tax and levy at 4th work session	14,520,530	33.756	
<i>(includes 2% delinquency)</i>			

1st work session proposed tax and levy	\$ 16,228,270	37.726	
General Fund Reductions	\$ (737,800)	(1.715)	
Employee Benefit	\$ (221,500)	(0.515)	
KP&F	\$ (30,000)	(0.070)	
General Improvement	\$ (25,000)	(0.058)	
Industrial Promotion	\$ (50,000)	(0.116)	
Park Development	\$ (440,336)	(1.024)	
Bond & Interest	\$ (418,643)	(0.973)	
RCPD	\$ (67,992)	(0.158)	
Library	\$ (4,780)	(0.011)	
Adjustments for actual motor vehicle taxes	\$ 3,595	0.008	
Add 2% delinquency for 2009	\$ 284,716	0.662	
4th work session proposed tax and levy	14,520,530	33.756	

** Note: Beginning tax rate adjusted to match new valuation

General Fund Reductions

2009 General Fund Budget (original)	22,562,667
2009 General Fund Budget (3rd Work Session)	21,824,867
Operational Spending Change	-737,800

Calculations	(\$) Change	Mill Levy Reduction
General Fund Reductions - 1st and 2nd Work Sessions		
Management		
MA901P Resident Satisfaction Survey - <i>Delay</i>	(8,000)	(0.019)
79-25 Office Equipment - <i>Reduce</i>	(10,000)	(0.023)
Airport		
AP903E Link generator at Airport FBO - <i>Delay</i>	(11,500)	(0.027)
AP905E Air Control Tower shades - <i>Delay</i>	(8,400)	(0.020)
Fire		
FR902E Replace Furnace - <i>Delay</i>	(15,000)	(0.035)
FR905E Storm Siren (2) - <i>Delay</i>	(40,000)	(0.093)
Public Works		
Administration - <i>Miscellaneous line item reductions</i>	(2,415)	(0.006)
Traffic - Maintenance Technician - New position - <i>Cut</i>	(30,000)	(0.070)
Street		
ST903E & ST905E Salt Brine Storage Tank and Equipment - <i>Delay</i>	(25,000)	(0.058)
ST901E Replace Backhoe, #227 - <i>Delay</i>	(60,000)	(0.139)
ST902E Motor Grader - <i>Fund 50% from Sp Street & Hwy</i>	(22,250)	(0.052)
Engineering		
EN901E Replace Scanner/Plotter - <i>Split 50% with Utilities</i>	(10,000)	(0.023)
Traffic		
TR903E Hudson Trail Pedestrian Flashers - <i>Fund from Sp. Street & Hwy</i>	(12,000)	(0.028)
TR905E Replace School Flashers - <i>Delay</i>	(15,000)	(0.035)
TR901E Replace Pickup, #45 - <i>Fund from Sp St/Hwy</i>	(12,500)	(0.029)
TR901P Bluemont/Anderson N Manhattan Upgrade - <i>Fund 50% Sp. Street & Hwy</i>	(8,700)	(0.020)
TR902E Equipment to test traffic signals - <i>Delay</i>	(15,000)	(0.035)
Parks & Recreation		
3rd and 4th Work Session Changes		
CP905E Recondition Equipment (ALL) - <i>Reduced</i>	(2,000)	(0.005)
Pool Operating Budget (with closure of main pool at City Park) - <i>Reduced</i>	(65,000)	(0.151)
Program Expenses - <i>reduction</i>	(2,000)	(0.005)
54-05 Agriculture Supplies - <i>Reduction</i>	(5,000)	(0.012)
54-10 Chemicals - <i>Reduction</i>	(2,000)	(0.005)
CP901E Replace Range wing mower - <i>Delay</i>	(35,000)	(0.081)
CP906P Community Matching grant - <i>Move to Special P&R</i>	(10,000)	(0.023)
CP903E Replace Truck, Unit #76 - <i>Delay</i>	(15,000)	(0.035)
Sunset Zoo		
SZ903P Sidewalk Repair - <i>Fund from Special P&R</i>	(5,000)	(0.012)
Animal Shelter		
AS901P Cremation Unit - <i>Delay</i>	(18,478)	(0.043)

Community Development

79-25 Office Equipment (Inv) - <i>reduce</i>	(1,000)	(0.002)
Move BR907P Downtown Historic Design Guidelines to 2010	0	0.000

Other Changes

SSAB increase	35,770	0.083
Parks - Lease Purchases change	(1,827)	(0.004)
Miscellaneous Payroll adjustments	(145,500)	(0.338)

Total General Fund Reductions and CIP Cuts**(577,800) (1.343)**

2008 Valuation: \$ 430,162,781

Mill Levy Impact: (1.343)

% Change over First Work Session: -2.56%

General Fund - 3rd Work Session

SZ901E Generators for Sunset Zoo - <i>Cut</i>	(10,000)	(0.023)
Increase General Fund estimated beginning cash balance for 2009	(150,000)	(0.349)

Total General Fund Reductions and CIP Cuts**(160,000) (0.372)**

2008 Valuation: \$ 430,162,781

Mill Levy Impact: (0.023)

Total General Fund Reductions**(737,800) (1.715)**

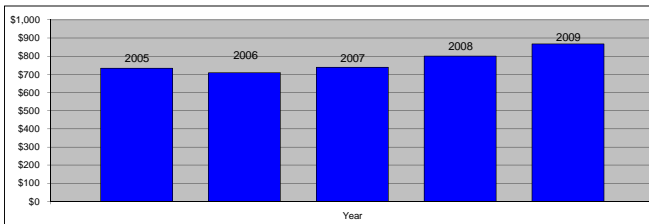
Special Revenue / Bond & Interest Reductions

Calculations	(\$) Change	Mill Levy Reduction
General Improvement		
Sidewalk Improvements - Reduce by 1/2	(25,000)	(0.058)
Total General Improvement	(25,000)	(0.058)
Park Development		
CP908P Park Acquisition project - <i>Cut</i>	(250,000)	(0.581)
CPX78E Replace Graveside Equipment - <i>Move to Special P&R</i>	(10,500)	(0.024)
CPX34E Replace Tractor - <i>Delay</i>	(17,500)	(0.041)
CP715P Anneberg Shore Stabilization - <i>Delay</i>	(20,000)	(0.046)
Total Park Development	(298,000)	(0.693)
Special Parks & Recreation		
CPX78E Replace Graveside Equipment - <i>Move from Park Development</i>	5,500	0.000
SZ903P Zoo Sidewalk Repair - <i>Moved from General Fund</i>	5,000	0.000
CP906P Community matching Grant - <i>Moved from General Fund</i>	10,000	0.000
Total Special Parks & Recreation	20,500	0.000
Special Street & Highway		
TR901E Replace Truck, #45 - <i>Moved from General Fund</i>	12,500	0.000
TR902E Equipment to test traffic signals - <i>Delay</i>	(15,000)	0.000
TR901P Bluemont/Anderson N Manhattan Upgrade - <i>Fund 50% Sp. Street & Hwy</i>	8,700	0.000
TR903E Hudson Trail Pedestrian Flashers - <i>Fund from Sp. Street & Hwy</i>	12,000	0.000
ST902E Motor Grader - <i>Fund 50% from Sp Street & Hwy</i>	22,250	0.000
Total Street & Highway	40,450	0.000
Employee Benefit / KP&F		
Employee Benefit - <i>Reduction</i>	(221,500)	(0.515)
KP&F - <i>Reduction</i>	(30,000)	(0.070)
Total Employee Benefit / KP&F	(251,500)	(0.585)
Industrial Promotion		
Fund Chamber of Commerce ED request from Economic Development Fund	(175,000)	(0.116)
Total Industrial Promotion	(175,000)	(0.116)
Total Special Revenue Fund Reductions - 2nd work session	(749,500)	(1.45)
	2008 Valuation:	\$ 430,162,781
	Combined Mill Levy Impact:	(1.452)
3rd and 4th Work Session Changes		
Bond & Interest		
ENX03P Miller Parkway & Scenic - <i>Delay</i>	(158,643)	(0.369)
Defer 2010 portion of possible interest payment for S. Downtown Redevelopment	(260,000)	(0.604)
Park Development		
Debt Service payments made from Special Park & Recreation for 2009	(142,336)	(0.331)
RCPD		
Decrease in 2009 budget	(67,992)	(0.158)
Library		
Decrease in 2009 budget	(4,780)	(0.011)
Total Special Revenue Fund Reductions - 3rd work session	(633,751)	(1.473)
	2008 Valuation:	\$ 430,162,781
	Combined Mill Levy Impact:	(1.473)

Tax Computation for Average Homeowner

Increase in Valuation:	8.9%	8.7%	14.3%	12.8%	3.9%
Home Value:	156400	170320	194676	219594	228158
Residential Appraisal Rate: (set by State law)	11.5%	11.5%	11.5%	11.5%	11.5%
Tax Value:	\$ 17,986.00	\$ 19,586.80	\$ 22,387.71	\$ 25,253.34	\$ 26,238.22

	2005 Budget		2006 Budget		2007 Budget		2008 Budget		2009 Budget	
	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid
General Fund	2.510	\$45	3.077	\$60	2.725	\$61	2.976	\$75	2.730	\$72
Library	4.314	78	0.645	\$13	3.637	\$81	3.378	\$85	3.428	\$90
Library EBF	0.559	10	0.641	\$13	0.644	\$14	0.723	\$18	0.860	\$23
Fire Equipment Reserve	0.316	6	0.314	\$6	0.275	\$6	0.122	\$3	0.116	\$3
Bond & Interest	7.869	142	5.006	\$98	1.076	\$24	1.037	\$26	0.833	\$22
Employee Benefit Fund	0.610	11	0.664	\$13	0.756	\$17	0.627	\$16	0.337	\$9
KP&F	0.141	3	0.318	\$6	0.259	\$6	0.211	\$5	0.189	\$5
Industrial Promotion	0.187	3	0.994	\$19	0.249	\$6	0.121	\$3	0.000	\$0
RCPD	23.713	427	24.001	\$470	22.887	\$512	22.001	\$556	24.092	\$632
Riley County Health	0.613	11	0.575	\$11	0.520	\$12	0.487	\$12	0.508	\$13
General Improvement	0.000	0	0.000	\$0	0.000	\$0	0.000	\$0	0.000	\$0
Park Development	0.000	0	0.000	\$0	0.000	\$0	0.000	\$0	0.000	\$0
Total City Tax Bill:	40.832	\$734	36.235	\$710	33.028	\$739	31.683	\$800	33.094	\$868
Delinquency Rate	0.000	0	0.000	\$0	0.059	\$1	0.000	\$0	0.662	\$17
		\$734		\$710		\$741		\$800		\$886
Increase in Tax Bill:		2.3%		-3.4%		4.4%		8.0%		10.7%



CITY TAXES COMPARATIVE ANALYSIS

Example House: Value Went Down (-3.9%)	
2008	
House Value	\$ 219,594.00
Residential Appraisal Rate (set by State Law)	11.5%
Tax Value	\$ 25,253.31
Mill Levy	31.683
Taxes Paid	\$ 800.10
2009	
House Value	\$ 211,030.00
Residential Appraisal Rate (set by State Law)	11.5%
Tax Value	\$ 24,268.45
Mill Levy	33.756
Taxes Paid	\$ 819.21
INCREASE IN TAXES/YEAR	\$ 19.11
Increases in Water	25.68
Increases in Sewer	37.08
Homeowner Impact	\$ 81.87
Homeowner Impact/month	\$ 6.82

Example House: Value Remained the Same	
2008	
House Value	\$ 219,594.00
Residential Appraisal Rate (set by State Law)	11.5%
Tax Value	\$ 25,253.31
Mill Levy	31.683
Taxes Paid	\$ 800.10
2009	
House Value	\$ 219,594.00
Residential Appraisal Rate (set by State Law)	11.5%
Tax Value	\$ 25,253.31
Mill Levy	33.756
Taxes Paid	\$ 852.45
INCREASE IN TAXES/YEAR	\$ 52.35
Increases in Water	25.68
Increases in Sewer	37.08
Homeowner Impact	\$ 115.11
Homeowner Impact/month	\$ 9.59

Example House: Value Increased (3.9%)	
2008	
House Value	\$ 219,594.00
Residential Appraisal Rate (set by State Law)	11.5%
Tax Value	\$ 25,253.31
Mill Levy	31.683
Taxes Paid	\$ 800.10
2009	
House Value	\$ 228,158.00
Residential Appraisal Rate (set by State Law)	11.5%
Tax Value	\$ 26,238.17
Mill Levy	33.756
Taxes Paid	\$ 885.70
INCREASE IN TAXES/YEAR	\$ 85.60
Increases in Water	25.68
Increases in Sewer	37.08
Homeowner Impact	\$ 148.36
Homeowner Impact/month	\$ 12.36

Commercial Comparables

33.088 Actual Mill Levy

2006	<i>Appraised Valuation</i>	<i>Assessed Valuation</i>	<i>2007 City Property Taxes</i>
Bookstore	1,413,510	353,378	\$11,693
Lumberyard	1,128,500	282,125	\$9,335
Restaurant	181,110	45,278	\$1,498
Grocery store	7,867,200	1,966,800	\$65,077
Outdoors store	216,450	54,113	\$1,790

31.683 Actual Mill Levy

2007	<i>Appraised Valuation</i>	<i>Assessed Valuation</i>	<i>2008 City Property Taxes</i>
Bookstore	1,709,830	427,458	\$13,543
Lumberyard	1,247,500	311,875	\$9,881
Restaurant	199,000	49,750	\$1,576
Grocery store	8,330,000	2,082,500	\$65,980
Outdoors store	234,380	58,595	\$1,856

33.759 Possible Mill Levy

2008	<i>Appraised Valuation</i>	<i>Assessed Valuation</i>	<i>2009 City Property Taxes</i>
Bookstore	1,788,780	447,195	\$15,097
Lumberyard	1,255,300	313,825	\$10,594
Restaurant	222,670	55,668	\$1,879
Grocery store	8,330,000	2,082,500	\$70,303
Outdoors store	245,450	61,363	\$2,072

Summary	<i>Increase in Assessed Valuation 06-07</i>	<i>Increase in Assessed Valuation 07-08</i>	<i>Increase in City Property Taxes 06-07</i>	<i>Increase in City Property Taxes 07-08</i>
Bookstore	21.0%	4.6%	15.8%	11.5%
Lumberyard	10.5%	0.6%	5.9%	7.2%
Restaurant	9.9%	11.9%	5.2%	19.2%
Grocery store	5.9%	0.0%	1.4%	6.6%
Outdoors store	8.3%	4.7%	3.7%	11.6%

Valuation information was compiled from Riley County GIS data available to the public.

City Property Tax Comparison

2004			
City	2003 Population	Total City Levy	Property Taxes (\$139,400 Home) ¹
Atchison	10,106	57.570	\$923
Junction City	17,753	56.049	\$899
Leavenworth	35,410	54.534	\$874
Newton	17,913	51.663	\$828
Parsons	11,289	47.593	\$763
Fort Scott	8,113	46.638	\$748
Unified Government	146,978	46.449	\$745
Manhattan	45,022	43.540	\$698
Pittsburg	19,086	43.135	\$691
Emporia	26,739	42.062	\$674
Hutchinson	40,741	40.521	\$650
Dodge City	25,345	40.347	\$647
Coffeyville	10,606	38.633	\$619
Liberal	20,082	37.336	\$599
Garden City	27,678	33.913	\$544
Topeka	122,103	33.224	\$533
Wichita	355,126	31.905	\$511
Lawrence	81,604	28.097	\$450
Lenexa	41,249	26.553	\$426
Olathe	101,413	24.849	\$398
Leawood	28,270	24.074	\$386
Salina	45,969	24.013	\$385
Shawnee	52,460	20.845	\$334
Prairie Village	21,514	15.765	\$253
Overland Park	158,430	9.057	\$145

2005			
City	2004 Population	Total City Levy	Property Taxes (\$151,800 Home) ¹
Atchison	10,111	56.394	\$984
Junction City	17,667	55.732	\$973
Leavenworth	35,211	54.316	\$948
Newton	17,977	52.224	\$912
Parsons	11,296	48.683	\$850
Fort Scott	8,065	45.237	\$790
Unified Government	145,757	43.952	\$767
Liberal	20,067	43.932	\$767
Pittsburg	19,276	43.555	\$760
Hutchinson	40,783	41.626	\$727
Emporia	26,666	41.258	\$720
Manhattan	44,733	40.832	\$713
Dodge City	25,568	39.565	\$691
Coffeyville	10,472	38.472	\$672
Garden City	27,216	33.695	\$588
Topeka	122,008	32.391	\$565
Wichita	354,617	31.828	\$556
Lawrence	82,120	27.859	\$486
Lenexa	41,995	26.513	\$463
Leawood	28,888	24.233	\$423
Salina	45,833	24.063	\$420
Olathe	105,274	23.206	\$405
Shawnee	54,093	20.856	\$364
Prairie Village	21,729	15.843	\$277
Overland Park	160,368	9.037	\$158

2006			
City	2005 Population	Total City Levy	Property Taxes (\$165,000 Home) ²
Junction City	16,804	55.361	\$1,050
Newton	18,158	54.476	\$1,034
Leavenworth	35,318	52.245	\$991
Atchison	10,190	51.030	\$968
Liberal	20,209	50.518	\$959
Parsons	11,297	48.638	\$923
Dodge City	25,749	44.773	\$850
Pittsburg	19,151	43.567	\$827
Unified Government	145,010	42.742	\$811
Fort Scott	8,048	41.762	\$792
Emporia	26,634	41.157	\$781
Hutchinson	41,048	40.970	\$777
Coffeyville	10,508	38.472	\$730
Manhattan	46,578	36.235	\$688
Garden City	27,295	33.742	\$640
Wichita	353,878	31.898	\$605
Topeka	121,886	30.653	\$582
Lenexa	42,548	26.477	\$502
Lawrence	81,854	26.375	\$500
Olathe	108,314	24.923	\$473
Leawood	29,488	24.218	\$460
Salina	45,986	23.999	\$455
Shawnee	56,186	20.847	\$396
Prairie Village	21,585	15.720	\$298
Overland Park	162,637	9.037	\$171

¹Approximately 8.9% valuation increase over 2004

²Approximately 8.7% valuation increase over 2005

2007			
City	2006 Population	Total City Levy	Property Taxes (\$188,600 Home) ³
Leavenworth	35,213	49.993	\$1,084
Junction City	16,402	47.736	\$1,035
Dodge City	26,104	45.860	\$995
Atchison	10,169	45.494	\$987
Parsons	11,212	45.190	\$980
Pittsburg	19,214	43.663	\$947
Liberal	20,257	43.355	\$940
Fort Scott	7,990	43.183	\$937
Newton	18,229	43.047	\$934
Unified Government	144,210	41.588	\$902
Emporia	26,456	40.956	\$888
Hutchinson	40,961	39.976	\$867
Coffeyville	10,359	39.790	\$863
Manhattan	50,000	33.088	\$718
Wichita	354,865	31.953	\$693
Topeka	121,946	30.747	\$667
Garden City	27,098	29.899	\$648
Lenexa	43,434	26.468	\$574
Lawrence	81,816	26.358	\$572
Shawnee	57,628	24.621	\$534
Leawood	30,145	24.232	\$526
Salina	45,956	23.789	\$516
Olathe	111,334	23.154	\$502
Prairie Village	21,454	16.133	\$350
Overland Park	164,811	8.889	\$193

³Approximately 14.3% valuation increase over 2006

2008			
City	2007 Population	Total City Levy	Property Taxes (\$219,594 Home) ⁴
Leavenworth	34,993	49.874	\$1,259
Dodge City	26,101	48.446	\$1,223
Junction City	16,106	47.394	\$1,197
Atchison	10,154	46.478	\$1,174
Pittsburg	19,120	45.48	\$1,149
Parsons	11,237	45.311	\$1,144
Liberal	20,384	43.46	\$1,098
Newton	18,093	43.101	\$1,088
Emporia	26,188	42.033	\$1,061
Fort Scott	7,979	41.56	\$1,050
Hutchinson	41,085	40.848	\$1,032
Unified Government	143,801	40.685	\$1,027
Coffeyville	10,387	39.79	\$1,005
Topeka	122,113	32.457	\$820
Wichita	357,698	31.979	\$808
Manhattan	50,737	31.683	\$800
Garden City	27,175	29.948	\$756
Lawrence	88,605	26.787	\$676
Lenexa	44,520	26.477	\$669
Olathe	114,662	25.03	\$632
Shawnee	59,252	24.652	\$623
Leawood	30,702	24.241	\$612
Salina	46,140	23.959	\$605
Prairie Village	21,414	18.166	\$459
Overland Park	166,772	8.832	\$223

⁴Approximately 12.8% valuation increase over 2007

2009			
City	2008 Population	Total City Levy	Property Taxes (\$228,158 Home) ⁵
Leavenworth	34,993	49.874	\$1,309
Dodge City	26,101	48.446	\$1,271
Junction City	16,106	47.394	\$1,244
Atchison	10,154	46.478	\$1,219
Pittsburg	19,120	45.48	\$1,193
Parsons	11,237	45.311	\$1,189
Liberal	20,384	43.46	\$1,140
Newton	18,093	43.101	\$1,131
Emporia	26,188	42.033	\$1,103
Fort Scott	7,979	41.56	\$1,090
Hutchinson	41,085	40.848	\$1,072
Unified Government	143,801	40.685	\$1,067
Coffeyville	10,387	39.79	\$1,044
Manhattan	50,737	33.756	\$886
Topeka	122,113	32.457	\$852
Wichita	357,698	31.979	\$839
Garden City	27,175	29.948	\$786
Lawrence	88,605	26.787	\$703
Lenexa	44,520	26.477	\$695
Olathe	114,662	25.03	\$657
Shawnee	59,252	24.652	\$647
Leawood	30,702	24.241	\$636
Salina	46,140	23.959	\$629
Prairie Village	21,414	18.166	\$477
Overland Park	166,772	8.832	\$232

⁵Approximately 3.9% valuation increase over 2008

NOTE: 2009 data has not been surveyed, hence it is the same as 2008 for all cities except Manhattan which is the proposed 2009 mill levy.

WATER FUND HISTORY & PROJECTION

	<i>Actual</i> 2004	<i>Actual</i> 2005	<i>Actual</i> 2006	<i>Actual</i> 2007	Proposed 2008	10% 2009	10% 2010	2% 2011	2% 2012	2% 2013	2% 2014
<i>Beginning Fund Balance</i>	8,515,196	6,703,263	6,956,793	5,153,963	4,614,431	3,804,555	3,567,048	3,125,809	2,897,632	2,156,767	2,442,474
REVENUES											
<i>Water Sales</i>	4,477,841	4,712,754	4,917,936	4,827,292	5,639,936	6,302,892	7,043,782	7,299,275	7,564,042	7,838,417	8,122,751
<i>Water Sold at Plant</i>	11,848	3,342	13,607	24,303	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<i>Initiating</i>	49,625	49,455	57,405	55,590	57,258	58,975	60,745	62,567	64,444	66,377	68,369
<i>Delinquent</i>	20,905	18,660	20,120	21,975	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<i>Supplies Sold</i>	83,012	29,363	3,522	2,036	3,500	3,500	3,500	3,500	3,500	3,500	3,500
<i>Water Surcharge</i>	69,241	73,798	74,298	72,604	73,000	73,000	73,000	73,000	73,000	73,000	73,000
<i>Water Hook-Up Fee</i>	75,450	99,700	508,966	88,465	100,000	110,000	120,000	130,000	140,000	150,000	160,000
<i>Sales Tax</i>	149,165	154,664	107,604	106,464	111,787	117,377	123,245	129,408	135,878	142,672	149,806
<i>Tap & Meter Services</i>	155,130	127,797	213,134	275,930	289,727	304,213	319,423	335,395	352,164	369,773	388,261
<i>Tower Communication Rent</i>	51,813	78,270	79,680	128,524	108,400	111,110	113,888	116,735	119,653	112,645	112,645
<i>Investment Interest</i>	128,392	248,275	444,167	390,262	150,000	75,000	50,000	50,000	-	-	-
<i>Damages to City Property</i>	818	1,477	9,215	3,956	-	-	-	-	-	-	-
<i>Miscellaneous</i>	20,789	55,267	22,187	206,859	-	-	-	-	-	-	-
<i>Cancel Prior Year Encumbrances</i>	47	151	84,370	5,589	-	-	-	-	-	-	-
<i>Sub Total Revenues</i>	5,294,076	5,652,973	6,556,211	6,209,849	6,573,607	7,196,067	7,947,584	8,239,880	8,492,681	8,796,384	9,118,332
TOTAL REVENUES:	13,809,272	12,356,236	13,513,004	11,363,812	11,188,038	11,000,622	11,514,631	11,365,689	11,390,313	10,953,152	11,560,805



	<i>Actual</i> <u>2004</u>	<i>Actual</i> <u>2005</u>	<i>Actual</i> <u>2006</u>	<i>Actual</i> <u>2007</u>	Projected <u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
EXPENDITURES											
General Administration (7000)											
<i>Personnel Services</i>	309,234	289,133	234,581	249,927	299,127	354,937	368,821	382,110	396,010	410,551	425,763
<i>Contractual Services</i>	219,448	222,978	254,340	287,797	287,550	311,080	319,687	323,535	327,644	332,039	334,309
<i>Commodities & Other Charges</i>	31,952	36,587	47,898	37,786	26,129	26,591	27,605	28,662	29,763	30,911	32,107
<i>Capital Outlay</i>	-	29,240	19,863	28,167							
Total General Administration	560,634	577,938	556,682	603,677	612,806	692,608	716,113	734,307	753,417	773,501	792,179
Meter Services (7100)											
<i>Personnel Services</i>	137,327	139,837	115,692	142,209	171,894	183,952	191,511	199,385	207,586	216,129	225,028
<i>Contractual Services</i>	8,285	8,504	12,410	12,382	12,900	12,708	13,027	13,358	13,701	14,057	14,427
<i>Commodities & Other Charges</i>	85,845	131,552	99,118	79,801	126,450	126,165	127,583	129,134	130,833	132,692	134,727
<i>Capital Outlay</i>	279,621	345,321	641,830	182,302		-	-	-	-	-	-
Total Meter Services	511,078	625,214	869,050	416,694	311,244	322,825	332,121	341,877	352,120	362,878	374,182
Wa.Supp.& Treatment (7200)											
<i>Personnel Services</i>	506,329	553,239	552,183	616,112	669,008	718,593	747,742	778,087	809,677	842,565	876,803
<i>Contractual Services</i>	544,412	475,131	623,601	478,372	665,020	679,247	679,259	704,149	730,277	757,703	784,478
<i>Commodities & Other Charges</i>	353,147	456,722	497,194	425,900	488,750	467,750	506,209	548,391	594,663	645,428	701,128
<i>Capital Outlay</i>	2,396,449	425,248	1,695,864	346,870		-	-	-	-	-	-
Total Supp.& Treatment	3,800,337	1,910,340	3,368,842	1,867,254	1,822,778	1,865,590	1,933,210	2,030,627	2,134,617	2,245,696	2,362,409
Water Distribution (7300)											
<i>Personnel Services</i>	246,148	237,259	260,954	367,812	417,850	449,049	470,969	493,201	516,497	540,908	566,487
<i>Contractual Services</i>	75,150	72,580	21,720	12,347	16,250	16,310	16,372	16,435	16,501	16,569	16,638
<i>Commodities & Other Charges</i>	187,731	156,504	294,197	288,719	312,292	334,251	351,473	369,711	389,033	409,509	431,218
<i>Capital Outlay</i>	218,182	235,762	167,430	1,337,118	-	-	-	-	-	-	-
Total Distribution	727,211	702,105	744,301	2,005,996	746,392	799,610	838,814	879,347	922,031	966,986	1,014,343
Non Operating (7400)											
<i>Other Charges</i>	300,115	260,512	292,071	277,549	285,782	287,858	289,968	292,112	294,289	296,502	296,736
<i>Capital Outlay</i>	117,647	93,562	83,961	78,277	251,744	42,316	100,000	100,000	100,000	100,000	100,000
<i>Transfer Charges</i>	1,088,988	1,229,769	2,444,127	1,238,090	1,266,037	1,371,461	1,388,915	1,409,768	1,401,443	1,403,880	1,416,710
KDHE	-	-	-	-	-	573,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000
Total Non-Operating	1,506,750	1,583,843	2,820,159	1,593,916	1,803,563	2,274,635	2,923,883	2,946,880	2,940,732	2,945,382	2,958,446
Total CIP	-	-	-	-	1,760,700	1,297,000	1,443,000	1,092,200	1,596,250	513,500	623,000
CIP Debt Payments					326,000	181,306	181,306	422,444	514,004	682,360	910,677
Downtown Projects Funded from Water Fund											
Fourth Street(ST0712) 16 inc water line				181,269							
Manhattan Marketplace Water Line				80,575							
South End Water (General city improvements)							20,375	20,375	20,375	20,375	20,375
Total of Downtown Projects	-	-	-	261,844	-	-	20,375	20,375	20,375	20,375	20,375
TOTAL EXPENDITURES:	7,106,010	5,399,440	8,359,034	6,749,381	7,383,483	7,433,574	8,388,822	8,468,057	9,233,546	8,510,678	9,055,611
BALANCE	6,703,263	6,956,793	5,153,963	4,614,431	3,804,555	3,567,048	3,125,809	2,897,632	2,156,767	2,442,474	2,505,194

Water Sales Growth	-3.30	5.25	4.36	-1.85	1.60	1.60	1.60	1.60	1.60	1.60	1.60
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1) \$300,000 is projected purchasing land for Water Treatment Plant from 2008 (Per Jerry's information's) Water Fund

2) Water Fund dosen't have loan payment for 2008, half of first payment will be in 2009,

3) Rate increase is needed %10 for 2009,%10 for 2010 and 2% after.

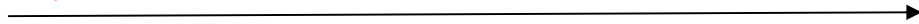
Last updated June 15, 2008

**MONTHLY RATES FOR WASTEWATER SERVICES WITHIN THE CITY ,KANSAS STATE UNIVERSITY and
OUTSIDE THE CITY OF MANHATTAN,KS**

	Jan-79	Jan-80	Jul-85	Jul-86	Nov-87	Jan-89	Jan-92	Oct-00	Jul-01								
IC - Residential/Commercial																	
Min. Charge (2 Units)	1.6	1.8	13%	1.85	3%	2.45	32%	3.2	31%	4.35	36%	4.78	10%	\$6.50	36%	\$8.84	36%
Over 2 Units	0.27	0.29	7%	0.38	31%	0.46	21%	0.55	20%	0.65	18%	0.72	11%	\$0.98	36%	\$1.33	36%
		<i>Average</i>	10%	17%	27%	25%	27%	10%	36%	36%							

	Jan-79	Jan-80	Jul-85	Jul-86	Nov-87	Jan-89	Jan-92	Oct-00	Jul-01								
OC - Residential/Commercial																	
Min. Charge (2 Units)	2.4	2.7	13%	2.78	3%	3.68	32%	4.80	31%	6.53	36%	7.17	10%	9.75	36%	\$13.26	36%
Over 2 Units	0.41	0.44	7%	0.57	30%	0.69	21%	0.83	20%	0.98	18%	1.08	11%	1.47	36%	\$2.00	36%
		<i>Average</i>	10%	16%	27%	25%	27%	10%	36%	36%							

Projected

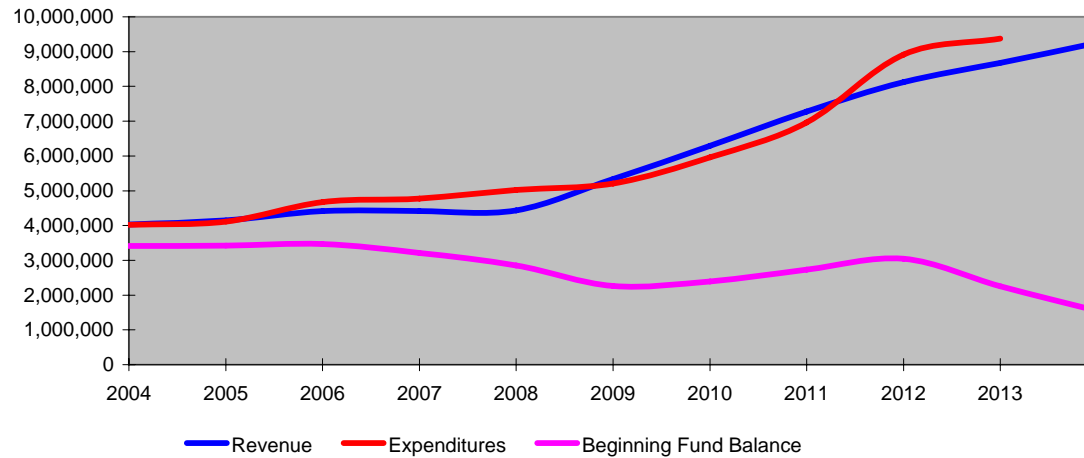


	Jan-09	Jan-10	Jan-11	Jan-12	Jan-13	Jan-14					
IC - Residential/Commercial											
Min. Charge (2 Units)	\$10.61	20%	\$12.73	20%	\$14.64	15%	\$16.10	10%	\$16.91	5%	\$17.75
Over 2 Units	\$1.60	20%	\$1.92	20%	\$2.20	15%	\$2.42	10%	\$2.54	5%	\$2.67
	<i>Average</i>	20%	20%	15%	10%	5%					

	Jan-09	Jan-10	Jan-11	Jan-12	Jan-13	Jan-14					
OC - Residential/Commercial											
Min. Charge (2 Units)	\$15.91	20%	\$19.09	20%	\$21.96	15%	\$24.15	10%	\$25.36	5%	\$26.63
Over 2 Units	\$2.39	20%	\$2.87	20%	\$3.30	15%	\$3.63	10%	\$3.82	5%	\$4.01
	<i>Average</i>	20%	20%	15%	10%	5%					

Wastewater Fund Projections

	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Proposed 2008	20% 2009	20% 2010	15% 2011	10% 2012	5% 2013	5% 2014
Beginning Cash Balance	3,414,964	3,425,554	3,470,512	3,206,631	2,854,974	2,265,411	2,395,944	2,729,468	3,040,756	2,252,055	1,547,596
REVENUES											
Wastewater Fees	3,875,970	3,857,285	3,913,753	4,008,727	4,077,455	4,971,233	6,060,927	7,081,588	7,914,382	8,443,063	9,007,060
Wastewater Hook -Up Fee	83,043	109,892	229,612	97,631	120,000	132,000	145,200	159,720	175,692	193,261	212,587
Investment Interest	58,578	113,256	228,107	238,452	200,000	200,000	50,000	0	0	0	0
Farm Income	7,903	44,018	31,910	60,053	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Miscellaneous	6,471	10,258	10,619	13,805	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cancel by Encumbrances		10,456									
Sub Total Revenues	4,031,965	4,145,165	4,414,001	4,418,668	4,432,455	5,338,233	6,291,127	7,276,308	8,125,074	8,671,324	9,254,647
TOTAL REVENUES:	7,446,929	7,579,475	7,884,513	7,625,299	7,287,429	7,603,644	8,687,072	10,005,775	11,165,831	10,923,379	10,802,243



EXPENDITURES

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Administration (7000)											
Personnel Services	304,707	293,442	240,180	256,843	273,764	301,891	313,042	324,751	337,045	349,953	363,508
Contractual Services	157,634	154,560	156,463	187,582	189,761	192,236	192,979	193,497	194,040	194,611	195,211
Commodities & Other Charges	40,345	35,762	41,266	33,984	40,500	40,650	40,806	40,968	41,137	41,313	41,495
Capital Outlay		23,675	19,863	28,107	17,700	-	-	-	-	-	-
Total General Administration	502,686	507,439	457,772	506,516	521,725	534,777	546,827	559,216	572,222	585,877	600,214
Non Operating (7400)											
Other Charges	12,385	3,113	2,926	7,843	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Outlay		28,419	70,891	16,523	20,000						
KDHE LOAN PAYMENT	434,109	434,109	434,109	434,109	596,760	596,760	666,760	736,760	736,760	736,760	736,760
WWTP Const. Projects Debt Payment									2,306,284	2,306,284	2,306,284
Transfer Charges	677,625	817,900	816,825	902,921	1,043,272	936,443	953,393	968,019	953,475	945,500	942,900
Total Non-Operating	1,124,119	1,283,541	1,324,751	1,361,396	1,667,532	1,540,703	1,627,653	1,712,279	4,004,019	3,996,044	3,993,444
Treatment (7700)											
Personnel Services	519,806	576,715	586,446	670,525	754,159	831,552	872,880	916,274	961,837	1,009,679	1,059,913
Contractual Services	534,416	543,618	536,883	507,734	574,360	600,688	627,328	655,291	684,646	715,392	747,668
Commodities & Other Charges	72,527	85,750	82,617	109,587	108,562	124,156	128,084	132,276	136,753	141,500	146,665
Capital Outlay	56,843	82,409	929,899	815,865							
Total Treatment	1,183,592	1,288,492	2,135,845	2,103,711	1,437,081	1,556,396	1,628,292	1,703,841	1,783,236	1,866,571	1,954,246
Maintenance (7800)											
Personnel Services	231,780	244,324	273,814	308,926	376,576	433,102	454,673	477,323	501,105	526,076	552,296
Contractual Services	303,664	118,269	36,934	83,735	62,900	63,425	63,967	64,527	65,106	65,704	66,321
Commodities & Other Charges	48,158	82,995	106,441	64,246	108,214	111,016	117,162	121,685	126,621	132,010	137,894
Capital Outlay	627,375	583,903	342,326	341,785	148,990						
Total Maintenance	1,210,977	1,029,491	759,515	798,692	696,680	607,543	635,802	663,535	692,832	723,790	756,511
Capital Improvements					699,000	647,000	826,750	1,468,700	682,250	685,500	872,000
Expected Expenses and CIP Projects Debt Payment						297,214	548,065	713,233	1,035,002	1,373,786	1,489,952
Downtown Projects Payment						24,067	144,215	144,215	144,215	144,215	144,215
TOTAL EXPENDITURES:	4,021,374	4,108,963	4,677,883	4,770,315	5,022,018	5,207,700	5,957,604	6,965,019	8,913,776	9,375,783	9,810,582
BALANCE	3,425,555	3,470,512	3,206,630	2,854,974	2,265,411	2,395,944	2,729,468	3,040,756	2,252,055	1,547,596	991,661

Assumptions

Waste Water Charges Growth Rate Average:	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Hookup Charges Growth Rate:	5.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Personnel Services Growth Rate:	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Contractual Services Growth Rate Average:	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Commodities Growth Rate Average:	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total CIP For Projected Years:						From 2009-2014 CIP database				

Last Updated June 17, 2008