

# 2008 Budget in Brief



July 2007

Dear Citizen:

In order to help local residents better understand the 2008 City Budget, the Department of Finance has prepared the following condensed version of the annual operating budget.

This brief version of the 2008 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 2008 City Budget process began in January 2007 as each Department submitted their capital improvement requests. While all requests for capital spending are reviewed by my office, not all are approved as part of the annual fiscal budget.

The City's continued budget stability is attributed to two factors: First, sales tax collections, as a major source of City revenue, continue to exceed forecasts; and second, annual costs for City operations remain very stable. As a result, the total mill levy supporting the 2008 City Budget represents the *fifth year in a row that the City tax levy rate has decreased*.

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-November for review at the Manhattan Public Library (located at 629 Poyntz Avenue), the City Manager's Office and, of course, 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,



Ron Fehr,  
City Manager

# City of Manhattan, Kansas

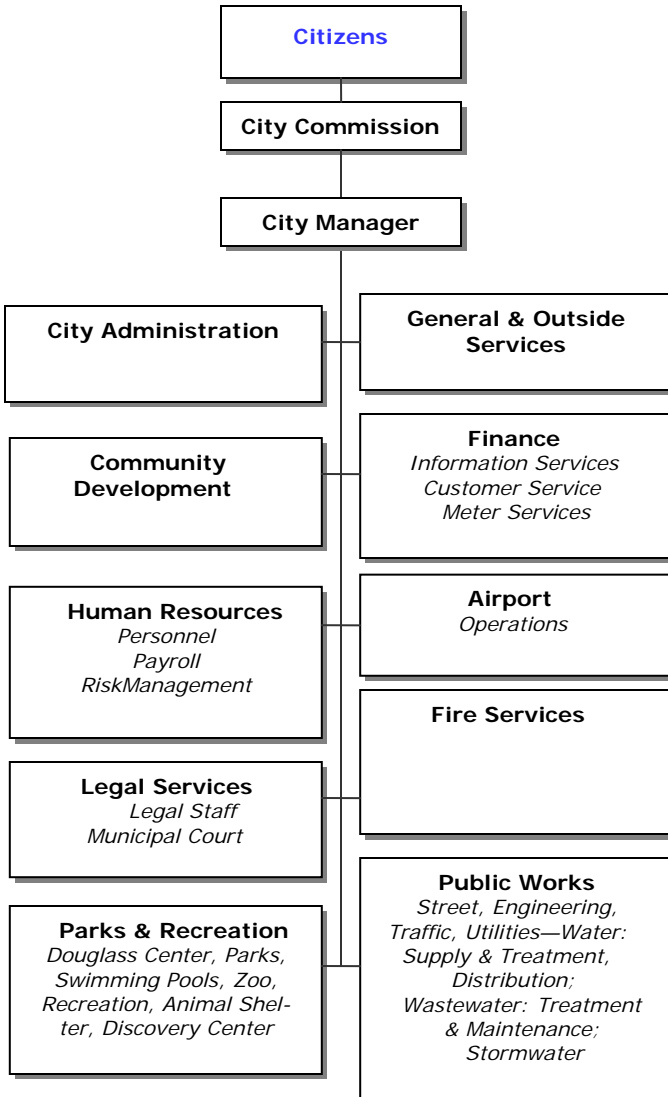
## Elected Officials

Mayor	Tom Phillips
City Commissioner	Mark Hatesohl
City Commissioner	Bob Strawn
City Commissioner	Bruce Snead
City Commissioner	Jim Sherow

## 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 Harnes
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.

## 2008 Budget Summary

General Fund	\$20,801,075
Special Revenue Funds	36,172,813
Bond & Interest Fund	12,106,658
Enterprise Funds	<u>20,030,586</u>
<b>TOTAL BUDGET</b>	<b>\$89,111,132</b>

# Adopted 2008 City Budget Mill Levy Summary

	2007		2008	
	Taxes	Mill Rate	Taxes	Mill Rate
General Fund	\$1,002,961	2.730	\$1,231,361	2.976
City				
Employee Benefits	278,273	0.757	259,445	.627
Fire Equipment Reserve	101,364	0.276	50,677	0.122
KS Police & Fire Pension (KP&F)	95,195	0.259	87,258	0.211
General Improvement	0	0.0	0	0.0
Industrial Promotion	91,616	0.249	50,000	0.121
Library	1,338,776	3.644	1,397,691	3.378
Library Employee Benefits	237,157	0.645	299,308	0.723
Park Development	0	0.0	0	0.0
Riley County Health Dept.	191,313	0.521	201,598	0.487
RCPD	8,424,830	22.929	9,104,566	22.001
Bond & Interest	396,149	1.078	428,969	1.037
<b>TOTAL</b>	<b>12,157,635</b>	<b>33.088</b>	<b>13,110,873</b>	<b>31.683</b>

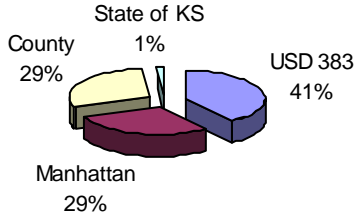
The 2008 mill levy was calculated on an actual City valuation of \$413,817,343 which is \$46,379,054 or 12.6% more than the valuation for the 2007 budget year.

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)

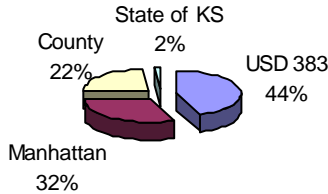
Property Tax = (Assessed Valuation x Mill Levy Rate)/1000

## Division of the Tax Dollar in Riley County



	<b>Tax Dollars</b>	<b>Mills</b>
<b>USD 383</b>	\$562.55	43.440
<b>City of Manhattan</b>	\$410.29	31.683
<b>Riley County</b>	\$403.26	31.140
<b>State of Kansas</b>	\$19.43	1.500
<b>TOTAL</b>	\$1,395.53	107.763

## Division of the Tax Dollar in Pottawatomie County



	<b>Tax Dollars</b>	<b>Mills</b>
<b>USD 383</b>	\$567.44	43.440
<b>City of Manhattan</b>	\$409.54	31.683
<b>Pottawatomie County</b>	\$293.68	22.217
<b>State of Kansas</b>	\$19.42	1.500
<b>TOTAL</b>	\$1,290.08	98.84

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 \$156,700 market value will have an assessed value of \$18,021. The property taxes on a typical property for fiscal 2008 is shown on the following page.

# Tax Computation for a Typical Homeowner

The tax computations below reflect a property valued at \$156,700 in 2005 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.

	2006	2007	2008
<b>Increase in Valuation:</b>	8.7%	14.3%	12.8%
<b>Home Value:</b>	170,320	194,676	219,594
<b>Residential Appraisal Rate (set by State law):</b>	11.5%	11.5%	11.5%
<b>Tax Value:</b>	19,587	22,388	25,253

	2006 Budget		2007 Budget		2008 Budget	
	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid
	36.235		33.088		31.683	
<b>General Fund</b>	3.077	\$60	2.73	\$61	2.976	\$75
<b>Library</b>	.0645	\$13	3.644	\$82	3.378	\$85
<b>Library EBF</b>	0.641	\$13	0.645	\$14	0.723	\$18
<b>Fire Equip. Reserve</b>	0.314	\$6	0.276	\$6	0.122	\$3
<b>Bond &amp; Interest</b>	5.006	\$98	1.078	\$24	1.037	\$26
<b>Employee Benefit Fund</b>	0.664	\$13	0.757	\$17	.627	\$16
<b>KP&amp;F</b>	0.318	\$6	0.259	\$6	.211	\$5
<b>Industrial Promotion</b>	0.994	\$19	0.249	\$6	0.121	\$3
<b>RCPD</b>	24.001	\$469	22.929	\$513	22.001	\$555
<b>Riley County Health</b>	0.575	\$11	0.521	\$12	0.487	\$12
<b>General Improvement</b>	0	\$0	0	\$0	0	\$0
<b>Park Development</b>	0	\$0	0	\$0	0	\$0
<b>Total City Tax Bill</b>		<b>\$710</b>		<b>\$741</b>		<b>\$799</b>

# 2008 Revenues

## By Category

Budgeted 2008 revenues are \$89,111,132. 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.

### 2008 Beginning Cash Balances

General Fund	\$2,300,000
City/University	0
Aggieville Business Improvement District (BID)	400
Downtown Business Improvement District (BID)	2,090
Economic Development	4,480,971
Employee Benefit	6,160
Fire Equipment Reserve	182,750
Fire Pension KP&F	0
General Improvement	14,475
Industrial Promotion	351,574
Library (& Library Employee Benefits)	13,300
Park Development	160,240
Sales Tax	426,745
Special Alcohol	73,911
Special Parks & Recreation	88,000
Special Street & Highway	206,565
Special Sunset Zoo	46,005
Tourism & Convention	20,368
Riley Co. Health Department	3,956
Riley Co. Police Department	123,764
Capital Improvement Reserve	2,700,000
Tax Increment Financing-Downtown	49,772
Bond & Interest	3,241,598
Water Fund	3,391,000
Wastewater Fund	3,191,000
Stormwater Fund	85,986
<b>TOTAL</b>	<b>\$21,160,630</b>

Unspent funds from prior years are included as budgeted revenue. The purpose of a cash balance is to provide funds for unanticipated emergencies plus ensuring that there will be an adequate cash flow throughout the year.

## General Fund Taxes & Assessments

Ad Valorem Property Tax	\$1,231,361
Special Assessments	4,000
Delinquent Tax	8,000
Motor Vehicle Tax	104,636
Housing PILOT Tax	31,500
City Sales Tax	4,050,000
County Sales Tax	2,150,000
City/County Compensating Use Tax	464,589
Special Liquor Tax	330,000
Gas/Electric Franchise Fee	1,750,000
Telecommunications Franchise Fee	225,000
Cable Franchise Fee	475,000
<b>TOTAL</b>	<b>\$10,824,086</b>

## General Fund Other Revenue Sources

Business Licenses & Permits	\$116,000
Non-Business Licenses & Permits	598,574
From Other Agencies	53,000
Services & Sales	1,009,999
Cemetery Fees	56,050
Municipal Court Fines	1,470,850
Investment Income	437,616
Use of Money & Property	343,000
Contributions & Transfers	3,591,900
<b>TOTAL</b>	<b>\$7,676,989</b>

## General Fund Grand Total

Beginning Cash Balance	\$2,300,000
Taxes & Assessments	10,824,086
Other Revenue Sources	7,676,989
<b>TOTAL</b>	<b>\$20,801,075</b>

## **Special Revenue Funds Taxes & Assessments**

Ad Valorem Property Tax	\$11,450,543
State and Local Taxes	8,216,128
Motor Vehicle Tax	983,903
Delinquent Tax	132,188
Benefit District Assessments	93,500
<b>TOTAL</b>	<b>\$20,876,262</b>

## **Special Revenue Funds Other Revenue Sources**

Gasoline Tax Refund	\$1,560,000
Transfers	2,509,445
Transient Guest Tax	640,632
Special Liquor Tax	660,000
Services & Sales	210,000
Farm Income/Land Sales	85,000
Principle/Interest on Loans	374,589
Donations	20,000
Investment Income	248,189
State Highway Maintenance	33,250
Miscellaneous	4,400
<b>TOTAL</b>	<b>\$6,345,505</b>

## **Special Revenue Funds Grand Total**

Taxes & Assessments	20,876,262
Other Revenue Sources	6,345,505
Cash Balances	\$8,951,046
<b>TOTAL</b>	<b>\$36,172,813</b>

## **Bond & Interest Fund Revenue Sources**

Special Assessments	\$4,902,950
Ad Valorem Tax	428,969
Transfers	3,471,705
Motor Vehicle Tax	36,436
Delinquent Tax	25,000
Cash Balance	\$3,241,598
<b>TOTAL</b>	<b>\$12,106,658</b>

## **Enterprise Funds Revenue Sources**

Water Income	\$6,817,150
Wastewater Income	4,412,500
Stormwater Income	1,158,000
Investment Income	567,000
Tap/Meter Services	236,250
Tower Communication Rent	83,700
Farm Income	25,000
Contributions & Transfers	63,000
Cash Balances	6,667,986
<b>TOTAL</b>	<b>\$20,030,586</b>

## **Grand Total 2008 Budgeted Revenues**

General Fund	\$20,801,075
Special Revenue Funds	36,172,813
Bond & Interest Fund	12,106,658
Enterprise Funds	20,030,586
<b>TOTAL REVENUES</b>	<b>\$89,111,132</b>

# 2008 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.

## 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.

## Public Safety

Public Safety encompasses services for the well being of all City residents. These services are provided for through the Riley County Police Department (RCPD) and the Department of Fire Services. Although the RCPD is an independent agency, 80% of the agency’s funding comes from the City of Manhattan. It is also classified as a special revenue fund.

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, rescue—including aircraft rescue, education and training, and hazardous materials response. The Technical Services Division provides the following services: 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 four minutes 90% of the time.

## **Airport**

The Airport provides aviation services to Manhattan and the surrounding area, including Fort Riley and Junction City. Daily scheduled airline service connects passengers to KCI with a potential of 40,000 passenger movements annually. General aviation services include air charter, air cargo, flight instruction, air photo, major aircraft maintenance, aircraft refueling and storage.

## **Public Works**

The Department of Public Works was reorganized in 2003 to include City Utilities. This Department is responsible for maintaining and upgrading Manhattan's public infrastructure such as: streets, traffic control, stormwater drainage, and City-related engineering.

Public Works is responsible for coordinating the pavement management system, initiating maintenance projects on 150 centerline miles of streets, providing vehicle maintenance for City vehicles and maintenance of pavement markings. The Engineering Division is responsible for surveying, drafting, and designing public construction projects.

The Utilities Division provides both quality drinking water and sanitary sewer service to all people residing within the City of Manhattan limits. The Utilities Division maintains 16 water supply wells, a 20 million gallon/day water softening treatment plant, 6 water storage tanks, 244 miles of water mains, and 4 water booster pump stations.

The Utilities Division also services 1,693 fire hydrants, an 8.7 million gallon/day activated sludge wastewater treatment plant, 219 miles of sanitary sewer piping, 17 sewer lift stations, and a 375-acre biosolids farm. There are nearly 14,000 water utility customers.

## **Parks and Recreation**

The Parks and Recreation Department focuses on establishing, preserving, and managing public parks, greenways and recreational facilities. The department creates recreational, cultural, educational and leisure opportunities to benefit and enhance the quality of life in the community

The Parks Division manages twenty-seven 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, Sunset Cemetery and Sunrise Cemetery; 32 sports fields; three swimming pools; numerous playgrounds; all buildings and landscape areas; and the management and maintenance on all street and park trees.

The Recreation Division maintains three community centers (City Auditorium, Community House and Douglass Community Center) that offer a wide variety of programming such as arts and crafts, aerobics, theater classes, basketball, dodgeball, volleyball, special events and parties. The Manhattan Christian College, Manhattan Middle School, USD 383, various local sports organizations and the Boys & Girls Club also use these centers.

The Zoo Division maintains 26 acres of land and over 250 animals representing 5 continents. The zoo offers educational programs and a myriad of volunteer opportunities. Sunset Zoo is one of 211 American Zoo and Aquarium (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, sheltering unwanted companion animals, providing public education and promoting humane treatment and responsible pet ownership.

## **Economic Development and Industrial Promotion**

Approximately \$50,000 in property taxes has been budgeted in 2008 for the Industrial Promotion Fund, which supports activities and services related to attracting industrial and manufacturing enterprises to the community.

In 2004, City Administration suspended the Economic Development account (approximately one mill) within the General Fund. This decision was partially in response to off-set the loss of state-shared revenues and in anticipation of the City receiving a portion of the new Riley County 1/2 cent sales tax that began in late 2004. These new sales tax monies are credited to a special revenue fund for economic development purposes.

## **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, Educational, Social and Health**

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, Little Apple Folklife Arts and Crafts Festival, 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 2008, the City will provide the Manhattan Center for the Arts with \$46,000 towards their cultural programming.

Each day, over 8,500 people use the Manhattan Public Library’s collection of nearly 200,000 books and other resources. The public library is funded by a property tax levy from the City of Manhattan. By Charter Ordinance, there is a six-mill limit for the Library Fund.

In 2008, the City Commission allocated just under one mill, or \$385,155 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	\$34,000
Boys & Girls Club	7,500
Crisis Center	46,500
Homecare & Hospice	42,000
Kansas Legal Services	20,000
KSU Child Development Center	12,355
Manhattan Day Care	65,000
Manhattan Emergency Shelter	54,000
Riley County ATA	32,500
Sheperd’s Crossing	40,000
Sunflower CASA Project, Inc.	25,300
University for Man	6,000
<b>TOTAL</b>	<b>\$385,155</b>

The City of Manhattan receives Special Alcohol Funds from the State of Kansas to fund programs dealing with education, intervention, and treatment of alcohol and drug abuse. The Special Alcohol Fund 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.

In addition to the funding allocated to various agencies, a summer youth employment program utilizes funding from liquor taxes that are credited to the Special Alcohol Fund. These programs, administered by the Parks and Recreation Department, provide a unique opportunity for area youth to gain job experience and to learn about the dangers of drug and alcohol abuse.

Other City program support includes: \$5,000 for the Crime Stopper Program, \$21,800 for the Municipal Band, \$5,625 towards the maintenance of the Wolf House Museum, and \$40,000 for Downtown Manhattan, Inc.

The City will also provide funding to the Riley County/Manhattan Health Department in 2008 in the amount of \$225,651.

## **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.

## **Other**

Also included in the 2008 budget is \$394,200 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 City sales tax and franchise fees received in the General Fund.

This program was started by mutual agreement and City Ordinance as a result of the annexation of KSU in 1994.

# 2008 Budgeted Expenditures By Fund

<b>GENERAL FUND</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
General Government	\$668,810	695,198
Finance, Information Services, & Customer Service	1,024,805	1,092,050
Airport	726,230	599,923
Community Development	515,090	568,643
Human Resources	382,281	412,984
<b><i>Public Works</i></b>		
Administration	142,620	184,864
Street	1,270,976	1,446,229
Engineering	652,255	744,988
Traffic Control	375,630	453,233
<b><i>Parks &amp; Recreation</i></b>		
Administration	146,150	152,988
Douglass Center	184,579	211,313
Parks	1,991,810	2,059,475
Swimming Pools	264,550	275,945
Sunset Zoo	778,220	800,609
Recreation	1,098,287	1,208,527
Animal Shelter	426,980	510,364
Discovery Center	0	71,320

(Continued on page 21)

<b>GENERAL FUND</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b><i>Fire Services</i></b>		
Administration	186,540	199,550
Operations	3,288,810	3,448,131
Technical Services	603,490	754,427
Building Maintenance	367,695	353,975
<b><i>Legal Department</i></b>		
Administration	233,000	251,910
Municipal Court	458,540	469,765
General Services	2,956,850	3,106,484
Outside Services	662,924	728,810
<b>TOTAL GENERAL FUND</b>	<b>\$19,407,122</b>	<b>\$20,801,075</b>

Included within these departmental budgets is \$525,950 in Capital Improvement Program (CIP) spending. (See pages 26 through 33 for a detailed overview of the City of Manhattan's CIP)

<b>SPECIAL REVENUE FUNDS</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
City/University Projects	379,600	394,200
Aggieville BID	30,500	36,400
Downtown BID	55,500	59,590
Economic Development	5,738,184	7,266,860
City Employee Benefits	1,000,000	1,091,700
Fire Equipment Reserve	450,000	718,550
KP&F	450,000	523,260
General Improvement	62,813	97,775
Industrial Promotion	477,750	500,000
Library	1,639,588	1,850,830
Library Employee Benefits	261,016	328,108
Park Development	240,504	371,240
Sales Tax	4,581,250	4,976,745
Special Alcohol	360,574	404,500
Special Parks & Recreation	591,760	422,000
Special Street & Highway	1,710,000	1,809,815
Special Sunset Zoo	290,000	282,005
Tourism & Convention	654,000	661,000
Riley County Health Dept.	212,880	225,651
RCPD	9,311,532	10,102,584
Capital Improvement Reserve	1,200,000	2,725,000
Downtown Redevelopment TIF	800,000	1,325,000
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>\$30,497,451</b>	<b>\$36,172,813</b>
<b>BOND &amp; INTEREST FUND</b>	<b>\$10,642,557</b>	<b>\$12,106,658</b>

<b>ENTERPRISE FUNDS</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b><i>Water</i></b>		
General & Administration	606,561	607,287
Meter Services	452,517	982,795
Supply & Treatment	3,141,174	2,407,240
Distribution	2,242,378	1,141,279
Non-operating	4,806,427	5,692,499
<b>Total Water Fund</b>	<b>\$11,249,057</b>	<b>\$10,831,100</b>

<b><i>Wastewater</i></b>		
General & Administration	517,239	490,798
Non-operating	3,711,709	4,814,875
Treatment	2,001,793	1,570,705
Maintenance	729,364	997,122
<b>Total Wastewater Fund</b>	<b>\$6,960,105</b>	<b>\$7,873,500</b>

<b><i>Stormwater</i></b>		
<b>Total Stormwater Fund</b>	<b>\$1,227,911</b>	<b>\$1,325,986</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$19,437,073</b>	<b>\$20,030,586</b>

#### **SUMMARY OF BUDGETED CITY EXPENDITURES**

	<b>2007</b>	<b>2008</b>	<b>Difference</b>
General Fund	\$19,407,122	\$20,801,075	\$1,393,953
Special Rev Funds	30,497,451	36,172,813	5,675,362
Bond & Interest Fund	10,642,557	12,106,658	1,464,101
Enterprise Funds	19,437,073	20,030,586	593,513
<b>TOTAL BUDGET</b>	<b>\$79,984,203</b>	<b>\$89,111,132</b>	<b>\$9,126,929</b>

# 2008 Explanation of Expenditures

## By Fund

### Overall Budget

The adopted 2008 budget for the City of Manhattan contains expenditures of \$89,111,132. 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	Carry Forward Funds
Industrial Promotion	Property Taxes
Library*	Sales 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

## 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 56% 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, and transfers from other funds.

## Enterprise Funds

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

# 2008 Capital Improvements

## By Department

	<b>Airport</b>	<b>Fire</b>	<b>City/ University</b>	<b>General Government</b>
<b>General Fund</b>	15,000	36,000	0	132,600
<b>Debt Service</b>	0	400,000	0	0
<b>Fed. &amp; State Grants</b>	357,865	0	0	315,000
<b>Fire Equip. Res.</b>	0	834,000	0	0
<b>Special Street &amp; Highway</b>	0	0	0	0
<b>General Improv.</b>	0	0	0	0
<b>Special Parks &amp; Recreation</b>	0	0	0	0
<b>Park Development</b>	0	0	0	0
<b>Special Sunset Zoo</b>	0	0	0	0
<b>City University</b>	0	0	394,200	0
<b>Other Sources &amp; Trusts</b>	2,018,835	0	0	25,000
<b>Water</b>	0	0	0	17,700
<b>Wastewater</b>	0	0	0	17,700
<b>Stormwater</b>	0	0	0	0
<b>Downtown Redev.</b>	0	0	0	26,700,000
<b>Other Requests</b>	0	0	0	35,000
<b>Total</b>	<b>\$2,391,700</b>	<b>\$1,270,000</b>	<b>\$394,200</b>	<b>\$27,243,000</b>

This summary depicts the sources and amounts of funding the City expects to utilize in carrying out the 2008 Capital Improvement Program.

	<b>Parks &amp; Recreation</b>	<b>Public Works</b>	<b>Utilities</b>	<b>Total</b>
<b>General Fund</b>	224,350	112,000	0	<b>\$519,950</b>
<b>Debt Service</b>	796,375	1,375,000	2,169,000	<b>\$4,740,375</b>
<b>Fed. &amp; State Grants</b>	0	3,701,674	0	<b>\$4,374,539</b>
<b>Fire Equip. Res.</b>	0	0	0	<b>\$834,000</b>
<b>Special Street &amp; Highway</b>	0	800,000	0	<b>\$800,000</b>
<b>General Improv.</b>	0	150,000	0	<b>\$150,000</b>
<b>Special Parks &amp; Recreation</b>	426,250	0	0	<b>\$426,250</b>
<b>Park Development</b>	180,800	0	0	<b>\$180,800</b>
<b>Special Sunset Zoo</b>	15,000	0	0	<b>15,000</b>
<b>City University</b>	0	0	0	<b>\$394,200</b>
<b>Other Sources &amp; Trusts</b>	160,000	475,000	0	<b>\$2,678,835</b>
<b>Water</b>	0	0	1,743,000	<b>\$1,760,700</b>
<b>Wastewater</b>	0	0	699,000	<b>\$716,700</b>
<b>Stormwater</b>	0	0	290,000	<b>\$290,000</b>
<b>Downtown Redev.</b>	0	0	0	<b>\$26,700,000</b>
<b>Other Requests</b>	0	0	0	<b>\$35,000</b>
<b>Total</b>	<b>\$1,802,775</b>	<b>\$6,613,674</b>	<b>\$4,901,000</b>	<b>\$44,616,349</b>

**Total Equipment: \$1,733,150**

**Total Projects: \$42,883,199**

# 2008 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

<b>Division</b>	<b>Description</b>	<b>Total Cost</b>	<b>Funding Source</b>
<b>Animal Shelter</b>	New Pick-Up	\$21,350	General Fund
<b>City Parks</b>	Mower Replacement	\$40,000	Park Develop. Fund
<b>City Parks</b>	Replace Mower	\$15,000	Park Develop. Fund
<b>City Parks</b>	Ice Rink Mats	\$30,000	General Fund
<b>City Parks</b>	Replace Wood Chipper System	\$30,000	General Fund
<b>City Parks</b>	Telephone System	\$10,000	General Fund
<b>City Parks</b>	Recondition Equipment	\$32,000	General Fund
<b>City Parks</b>	Replace Pick-Up Truck	\$15,000	General Fund
<b>City Parks</b>	Replace Pick-Up Truck	\$15,000	General Fund
<b>City Parks</b>	Replace Pick-Up Truck	\$15,000	General Fund
<b>City Parks</b>	Replace 2 1/2 Ton Dump Truck	\$90,800	Park Develop. Fund
<b>Engineering</b>	Replace Compact Pick-Up for Construction Coordinator	\$22,000	General Fund
<b>Fire Building Maintenance</b>	Replace Generator	\$22,000	Fire Equip. Reserve

<b>Division</b>	<b>Description</b>	<b>Total Cost</b>	<b>Funding Source</b>
<b>Fire Operations</b>	Replace Pumper Ladder Truck	\$750,000	Fire Equip. Reserve
<b>Fire Operations</b>	Fitness Equipment	\$50,000	Fire Equip. Reserve
<b>Fire Operations</b>	Hose Dryer	\$12,000	Fire Equip. Reserve
<b>Fire Technical Services</b>	Civil Defense/Storm Warning Siren	\$20,000	General Fund
<b>Fire Technical Services</b>	Replace 1997 Ford Ranger	\$16,000	General Fund
<b>Information Services</b>	Upgrade E-mail Server & Main Network File Servers	\$22,000	Wastewater/Water
<b>Information Services</b>	Upgrade Microsoft Office Suite	\$96,000	Wastewater/Water/ General Fund
<b>Recreation</b>	Replace Sound Equipment	\$8,000	General Fund
<b>Sanitary Sewer</b>	Replace Ford Ranger	\$24,000	Wastewater
<b>Sanitary Sewer</b>	Upgrade for Sewer Camera	\$10,000	Wastewater
<b>Sanitary Sewer</b>	Replace Truck #54	\$35,000	Wastewater
<b>Street</b>	Replace 1991 Pick-Up Truck/Unit 115	\$12,500	General Fund
<b>Street</b>	Replace #22 One-Ton	\$15,000	General Fund
<b>Street</b>	Replace Dump Truck	\$100,000	General Improvement
<b>Sunset Zoo</b>	Recondition Equipment	\$5,000	General Fund
<b>Sunset Zoo</b>	Replace Mini Van	\$23,000	General Fund
<b>Traffic</b>	Replace Traffic Counters	\$15,000	General Fund
<b>Traffic</b>	Replace Unit #19 1988 1/2 Ton Pick-Up	\$12,500	General Fund
<b>Traffic</b>	HVAC System	\$22,500	General Fund
<b>Traffic</b>	Replace Pick-Up Truck	\$12,500	General Fund
<b>Water</b>	2000 Dump Truck #440	\$85,000	Water
<b>Water</b>	Replace 1992 CHRY Pick-Up #20	\$15,500	Water
<b>Water</b>	Replace 1998 F-150 #48	\$13,500	Water

**TOTAL EQUIPMENT:**

**\$1,733,150**

(Continued on page 30)

# CIP Projects

<b>Division</b>	<b>Description</b>	<b>Total Cost</b>	<b>Funding Source</b>
<b>Airport</b>	Demolish C-Row Extension	\$15,000	General Fund
<b>Airport</b>	Construct Airport Restaurant– Phase One	\$2,000,000	Other Sources
<b>Airport</b>	Construct Runway 21 ERSA Improvements	\$376,700	Grants/Short-Term Financing
<b>Animal Shelter</b>	Shelter Flooring	\$20,000	General Fund
<b>Citizen’s Request</b>	Stephen Court-Natural Spring Stormwater Improvement	\$20,000	Other Sources/ Stormwater
<b>City Board &amp; Committee Req.</b>	Archaeological Field Survey	\$15,000	General Fund/Grants
<b>City/University</b>	KSU/City Sidewalk Bicycle and Lighting Improvements	\$51,200	City/University
<b>City/University</b>	KSU/City Reconstruction of Denison Ave.	\$160,000	City/University
<b>City/University</b>	KSU/City University Gardens Project	\$50,000	City/University
<b>City/University</b>	KSU/City Pedestrian Sidewalk on Todd Rd.	\$33,000	City/University
<b>City/University</b>	KSU/City Good Neighbor Program	\$10,000	City/University
<b>City/University</b>	KSU/City NISTAC Support-Building Project	\$50,000	City/University
<b>City/University</b>	KSU/City Campus Map Kiosks	\$40,000	City/University
<b>City Parks</b>	CICO Park Baseball Complex Improvements	\$30,000	Special Park & Rec
<b>City Parks</b>	Road and Linear Park Trail Repair	\$22,750	Special Park & Rec
<b>City Parks</b>	Building and Shelter Improvements	\$8,500	Special Park & Rec
<b>City Parks</b>	Re-Roofing Griffith Park Building	\$10,000	Special Park & Rec
<b>City Parks</b>	Renovate City Park Playground	\$300,000	Special Park & Rec
<b>City Parks</b>	Rose Garden Improvements	\$25,000	General Fund/Park Development
<b>City Parks</b>	NE Park Parking	\$30,000	Special Park & Rec
<b>City Parks</b>	Pavilion/Restroom Dressing Room Renovation	\$796,375	G.O. Bond
<b>City Parks</b>	Eisenhower Park Improvements	\$15,000	Special Park & Rec
<b>City Parks</b>	Sunrise Cemetery Road Expansion	\$160,000	Short-term Financing
<b>Community Development</b>	Housing Rehabilitation Program	\$390,000	General Fund/Grants/ Other Sources

(Continued on page 31)

<b>Division</b>	<b>Description</b>	<b>Total Cost</b>	<b>Funding Source</b>
<b>Downtown Project</b>	Conference Center	\$9,500,000	Cap. Improv. Reserve/ Eco. Devo./G.O. Bond/ Other Sources
<b>Downtown Project</b>	Parking Garage	\$6,500,000	G.O. Bond/Other Sources/
<b>Downtown Project</b>	4th St. (North)	\$3,700,000	G.O. Bond
<b>Downtown Project</b>	4th St. ( South)	\$1,500,000	G.O. Bond
<b>Downtown Project</b>	3rd & Leavenworth	\$2,000,000	G.O. Bond
<b>Downtown Project</b>	K-177 at 3rd & Pierre	\$3,500,000	G.O. Bond
<b>Engineering</b>	Marlatt Ave.– Tuttle Creek Boulevard to Casement Rd.	\$350,000	Short-term Financing
<b>Engineering</b>	Marlatt Ave. & TCB	\$3,184,174	Short-term Financing
<b>Engineering</b>	West Anderson Avenue	\$150,000	G.O. Bond
<b>Engineering</b>	Miller Parkway & Scenic Dr. Intersec- tion	\$1,225,000	G.O. Bond
<b>Engineering</b>	Intersection Improvements at Claflin Rd. & Sunset Ave.	\$642,500	Grants/Short-term Fi- nancing
<b>Fire Operations</b>	Northwest Fire Station	\$200,000	G.O. Bond
<b>Fire Operations</b>	Southwest Fire Station	\$200,000	G.O. Bond
<b>Recreation</b>	Renovate CICO Bathrooms	\$10,000	Special Park & Rec
<b>Sanitary Sewer</b>	Sewer Inflow Prevention	\$400,000	Wastewater
<b>Sanitary Sewer</b>	Miller Sanitary Sewer Interceptor	\$80,000	Wastewater
<b>Sanitary Sewer</b>	Wastewater Treatment Plant Mainte- nance	\$150,000	Wastewater
<b>Stormwater</b>	Stormwater Maintenance Program	\$100,000	Stormwater

(Continued on page 32)

<b>Division</b>	<b>Description</b>	<b>Total Cost</b>	<b>Funding Source</b>
<b>Stormwater</b>	Tecumseh-Quivera System	\$2,169,000	G.O. Bond
<b>Stormwater</b>	Eureka Valley Study	\$90,000	Stormwater
<b>Stormwater</b>	Levee Restudy—One-five Year	\$100,000	Stormwater
<b>Street</b>	Sidewalk Improvements	\$50,000	General Improvement
<b>Street</b>	Street Improvement Program	\$800,000	Special Street & Highway
<b>Sunset Zoo</b>	Renovate Cinereous Vulture Exhibit	\$15,000	Special Sunset Zoo
<b>Sunset Zoo</b>	New Sidewalks	\$10,000	Park Develop. Fund
<b>Water</b>	Meter Replacement Program	\$700,000	Water
<b>Water</b>	Annual Pump and Motor Maintenance	\$154,000	Water
<b>Water</b>	Bulk Water Station	\$100,000	Water
<b>Water</b>	New and Parallel Water Lines/ Engineering	\$75,000	Water
<b>Water</b>	Water Main Replacement & Rehab Program	\$450,000	Water
<b>Water</b>	Water Treatment Plant Maintenance	\$150,000	Water

**TOTAL PROJECTS:**

**\$42,883,199**

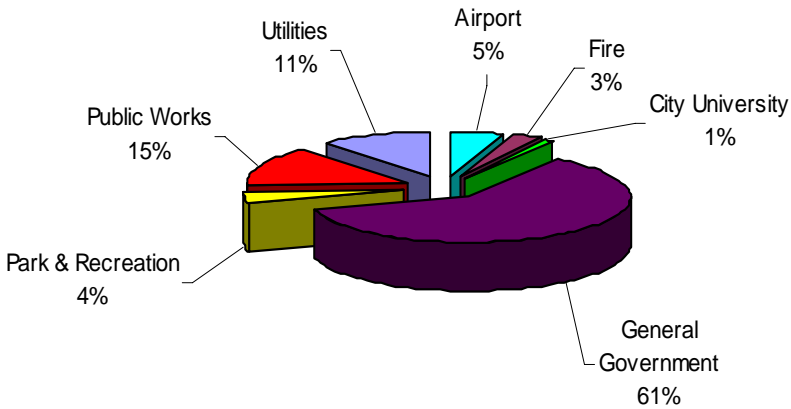
**TOTAL 2008 CIP:**

**\$44,616,349**

(Continued on page 33)

Included in the 2008 Budget is the approved 2008 CIP as it impacts the 2008 Budget. The 2008 CIP totals \$44,616,349. However, only \$6,620,082 has an operational impact on the 2008 budget. The remaining amount is funded through general obligation bonds, federal and state grants, and other sources and trusts.

### CIP Funding by Department



# 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.

## 2008 Bond and Interest Fund Revenue Sources

Fund Balance	\$3,241,598
Ad Valorem Property Tax	428,969
Special Assessments	4,902,950
Delinquent Taxes	25,000
Motor Vehicle Tax	36,436
Transfers*	3,471,705
<b>TOTAL REVENUE</b>	<b>\$12,106,658</b>

\*Includes transfers from Sales Tax Fund, Special Revenue Funds, Enterprise Funds, and Trust & Agency.

## 2008 Bond and Interest Fund Expenditures

Assessment Fee	\$125,700
Cash Reserves	1,000,000
General Principal	6,905,000
General Interest	3,372,342
Temporary Notes Principal	453,000
Temporary Notes Interest	250,616
<b>TOTAL EXPENDITURES</b>	<b>\$12,106,658</b>

# Debt Summary

## As of December 31, 2007

### Outstanding Debt

G.O. Bonds, City-At-Large portion	\$19,281,756
Special Assessment G.O. Bonds (Benefit District)*	46,213,244
Temporary Notes (General Obligation)	27,595,000
TDD Sales Tax Revenue Bonds	555,000
Lease Purchase Obligations	665,221
State Dept of Health & Environment Loan	4,749,118
State Dept of Transportation - Revolving Fund Loan	4,391,994
<b>TOTAL OUTSTANDING DEBT</b>	<b>\$103,451,333</b>

\*The delinquency rate on the special assessments paid by property owners in the benefit districts is about 1%.  
Approximately 70% of all G.O. debt is for special assessments.

### Debt Limit Calculations

City Valuation (Includes Motor Vehicle Valuation)  
\$449,437,729

Debt Limit Ratio	30%
State Imposed Debt Limit	\$134,831,319
G.O. Debt/Temp. Notes Subject to Debt Limit	54,967,050
<b>DEBT AUTHORITY REMAINING</b>	<b>\$79,864,269</b>

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

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