

CITY COMMISSION AGENDA MEMO
June 29, 2007

FROM: Bernie Hayen, Director of Finance

MEETING: July 10, 2007

SUBJECT: 2008 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 2008 City Budget and 2008-2013 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 2008 City Budget.

DISCUSSION

The proposed 2008 City Budget of \$ 89,697,676 represents a 12.1% increase over the 2007 City Budget or approximately \$ 9.7 million more in budgeted spending. However, nearly all of this increase (80%) 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 2008 City Budget includes the following highlights:

- an increase of \$ 953,239 in property taxes levied to support the 2008 City Budget compared to the 2007 City Budget or about a 7.8% increase. All but \$ 273,503 of this proposed increase in property taxes will go to support the Riley County Police Department;
- an increase of 6% in sales tax projections for the General Fund as well as an increase of 8.5% in the Sales Tax Fund;
- an increase of \$250,000 in General Fund revenues from the increased electric franchise fee;

- the addition of 6 new employee positions and one part-time position to accommodate community growth issues, several of which will be supported by utility revenues;
- an increase in the Bond & Interest Fund of nearly \$1.5 million to meet special assessment payments as a result of increased benefit districts related to community growth; and,
- the redirection of sales tax dollars in the Bond and Interest Fund in order to reduce overall property taxes.

General Fund

The proposed General Fund budget of \$ 20,801,075 reflects slightly more than a 7% increase or \$ 1,393,953 over the 2007 City Budget.

This increase is attributed to several factors:

- (1) Salary Adjustments (*including cost-of-living and minimum wage changes*) = \$ 558,300
- (2) New Positions = \$ 167,150
- (3) Health Insurance Contribution and Other Increases = \$ 455,900
- (4) Contractual Services, Commodities, and Transfers = \$ 396,900
- (5) Capital Improvement Program = (184,300 *decrease*)

The following table summarizes the General Fund’s expenditure increases (or decreases) that were budgeted in 2007 plus actual expenditures for 2005 and 2006. The proposed budget for 2008 is shown in the last column:

	2005 Actual	2006 Actual	2007 Budget	2008 Proposed
Personnel Services	\$ 10,756,386	\$ 11,822,650	\$ 12,791,814	\$ 13,971,603
Contractual Services	2,379,371	2,418,706	3,120,691	3,206,383
Commodities	1,190,187	1,322,934	1,557,850	1,718,162
Capital Outlay	265,792	606,397	710,270	525,950
Cash Reserves	----	----	500,000	500,000
Grants	418,525	409,526	441,124	471,625
Transfers and Other Costs	1,086,710	2,076,732	285,373	407,352
Total:	\$ 16,096,971	\$ 18,656,945	\$ 19,407,122	\$ 20,801,075

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 2008, the total of these funds are proposed to increase by about \$ 6.25 million.

This includes an increase in the City's economic development fund of about \$ 1.53 million; an increase in the allocation to the Riley County Police Department of \$ 791 thousand; and, \$1.5 million in additional reserves in the Capital Improvement Reserve Fund.

Bond & Interest Fund

Although the City's portion of capital debt generally continues to decline, the annual principal and interest payments on a growing number of city-wide benefit districts will increase in 2008 by nearly \$ 1.5 million.

Due to the uncertainty of the timing of a number of major City projects and the addition of yet more benefit districts citywide, cash reserves are proposed to be increased from \$500,000 to \$1,000,000 in 2008. These reserves will be used to pay off temporary notes on the aforementioned City projects that may be started and completed in 2008.

Enterprise Funds

As a result of the growing number of utility customers, water and wastewater revenues have notably 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 are proposed to be increased early in 2008 with subsequent increases in both 2009 and 2010. This rate increase will be 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 will be increased again in January of 2008 and 2009. This rate increase was 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 is enjoying 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 2008 City Budget reflects an increase compared to the 2007 City Budget, a majority of this increase is directly related to additional reserves across several funds. The 2008 proposed City Budget is summarized in the following table which includes a historical comparison:

	2005 Budget	2006 Budget	2007 Budget	2008 Proposed
General Fund	16,690,428	19,194,738	19,407,122	20,801,075
Special Revenue Funds	21,896,509	27,021,509	30,497,451	36,747,813
Enterprise Funds	18,480,239	17,173,937	19,437,073	20,030,586
Bond & Interest Fund	8,284,403	9,654,383	10,642,557	12,118,202
Total:	\$ 65,351,267	\$ 73,044,567	\$ 79,984,203	\$ 89,697,676

Finally, the 2008 proposed City Budget reflects City Administration scrutiny as well as City Commission direction and marks the fifth year in a row that the mill levy rate has been reduced. The mill levy rate estimated for 2008 will be the lowest for City taxpayers since 1985. In addition, as a percent of valuation, property taxes levied also will decline for the fifth year in a row.

RECOMMENDATION

City Administration recommends the City Commission provide feedback related to the proposed 2008 City Budget and 2008-2013 Capital Improvement Program.

POSSIBLE MOTION

Since this is a Work Session, no motion is necessary.

BNH/bnh

Attachments:

1. 2008 City Budget Summary and Historical Comparisons
2. Tax Levy Reduction Worksheet
3. Analysis of County Valuation and Property Taxes Levied
4. Tax Computation for Typical Homeowner
5. Statewide Comparison of Property Tax Burdens
6. Memorandum on Commercial Property Tax Comparisons

General Operating Fund

BUDGETED EXPENDITURES

(Proposed)

	2003	2004	2005	2006	2007	2008
1 General Government	535,255	515,918	516,705	547,695	668,810	699,721
<i>Finance</i>						
2 Finance & Accounting	409,367	433,551	466,242	512,540	511,100	521,188
3 Information Technology	244,897	243,308	283,754	249,981	353,350	370,340
4 Customer Services	231,517	146,225	152,735	158,957	160,355	187,367
5 Airport	619,801	582,541	576,021	649,062	726,230	606,027
<i>Fire Services</i>						
6 Operations, Technical, Inspections	3,400,220	3,468,749	3,549,451	3,855,191	4,078,840	4,403,800
7 Building Maintenance	179,092	259,440	297,500	377,850	367,695	353,077
8 Human Resources	291,016	266,898	256,806	334,655	382,281	417,855
<i>Public Works</i>						
9 Administration	133,290	129,350	43,457	124,660	142,620	185,522
10 Streets	1,149,013	1,108,703	1,200,280	1,224,480	1,270,976	1,448,177
11 Engineering	399,188	403,881	505,841	480,115	652,255	747,924
12 Traffic Control	302,306	298,633	316,107	366,759	375,630	447,456
<i>Parks & Recreation</i>						
13 Administration	144,325	148,146	152,709	162,608	146,150	154,006
14 Douglass Center	210,304	177,079	181,098	184,143	184,579	209,235
15 City Parks	1,412,266	1,382,318	1,532,911	1,765,060	1,991,810	2,036,417
16 Swimming Pools	231,497	260,357	266,350	251,900	264,550	275,945
17 Discovery Center	0	0	0	0	0	69,500
18 Animal Shelter	222,500	234,337	244,777	364,940	426,980	513,854
19 Recreation	1,150,205	1,164,921	1,187,169	1,192,551	1,098,287	1,204,783
20 Sunset Zoo	588,286	604,384	631,344	678,618	778,220	804,431
<i>Community Development</i>						
21 Legal Services & Municipal Court	429,597	395,945	418,236	530,033	515,090	569,287
22 Economic Development	580,238	638,239	654,501	672,013	691,540	726,938
23 Outside Services	232,300	0	0	0	0	0
24 General Services	449,868	521,475	516,425	617,522	662,924	728,180
25	2,551,114	2,584,725	2,740,009	3,893,406	2,956,850	3,120,045
Total Budget : 16,097,462 15,969,123 16,690,428 19,194,738 19,407,122 20,801,075						
Budgeted CIP: 78,650 141,620 358,150 746,450 710,265 525,950						

Special Revenue Funds

BUDGETED EXPENDITURES

(Proposed)

	2003	2004	2005	2006	2007	2008
1 City/University Projects (102)	255,000	307,700	309,500	367,200	379,600	394,200
2 Aggieville BID (103)	28,500	28,600	32,000	30,650	30,500	36,400
3 DOWNTOWN BID (104)	55,500	55,500	55,500	55,000	55,500	59,590
4 Economic Development (105)	960,000	1,554,400	-----	-----	-----	-----
5 MEDOFAB	0	0	1,427,860	1,290,000	554,300	319,265
6 RICOED	0	0	1,500,000	3,535,590	5,183,884	6,947,595
7 Employee Benefits (106)	861,000	877,000	908,000	970,000	1,000,000	1,091,700
8 Fire Equipment Reserve (107)	360,000	284,000	306,206	412,000	450,000	718,550
9 KP&F Pension (108)	288,700	360,000	360,000	412,000	450,000	523,260
10 General Improvement Fund (109)	103,726	62,650	82,000	50,400	62,813	97,775
11 Industrial Promotion (110)	396,400	420,600	450,000	507,420	477,750	500,000
12 Library (111)	1,362,622	1,387,634	1,409,150	1,514,409	1,639,588	1,850,830
13 Library Employee Benefits (112)	201,100	171,100	178,300	228,851	261,016	328,108
14 Park Development Fund (113)	51,700	49,600	97,306	218,770	240,504	371,240
Sales Tax Fund (115)						
15 Revenue to General Fund	1,925,650	1,620,872	2,000,000	1,420,500	1,149,900	1,581,900
16 Revenue to Park Development	25,000	4,111	50,000	150,000	86,500	211,000
17 Revenue to Employee Benefits	805,000	632,427	650,000	650,000	650,000	800,000
18 Revenue to General Improvement	0	0	0	0	0	23,100
19 Revenue to KP&F	269,350	288,295	300,000	300,000	344,000	426,745
20 Revenue to Fire Equipment Reserve	0	154,919	200,000	300,000	320,500	534,000
21 Revenue to Library	0	0	0	1,129,500	260,350	300,000
22 Revenue to Bond & Interest	0	736,876	500,000	1,103,130	1,770,000	1,100,000
Special Alcohol Programs (116)						
23 Special Alcohol Programs (116)	350,000	428,762	367,500	325,000	360,574	404,500
Special Park & Recreation (117)						
24 Special Park & Recreation (117)	222,922	306,400	250,000	493,668	591,760	422,000
Special Street & Highway (118)						
25 Special Street & Highway (118)	1,700,000	1,686,100	1,668,972	1,776,687	1,710,000	1,809,815
Special Sunset Zoo (119)						
26 Special Sunset Zoo (119)	230,848	165,500	223,860	298,220	290,000	282,005
Southern TIF District Fund (120)						
27 Southern TIF District Fund (120)	202,046	0	0	0	0	0
Downtown Redevelopment TIF (127)						
28 Downtown Redevelopment TIF (127)	0	0	0	0	800,000	1,325,000
Tourism & Convention (121)						
29 Tourism & Convention (121)	532,000	650,000	625,000	762,000	654,000	661,000
Health Department (123)						
30 Health Department (123)	193,875	193,875	199,691	205,482	212,880	225,651
RCPD (124)						
31 RCPD (124)	7,452,100	7,743,348	7,745,352	8,515,032	9,311,532	10,102,584
32 Capital Improvement Reserve (126)	0	0	0	0	1,200,000	3,300,000
Total of All Special Funds: 18,833,039 20,170,269 21,896,197 27,021,509 30,497,451 36,747,813						

Enterprise Funds

BUDGETED EXPENDITURES

(Proposed)

Water Fund

	2003	2004	2005	2006	2007	2008
33 General & Administration	568,106	601,231	654,749	552,103	614,770	607,287
34 Meter Services	291,865	435,036	453,216	889,365	447,823	982,895
35 Supply & Treatment	1,713,496	3,091,932	3,807,096	3,060,680	3,125,547	2,407,240
36 Distribution	747,281	650,300	1,232,342	1,255,850	2,254,490	1,141,279
37 Non-Operating	4,736,452	4,372,850	4,388,995	3,812,984	4,806,427	5,692,399
	8,057,200	9,151,349	10,536,398	9,570,982	11,249,057	10,831,100

Water Fund Expenditures:

Wastewater Fund

38 General & Administration	530,364	514,370	597,082	527,038	518,470	490,798
39 Non-Operating	2,105,485	3,427,957	3,574,813	2,898,426	3,711,709	4,814,875
40 Treatment	1,224,715	1,250,451	1,620,434	2,635,900	2,009,714	1,570,705
41 Maintenance	718,036	1,023,582	1,202,152	691,841	720,212	997,122
	4,578,600	6,216,360	6,994,481	6,753,205	6,960,105	7,873,500

Wastewater Fund Expenditures:

Stormwater Fund

42 General Expenditures	1,130,000	748,100	949,360	849,750	1,227,911	1,325,986
	1,130,000	748,100	949,360	849,750	1,227,911	1,325,986

Stormwater Fund Expenditures:

Total of Enterprise Funds: 13,765,800 16,115,809 18,480,239 17,173,937 19,437,073 20,030,586

Bond & Interest Fund

BUDGETED EXPENDITURES

(Proposed)

	2003	2004	2005	2006	2007	2008
43 Bond & Interest Fund	7,978,000	8,295,746	8,284,403	9,654,383	10,642,557	12,118,202
	7,978,000	8,295,746	8,284,403	9,654,383	10,642,557	12,118,202

Total City Budget: 56,674,301 60,550,947 65,351,267 73,044,567 79,984,203 89,697,676

General Fund Calculations - Budget Reductions

2007 General Fund Budget	19,407,122	
2008 General Fund Budget (2nd Work Session)	21,452,000	
Operational Spending Increase	2,044,878	→ 10.5% Increase

Original Estimated Mill Levy : 34.255
(based on old Valuation)

1st & 2nd Work Session Calculations	(\$) Change	(%) Change	Mill Levy Reduction
General Fund Reductions			
Reduce parks maintenance worker salary to 1/3 of the year	16,863	0.09%	0.041
Offset a portion of the budget/audit analyst salary with utility transfer	19,110	0.10%	0.046
Reduce street lighting to the 2007 budgeted amount (\$484,052 to \$380,200)	103,852	0.54%	0.251
Total General Fund Reductions	139,825	0.72%	0.337
General Fund CIP Cuts			
<u>Move to 2009</u>			
Replace Mower (CPX30E)	25,000	0.13%	0.060
Rose Garden Improvements (break into 2 phases, \$25,000 each in '08 & '09) (CP822P)	25,000	0.13%	0.060
Replace #25 One-Ton Pick-up (ST803E)	28,000	0.14%	0.068
Replace #26 One-Ton Pick-up (ST804E)	15,000	0.08%	0.036
Total CIP Cuts	93,000	0.48%	0.224
General Fund Health Reserve Reduction			
Reduce health reserve increase (delay until 2009)	200,000	1.03%	0.482
General Fund Expenditure Offsets			
Offset animal control officer salary (offset by licensing fees)	28,674	0.15%	0.069
Offset animal control 1/2 ton truck (offset by licensing fees)	21,350	0.11%	0.052
Total Expenditure Offsets	50,024	0.26%	0.121
Total General Fund Reductions and CIP Cuts	432,825	2.23%	1.044
Total General Fund Expenditure Offsets	50,024	0.26%	0.121
	Combined Mill Levy Impact:		1.165
Valuation Reduction			
2007 City Estimated Valuation Decreased from Original Estimate	6,573,165		
	Resulting Estimated Levy Will Be:		33.028
	(Due to the decrease in Valuation)		

3rd Work Session Calculations

General Fund CIP Transfer Offsets

General Fund CIP Transfers to Fire Equipment Reserve

Replace Generator (FRX03E)	22,000	0.11%
Hose Dryer (FR803E)	12,000	0.06%
Fitness Equipment (FR901E)	50,000	0.26%

General Fund CIP Transfers to Park Development

Replace 2 1/2 Ton Dump Truck (VRI 27.16) (CPX56E)	21,000	0.11%
Mower Replacement (CP001E)	40,000	0.21%
Replace Mower	15,000	0.08%
Rose Garden Improvements (CP822P)	25,000	0.13%
New Sidewalks (SZ827P)	10,000	0.05%

General Fund CIP Transfers to General Improvement

Replace Dump Truck (VRI 28.64) (STX92E)	23,100	0.12%
Total CIP Transfer Offsets	218,100	1.12%

Total General Fund CIP Transfer Offsets	218,100	1.12%	0.000
		Mill Levy Impact:	0.000

Resulting Estimated Levy Will Be: 33.028

Proposed 2008 General Fund Expenditures 20,801,075 → 7.2% Increase

With the above adjustments, the net total of new positions amounts to: 138,500

Proposed 2008 General Fund Expenditures (excluding new positions) 20,662,575 → 6.5% Increase

Other 3rd Work Session Calculations

Possible Budget Shifts

Transfer from General Fund to B&I Fund to cover CIP project costs	550,000	2.83%	1.327
Industrial Promotion Fund Decrease due to Decrease in Property Taxes	50,000	0.26%	0.121
Transfer \$1.5 M from General Fund to the Capital Improvement Reserve			
Total Bond & Interest Fund Reductions	600,000	3.09%	1.447
		Mill Levy Impact:	1.447

Resulting Estimated Levy Will Be: 31.581

*All Calculated Mill Levy Reduction Amounts are based on the New Valuation Amount of \$414,535,097 instead of the Previous Valuation of \$421,108,262

Analysis of Assessed Valuation Growth for 2008 Taxes

2007 Riley County Valuation	383,965,068	13.4% (actual increase)
2007 Pott. County Valuation	30,570,029	5.7% (actual increase)
2007 City Valuation	414,535,097	
2006 Riley County Valuation	338,522,874	
2006 Pott. County Valuation	28,915,415	
2006 City Valuation	367,438,289	
Valuation Growth	47,096,808	
Percent Increase over 2006	12.8%	
2008 Taxes Levied (possible) \$	13,110,873	31.628 possible tax rate in mills
2007 Taxes Levied \$	12,157,634	33.088 actual tax rate in mills
2008 Increase in Property Taxes over 2007 \$	953,239	
2008 Property Tax Increase from Valuation Growth \$	1,489,573	\$ 505,075 (from new improvements) ←
Growth in Taxes Levied for 2008 \$	(536,334)	<i>Note: A positive number shows an increase in total property taxes levied</i>

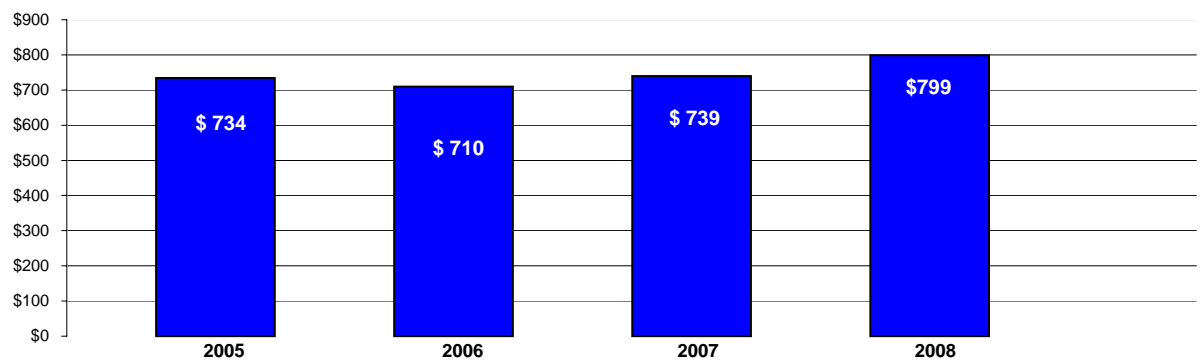
	<i>(possible)</i>				<i>(possible)</i>	
	2008 Taxes Levied		2007 Taxes Levied	Difference	2008 Levies	2007 Levies
<u>Property Taxes for Outside Agencies</u>						
RCPD \$	9,104,566	69.4%	\$ 8,424,830	\$ 679,736	21.963	22.929
Library	1,397,691	10.7%	1,338,776	58,915	3.372	3.644
Library EBF	299,308	2.3%	237,157	62,151	0.722	0.645
Industrial Promotion	25,000	0.2%	45,808	(20,808)	0.060	0.124
Riley County Health Department	201,598	1.5%	191,313	10,285	0.486	0.521
\$	11,028,163	84.1%	\$ 10,237,884	\$ 790,279		
<u>Property Taxes for City Services</u>						
General Fund \$	1,231,361	9.4%	\$ 1,002,961	\$ 228,400	2.970	2.730
Employee Benefit Fund	259,445	2.0%	278,273	(18,828)	0.626	0.757
Fire Equipment Reserve	50,677	0.4%	101,364	(50,687)	0.122	0.276
General Improvement	-	0.0%	-	-	0.000	0.000
Park Development	-	0.0%	-	-	0.000	0.000
KP&F	87,258	0.7%	95,195	(7,937)	0.210	0.259
Industrial Promotion	25,000	0.2%	45,808	(20,808)	0.060	0.125
Bond & Interest Fund	428,969	3.3%	396,149	32,820	1.035	1.078
\$	2,082,710	15.9%	\$ 1,919,750	\$ 162,960	31.628	33.088
Possible 2008 Taxes Levied \$	13,110,873	✓	\$ 12,157,634			

Friday, June 29, 2007

Tax Computation for Average Homeowner

Increase in Valuation:	8.9%	8.7%	14.3%	12.8%
Home Value:	156400	170320	194676	219594
Residential Appraisal Rate: <i>(set by State law)</i>	11.5%	11.5%	11.5%	11.5%
Tax Value:	17986	19587	22388	25253

	2005 Budget		2006 Budget		2007 Budget		2008 Budget	
	<i>Mill Levy Rate</i>	<i>Taxes Paid</i>	<i>Mill Levy Rate</i>	<i>Taxes Paid</i>	<i>Mill Levy Rate</i>	<i>Taxes Paid</i>	<i>Mill Levy Rate</i>	<i>Taxes Paid</i>
General Fund	2.510	\$45	3.077	\$60	2.725	\$61	2.970	\$75
Library	4.314	78	0.645	\$13	3.637	\$81	3.372	\$85
Library EBF	0.559	10	0.641	\$13	0.644	\$14	0.722	\$18
Fire Equipment Reserve	0.316	6	0.314	\$6	0.275	\$6	0.122	\$3
Bond & Interest	7.869	142	5.006	\$98	1.076	\$24	1.035	\$26
Employee Benefit Fund	0.610	11	0.664	\$13	0.756	\$17	0.626	\$16
KP&F	0.141	3	0.318	\$6	0.259	\$6	0.210	\$5
Industrial Promotion	0.187	3	0.994	\$19	0.249	\$6	0.120	\$3
RCPD	23.713	427	24.001	\$470	22.887	\$512	21.963	\$555
Riley County Health	0.613	11	0.575	\$11	0.520	\$12	0.486	\$12
General Improvement	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
Total City Tax Bill:	40.832	\$734	36.235	\$710	33.028	\$739	31.626	\$799
Increase in Tax Bill:		2.3%		-3.4%		4.2%		8.0%



City Property Tax Comparison

2004			
City	2003 Population	Total City Levy	Property Taxes (\$139,400 Home)
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
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
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 (\$165,000Home) 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
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

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
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

2008 <i>(estimated)</i>			
City	2007 Population	Total City Levy	Property Taxes (\$212,750 Home) ⁴
Manhattan	50,000	31,500	\$771

¹Approximately 8.9% valuation increase over 2004
²Approximately 8.7% valuation increase over 2005
³Approximately 14.3% valuation increase over 2006
⁴Approximately 12.8% valuation increase over 2007

INTER-OFFICE MEMORANDUM
FINANCE DEPARTMENT



DATE: June 27, 2007

TO: Ron Fehr, City Manager, Diane Stoddard, Deputy City Manager, and Jason Hilgers, Assistant City Manager

FROM: Bernie Hayen, Director of Finance

RE: Commissioner Request of Commercial Property Tax Comparisons

Attached to this memorandum are examples of randomly selected Manhattan commercial properties, related taxable values, and subsequent estimated City property taxes. This information was requested by Commissioner Hatesohl at the last budget work session.

These random appraised valuations were obtained from public information available at Riley County's GIS website located at the following Internet address:

<http://gis.rileycountyks.gov/website/rileyco/viewer.htm>

You will note from my brief analysis that both assessed valuations as well as anticipated City property taxes do not follow a clear pattern. In general, any property owner (commercial or residential) whose 2006 appraised valuation did not increase more than 6% will, most likely, not see any impact from the proposed 2008 City mill levy and property taxes that are collected from that levy.

If there are any questions, please do not hesitate to let me know.

Commercial Comparables

33.088 Actual Mill Levy

2006	Appraised Valuation	Assessed Valuation	City Property Taxes
Varney's	1,413,510	353,378	\$11,692.55
Mead Lumber	1,128,500	282,125	\$9,334.95
Bob's Diner	181,110	45,278	\$1,498.14
Target	7,867,200	1,966,800	\$65,077.48
Pathfinder	216,450	54,113	\$1,790.47

31.460 Possible Mill Levy

2007	Appraised Valuation	Assessed Valuation	City Property Taxes
Varney's	1,709,830	427,458	\$13,447.81
Mead Lumber	1,247,500	311,875	\$9,811.59
Bob's Diner	199,000	49,750	\$1,565.14
Target	8,330,000	2,082,500	\$65,515.45
Pathfinder	234,380	58,595	\$1,843.40

Summary 2006 to 2007	Increase in Assessed Valuation	Increase in City Property Taxes
Varney's	21.0%	15.0%
Mead Lumber	10.5%	5.1%
Bob's Diner	9.9%	4.5%
Target	5.9%	0.7%
Pathfinder	8.3%	3.0%

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