

*City of Manhattan*  
**2012 BUDGET SUMMARY**



An Overview of the Operating Budget &  
Capital Improvement Program



Dear Citizen:

In order to help local residents better understand the 2012 City Budget, the Department of Finance has prepared the following condensed version of the annual operating budget.

This brief version of the 2012 City Budget summarizes the essential elements of the City's most important operating policy. It is my hope that the *Budget Summary* will provide each reader a quick way to locate information related to the more detailed budget document.

The 2012 City Budget process began in January 2011 as each Department submitted their capital improvement requests. Only high priority and highly justified requests for capital spending are approved as part of the annual fiscal budget. The City Commission approved the 2012 City Budget in August of 2011 after four major public work sessions on the budget.

I trust you will find the *Budget Summary* easy to read as well as helpful. Please remember that the complete operating budget will be available mid-December for review at the Manhattan Public Library (located at 629 Poyntz Avenue), the City Manager's Office and the Finance Department (both located at City Hall, 1101 Poyntz Avenue), and the City of Manhattan budget website ([www.cityofmanhattan.info](http://www.cityofmanhattan.info)).

Your questions and comments are always welcome. Thank you for your interest in our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Fehr". The signature is fluid and cursive, with the first name "Ron" being the most prominent.

Ron Fehr,  
City Manager

# City of Manhattan, Kansas

## Elected Officials

Mayor	James Sherow
City Commissioner	Loren Pepperd
City Commissioner	John Matta
City Commissioner	Wynn Butler
City Commissioner	Rich Jankovich

## Appointed Officials

City Manager	Ron Fehr
Assistant City Manager	Jason Hilgers
Assistant City Manager	Lauren Palmer
City Clerk/Communications Manager	Gary Fees
City Attorney	William Frost
Airport Director	Peter Van Kuren
Director of Community Development	Karen Davis
Director of Finance	Bernie Hayen
Director of Fire Services	Jerry Snyder
Director of Human Resources	Cathy Harmes
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.

## 2012 Budget Summary

General Fund	\$24,348,374
Special Revenue Funds	40,491,909
Bond & Interest Fund	20,345,757
Enterprise Funds	<u>28,067,130</u>
<b>TOTAL BUDGET</b>	<b>\$113,253,170</b>

# Adopted 2012 City Budget Mill Levy Summary

	2011		2012	
	Taxes	Mill Rate	Taxes	Mill Rate
General Fund	\$1,174,944	2.692	\$1,097,977	2.445
City	628,250	1.439	688,390	1.533
Employee Benefits				
Fire Equipment Reserve	50,000	0.115	50,000	0.111
KS Police & Fire Pension (KP&F)	75,000	0.172	75,000	0.167
Library	1,822,610	4.175	1,903,386	4.238
Library Employee Benefits	399,776	0.916	400,286	0.891
Riley County Health Dept.	266,957	0.612	0	0
RCPD	11,479,371	26.299	12,287,858	27.363
Bond & Interest	2,399,386	5.497	2,429,181	5.409
<b>TOTAL</b>	<b>\$18,296,294</b>	<b>41.917</b>	<b>\$18,932,078</b>	<b>42.156</b>

*The RCPD Mill levy rate includes a delinquency rate estimate of 2% for 2011 and 2012.*

The 2012 mill levy was calculated on an actual City valuation of \$449,077,033, which is \$12,574,785 or 2.9% more than the valuation for the 2011 budget year.

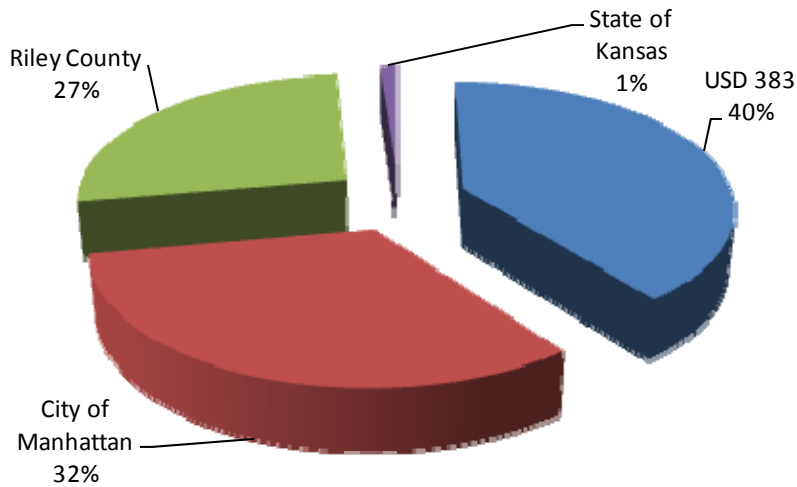
A mill levy is the tax rate property owners pay on the assessed valuation of their property. One "mill" is equal to \$1 of property taxes for every \$1,000 in assessed valuation.

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



### Based on Home value of \$238,309

	Tax Dollars	Mills
<b>USD 383</b>	\$1,415.11	51.637
<b>City of Manhattan</b>	\$1,155.29	42.156
<b>Riley County</b>	\$953.20	34.782
<b>State of Kansas</b>	\$41.11	1.500
<b>TOTAL</b>	<b>\$3,564.71</b>	<b>130.075</b>

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 \$238,309 market value will have an assessed value of \$27,405. The property taxes on a typical property for fiscal 2012 is shown on the following page.

# Tax Computation for a Typical Homeowner in Manhattan

The tax computations below reflect a property valued at \$229,071 in 2010 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.

	2010	2011	2012
Increase in Valuation:	0.4%	1.1%	2.9%
Home Value:	229,071	231,591	238,309
Residential Appraisal Rate (set by State law):	11.5%	11.5%	11.5%
Tax Value:	26,343	26,633	27,405

	2010 Budget		2011 Budget		2012 Budget	
	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid	Mill Levy Rate	Taxes Paid
	37.289		41.917		42.156	
General Fund	2.721	\$72	2.692	\$72	2.445	\$65
Library	4.247	\$112	4.175	\$111	4.238	\$113
Library EBF	0.932	\$25	0.916	\$24	0.891	\$24
Fire Equip. Reserve	0.116	\$3	0.115	\$3	0.111	\$3
Bond & Interest	2.096	\$55	5.497	\$146	5.409	\$144
Employee Benefit Fund	0.737	\$19	1.439	\$38	1.533	\$41
KP&F	0.347	\$9	0.172	\$5	0.167	\$4
Industrial Promotion	0	\$0	0	\$0	0	\$0
RCPD	25.562	\$673	26.299	\$700	27.363	\$729
Riley County Health	0.531	\$14	0.612	\$16	0	\$0
<b>Total City Tax Bill</b>		<b>\$982</b>		<b>\$1,116</b>		<b>\$1,123</b>

Mill levy rates include a delinquency rate estimate of 2% for RCPD.

## 2012 Revenues By Category

Budgeted 2012 revenues are \$113,253,170. 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.

### 2012 Beginning Cash Balances

General Fund	\$2,300,000
City/University	105,632
Aggieville Business Improvement District (BID)	0
Downtown Business Improvement District (BID)	0
Economic Development	2,150,000
Employee Benefit	0
Fire Equipment Reserve	328,000
Fire Pension KP&F	96,100
General Improvement	12,717
Industrial Promotion	145,000
Library (& Library Employee Benefits)	0
Park Development	0
Sales Tax	0
Special Alcohol	160,000
Special Parks & Recreation	575,000
Special Street & Highway	535,270
Special Sunset Zoo	45,000
Tourism & Convention	169,500
Riley Co. Health Department	0
Riley Co. Police Department	0
Capital Improvement Reserve	2,600,000
Tax Increment Financing-Downtown	0
Federal Entitlement	0
Bond & Interest	1,540,087
Water Fund	4,500,000
Wastewater Fund	4,100,000
Stormwater Fund	1,350,000
<b>TOTAL</b>	<b>\$20,712,306</b>

Unspent funds from prior years are always included as budgeted revenue in accordance with Kansas statutes. These unspent funds provide for lower property tax levies, ensure proper cash flows, act as a buffer for unplanned emergencies, and allows the City to pay for budgeted expenditures.

### General Fund Taxes & Assessments

Ad Valorem Property Tax	\$1,097,977
Special Assessments	10,000
Delinquent Tax	15,000
Motor Vehicle Tax	123,038
Housing PILOT Tax	25,000
City Sales Tax	4,643,000
County Sales Tax	2,598,040
City/County Compensating Use Tax	521,000
Special Liquor Tax	400,000
Gas/Electric Franchise Fee	2,271,699
Telecommunications Franchise Fee	125,472
Cable Franchise Fee	622,810
<b>TOTAL</b>	<b>\$12,453,036</b>

### General Fund Other Revenue Sources

Business Licenses & Permits	\$105,000
Non-Business Licenses & Permits	507,550
From Other Agencies	76,000
Services & Sales	2,176,700
Municipal Court Fines	1,464,019
Investment Income	50,000
Use of Money & Property	366,300
Contributions & Transfers	4,849,769
<b>TOTAL</b>	<b>\$9,595,338</b>

### General Fund Grand Total

Beginning Cash Balance	\$2,300,000
Taxes & Assessments	12,453,036
Other Revenue Sources	9,595,338
<b>TOTAL</b>	<b>\$24,348,374</b>

**Special Revenue Funds  
Taxes & Assessments**

Ad Valorem Property Tax	\$15,797,021
State and Local Taxes	9,513,400
Motor Vehicle Tax	1,233,454
Delinquent Tax	167,500
Benefit District Assessments	122,000
<b>TOTAL</b>	<b>\$26,833,375</b>

**Special Revenue Funds  
Other Revenue Sources**

Gasoline Tax Refund	\$1,524,180
Transfers	1,828,966
Franchise Revenue	430,119
Transient Guest Tax	1,096,731
Special Liquor Tax	800,000
Services & Sales	320,000
Donations	31,000
Investment Income	22,873
State Highway Maintenance	31,000
Miscellaneous	651,446
<b>TOTAL</b>	<b>\$6,736,315</b>

**Special Revenue Funds Grand Total**

Taxes & Assessments	\$26,833,375
Other Revenue Sources	6,736,315
Cash Balances	6,922,219
<b>TOTAL</b>	<b>\$40,491,909</b>

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

Special Assessments	\$6,220,446
Ad Valorem Property Tax	2,429,181
Transfers	3,183,992
STAR & TIF Bond Revenue	5,166,717
Sales Tax	1,401,093
Motor Vehicle Tax	204,741
Contributions & Other Misc	100,000
Delinquent Tax	25,000
Donations	74,500
Cash Balance	1,540,087
<b>TOTAL</b>	<b>\$20,345,757</b>

### **Enterprise Funds Revenue Sources**

Water Income	\$7,475,490
Wastewater Income	8,420,287
Stormwater Income	1,390,000
Tap/Meter Services	570,000
Tower Communication Rent	148,000
Farm Income	25,000
Contributions & Transfers	88,353
Cash Balances	9,950,000
<b>TOTAL</b>	<b>\$28,067,130</b>

### **Grand Total 2011 Budgeted Revenues**

General Fund	\$24,348,374
Special Revenue Funds	40,491,909
Bond & Interest Fund	20,345,757
Enterprise Funds	28,067,130
<b>TOTAL REVENUES</b>	<b>\$113,253,170</b>

# **2012 Explanation of Expenditures By Fund**

## **Overall Budget**

The adopted 2012 budget for the City of Manhattan contains expenditures of \$113,253,170. 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 Business Improvement Dist. *	District Fees
Downtown Business Improvement Dist. *	District Fees
Economic Development	Sales Taxes
City Employee Benefits	Sales Taxes
Fire Equipment Reserve	Sales Taxes
Kansas Police & Fire Retirement	Sales Taxes
General Improvement	Sales Taxes
Industrial Promotion	Carry Forward Funds
Library *	Property 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 Police Dept. *	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 44% of all principal and interest payments are derived from special assessments. Other sources of revenue included in this fund are motor vehicle taxes, delinquent property taxes, sales taxes, and transfers from other funds.

### **Enterprise Funds**

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

# 2012 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.

## **Public Safety**

The Department of Fire Services protects life and property. This department is divided into five divisions: Administration, Operations, Technical Services, Building Maintenance, and Rental Inspections.

The Operations Division oversees fire suppression, first responder services, rescue, hazardous materials responses, education and training. The Division also serves as a search and rescue team and hazardous materials response team for the State of Kansas.

The Technical Services Division provides the following services: building permits, 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 City’s Rental Inspection Program was also repealed in 2011.

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 five minutes 85% of the time.

## **Airport**

Manhattan Regional Airport (MHK) provides Commercial and General Aviation services for the Flint Hills Region. American Airlines operates daily non-stop regional jet service from MHK to the Dallas-Fort Worth (DFW) and Chicago O'Hare (ORD) International Airports. General Aviation services at MHK include air charter, air cargo, flight instruction, air photo, major aircraft maintenance, aircraft refueling, tie-down, and aircraft storage. A Federally-contracted Air Traffic Control Tower safely separates over 20,000 aircraft operations each year. These operations include light airplanes, military training aircraft, military transport, and commercial jet airliners.

## **Public Works**

This Department is responsible for maintaining and upgrading Manhattan's public infrastructure such as: streets, traffic control, stormwater drainage, water treatment, wastewater treatment, and providing City-related engineering services.

Public Works is responsible for coordinating the pavement management system, initiating maintenance projects on 205 centerline miles of streets, providing vehicle maintenance for City vehicles and maintenance of pavement markings. The Engineering Division is responsible for surveying, drafting, GIS mapping, and designing/inspecting public construction projects.

The Utilities Division provides both quality drinking water and sanitary sewer service to all City residents. The Division maintains and operates 16 water supply wells, a 20 million gallon per day water softening treatment plant, 6 water storage tanks, 230 miles of water lines, 4 booster pumping stations, 2 pressure reducing stations, and over 1,500 fire hydrants.

The Utilities Division also operates and maintains an 8.7 million gallon per day activated sludge wastewater treatment plant, 235 miles of sanitary sewer piping, 16 sewer lift stations, 13 pumps, and 535 acres used for land application of biosolids.

Today, there are nearly 15,000 utility customers in the City of Manhattan.

## **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.

## **Parks and Recreation**

The Department focuses on establishing, preserving, and managing public parks, greenways and recreational facilities. The goal is to create opportunities that benefit and enhance the quality of life in the community. The Parks Department also oversees the operation of both Sunrise and Sunset cemeteries and provides maintenance and emergency response for all public trees within the City.

The Parks Division manages 28 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, Blue Earth Plaza; 32 sports fields; 3 swimming pools; numerous playgrounds; public buildings and landscaped areas.

The Recreation Division maintains 5 community centers: City Auditorium, Community House, Wefald Pavilion and GTM Family Center, Douglass Community Center, and the Manhattan Train Depot. The Division offers a wide variety of programming such as arts and crafts, aerobics, theater classes, sports, special events and parties. Manhattan Christian College, USD 383, and many various local organizations also use these programs and facilities.

The Zoo Division maintains 26 acres of land and over 350 animals representing 5 continents. The zoo offers educational programs and a myriad of volunteer opportunities. Sunset Zoo is one of 225 Association of Zoos and Aquariums (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, including the dangerous dog ordinances, sheltering unwanted companion animals, providing public education, and promoting humane treatment and responsible pet ownership.

### **Economic Development and Industrial Promotion**

In 2002, voters of Riley County passed a new County half-cent sales tax for Roads and Jobs to replace the half-cent sales tax which was being collected to pay off the Law Enforcement Center bonds. In 2011, it is estimated that about \$2.4 million will be collected by the City for economic development activities. This tax is set to expire in 2012, but will be put to a vote to be renewed for another ten years.

Funds from the current economic development sales tax are being directed toward several different industry sectors. The biggest investment has been the City's \$5 million contribution toward the National Bio and Agro-Defense Facility (NBAF). Economic development funds have also been earmarked to help finance a portion of the new conference center within the South End Redevelopment District.

### **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 and Educational**

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, 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 2012, the City will provide the Manhattan Center for the Arts with \$46,000 towards their cultural programming.

## 2012 Budgeted Expenditures By Fund

<b>GENERAL FUND</b>	<b>2011 Budget</b>	<b>2012 Budget</b>
General Government	\$665,560	\$679,670
Finance, Information Services, & Customer Service	1,054,450	1,057,050
Airport	646,930	726,163
Community Development	581,700	611,660
Human Resources	422,650	397,490
<b><i>Public Works</i></b>		
Administration	\$210,590	\$245,590
Street	1,755,572	1,750,473
Engineering	803,380	809,595
Traffic Control	471,295	453,920
<b><i>Parks &amp; Recreation</i></b>		
Administration	\$180,425	\$164,450
Douglass Center	206,090	209,590
Parks	2,018,373	2,102,403
Swimming Pools	408,840	487,330
Sunset Zoo	858,235	901,980
Recreation	1,329,520	1,362,000
Discovery Center	239,066	790,740
Animal Shelter	520,535	522,775

<b>GENERAL FUND (cont.)</b>	<b>2011 Budget</b>	<b>2012 Budget</b>
<b><i>Fire Services</i></b>		
Administration	\$228,900	\$237,750
Operations	3,910,000	4,210,800
Technical Services	707,380	708,000
Rental Inspections	177,656	-
Building Maintenance	404,190	381,517
<b><i>Legal Department</i></b>		
Administration	\$271,400	\$392,075
Municipal Court	567,030	575,440
General Services	\$3,811,350	\$3,944,182
Outside Services	802,195	625,731
<b>TOTAL GENERAL FUND</b>	<b>\$23,253,312</b>	<b>\$24,348,374</b>

Included within these departmental budgets is \$169,041 in Capital Improvement Program (CIP) spending. See pages 26 through 33 for a detailed overview of the City of Manhattan's CIP)

### **Manhattan Public Library**

The Manhattan Public Library provides adults, teens, and children resources including a collection of books, digital materials, data bases, high speed Internet computers, programs and services. The library is primarily funded by a property tax levy from the City of Manhattan. By Charter Ordinance, there is a six-mill limit for the library fund.

### **Social Services**

In 2012, the City Commission allocated almost one mill, or \$373,600 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	\$37,000
Boys & Girls Club	28,800
Crisis Center	48,800
Homecare & Hospice	47,000
Kansas Legal Services	25,000
KSU Child Development Center	40,800
Manhattan Emergency Shelter	72,000
Shepherd's Crossing	44,000
Sunflower CASA Project, Inc.	27,200
UFM Community Learning Center	3,000
<b>TOTAL</b>	<b>\$373,600</b>

### **Special Alcohol Funds**

The City of Manhattan receives Special Alcohol Funds from the State of Kansas which 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. Equal shares are distributed to the General Fund, Special Alcohol Program, and Special Parks and Recreation Funds.

The Special Alcohol Program Fund deals with the education, prevention, treatment, and intervention of alcohol and drug abuse. The City contracts with various agencies to perform statutory services.

The Special Parks and Recreation fund is limited to the purchase, establishment, maintenance, or expansion of park and recreation services, programs, and facilities.

### **Other**

Other City program support includes: \$5,000 for the Crime Stoppers Program, \$5,000 towards the maintenance of the Wolf House Museum, \$46,000 to the Manhattan Arts Center, and \$54,882 to fund the Flint Hills Area Transportation Agency.

Also included in the 2012 budget is \$677,000 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 a portion of City sales tax and franchise fees generated and received in the General Fund. This program was started by mutual campus agreement and City Ordinance as a result of the annexation of KSU in 1994.

### **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.

There are three major revenue sources that fund the City's Bond and Interest Fund. The first source is property tax which is annually levied to pay for the City's portion of general obligation debt. The second source is sales tax which is transferred into the fund. The third source is special assessment revenues derived from benefit district payments.

<b>SPECIAL REVENUE FUNDS</b>	<b>2011 Budget</b>	<b>2012 Budget</b>
City/University Projects	\$570,700	\$677,000
Aggieville BID	37,000	56,500
Downtown BID	62,500	65,500
Economic Development	7,222,097	5,376,096
City Employee Benefits	1,707,000	1,794,000
Fire Equipment Reserve	451,399	483,500
KP&F	597,940	628,000
General Improvement	62,716	62,717
Industrial Promotion	295,000	180,725
Library	1,999,494	2,073,910
Library Employee Benefits	440,000	439,800
Park Development	61,495	25,000
Sales Tax	4,968,468	4,961,000
Special Alcohol	603,500	560,900
Special Parks & Recreation	950,576	979,313
Special Street & Highway	1,827,716	2,103,167
Special Sunset Zoo	264,250	399,050
Tourism & Convention	1,158,143	1,266,231
Riley County Health Dept.	289,319	-
RCPD	12,321,888	13,054,500
Capital Improvement Reserve	2,770,000	2,605,000
Downtown Redevelopment TIF	2,700,000	2,700,000
Federal Entitlement	600,000	-
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>\$41,961,201</b>	<b>\$40,491,909</b>
<b>BOND &amp; INTEREST FUND</b>	<b>\$17,655,525</b>	<b>\$20,345,757</b>

**ENTERPRISE FUNDS**

<i>Water</i>	<b>2011 Budget</b>	<b>2012 Budget</b>
General & Administration	\$669,025	\$672,685
Meter Services	487,600	582,235
Supply & Treatment	2,650,259	2,884,165
Distribution	1,128,135	1,373,840
Non-operating	5,395,481	7,113,475
Utility Location	-	67,090
<b>Total Water Fund</b>	<b>\$10,330,500</b>	<b>\$12,693,490</b>
<i>Wastewater</i>		
General & Administration	\$552,113	\$532,165
Non-operating	5,526,967	8,164,698
Treatment	1,905,575	2,467,319
Maintenance	1,392,345	1,349,318
Utility Location	-	63,140
<b>Total Wastewater Fund</b>	<b>\$9,377,000</b>	<b>\$12,576,640</b>
<i>Stormwater</i>		
<b>Total Stormwater Fund</b>	<b>\$2,468,000</b>	<b>\$2,797,000</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$22,175,500</b>	<b>\$28,067,130</b>

**SUMMARY OF BUDGETED CITY EXPENDITURES**

	<b>2011</b>	<b>2012</b>	<b>Difference</b>
General Fund	\$23,253,312	\$24,348,374	\$1,095,062
Special Rev Funds	41,961,201	40,491,909	(1,469,292)
Bond & Interest Fund	17,655,525	20,345,757	2,690,232
Enterprise Funds	22,175,500	28,067,130	5,891,630
<b>TOTAL BUDGET</b>	<b>\$105,045,538</b>	<b>\$113,253,170</b>	<b>\$8,207,632</b>

## 2012 Capital Improvements By Department

### Uses by Department

	Airport	Fire	City/ University	General Govt.	Public Works
<b>General Fund</b>	52,567	77,000	-	8,000	262,000
<b>Debt Service</b>	3,882,464	692,720	-	-	100,000
<b>Fed. &amp; State Grants</b>	1,330,581	-	-	200,000	470,000
<b>Fire Equip. Res.</b>	-	674,611	-	-	-
<b>Special Street &amp; Highway General Improvement</b>	-	-	-	-	915,000
<b>Capital Improv. Reserve</b>	-	-	-	50,000	650,000
<b>Special Parks &amp; Recreation Park Development</b>	-	-	-	-	-
<b>Special Sunset Zoo</b>	-	-	-	-	-
<b>City University</b>	-	-	677,000	-	-
<b>Other Sources &amp; Trusts</b>	132,000	-	-	50,000	-
<b>Water</b>	-	-	-	1,000	-
<b>Wastewater</b>	-	-	-	1,000	-
<b>Stormwater</b>	-	-	-	-	-
<b>Total</b>	<b>\$5,397,612</b>	<b>\$1,444,331</b>	<b>\$677,000</b>	<b>\$310,000</b>	<b>\$2,447,000</b>

This summary depicts the sources and amounts of funding the City expects to utilize in carrying out the 2012 Capital Improvement Program.

## Uses by Department

	Parks & Recreation	Utilities	Other	Total
<b>General Fund</b>	-	-	-	<b>399,567</b>
<b>Debt Service</b>	-	-	-	<b>4,675,184</b>
<b>Fed. &amp; State Grants</b>	-	260,000	95,000	<b>2,355,581</b>
<b>Fire Equip. Res.</b>	-	-	-	<b>674,611</b>
<b>Special Street &amp; Highway</b>	-	-	25,000	<b>940,000</b>
<b>General Improvement</b>	-	-	-	<b>50,000</b>
<b>Capital Improv. Reserve</b>	-	-	-	<b>700,000</b>
<b>Special Parks &amp; Recreation</b>	437,000	-	-	<b>437,000</b>
<b>Park Development</b>	-	-	-	-
<b>Special Sunset Zoo</b>	-	-	-	-
<b>City University</b>	-	-	-	<b>677,000</b>
<b>Other Sources &amp; Trusts</b>	6,000	-	96,000	<b>284,000</b>
<b>Water</b>	-	1,296,124	-	<b>1,297,124</b>
<b>Wastewater</b>	-	2,593,678	-	<b>2,594,678</b>
<b>Stormwater</b>	-	4,170,000	-	<b>4,170,000</b>
<b>Total</b>	<b>\$443,000</b>	<b>\$8,319,802</b>	<b>\$216,000</b>	<b>\$19,254,745</b>

**Total Equipment: \$2,403,831**

**Total Projects: \$16,850,914**

# 2012 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

Division	Description	Funding Source	Total Cost
<b>Information Systems</b>	Upgrade/Replace Main File Server	General Fund/Utilities	\$10,000
<b>Airport</b>	New Tractor with Loader and Mower Attachments	Other Sources	85,500
<b>Airport</b>	Replace Snapper Riding Mower	Other Sources	8,500
<b>Airport</b>	New Crack Sealer Machine	Other Sources	38,000
<b>Fire</b>	Replace 1982 Breathing Air Compressor	Fire Equipment Reserve	34,611
<b>Fire</b>	New Pumper Apparatus Truck– Part of New Fire Station #5	Bond & Interest Fund	650,000
<b>Fire</b>	New Personal Protective Equipment for Fire Station #5	Bond & Interest Fund	42,720
<b>Fire</b>	Replace 1992 existing SCBA, Bottles & Masks– Phase 1	Fire Equipment Reserve	200,000
<b>Fire</b>	New Laptop computer for all fire engines	Fire Equipment Reserve	40,000
<b>Fire</b>	New pagers, radios due to Federal requirements (FCC)	Fire Equipment Reserve/ General Fund	420,000
<b>Technical Services</b>	Replace Civil Defense/ Storm Warning Siren	General Fund	23,000
<b>Technical Services</b>	Replace 2001 Chevy Impala, Unit 125, VRI 24.31	Fire Equipment Reserve	25,000
<b>Street</b>	Replace 2001 1/2 Ton Pickup, Unit 38, VRI 27.64	General Fund	17,000
<b>Street</b>	Replace 1995 Rubber Tire Loader Unit 230	General Fund	150,000
<b>Traffic</b>	Replace 2002 Chassis & Lift in Unit 18	General Fund	95,000
<b>Traffic</b>	New Traffic Signal Testing Equipment Signals and TS-2 Equipment	Special Street & Highway	40,000
<b>City Parks</b>	Replace 2000 Mower, Unit 707	Special Park & Recreation	40,000
<b>City Parks</b>	Replace 1998 Pickup Truck, Unit 80 (VRI 28.20)	Special Park & Recreation	20,000

<b>Division</b>	<b>Description</b>	<b>Funding Source</b>	<b>Total Cost</b>
<b>City Parks</b>	Replace 1996 Pickup Truck, Unit 79 (VRI 36.84)	Special Park & Recreation	\$18,000
<b>City Parks</b>	Replace 1996 Range-Wing Mower	Special Park & Recreation	55,000
<b>City Parks</b>	Replace 1979 Tractor	Special Park & Recreation	20,000
<b>City Parks</b>	Replace 1998 Pickup, Unit 78 (VRI 31.51)	Special Park & Recreation	18,000
<b>City Parks</b>	Recondition Equipment	Special Park & Recreation	55,000
<b>City Parks</b>	Replace 2001 72" Mower, Unit 888	Special Park & Recreation	40,000
<b>Sunset Zoo</b>	Replace 1989 Cooler/Freezer	Special Park & Recreation	26,000
<b>Recreation</b>	New Soccer Goals	Other Sources	6,000
<b>Wastewater</b>	Replace 1999 One Ton Pickup, Unit 55 (VRI 36.47)	Wastewater	42,500
<b>Wastewater</b>	Replace 1999 Trailer Mounted Sewer Jet Machine 537	Wastewater	53,000
<b>Wastewater</b>	Replace 1999 3/4 Ton, Unit 90 (VRI 26.48)	Wastewater	25,000
<b>Wastewater</b>	Replace 1996 Lime Slaker	Wastewater	50,000
<b>Wastewater</b>	Replace 1974 vintage Allis-Charmers Scum Pump for Clarifier 1 & 2	Wastewater	30,000
<b>Wastewater</b>	Maintenance on the John Deer 450 Biosolids Tractor	Wastewater	20,000
<b>Wastewater</b>	Snow Plow for 3/4 Ton Pickup, Unit 90 (WWTP)	Wastewater	6,000
<b>TOTAL EQUIPMENT:</b>			<b>\$2,403,831</b>

### **CIP Projects**

<b>Division</b>	<b>Description</b>	<b>Funding Source</b>	<b>Total Cost</b>
<b>Airport</b>	Install Airport Perimeter Fence– Phase 2	General Fund/Grants	\$1,051,340
<b>Airport</b>	Terminal Expansion	Bond & Interest/Grants	349,272
<b>Airport</b>	Construct T-Hangar	Bond & Interest	300,000
<b>Airport</b>	Reconfigure and expand short-term parking lot	Bond & Interest	1,565,000

(Continued on page 30)

<b>Division</b>	<b>Description</b>	<b>Fund</b>	<b>Cost</b>
<b>Airport</b>	Acquire Land to Protect TVOR Critical Area– North Area	Bond & Interest	\$800,000
<b>Airport</b>	Consolidated Rental Car Facility	Bond & Interest	1,200,000
<b>Building Maintenance</b>	Replace Carpet in the City Commission Room and Foyer	General Fund	9,000
<b>Street</b>	Additional Salt Storage Facility	Special Street & Highway	40,000
<b>Street</b>	Street Improvement Program 2012	Special Street & Highway	800,000
<b>Street</b>	Grant Matching Fund 2012	General Improvement	50,000
<b>Engineering</b>	North Manhattan Avenue Expansion– Clafin to Kimball	Bond & Interest/Grants	500,000
<b>Traffic</b>	Existing Traffic Signal Controller Upgrades	General Fund/Special Street & Highway	35,000
<b>Traffic</b>	New Traffic Maintenance Public Works Facility	Capital Improvement Reserve	650,000
<b>Traffic</b>	17th Street and Poyntz Ave.	Grants	70,000
<b>City Parks</b>	Road and Linear Park Trail Repair	Special Park & Recreation	25,000
<b>City Parks</b>	Playground Surfacing and Equipment	Special Park & Recreation	20,000
<b>City Parks</b>	Community Matching Grant for Park Projects	Special Park & Recreation	10,000
<b>Sunset Zoo</b>	Repave/Overlay Asphalt at Zoo	Special Park & Recreation	26,000
<b>Recreation</b>	Community House Improvements	Special Park & Recreation	50,000
<b>Community Development</b>	Housing Rehabilitation Program	Grants/Other Sources	250,000
<b>Legal</b>	Office Renovations for Legal Services Division	Capital Improvement Reserve	50,000
<b>City-University</b>	Campus Emergency Lighting/Bicycle Path Improvements	City-University	20,000
<b>City– University</b>	Turf and Track Replacement in Memorial Stadium	City-University	479,700
<b>City-University</b>	KSU/City Sidewalk Bicycle and Lighting Improvements	City-University	70,000
<b>City-University</b>	KSU/City Good Neighbor Program	City-University	7,300

<b>Division</b>	<b>Description</b>	<b>Funding Source</b>	<b>Total Cost</b>
<b>City-University</b>	KSU/City NISTAC Support-Building Project	City-University	\$50,000
<b>City-University</b>	Emergency Prevention Coordination and Communication	City-University	50,000
<b>Water</b>	Annual Well Rehabilitation and Maintenance 2012	Water	65,000
<b>Water</b>	Utility Distribution Auxiliary facility at old Fire Station	Water/Wastewater	175,000
<b>Water</b>	Water Storage Tank Asset Management Program	Water	99,664
<b>Water</b>	Water Main Replacement & Rehab Program 2012	Water	100,000
<b>Water</b>	Repair Roof WTP Low Service Building	Water	30,000
<b>Water</b>	Hydrant and Valve Replacement Program	Water	100,000
<b>Water</b>	Backup Generator—Stagg Hill Booster Station	Water	65,000
<b>Water</b>	Replace Roof— Water Treatment Plant	Water	100,000
<b>Water</b>	City at Large Benefit District Projects	Water	50,000
<b>Water</b>	24" Water Line, WTP to Hostetler	Water	250,000
<b>Water</b>	College Heights Road Water Line Extension	Water	60,000
<b>Water</b>	McCollum Street Water Line Replacement	Water	50,000
<b>Water</b>	Water Meter Replacement Program—2012	Water	238,960
<b>Wastewater</b>	Seth Child Relief Sewer Project	Wastewater	113,000
<b>Wastewater</b>	Central Basin Improvements	Wastewater	600,000
<b>Wastewater</b>	Ft. Riley Main Upsizing SCS-25 (Engineering & Construction)	Wastewater	686,000
<b>Wastewater</b>	Sewer Infiltration and Inflow Prevention 2012	Wastewater	400,000
<b>Wastewater</b>	Re-Coat Digester No. 3 at WWTP	Wastewater	175,000

<b>Division</b>	<b>Description</b>	<b>Funding Source</b>	<b>Total Cost</b>
<b>Wastewater</b>	Miller Ranch Lift Station Wetwell Repair	Wastewater	\$37,000
<b>Wastewater</b>	Re-Route Sewer Line– 14th street from Laramie to Fairchild	Wastewater	53,588
<b>Wastewater</b>	Replace Sewer Line– 1100 block between Fremont and Laramie	Wastewater	65,090
<b>Wastewater</b>	Rebuild pumps, motors, and blowers at WWTP and Lift Stations	Wastewater	50,000
<b>Wastewater</b>	Wastewater Sewer Line Maintenance – 2012	Wastewater	50,000
<b>Wastewater</b>	Manhole Rehab– 2012	Wastewater	50,000
<b>Stormwater</b>	Levee Riprap Repair Maintenance	Stormwater	100,000
<b>Stormwater</b>	Old Big Blue Beautification Phase III & IV	Grants/Stormwater	400,000
<b>Stormwater</b>	Stormwater Maintenance Program 2012	Stormwater	100,000
<b>Stormwater</b>	Levee Design & Construction	Stormwater	2,150,000
<b>Stormwater</b>	Watershed Analysis– City Wide Project	Stormwater	100,000
<b>Stormwater</b>	Stormwater Pumps at Critical Levee Storm Water Pipes	Stormwater	50,000
<b>Stormwater</b>	Bi-Annual Bridge Inspection	Stormwater	10,000
<b>Stormwater</b>	Automatic River Gauges	Stormwater	20,000
<b>Stormwater</b>	Harford Road System Project No. 2	Stormwater	1,400,000
<b>Stormwater</b>	Levee Restudy	Stormwater	100,000
<b>Citizen's Request</b>	Sidewalk to Northeast Park	Grants	95,000
<b>City Board &amp; Committee</b>	Historic Street Lighting	Other Sources	96,000
<b>City Board &amp; Committee</b>	Moro Bicycle Boulevard Project	Special Street & Highway	15,000
<b>City Board &amp; Committee</b>	Installment of Alternative Transportation Traffic Signs	Special Street & Highway	5,000
<b>City Board &amp; Committee</b>	Installment of Bicycle Racks in Downtown	Special Street & Highway	5,000

**TOTAL PROJECTS:**

**\$16,850,914**

**TOTAL 2012 CIP**

**\$19,254,745**

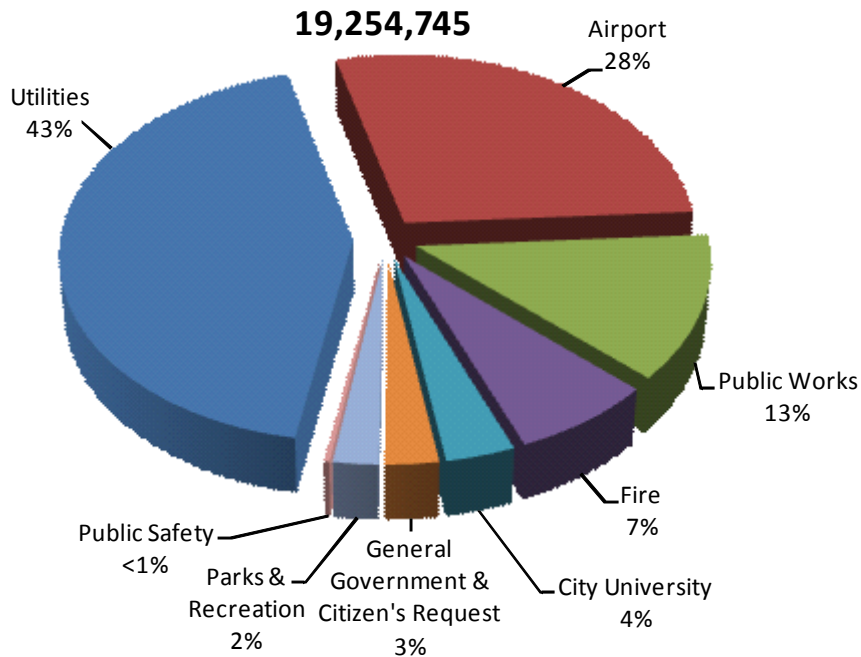
# CIP Summary

Included in the 2012 Budget is the approved 2012 CIP as it impacts the 2012 Budget. The 2012 CIP totals \$19,254,745. However, only \$6,090,213 has a financial impact on the 2012 budget. The remaining amount is funded through general obligation bonds, federal and state grants, and other sources and trusts.

## CIP Comparison

CIP	2010 Budget	2011 Budget	2012 Budget
Equipment	\$1,088,000	\$1,950,000	2,403,831
Projects	\$12,465,800	\$44,608,803	16,850,914
<b>Total Costs</b>	<b>\$13,553,800</b>	<b>\$46,558,803</b>	<b>19,254,745</b>

## 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.

### 2012 Bond and Interest Fund Revenue Sources

Special Assessments	\$6,220,446
Ad Valorem Property Tax	2,429,181
Transfers	3,183,992
STAR & TIF Bond Revenue *	5,166,717
Sales Tax	1,401,093
Motor Vehicle Tax	204,741
Contributions & Other/Misc	100,000
Delinquent Tax	25,000
Donations	74,500
Cash Balance	1,540,087
<b>TOTAL</b>	<b>\$20,345,757</b>

### 2012 Bond and Interest Fund Expenditures

Assessment Fee	\$106,662
Cash Reserves	1,000,000
General Principal	9,241,713
General Interest	4,107,453
Temporary Notes Principal	340,000
Temporary Notes Interest	27,446
State Loan Principal	222,648
State Loan Interest	133,118
STAR & TIF Bond Annual Appropriation *	5,166,717
<b>TOTAL EXPENDITURES</b>	<b>\$20,345,757</b>

*\* These are budgeted as the moral obligation of the City to the STAR and TIF bonds that were issued. These amounts do not have any negative implications to the taxpayers.*

## Total Outstanding Debt Obligations Projected As of December 31, 2011

### Outstanding Debt as of 12/31/11

G.O. Bonds, City-At-Large portion	\$38,129,251
*Special Assessment G.O. Bonds (Benefit District)	61,935,749
Temporary Notes (General Obligation)	37,825,297
Senior Lien TIF Special Obligation Rev. Bonds	21,220,000
Subordinate Lien TIF Special Obligation Rev. Bonds	4,130,000
Sales Tax Special Obligation Rev. Bonds	12,110,000
Taxable Sales Tax Special Obligation Rev. Bonds	33,145,000
Limey Pointe TDD Sales Tax Revenue Bonds	400,000
North Project TDD Sales Tax Revenue Bonds	5,580,000
Lease Purchase Obligations	1,490,187
State Dept of Health & Environment Loans	34,529,550
State Dept of Transportation - Revolving Fund Loan	3,578,444
Special Assessment Temporary Notes	3,309,703

**TOTAL OUTSTANDING DEBT** **\$257,383,181**

\*The delinquency rate on the special assessments paid by property owners in the benefit districts is 10%. Approximately 50% of G.O. debt is for special assessments.

### Actual Debt Limit Calculations as of 12/31/11

City Valuation	\$449,077,033
Motor Vehicle Valuation—1/1/10	37,420,526
Debt Limit Ratio	30%
State Imposed Debt Limit	\$145,949,268
G.O. Debt/Temp. Notes Subject to Debt Limit	87,429,021

**DEBT AUTHORITY REMAINING** **\$58,520,247**

#### Actual Lease Purchase Obligations as of December 31, 2011

Fire Truck	\$433,025
Street Sweeper	51,116
Motor Grader	43,183
Passenger Bus	25,075
Patch Machine	32,823
Dump Truck	44,396
Facilities Conservation Improvement Program	704,653
Dump Truck	46,583
Street Sweeper	109,333
<b>Total Actual Lease Purchase Obligations</b>	<b>\$1,490,187</b>

**Finance Department**  
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