

CITY OF LINDSBORG



2013 BUDGET

2013 BUDGET INTRODUCTION

The following City of Lindsborg 2013 Budget has been developed as a guide for the plan of work during the 2013 fiscal year. The fiscal year runs from January 1, 2013 through December 31, 2013. The budget is reflective of the City's Comprehensive Community Plan which was adopted in 2005 and updated in 2012.

The City of Lindsborg Comprehensive Plan, 2005 edition, is a statement of policy which works to define and plan for the type of community desired. It deals with every facet of the community and its development. The updated Comprehensive Plan of 2012 was adopted after examining the Comprehensive Plan, 2010 U.S. Census and the goals of the community. Several of the initiatives identified have been completed or are in process.

The overarching goal of the updated Comprehensive Plan of 2012 is to maintain Lindsborg as a progressive community with an outstanding quality of life. This has become exceeding difficult. The Kansas Legislature started withholding statutory revenue from the cities and counties in Kansas. This practice began in earnest in 2002. Each subsequent year as the Kansas Legislature tried to balance its budget, it kept increasing its withholdings from cities and counties. The funds withheld include Local Ad Valorem Tax Reduction, City/County Revenue Sharing, Local Alcohol Liquor Tax and Motors Fuels Tax. Additionally, in 2007 the Kansas Legislature enacted the Machinery/Equipment Exemption. This new exemption had no impact on the State of Kansas budget, but was borne entirely by cities and counties. For the City of Lindsborg this loss of revenue due to the exemption equals approximately \$92,000 per year or the equivalent of 4.58 mills of property tax.

The resultant effect of the loss of revenue from the State of Kansas was a shift in the tax burden to local property owners and a greater reliance on sales tax. This is reflected by an increase in the City of Lindsborg mill levy over the last eight years from 30.035 mills in 2003 to 37.520 mill in 2010. In April of 2010, the voters of Lindsborg approved a 1.0% sales tax for the purposes of property tax relief, economic development and infrastructure. The 2011 budget dropped the mill levy three mills from 37.520 mills in 2010 to 34.516 mills. The 2013 budget increases the mill levy to 37.516 mills. The primary driver for the increase is the community desire to enhance city recreation services through the hiring of a Recreation Director.

Not only does the budget represent the needs and desires of the community, it represents a concerted effort to do so in a fiscally responsible manner. When you compare the City of Lindsborg's mill levy* of 37.516 mills to all 128 cities of the first and second class, Lindsborg ranks as the 36th lowest. That means that there are 92 cities with a higher mill levy. The range of mill levies is from a low of 8.876 mills* to a high of 84.201 mills*.

If you look at the city property tax rate in a broader context of total mill levy* of 120.458 mills, Lindsborg ranks even better. Out of the same 128 cities, Lindsborg ranks as the 8th lowest total mill levy*. The range for total mill levies is from a low of 113.914* mills to a high of 223.733 mills*.

As you review the City of Lindsborg 2013 Budget you will see that it is a budget that is broad in scope, encompassing the ideals of excellence, and provides the community desired services in a fiscally responsible manner.

*Source: [2012 Kansas Tax Rate Book](#), "2011 Taxes Levied for 2012," The League of Kansas Municipalities.





REVENUE SUMMARY
EXPENDITURE SUMMARY

BUDGET OVERVIEW

This summary provides a brief overview of the revenue and expenditures for the 2013 budget.

Revenue Summary:

The property tax revenue for the **General Fund** will increase from \$461,915 in 2012 to \$515,934 in 2013. This is less than the 2010 assessment of \$517,700. There are two primary factors driving this increase in property tax revenue. The first is a reduction in the funds carryover amount from 2012. This is projected to be \$856,380 less than it was in 2012. This reduction in funds carryover is due to the spending of reserves to maintain city services. Interest rates on city investments are extremely low. The 10-year average annual interest income is \$240,000. In 2012, \$35,000 in interest revenue was received. In 2013, only \$30,000 of income is expected to be generated by the investments. Additionally, a 1.0% sales tax was passed by the electorate to replace the sunset of a ½% tax that expired on June 30, 2010. The 1.0% sales tax was passed for three purposes: property tax relief, economic development and infrastructure. The property tax relief proposed during the sales tax process was a 3.0 mill levy reduction. The 2011 and 2012 budgets both reflected that reduction. The adopted budget reflects an increase in the total mill levy from 34.517 mills to 37.517 mills. The increase is due largely due to the decision, in response to community direction, to hire a new director dedicated to recreation in Lindsborg.

The funding of the General Fund continues to be a challenge. The State of Kansas has eliminated the Local Ad Valorem Tax Reduction (LAVTR) funds and the City County Revenue Sharing (CCRS) funds that used to be transferred to the City. Furthermore, the 2006 Kansas Legislature adopted legislation that eliminates the property tax on commercial and industrial personal property. For 2013, this equates to an estimated loss in assessed valuation of \$564,000. The cumulative impact is a loss of funding of approximately \$146,000 (6.89 mills) per year. The last factor is a decline in the city's unencumbered cash position. Unfortunately, the City's growth in housing and assessed valuation has remained flat. The assessed valuation has increased from **\$20,625,102 in 2012** to **\$21,194,476 in 2013**. Therefore, each mill yields \$21,194.47 in revenue. The 2013 valuation yields just \$569 per mill more than the 2012 valuation. But the overriding goal in the development of the 2013 budget is to implement a budget of constraint as the demand for services increase and the revenue from traditional sources remains flat, decreases or is eliminated.

In 1999 the Kansas Legislature let the tax levy lid requirements expire. In place of the tax levy limit, statute requires cities to adopt an ordinance to use property tax revenues in excess of the revenues utilized in the prior budget year. This requirement does not include property tax revenues for bond and interest. The City's ability to manage resources in spite of the community's flat assessed valuation has allowed the mill levy to remain relatively steady over the last ten years. But due

to continued increased demand for services, increased fuel costs, declining investment income and flat sales tax revenue, the mill levy increased in 2008. Due to increased costs being experienced by the City of Lindsborg and the addition of a Recreation Director, the mill levy will increase for 2013. The current economic conditions and the slow economic recovery, which are predicted to carry into 2013, are felt by the property owners of the community. The desire of City Council is to be responsive to economic conditions impacting the property owners in Lindsborg.

The **Industrial Development Fund** will decrease by \$4,000 for 2013. Two important initiatives of the Community Development Department are the Sundstrom Conference Center and the Business Startup Incentive Program. This department also handles all the planning and zoning responsibilities for the city. The development of the business and residential community remains a goal for this fund and the Community Development Department.

The **Library Fund** revenues for 2013 are budgeted to be \$51,316. This holds the mill levy flat but provides a modest increase in revenue. The modest increase in total revenue enables the library to continue to receive funding from the State Library System.

The **Recreation Fund** in 2013 will have a 126% increase in the amount of property tax revenues from 2012. This is due to the tax support for the golf course and the addition of a Recreation Director. The primary source of revenue is in activity fees at the golf course. As improvements have been made, the level of rounds played has not increased to cover the operations and maintenance expenses of the course. Like the golf course, activity fees remain a significant source of revenue for activities.

The City of Lindsborg Recreation Department not only serves the residents of the community of Lindsborg, but the department also supplies service for the entire Smoky Valley school district which does not provide tax support to the Recreation Department. Historically, efforts have been made to limit activity fee increases. But as demands grew with a limited tax support area, the activity fee increase was the fairest revenue enhancement for the entire population it serves. An agreement was entered into for the offering and enhancement of recreation programs through public-private partnerships (P3). The goal of quality programs was not met through this partnership. Therefore, due to demands of the community, a Recreation Director has been hired to manage the recreation programming and the partnership agreement has been dissolved.

Several years ago, many of the recreational activities that were available to the community were administered and funded by other organizations. Today, the Recreation Department is operating a majority of these programs and the money that supported them is channeled through this fund. This places increased scrutiny on the programs being offered and the level of participation in those programs. Community organizations no longer administer these programs and the level of

financial support from the organizations has stopped. The acquisition of the Lindsborg Golf Course is representative of the trend that has occurred. In addition, other organizations seek funding for their activities through the Recreation Department. Recreation adds to the quality of life in Lindsborg. But all of these factors are creating the need to pursue new and innovative ways to offer programming.

The **Bond and Interest Fund** shows a decrease of \$23,637 in the amount of property tax required to support the City's bond obligations. This is caused by an increase in funds carryover from 2012. The outstanding debt is a refunding and improvements bond issue. The refunding was to refinance the hospital building debt. The improvements were the City Hall renovation project, East Lincoln Street reconstruction and the East Swensson/Bethany Drive reconstruction. The electorate of Lindsborg approved a 1.0% sales tax for the purposes of property tax relief; economic development and infrastructure that took effect July 1, 2010. \$60,000 of the revenue from this sales tax will be used to continue to service the debt on the bond for the acquisition of the Lindsborg Community Hospital building. \$80,000 of sales tax revenue is being budgeted to service the interest on the temporary notes for the renovation of the Sundstrom Conference Center.

The **Ambulance Fund** revenues will decrease slightly from \$1,701,845 in 2012 to \$169,724 in 2013. The budgeted decrease is due to the unpredictability of memorials or donations. The fund is primarily supported by the money that is collected from calls for service and an appropriation that is received from McPherson County. In 2013, the appropriation from McPherson County will be \$79,724. In 2002, the allocation received from McPherson County was \$87,854. The demand for EMS services remains high. The EMS currently averages 1.34 runs per day. Funding will be used for recruitment and training of additional volunteers plus offset the increasing operation and equipment costs. As the demand for services continues to grow and the daytime availability of volunteers diminishes, the EMS will experience pressure to go to paid daytime staffing. To encourage EMS volunteers to take more "on-call" time, a service honorarium program was established in 2007. Another alternative to remain a high quality service provider is to examine the potential for a county wide emergency medical service.

The **Tourism Promotion Fund** is budgeted for \$25,000 in revenue in 2013. This fund has been significantly impacted by the economic recession. Particularly impacted was leisure travel. This is the same amount as budgeted in 2012 but is a \$7,500 increase over 2011. An additional 2% transient guest tax was implemented in the fourth quarter of 2011. The total guest tax rate in 2012 was 6%. In 2013, there will be a greater emphasis placed upon business/meeting travel. The tourism promotion revenue is generated from the transient guest tax that lodging establishments collect on the rooms rented. In 2007, a Convention and Visitors Bureau was established as a City department. The revenue in this fund will be used for promotional purposes and not budgeted for personnel expenditures.

The **Special Streets Fund** is expected to experience a modest increase to \$90,000 over last year. The source of this revenue is the City of Lindsborg's allocation of the Kansas Gas Tax. In 2009, the Kansas Legislature reallocated the gas tax revenue to balance the State budget. The reallocation is not budgeted in the State's budget for 2013. But as the State of Kansas continues to receive less than budgeted revenues, there will be pressure to reallocate the gas tax dollars to the State's budget and not pass through the revenue to cities and counties. This fund is used to pay for capital projects and for the maintenance of the City's transportation system.

The **Special Parks Fund** is supported by the local alcohol liquor tax and is used to pay for capital projects. It is budgeted that the revenues in 2013 will be 7.1% lower than in 2012. These revenues, like the gas tax revenues, are subject to reallocation by the Kansas Legislature to balance the State of Kansas budget. The majority of the revenues in this fund are utilized to pay for capital projects in the parks.

The **Sewer Fund** revenues are expected to remain the same in 2013. Additional revenue was generated in 2011 due to the implementation of a rate increase to service the debt on the wastewater treatment plant upgrade. The upgrade was mandated by the Environmental Protection Agency (EPA) and the Kansas Department of Health & Environment (KDHE). A \$5.3 million expansion of the wastewater treatment plant commenced in the fourth quarter of 2009 and was completed May of 2011. The State and Tribal Assistance Grant (STAG) funds (\$500,000), the American Recovery & Reinvestment Act grant funds (\$1,400,000), sewer reserve funds (\$500,000) and the Clean Water Revolving Loan Fund (\$3,400,000) revenue to finance the project was accounted for in the Capital Improvement Project Fund for the upgrade. The City continues to set aside funds each year to help pay for major improvements to the sewer system.

The **Water Fund** revenues are expected to remain the same in 2013. Total water sales are dependent on the weather and the number of irrigation wells in the community. The increase in the number of irrigation wells has decreased the need for city supplied water to irrigate lawns and gardens. The last time rates were increased was in 1996. They were increased at that time to generate additional revenues to fund the new water system project. A depreciation fund has been established to pay for major improvements to the water distribution system and for a future water treatment facility which will be required when the City of Lindsborg must blend the two water supplies to meet the needs of the community. Due to increasing costs and flat revenue, rates will need to be examined for the 2014 budget year.

The **Refuse Collection Fund** revenues are budgeted to increase by \$5,000 in 2013. In 2008, a rate increase from \$10.50 to \$12.50 per month was implemented. The last increase was in 2004. Since 2004 costs have increased by 14.33%. The cost of trash pick up service continues to increase an average of 3% per year. Rates will remain static through 2013 for users with one polycart. Rates for users with multiple polycarts increased in 2012 and step increases are scheduled for the subsequent years of 2013, 2014 and 2015. In 2004, a depreciation reserve fund was established to enhance recycling facilities and services. A new recycling facility was constructed in 2009 with the funds in the depreciation reserve fund.

The sales revenues in the **Electric Fund** are projected to increase by 9.4% in 2013. Over the last eight years there has been a restructuring of the electric industry. This has increased the cost of wholesale energy as rates were unbundled and transmission services are now regulated by the Southwest Power Pool. This forecasted increase in revenue is also due to the implementation of a new wholesale power supply contract in June of 2010. The proposed terms of the contract necessitated an increase in rates charged to customers of the city's electric utility. A 3 phase study was commissioned in the second half of 2010 to look at the revenue requirements, cost of service to different customer classes and a new rate design. The results of the study identified rates that would more accurately reflect the cost structure of the new contract. The new rates were implemented with those bills that were due on September 10, 2011 and increased again with the bills due April 10, 2012. On the national landscape, the electric industry is changing from a cost-based industry to a market based industry. The shift in the industry has created a greater volatility in purchased power that necessitated the implementation of an energy cost adjustment in October of 2007. An energy cost adjustment is the incremental difference between the contract price of energy and the actual cost of energy based upon the type of generation: coal, nuclear, natural gas, hydroelectric or wind. Under the new electric rate, the energy cost adjustment will be forward looking to minimize the volatility to the utility's customers. A depreciation reserve fund has been established to pay for major improvements to the electric system.

EXPENDITURES SUMMARY:

GENERAL GOVERNMENT FUND:

The tax levy limit imposed by the state government was allowed to expire in 2000. Growth in the City's assessed valuation has stagnated. This stagnation in assessed valuations combined with increased demands for city services and increased fuel expenses, plus the loss of the Local Ad Valorem Tax Reduction (LAVTR) and City/County Revenue Sharing (CCRS) from the State of Kansas continues to shift the tax burden to the property owners within the community. Lastly, the 2006 Kansas Legislature adopted a machinery and equipment property tax exemption, which cost the city \$550,000 in assessed valuation for 2009 and continues to impact the 2013 budget.

The budget reflects an increased mill levy for the 2013 budget, 37.517 mills. The 3 mill increase is due largely to the separation of the Parks and Recreation Department into two departments. This necessitates the creation of a Recreation Director position to manage and operate that department. There still remains a strong commitment to maintain a prudent mill levy while meeting the goals of the city and the demands of the citizens. The hiring of a dedicated Recreation Director illustrates the desire to meet the demands. In spite of the increased mill levy, Lindsborg's mill levy continues to be in the bottom 25% of cities of the first and second class in the State of Kansas. In fact, of the 128 cities of the first and second class, the City of Lindsborg's mill levy ranks as the 38th lowest. To maintain a responsible mill levy, a 2008 budgeted position was not hired. It was scheduled to be revisited in 2010 and has been postponed indefinitely. For 2013, the mill levy will be 37.517 mills.

The 5-year Capital Improvement Plan shows the following purchases scheduled for Administration in 2013:

| | |
|----------------------------|--------|
| Business Startup Incentive | 10,000 |
| Community Survey | 12,000 |
| Artwork Purchases | 1,500 |
| Office Equipment | 6,000 |
| Online Bill Payment System | 10,000 |

STREETS DEPARTMENT:

The budget for this department is increasing from \$273,000 in 2012 to \$301,000 in 2013. The increase in budget was necessitated for the refurbishing of the 1991 5-cubic yard dump truck. This is being done in lieu of replacing the truck. The Streets Fund coupled with the Special Streets Fund focus on existing street maintenance and repair. The following purchases are planned for next year:

| | |
|---|--------|
| Refurbish 1991 5 Yard ³ Dump Truck | 30,000 |
| Sign Change-out Program | 2,500 |

SPECIAL STREETS FUND:

This fund is financed by the Motor Vehicle Fuel Tax that is collected from the State of Kansas. The fund can only be used for street improvements and cannot be used for personnel costs. The Special Streets Fund coupled with the Streets Fund will place a renewed emphasis on existing street maintenance and repair. The following projects are planned for 2012:

| | |
|--|---------|
| Mill & Overlay 100 – 500 E McPherson St. | 250,000 |
| Storm Drain Maintenance | 2,500 |

POLICE DEPARTMENT:

The Police Department budget will increase a modest \$2,000 in 2013. The two patrol vehicles are budgeted with a four year lifecycle with one of the two vehicles to be replaced every other year. There is not a vehicle scheduled to be replaced in 2013. The following items are budgeted for 2013:

| | |
|------------------------|--------|
| Surveillance Equipment | 2,500 |
| Computer Hardware | 20,000 |
| Training | 2,500 |

AMBULANCE FUND:

The Ambulance Fund expenditures will remain steady in 2013. Ambulance replacement is a major capital expenditure for Emergency Medical Services. Ambulances are budgeted with a 10 year lifecycle. Therefore money is set aside each year for that major capital expenditure. The ambulance fund also owns a property adjacent to the Public Safety Center. This property is scheduled for the development of a new EMS Center. The following expenditures are planned for 2013:

| | |
|------------|---------|
| EMS Center | 115,000 |
| EMT Class | 4,000 |

FIRE DEPARTMENT:

The Fire Department budget will increase by \$8,000 compared to last year. This is due to an increase in personnel expense of \$5,000. In 2010 a fire service honorarium program was implemented that recognizes fire volunteers for

commitment to the public safety of Lindsborg and Rural Fire District Number 8. In 2005, the Lindsborg Volunteer Fire Department purchased a new pumper truck that was funded through the Equipment Reserve Fund. The following items are budgeted for the Fire Department for 2013:

| | |
|------------------|--------|
| Turnout Sets (3) | 13,000 |
| Hose | 5,000 |

PARKS DEPARTMENT:

The Parks Department budget will decrease \$141,000 in 2013. A major capital expenditure for the replacement of the restroom facility in Riverside Park was undertaken. The following expenditures are planned for 2013:

| | |
|--------------------------------|--------|
| Swensson Park Restroom Upgrade | 15,000 |
| Sports Equipment Replacement | 1,500 |

SPECIAL PARKS AND RECREATION:

The money in this fund comes from the local alcoholic liquor tax and can be used for projects, but not personnel costs. There following expenditures are planned for 2013:

| | |
|-----------------|-------|
| Bleacher Repair | 4,500 |
|-----------------|-------|

CEMETERY BOARD:

In 1996, the city increased the funding to the cemetery board to pay for increased personnel costs. That increase was from \$3,000 to \$5,000. In 2010, the City raised its contribution to \$9,000 for the cemetery. The contribution for 2013 will increase to \$10,000.

REFUSE COLLECTION FUND:

The McPherson Area Solid Waste Utility increased refuse rates to pay for the cost of assisting with the city's recycling and composting programs. The monthly rates charged to the city continue to increase annually at 3%. A rate increase was implemented in 2004 with \$8,000 per year set aside in a depreciation reserve account. The depreciation reserve account is used to enhance recycling and composting facilities, and recycling services. In 2008, a rate increase from \$10.50 per month to \$12.50 per month was implemented. This was to offset the annual cost increase from the McPherson Area Solid Waste Utility and to improve the recycling services through the construction of a new recycling center. The new recycling center was completed in 2009. In the future it is expected that increased regulations

from Federal and State Governments will cause the city to face additional increases. In 2013, there are no capital expenditures budgeted.

SWIMMING POOL:

This budget will decrease in 2013. In 2012, the pool was sandblasted and repainted. Staffing of the pool was changed in 2012 that eliminated one daily position. This saved approximately \$8,500 in personnel expenses. The attendance at the pool has leveled off as neighboring communities have constructed new aquatic parks which have impacted attendance. Although the pool does not generate enough money to cover the capital costs, the increased revenues have helped to offset a major portion of the operation. The following capital projects are planned for the pool next year.

| | |
|-----------------------|--------|
| Bathhouse Painting | 10,000 |
| ADA Pool Lift | 5,000 |
| Replace Lounge Chairs | 3,000 |

LIBRARY FUND:

The Library Fund property tax support will be flat for 2012. Because of stagnant property values the funding for the library was \$49,180 in 2011 and is \$50,297 in 2012, and will be \$51,316 in 2013. This money is collected by the City and distributed to the Library as it becomes available. The additional revenues will let the Library continue to make improvements that will allow the facility to better serve the community.

RECREATION FUND:

A significant amount of the money that is generated to support this fund comes from activity fees and concessions. Additionally, the fund will be supported by \$95,113 in property tax. In 2008, the Lindsborg Golf Club was purchased by the city. The primary use of the property tax support will be to subsidize the operations and maintenance of the golf course. There continues to be strong demand for the recreation programs by citizens of Lindsborg. During 2012, the City entered into a public-private partnership that produced savings but did not maintain or improve the quality of the programs. Therefore, a Recreation Director is being hired to manage recreation for Lindsborg and the surrounding area. A Recreation District has been examined in the past, but has not received the support of the school district to place it on the ballot for a public referendum. The city provides recreation services for constituents beyond the corporate boundaries, but programs are funded by property owners within the city and through activity fees, which results in a tax equity issue. There remains a strong desire to maintain quality programs, yet price the programs for maximum participation. There will continue to be pressure to examine all alternatives for recreation and serve a diverse population.

BOND AND INTEREST FUND:

The amount of property tax revenue needed for debt service will decrease. The overall debt service expense is increasing for 2013, but \$140,000 of sales tax revenue is budgeted to service the debt on the hospital bond and the interest on the Sundstrom Conference Center temporary notes.

TOURISM PROMOTION FUND:

In 2007, Lindsborg City Council established a Convention and Visitors Bureau. In 2000, the transient guest tax was increased from 2% to 4%. As the tourism industry grows, coupled with the increase in the transient guest tax, an increase in revenues and expenditures is expected. Unfortunately, the economy entered a recession in October of 2008. This has impacted leisure travel by over 30%. This was the primary visitor to Lindsborg and the transient guest tax revenue has also been impacted. In the second half of 2010, a concerted campaign is being made to court the business and meeting market. An increase in revenue for this fund is due to the increase of the transient guest tax from 4% to 6% during the fourth quarter of 2011. The revenues in this fund will be used for convention and tourism promotion purposes. Personnel expenses will not be covered by this fund.

| | |
|----------------------------|-------|
| Billboards | 4,650 |
| Promotional Advertisements | 8,000 |

ELECTRIC FUND:

Although this fund has been profitable in the past, the market place has changed dramatically. It has transitioned from a cost-based industry to a market-rate based industry. Power marketing, power pools and regional transmission organizations (RTO's) will create a competitive environment that will impact revenues in the years to come. The contract with Westar Energy for power expired on May 31, 2010. A new contract was entered into with Westar Energy that was effective June 1, 2010. The new contract necessitated a new rate design that encourages the efficient use of energy. The electric utility will need to continue to improve and maintain an efficient delivery system to remain competitive. In 2001, an engineering study of the city's distribution system was completed and implemented by City Council. Additionally, a demand meter program with automatic meter reading (AMR) has been established. The goal is to shorten the meter reading time from two people, 10 days a month to one person, one-half day a month. Currently, the read time has been reduced to five days for one person. The following projects are planned for 2013 to improve the efficiency, reliability and delivery of electric service to the community:

| | |
|--|--------|
| Tree Trimming, Annually | 15,000 |
| Street Light Replacement, Annually | 1,000 |
| Replace Open Secondary Circuits, Annually | 2,500 |
| Safety Test High Voltage Equipment, Annually | 2,000 |
| Add Distribution Transformers | 25,000 |
| Rate Design Study | 28,000 |
| Computer Upgrade | 2,500 |
| Replace 1995 Digger Derrick Truck | 55,000 |

WATER FUND:

A new water supply was acquired in 1996. The cost of this improvement was bonded so that reserves could be used to continue improvements to the water supply system. That bond issue was retired in 2009. An aggressive meter replacement program was started in 2007. All water meters are being switched over to radio-read water meters (AMR). The goal is to shorten the meter reading time from two people, 10 days a month to one person, one-half day a month. Currently, the read time has been reduced to five days for one person. This will allow for a reallocation of human resources, reduce reading errors and improve utility revenue cash flows. In considering the purchases for 2013, the following expenditures are planned:

| | |
|--------------------------------|--------|
| Repair Parts Inventory | 10,000 |
| Water Line Replacement Program | 25,000 |
| Well Field Tower Maintenance | 20,000 |
| Water Tower Maintenance | 2,500 |

SEWER FUND:

The Sewer Fund is responsible for the care and maintenance of the sanitary sewer system and the treatment of the wastewater generated in the city. The wastewater treatment is heavily regulated by both the Environmental Protection Agency (EPA) and the Kansas Department of Health and Environment (KDHE). A change in a regulation can create the need for a major capital expenditure. Case in point: in 2008, a study was conducted on the wastewater treatment plant. As part of the study, a mock permit was conducted with review by KDHE. To comply with EPA and KDHE regulations for permit renewal in 2009, a \$5.3 million upgrade to the wastewater treatment facility was made. That upgrade was completed in May of 2011. In 2013 the following items are scheduled for purchase:

| | |
|---------------------------------|-------|
| Repair Parts Inventory | 8,500 |
| Sewer Line Cleaning, Annually | 6,000 |
| Lift Station & Line Maintenance | 3,500 |

INDUSTRIAL DEVELOPMENT FUND:

These funds are designated for community and economic development and are utilized by the City of Lindsborg community development department for those purposes. In 2004, an Economic Development Director position was added. In 2008, the position was changed to Community Development Director. The reconstruction of the Sundstrom Conference Center and the Business Startup Incentive programs are major initiatives of the Community Development Department.





**What Is The Value
of Your Tax Dollar?**

What Is the Value of Your Tax Dollar?

Median Market Valuation of Home in Lindsborg: \$120,000

To determine assessed valuation, multiply by 11.5%:

$$120,000 \times .115 = \$13,800$$

To determine property tax liability, multiply assessed valuation by effective property tax rate:

$$\$13,800/1000 \times 120.458 = \$1,662.32$$

The city's share of the \$1,662.32 is \$477.09.

Monthly Expenses for City Services

To determine the monthly expense for city services, divide the total tax paid by 12 months:

$$\$477.09/12 = \$39.75$$

The following list represents a sampling of the General Fund services and Capital Improvements provided at \$35.75 per month:

- | | |
|-------------------------------|-----------------------------------|
| ✦ Street Chipseal Program | ✦ Tornado Sirens |
| ✦ Roadway Improvements | ✦ Safety Center Community Room |
| ✦ Economic Development Fund | ✦ Library Services |
| ✦ Housing Program | ✦ Building & Grounds Maintenance |
| ✦ Fire Protection Services | ✦ Code Enforcement |
| ✦ Street Sweeper | ✦ Floodplain Management |
| ✦ Park Improvements | ✦ Traffic Control |
| ✦ Police Protection | ✦ City Newsletter |
| ✦ Emergency Medical Services | ✦ Snow Removal |
| ✦ Parks/Playgrounds | ✦ Storm Sewer Maintenance |
| ✦ Ball Diamonds | ✦ Mosquito Control |
| ✦ Zoning Enforcements | ✦ Recreation Programs |
| ✦ Building Inspections | ✦ Picnic Shelters |
| ✦ Municipal Court | ✦ Public Restrooms |
| ✦ Convention Visitor's Bureau | ✦ Downtown Trash Service |
| ✦ Brick Street Maintenance | ✦ Recycling & Composting Services |
| ✦ Street Maintenance | ✦ Festival Assistance & Set up |
| ✦ Street Sweeping | |
| ✦ Swimming Pool | |
| ✦ Välkommen Trail | |

"Lindsborg: where you want to Be, to Play, to Live, to Stay"

For comparison purposes, the following are common monthly expenses for a Lindsborg family:

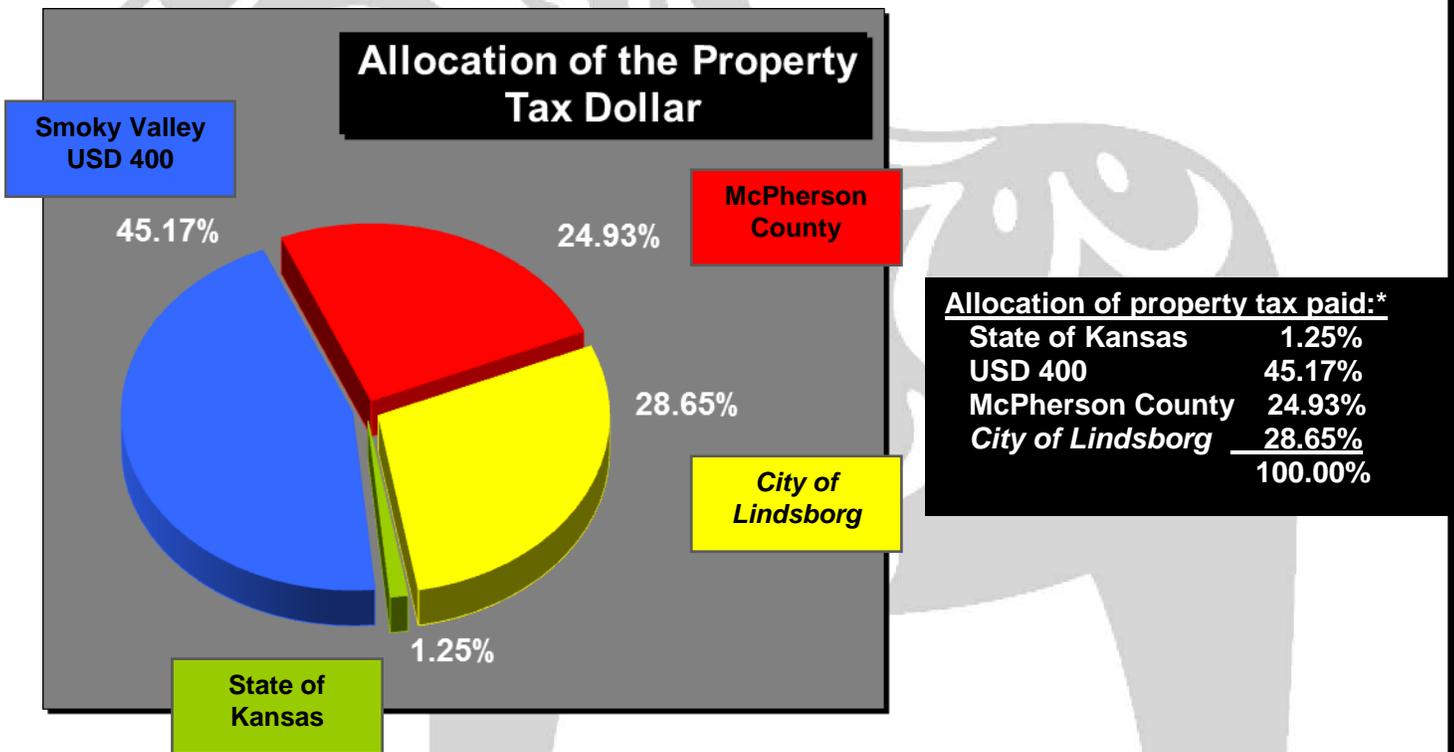
- | | |
|-----------------------------------|--------------------------------|
| ✦ Gasoline: \$156.00 | ✦ HD Digital Cable TV: \$90.35 |
| ✦ Cellular Phone Service: \$85.00 | ✦ Eating out: \$125.00 |
| ✦ Long Distance Service: \$40.00 | ✦ Car Insurance: \$100.00 |



**Where Does My
Tax Dollar Go?**

Where Does My Property Tax Dollar Go?

When you pay your property tax four different entities receive a portion of each dollar to fund public programs and services. Those four entities are the State of Kansas, Smoky Valley USD 400, McPherson County and the City of Lindsborg. The State of Kansas receives 1.25 cents of every dollar; Smoky Valley USD 400 gets 45.17 cents of every dollar; McPherson County gets 24.93 cents of every dollar; and the City of Lindsborg receives 28.65 cents.



Source: 2011 for 2012 Budget Levy and Valuation Worksheet, McPherson County Clerk, McPherson County, Ks. Levy Sheet available at www.mcphersoncountyks.us.



**STATE OF KANSAS
BUDGET DOCUMENTS**

City of Lindsborg

2013

Computation to Determine Limit for 2013

| | Amount of Levy |
|--|-----------------------|
| 1. Total Tax Levy Amount in 2012 Budget | + \$ <u>711,875</u> |
| 2. Debt Service Levy in 2012 Budget | - \$ <u>141,256</u> |
| 3. Tax Levy Excluding Debt Service | \$ <u>570,619</u> |
| 2012 Valuation Information for Valuation Adjustments: | |
| 4. New Improvements for 2012: | + <u>630,032</u> |
| 5. Increase in Personal Property for 2012: | |
| 5a. Personal Property 2012 | + <u>760,632</u> |
| 5b. Personal Property 2011 | - <u>825,815</u> |
| 5c. Increase in Personal Property (5a minus 5b) | + <u>0</u> |
| | (Use Only if > 0) |
| 6. Valuation of annexed territory for 2012: | |
| 6a. Real Estate | + <u>0</u> |
| 6b. State Assessed | + <u>0</u> |
| 6c. New Improvements | - <u>0</u> |
| 6d. Total Adjustment (Sum of 6a, 6b, and 6c) | + <u>0</u> |
| 7. Valuation of Property that has Changed in Use during 2012: | <u>37,422</u> |
| 8. Total Valuation Adjustment (Sum of 4, 5c, 6d & 7) | <u>667,454</u> |
| 9. Total Estimated Valuation July 1, 2012 | <u>21,194,476</u> |
| 10. Total Valuation less Valuation Adjustment (9 minus 8) | <u>20,527,022</u> |
| 11. Factor for Increase (8 divided by 10) | <u>0.03252</u> |
| 12. Amount of Increase (11 times 3) | + \$ <u>18,554</u> |
| 13. Maximum Tax Levy, excluding debt service, without an Ordinance (3 plus 12) | \$ <u>589,173</u> |
| 14. Debt Service Levy in this 2013 Budget | <u>117,619</u> |
| 15. Maximum levy, including debt service, without an Ordinance (13 plus 14) | <u>706,792</u> |

If the 2013 budget includes tax levies exceeding the total on line 15, you must adopt an ordinance to exceed this limit, publish the ordinance, and attach a copy of the published ordinance to this budget.

Allocation of Motor, Recreational, 16/20M Vehicle Tax

| Budgeted Funds for 2012 | Budget Tax Levy Amount for 2011 | Allocation for Year 2013 | | |
|----------------------------|------------------------------------|--------------------------|--------------|--------------|
| | | MVT | RVT | 16/20M Veh |
| General | 461,915 | 70,929 | 1,336 | 689 |
| Debt Service | 141,256 | 21,691 | 409 | 211 |
| Library | 42,650 | 6,549 | 123 | 64 |
| Industrial | 23,925 | 3,674 | 69 | 36 |
| Recreation | 42,129 | 6,469 | 122 | 63 |
| | | | | |
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| | | | | |
| | | | | |
| | | | | |
| TOTAL | 711,875 | 109,312 | 2,059 | 1,063 |

County Treas Motor Vehicle Estimate 109,312
 County Treasurers Recreational Vehicle Estimate 2,059
 County Treasurers 16/20M Vehicle Estimate 1,063

Motor Vehicle Factor 0.15356
 Recreational Vehicle Factor 0.00289
 16/20M Vehicle Factor 0.00149

STATEMENT OF INDEBTEDNESS

| Type of Debt | Date of Issue | Date of Retirement | Interest Rate % | Amount Issued | Beginning Amount Outstanding Jan 1, 2012 | Date Due | | Amount Due 2012 | | Amount Due 2013 | |
|----------------------------|---------------|--------------------|-----------------|---------------|--|------------|-----------|-----------------|----------------|-----------------|----------------|
| | | | | | | Interest | Principal | Interest | Principal | Interest | Principal |
| General Obligation: | | | | | | | | | | | |
| Refunding & Improvements | 10/15/2009 | 10/01/2029 | 3.94 | 2,740,000 | 2,330,000 | 4/1 - 10/1 | 10/1 | 86,578 | 130,000 | 83,328 | 140,000 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
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| | | | | | | | | | | | |
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| | | | | | | | | | | | |
| Total G.O. Bonds | | | | | 2,330,000 | | | 86,578 | 130,000 | 83,328 | 140,000 |
| Revenue Bonds: | | | | | | | | | | | |
| Electric Revenue | 04/01/2009 | 10/01/2024 | 4.68 | 1,310,000 | 1,170,000 | 4/1 - 10/1 | 10/1 | 52,125 | 75,000 | 49,875 | 75,000 |
| Wastewater Revolving Loan | 11/15/1995 | 03/01/2016 | 3.56 | 1,149,629 | 371,728 | 3/1 - 9-1 | 3/1 - 9/1 | 12,549 | 77,582 | 9,763 | 80,368 |
| Wastewater Revolving Loan | 04/08/2011 | 03/01/2031 | 2.83 | 3,740,107 | 3,669,939 | 3/1 -9/1 | 3/1 - 9/1 | 102,852 | 143,327 | 98,767 | 147,412 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Total Revenue Bonds | | | | | 5,211,667 | | | 167,526 | 295,909 | 158,405 | 302,780 |
| Other: | | | | | | | | | | | |
| G.O. Temporary Note (est) | 08/01/2012 | 08/01/2014 | 3.38 | 2,375,000 | 0 | 8/1 | 8/1 | 0 | 0 | 80,000 | 0 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Total Other | | | | | 0 | | | 0 | 0 | 80,000 | 0 |
| Total Indebtedness | | | | | 7,541,667 | | | 254,104 | 425,909 | 321,733 | 442,780 |

STATEMENT OF CONDITIONAL LEASE-PURCHASE AND CERTIFICATE OF PARTICIPATION*

| Item Purchased | Contract Date | Term of Contract (Months) | Interest Rate % | Total Amount Financed (Beginning Principal) | Principal Balance On Jan 1 2012 | Payments Due 2012 | Payments Due 2013 |
|-------------------|---------------|---------------------------|-----------------|---|---------------------------------|-------------------|-------------------|
| None at this time | | | | | | | |
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| | | | | | | | |
| Totals | | | | | 0 | 0 | 0 |

***If you are merely leasing/renting with no intent to purchase, do not list--such transactions are not lease-purchases.

City of Lindsborg

2013

| Adopted Budget General Fund - Detail Expenditures | Prior Year Actual for 2011 | Current Year Estimate for 2012 | Proposed Budget Year for 2013 |
|--|-------------------------------|-----------------------------------|----------------------------------|
| Expenditures: | | | |
| General Administration | | | |
| Salaries | 184,589 | 190,000 | 200,000 |
| Contractual | 166,364 | 175,000 | 180,000 |
| Commodities | 27,512 | 25,000 | 25,000 |
| Capital Outlay | 23,779 | 25,000 | 64,135 |
| | | | |
| | | | |
| Total | 402,244 | 415,000 | 469,135 |
| Police Department | | | |
| Salaries | 374,985 | 390,000 | 399,000 |
| Contractual | 27,976 | 28,000 | 27,000 |
| Commodities | 26,899 | 24,000 | 24,000 |
| Capital Outlay | 5,086 | 31,000 | 25,000 |
| Total | 434,946 | 473,000 | 475,000 |
| Street Department | | | |
| Salaries | 192,146 | 212,000 | 218,000 |
| Contractual | 16,179 | 20,000 | 18,000 |
| Commodities | 37,892 | 33,000 | 35,000 |
| Capital Outlay | 32,285 | 8,000 | 30,000 |
| Total | 278,502 | 273,000 | 301,000 |
| Parks Department | | | |
| Salaries | 114,745 | 140,000 | 130,000 |
| Contractual | 15,970 | 19,000 | 18,000 |
| Commodities | 21,126 | 19,000 | 19,000 |
| Capital Outlay | 16,050 | 145,000 | 15,000 |
| Total | 167,891 | 323,000 | 182,000 |
| Convention Visitors Bureau | | | |
| Salaries | 85,377 | 96,000 | 96,000 |
| Contractual | 11,186 | 12,000 | 10,000 |
| Commodities | 4,154 | 10,000 | 9,000 |
| Capital Outlay | 0 | 0 | 0 |
| Total | 100,717 | 118,000 | 115,000 |
| Swimming Pool | | | |
| Salaries | 58,197 | 48,750 | 50,000 |
| Contractual | 6,278 | 6,000 | 20,000 |
| Commodities | 15,333 | 15,000 | 15,000 |
| Capital Outlay | 0 | 31,750 | 5,000 |
| Total | 79,808 | 101,500 | 90,000 |
| Fire Department | | | |
| Salaries | 51,702 | 45,000 | 50,000 |
| Contractual | 9,183 | 10,000 | 10,000 |
| Commodities | 9,103 | 14,000 | 14,000 |
| Capital Outlay | 13,406 | 15,000 | 18,000 |
| Total | 83,394 | 84,000 | 92,000 |
| Appropriations | | | |
| Elmwood Cemetery | 9,000 | 9,000 | 10,000 |
| Library | 2,148 | 1,500 | 2,500 |
| Transfer To Reserve | 50,000 | 50,000 | 50,000 |
| | | | |
| Total | 61,148 | 60,500 | 62,500 |
| Page Total | 1,608,650 | 1,848,000 | 1,786,635 |

(Note: Should agree with general sub-totals.)

City of Lindsborg

2013

FUND PAGE FOR FUNDS WITH A TAX LEVY

| Adopted Budget Debt Service | Prior Year Actual for 2011 | Current Year Estimate for 2012 | Proposed Budget Year for 2013 |
|--|-------------------------------|------------------------------------|----------------------------------|
| Unencumbered Cash Balance Jan 1 | 38,595 | 3,732 | 28,578 |
| Receipts: | | | |
| Ad Valorem Tax | 116,330 | 141,256 | xxxxxxxxxxxxxxxxxxxx |
| Delinquent Tax | 3,343 | 1,500 | 1,500 |
| Motor Vehicle Tax | 18,601 | 19,492 | 21,691 |
| Recreational Vehicle Tax | 424 | 347 | 409 |
| 16/20M Vehicle Tax | 122 | 134 | 211 |
| Special Assessments | 14,835 | 0 | 0 |
| Local Sales Tax Collections | 27,450 | 60,000 | 140,000 |
| | | | |
| Interest on Idle Funds | 78 | 0 | 0 |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% Total Rec | | | |
| Total Receipts | 181,183 | 222,729 | 163,811 |
| Resources Available: | 219,778 | 226,461 | 192,389 |
| Expenditures: | | | |
| Bond Principal | 130,000 | 115,000 | 125,000 |
| Bond Interest | 86,045 | 82,858 | 159,983 |
| Commission & Postage | 1 | 25 | 25 |
| Cash Basis Reserve | 0 | 0 | 25,000 |
| | | | 0 |
| | | | |
| Neighborhood Revitalization Rebate | | | |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% of Total Exp | | | |
| Total Expenditures | 216,046 | 197,883 | 310,008 |
| Unencumbered Cash Balance Dec 31 | 3,732 | 28,578 | xxxxxxxxxxxxxxxxxxxx |
| 2011/2012 Budget Authority Amount: | 241,071 | 222,883 | xxxxxxxxxxxxxxxxxxxx |
| | | Non-Appropriated Balance | |
| | | Total Expenditure/Non-Appr Balance | 310,008 |
| | | Tax Required | 117,619 |
| | | Delinquent Comp Rate: 0.0% | 0 |
| | | Amount of 2012 Ad Valorem Tax | 117,619 |

| Adopted Budget Library | Prior Year Actual for 2011 | Current Year Estimate for 2012 | Proposed Budget Year for 2013 |
|---|-------------------------------|------------------------------------|----------------------------------|
| Unencumbered Cash Balance Jan 1 | 0 | 0 | 0 |
| Receipts: | | | |
| Ad Valorem Tax | 40,200 | 42,650 | xxxxxxxxxxxxxxxxxxxx |
| Delinquent Tax | 1,147 | 750 | 750 |
| Motor Vehicle Tax | 6,428 | 6,731 | 6,549 |
| Recreational Vehicle Tax | 122 | 120 | 123 |
| 16/20M Vehicle Tax | 42 | 46 | 64 |
| | | | |
| | | | |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% Total Rec | | | |
| Total Receipts | 47,939 | 50,297 | 7,486 |
| Resources Available: | 47,939 | 50,297 | 7,486 |
| Expenditures: | | | |
| Appropriate To Library Board | 47,939 | 50,297 | 51,316 |
| | | | |
| | | | |
| Neighborhood Revitalization Rebate | | | |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% of Total Ex | | | |
| Total Expenditures | 47,939 | 50,297 | 51,316 |
| Unencumbered Cash Balance Dec 31 | 0 | 0 | xxxxxxxxxxxxxxxxxxxx |
| 2011/2012 Budget Authority Amount: | 49,180 | 50,297 | xxxxxxxxxxxxxxxxxxxx |
| | | Non-Appropriated Balance | |
| | | Total Expenditure/Non-Appr Balance | 51,316 |
| | | Tax Required | 43,830 |
| | | Delinquent Comp Rate: 0.0% | 0 |
| | | Amount of 2012 Ad Valorem Tax | 43,830 |

City of Lindsborg

2013

FUND PAGE FOR FUNDS WITH A TAX LEVY

| Adopted Budget | Prior Year | Current Year | Proposed Budget |
|---|-----------------|------------------------------------|----------------------|
| Industrial | Actual for 2011 | Estimate for 2012 | Year for 2013 |
| Unencumbered Cash Balance Jan 1 | 13,788 | 28,048 | 14,811 |
| Receipts: | | | |
| Ad Valorem Tax | 47,003 | 23,925 | XXXXXXXXXXXXXXXXXXXX |
| Delinquent Tax | 976 | 750 | 750 |
| Motor Vehicle Tax | 4,111 | 7,870 | 3,674 |
| Recreational Vehicle Tax | 79 | 140 | 69 |
| 16/20M Vehicle Tax | 39 | 54 | 36 |
| County Economic Development | 6,069 | 7,024 | 7,024 |
| Transfer From Electric Fund | 10,000 | 10,000 | 10,000 |
| | | | |
| | | | |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% Total Rec | | | |
| Total Receipts | 68,277 | 49,763 | 21,553 |
| Resources Available: | 82,065 | 77,811 | 36,364 |
| Expenditures: | | | |
| Personnel | 27,675 | 30,000 | 21,000 |
| Contractual | 25,259 | 28,000 | 33,000 |
| Commodities | 434 | 5,000 | 5,000 |
| Capital Outlay | 649 | 0 | 0 |
| | | | |
| | | | |
| Neighborhood Revitalization Rebate | | | |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% Total Exp | | | |
| Total Expenditures | 54,017 | 63,000 | 59,000 |
| Unencumbered Cash Balance Dec 31 | 28,048 | 14,811 | XXXXXXXXXXXXXXXXXXXX |
| 2011/2012 Budget Authority Amount: | 73,000 | 69,000 | XXXXXXXXXXXXXXXXXXXX |
| | | Non-Appropriated Balance | |
| | | Total Expenditure/Non-Appr Balance | 59,000 |
| | | Tax Required | 22,636 |
| Delinquent Comp Rate: | 0.0% | | 0 |
| Amount of 2012 Ad Valorem Tax | | | 22,636 |

| Adopted Budget | Prior Year | Current Year | Proposed Budget |
|---|-----------------|------------------------------------|----------------------|
| Recreation | Actual for 2011 | Estimate for 2012 | Year for 2013 |
| Unencumbered Cash Balance Jan 1 | 40,864 | 25,887 | 2,078 |
| Receipts: | | | |
| Ad Valorem Tax | 51,650 | 42,129 | XXXXXXXXXXXXXXXXXXXX |
| Delinquent Tax | 1,683 | 1,000 | 1,000 |
| Motor Vehicle Tax | 9,088 | 8,647 | 6,469 |
| Recreational Vehicle Tax | 174 | 154 | 122 |
| 16/20M Vehicle Tax | 81 | 60 | 63 |
| Activity Fees | 112,405 | 126,500 | 137,000 |
| Concessions | 12,579 | 13,500 | 15,000 |
| Reimbursed Expenses | 690 | 311 | 0 |
| | | | |
| Miscellaneous | 55 | 39 | 0 |
| Does miscellaneous exceed 10% Total Rec | | | |
| Total Receipts | 188,405 | 192,340 | 159,654 |
| Resources Available: | 229,269 | 218,227 | 161,732 |
| Expenditures: | | | |
| Personnel | 105,163 | 130,000 | 165,000 |
| Contractual | 37,643 | 34,500 | 37,000 |
| Commodities | 40,045 | 32,000 | 36,500 |
| Capital Outlay | 1,473 | 929 | |
| Debt Service--Principal | 15,000 | 15,000 | 15,000 |
| Debt Service--Interest/ Service Fee | 4,058 | 3,720 | 3,345 |
| | | | |
| Neighborhood Revitalization Rebate | | | |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% Total Exp | | | |
| Total Expenditures | 203,382 | 216,149 | 256,845 |
| Unencumbered Cash Balance Dec 31 | 25,887 | 2,078 | XXXXXXXXXXXXXXXXXXXX |
| 2011/2012 Budget Authority Amount: | 247,058 | 230,220 | XXXXXXXXXXXXXXXXXXXX |
| | | Non-Appropriated Balance | |
| | | Total Expenditure/Non-Appr Balance | 256,845 |
| | | Tax Required | 95,113 |
| Delinquent Comp Rate: | 0.0% | | 0 |
| Amount of 2012 Ad Valorem Tax | | | 95,113 |

City of Lindsborg

2013

FUND PAGE FOR FUNDS WITH A TAX LEVY

| Adopted Budget | Prior Year | Current Year | Proposed Budget |
|---|-----------------|------------------------------------|----------------------|
| Recreation | Actual for 2011 | Estimate for 2012 | Year for 2013 |
| Unencumbered Cash Balance Jan 1 | 16,747 | 25,730 | 1,963 |
| Receipts: | | | |
| Ad Valorem Tax | 41,227 | 370 | XXXXXXXXXXXXXXXXXXXX |
| Delinquent Tax | 1,286 | 750 | 250 |
| Motor Vehicle Tax | 6,944 | 6,902 | 57 |
| Recreational Vehicle Tax | 133 | 123 | 1 |
| 16/20M Vehicle Tax | 62 | 48 | 1 |
| Activity Fees | 14,805 | 8,500 | 17,000 |
| Concessions | 0 | 0 | 0 |
| Reimbursed Expenses | 57 | 40 | 0 |
| | | | |
| Miscellaneous | 22 | 0 | 0 |
| Does miscellaneous exceed 10% Total Rec | | | |
| Total Receipts | 64,536 | 16,733 | 17,309 |
| Resources Available: | 81,283 | 42,463 | 19,272 |
| Expenditures: | | | |
| Personnel | 21,645 | 30,000 | 60,000 |
| Contractual | 10,508 | 7,500 | 10,000 |
| Commodities | 5,894 | 3,000 | 7,500 |
| Capital Outlay | 0 | 0 | |
| Transfer To Golf Course | 17,506 | 0 | 0 |
| | | | |
| Neighborhood Revitalization Rebate | | | |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% Total Exp | | | |
| Total Expenditures | 55,553 | 40,500 | 77,500 |
| Unencumbered Cash Balance Dec 31 | 25,730 | 1,963 | XXXXXXXXXXXXXXXXXXXX |
| 2011/2012 Budget Authority Amount: | 78,500 | 50,500 | XXXXXXXXXXXXXXXXXXXX |
| | | Non-Appropriated Balance | |
| | | Total Expenditure/Non-Appr Balance | 77,500 |
| | | Tax Required | 58,228 |
| Delinquent Comp Rate: | 0.0% | | 0 |
| Amount of 2012 Ad Valorem Tax | | | 58,228 |

| Adopted Budget | Prior Year | Current Year | Proposed Budget |
|---|-----------------|------------------------------------|----------------------|
| Golf Course | Actual for 2011 | Estimate for 2012 | Year for 2013 |
| Unencumbered Cash Balance Jan 1 | 24,117 | 157 | 115 |
| Receipts: | | | |
| Ad Valorem Tax | 10,423 | 41,759 | XXXXXXXXXXXXXXXXXXXX |
| Delinquent Tax | 397 | 250 | 750 |
| Motor Vehicle Tax | 2,144 | 1,745 | 6,412 |
| Recreational Vehicle Tax | 41 | 31 | 121 |
| 16/20M Vehicle Tax | 19 | 12 | 62 |
| Activity Fees | 97,600 | 118,000 | 120,000 |
| Concessions | 12,579 | 13,500 | 15,000 |
| Reimbursed Expenses | 633 | 271 | 0 |
| Transfer From Recreation Fund | 17,506 | 0 | 0 |
| | | | |
| Miscellaneous | 33 | 39 | 0 |
| Does miscellaneous exceed 10% Total Rec | | | |
| Total Receipts | 141,375 | 175,607 | 142,345 |
| Resources Available: | 165,492 | 175,764 | 142,460 |
| Expenditures: | | | |
| Personnel | 83,518 | 100,000 | 105,000 |
| Contractual | 27,135 | 27,000 | 27,000 |
| Commodities | 34,151 | 29,000 | 29,000 |
| Capital Outlay | 1,473 | 929 | 0 |
| Debt Service--Principal | 15,000 | 15,000 | 15,000 |
| Debt Service--Interest/ Service Fee | 4,058 | 3,720 | 3,345 |
| | | | |
| Neighborhood Revitalization Rebate | | | |
| Miscellaneous | | | |
| Does miscellaneous exceed 10% Total Exp | | | |
| Total Expenditures | 165,335 | 175,649 | 179,345 |
| Unencumbered Cash Balance Dec 31 | 157 | 115 | XXXXXXXXXXXXXXXXXXXX |
| 2011/2012 Budget Authority Amount: | 168,558 | 179,720 | XXXXXXXXXXXXXXXXXXXX |
| | | Non-Appropriated Balance | |
| | | Total Expenditure/Non-Appr Balance | 179,345 |
| | | Tax Required | 36,885 |
| Delinquent Comp Rate: | 0.0% | | 0 |
| Amount of 2012 Ad Valorem Tax | | | 36,885 |

NOTICE OF BUDGET HEARING

The governing body of
City of Lindsborg
will meet on August 13, 2012 at 6:00 p.m. at City Hall for the purpose of
hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.
Detailed budget information is available at City Hall and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2013 Expenditures and Amount of 2012 Ad Valorem Tax establish the maximum limits of the 2013 budget.
Estimated Tax Rate is subject to change depending on the final assessed valuation.

| FUND | Prior Year Actual for 2011 | | Current Year Estimate for 2012 | | Proposed Budget for 2013 | | |
|--------------------------------------|----------------------------|-------------------|--------------------------------|-------------------|-----------------------------------|-------------------------------|---------------------|
| | Expenditures | Actual Tax Rate * | Expenditures | Actual Tax Rate * | Budget Authority for Expenditures | Amount of 2012 Ad Valorem Tax | Estimate Tax Rate * |
| General | 1,608,650 | 21.385 | 1,848,000 | 22.396 | 1,786,635 | 515,934 | 24.343 |
| Debt Service | 216,046 | 5.988 | 197,883 | 6.849 | 310,008 | 117,619 | 5.550 |
| Library | 47,939 | 2.068 | 50,297 | 2.068 | 51,316 | 43,830 | 2.068 |
| Industrial | 54,017 | 2.418 | 63,000 | 1.160 | 59,000 | 22,636 | 1.068 |
| Recreation | 203,382 | 2.657 | 216,149 | 2.043 | 256,845 | 95,113 | 4.488 |
| Special Streets | 112,814 | | 35,000 | | 288,990 | | |
| Spec Pks/ Recreation | 3,736 | | | | 63,287 | | |
| Tourism Promotion | 16,215 | | 26,425 | | 29,447 | | |
| Ambulance | 185,285 | | 190,000 | | 391,454 | | |
| Sewer | 714,487 | | 562,810 | | 1,166,099 | | |
| Water | 1,298,479 | | 425,000 | | 728,735 | | |
| Refuse Collection | 243,466 | | 195,200 | | 418,692 | | |
| Electric | 4,545,512 | | 3,170,625 | | 4,094,375 | | |
| Non-Budgeted Funds-A | 901,558 | | | | | | |
| Non-Budgeted Funds-B | | | | | | | |
| Totals | 10,151,586 | 34.516 | 6,980,389 | 34.516 | 9,644,883 | 795,132 | 37.517 |
| Less: Transfers | 2,753,050 | | 297,800 | | 247,400 | | |
| Net Expenditure | 7,398,536 | | 6,682,589 | | 9,397,483 | | |
| Total Tax Levied Assessed | 693,337 | | 711,875 | | XXXXXXXXXXXXXXXXXXXX | | |
| Valuation | 20,088,924 | | 20,625,102 | | 21,194,476 | | |
| Outstanding Indebtedness, January 1, | | | | | | | |
| | 2010 | | 2011 | | 2012 | | |
| G.O. Bonds | 2,825,000 | | 2,475,000 | | 2,330,000 | | |
| Revenue Bonds | 1,828,915 | | 1,691,620 | | 5,211,667 | | |
| Other | 0 | | 0 | | 0 | | |
| Lease Purchase Principal | 0 | | 0 | | 0 | | |
| Total | 4,653,915 | | 4,166,620 | | 7,541,667 | | |

*Tax rates are expressed in mills

Jerry Lovett-Sperling

City Official Title: City Clerk



**CAPITAL IMPROVEMENT
PROGRAM**

INTRODUCTION

A Capital Improvement Program may be defined as a listing of proposed public improvement projects together with the priority of their construction. Such programs are usually developed for a period of five or six years and are revised and updated annually. This time period has been generally accepted as a reasonable increment of time in which to program, plan, finance and construct projects that are necessary to meet existing deficiencies or provide a higher level of community service. The program usually includes streets, public highways, parks, bridges, airports, public buildings and similar projects that are necessary and beneficial to an entire community.

The program outlined in this report covers a five-year period. Annual review and revision are necessary to the success of the program. The program and capital budget are essential to developing the community in an orderly and efficient manner. Projects selected are of two kinds, those that are ongoing and must be built in order to ensure public health and safety and those to carry out the master plan. The first are projects such as sewer, water and essential improvements, the second are usually projects from the comprehensive plan which when constructed will further advance the development of the community.

A program for public improvements has several advantages, which accrue to the public and to municipal administration. Among these are:

1. When used in connection with the comprehensive plan, the formal programming procedure assures that projects will be public improvements, which are coordinated with a plan and will be assets to the community.
2. Programming promotes stabilization of the tax rate.
3. Programming and related advance planning point up community deficiencies and act as stimuli toward corrective action.
4. The program gives the citizen insight into the long-range activities of the community and solicits his participation and approval through the formal program preparation and adoption process.
5. The program offers the best assurance of impartial treatment for all sections of the community.
6. The programming procedure protects the community from unwarranted projects being promoted by pressure groups.
7. The program insures that projects will have the best chance of being undertaken in a proper sequence well related to community needs.
8. Through the programming process, the governing body is in a stronger position to justify needed improvements based on a defined plan of action.
9. The Capital Improvement Program sets out the intentions of the community for a given

period of time, thereby allowing private enterprise, public utilities and other public agencies to coordinate their activities with those of the municipality.

10. Proper planning and engineering can be undertaken with the advance knowledge of projects set out in the Capital Improvement Program, thus utilizing slack time of available personnel.
11. The formal public improvement programming technique provides an important means to achieve the objectives of the formally adopted comprehensive plan.

PROGRAMMING PROCEDURE

The programming procedure consists of a series of steps leading to the formulation of a recommended program to be acted upon and initiated by the governing body. These steps are a review of municipal finance, preparation of a project priority list and preparation of a financing program.

FINANCIAL ANALYSIS

In the financial analysis, data on current revenues, expenditures, tax rates, outstanding indebtedness and legal debt limitations provide useful information, which indicates the ability of the community to finance comprehensive plan projects. Supplementing the financial analysis is a study of the various methods of financing public improvement projects.

PROJECT PRIORITIES

A second phase of the procedure is that of determining project priorities. In developing the project list, it is imperative that comprehensive plan projects and those of local governmental operating departments be closely coordinated. From the project priority list, a schedule of construction dates and cost estimates is established.

Projects having high priority are those whose delayed construction could be detrimental to public health or safety. Other projects may require high priority in order to conserve land or a resource.

Any proposed program should not create an excessive financial burden. If debt service requirements of a proposed program cause an excessive increase, the program should be reduced in scale since an abnormally large increase in debt service would decrease the amount of funds available for current public services.

The development program is submitted to the governing body for approval and initiation. The governing body has final authority and may reject or alter the program.

METHODS OF FINANCING CAPITAL IMPROVEMENTS

Several methods of financing capital improvements are available. Among the most common methods are:

1. Financing on a pay-as-you-go basis
2. Financing by borrowing
3. Lease Purchase
4. Financing by authorities

Actually, this categorization is an oversimplification because many communities use some combination of these methods simultaneously. Nevertheless, the basic choice remains between financing with current revenues and financing with borrowed funds.

1. Financing on a Pay-As-You-Go Basis The following are three major methods of paying for capital improvements on a pay-as-you-go basis.
 - a. Use Current Revenues Current revenues financing offers the obvious advantage of savings in interest costs. Current financing does not obligate revenues of future years for debt service payments. Thus, that portion of available revenue, which would have been expended for debt service, may be available to provide additional capital improvements.
 - b. Use Reserve Funds Reserve fund or sinking fund financing is a procedure by which a sum of money is placed in a reserve fund at regular intervals until the fund is adequate to finance a capital improvement. Paying for capital improvements by this method has essentially the same advantage as paying from the current revenue. A basic limitation of this method is that an urgently needed capital improvement, which is expensive, cannot be built until the necessary money is accumulated.
 - c. Use Special Levy Procedures Special levy financing is a variation of the pay-as-you-go method involving the use of additional mill levies to obtain funds for capital improvements which are needed.
2. Funding by Borrowing When capital improvements cannot be financed on a pay-as-you-go basis, borrowing through the sale of bonds may be used.

In servicing debts contracted through the sale of bonds for capital improvement purposes, revenues of three major sources are often utilized.

- a. Revenues Produced From the Operation of the Improvement (Revenue Bonds). Advantages of the Revenue Bonds are:
The debt service required for revenue bonds does not often utilize the same revenue sources as those, which the governmental unit draws upon for its operating revenue. This permits revenue from taxation to be used for other purposes.

Revenue is derived from those who use the capital improvement; thus, projects can be undertaken which may be of real value only to one segment of the public. In this way, the cost of improvements, which benefit only a particular segment of the population,

will not be borne by the total population.

b. Revenues Produced from Taxes (General Obligation Bonds)
Advantages of General Obligation Bonds are:

General obligation bonds usually bear a lower interest because they are backed by the full taxing power of the community. Revenue bonds are backed by revenue from one facility or one system of facilities only.

General obligation bonding provides a more equitable method of financing an expensive facility, which is used by the public in general.

c. Revenues Produced by Special Assessments (Special Assessment Bonds)

Special assessment bonds are financed by assessments levied upon those property owners who are especially benefited.

It can be stated generally that advantages of revenue bonding are disadvantages of general obligation bonding & vice versa.

3. Lease-Purchase Financing Under a lease-purchase arrangement, a public improvement is constructed by a non-governmental agency or governmental unit and leased to another governmental unit. The lease payments made by the governmental unit are arranged to pay the cost of the improvement within the life of the lease. At the termination of the lease, the governmental unit acquires the property. The payment made under this type of arrangement may be nearly as binding as debt service requirements of a bond issue. The funds for repayment are usually obtained from revenue sources.

4. Financing by Authorities In order to provide certain facilities, such as toll bridges or toll roads, an authority may be established. Charging the people who use them pays financing and operation of the facilities.

CITY REVENUES AND EXPENDITURES

Revenues

Many citizens, unfamiliar with the detail of city finances, often feel that moneys raised through a general taxation provide the sole means of funding the operations of municipal government. In actuality, however, this is an erroneous assumption in light of the numerous and varied sources of revenue relied upon for funding of the annual municipal budget. Table 1 illustrates major sources of revenue utilized in the General Fund for the year 2012.

TABLE 1
COMPARATIVE REVENUE SUMMARY*
GENERAL FUND - 2012 BUDGET YEAR
City of Lindsborg

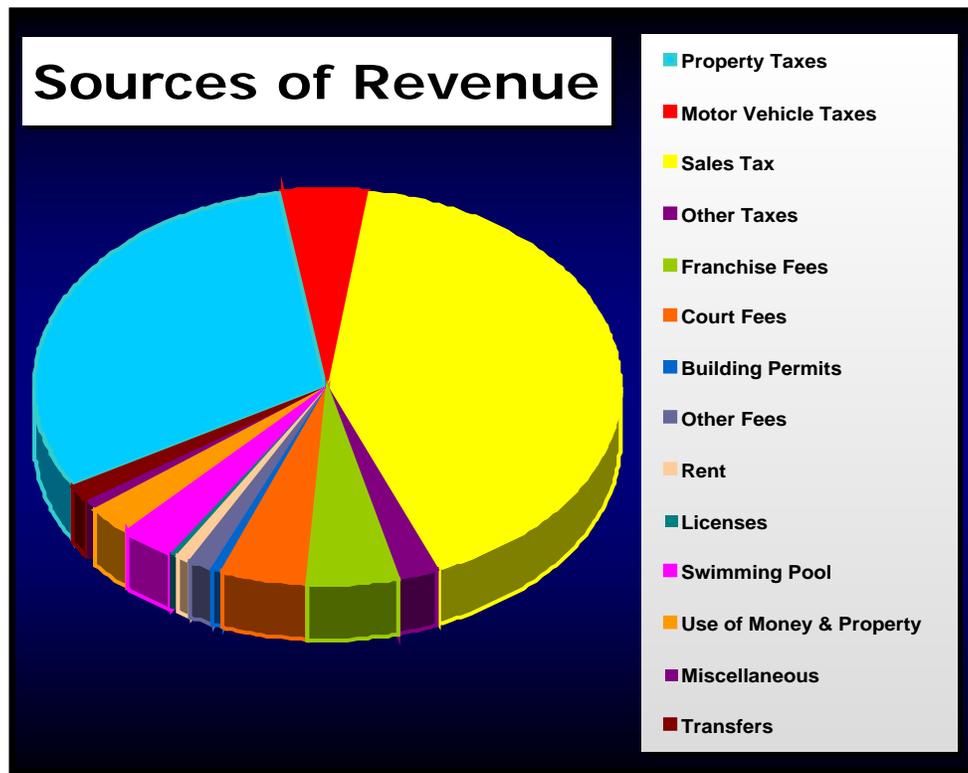
| <u>Source of Revenue</u> | <u>Amount</u> | <u>Percent of Total</u> |
|------------------------------------|--------------------|-----------------------------|
| Taxes & Shared Revenues | | |
| Property Taxes | \$466,900 | 30.9 |
| Motor Vehicle Taxes | 71,300 | 4.7 |
| Sales Tax | 630,000 | 41.7 |
| Other | <u>32,400</u> | <u>2.2</u> |
| Subtotal | \$1,200,600 | 79.5 |
| Fees & Permits | | |
| Franchise Fees | 75,000 | 5.0 |
| Court Fees | 73,000 | 4.8 |
| Building Permits | 4,000 | 0.3 |
| Other | <u>21,200</u> | <u>1.4</u> |
| Subtotal | \$173,200 | 11.5 |
| Other Revenues | | |
| Rent | 13,600 | 0.9 |
| Licenses | 4,800 | 0.3 |
| Swimming Pool | 45,000 | 3.0 |
| Use of Money & Property | 40,000 | 2.6 |
| Miscellaneous | 10,000 | 0.7 |
| Transfers | <u>22,200</u> | <u>1.5</u> |
| Subtotal | \$135,600 | 9.0 |
| TOTAL REVENUE | \$1,509,400 | 100.0 |

* Source: Financial Statement & Adopted Budget figures, General Fund 2012, City of Lindsborg

The table shows a summary of three major revenue categories which together account for 27 separate sources of revenue included in the \$1,509,400 budgeted for the General Fund in 2012.

The table shows the sources of income used to fund basic municipal services are diverse and are comprised of a high percentage of non-tax moneys. Ad Valorem property taxes alone accounted for 30.9 percent of the total, while property taxes combined with motor vehicle taxes accounted for 35.6 percent of the annual General Fund revenue total.

Besides property tax, the single largest item of income was the Sales Tax category which alone accounted for 41.7 percent of the revenue total, and which includes substantial amounts of non-local moneys.



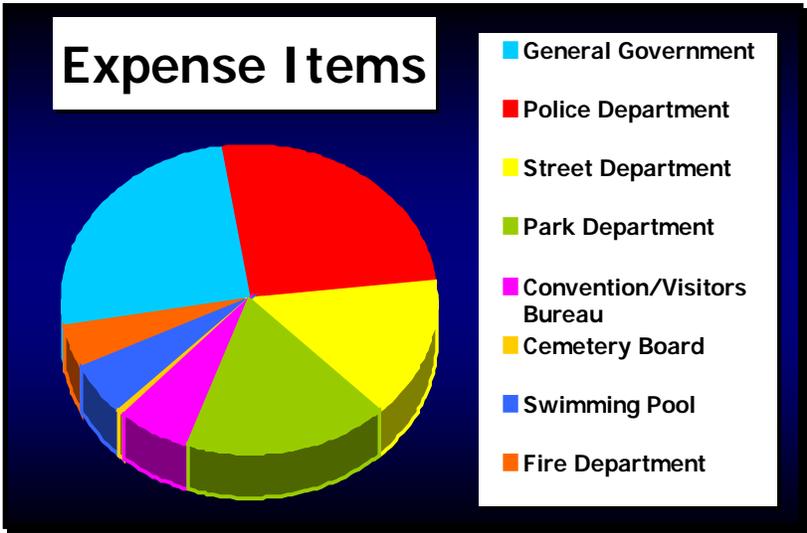
Expenditures

A comparative summary of General Fund expenditures for the 2012 budget year is outlined in the following table.

TABLE 2
COMPARATIVE EXPENSE SUMMARY*
GENERAL FUND - 2012 BUDGET YEAR
City of Lindsborg

| <u>Expense Item</u> | <u>Amount</u> | <u>Percent of Total</u> |
|----------------------------|--------------------|-------------------------|
| General Government | \$ 470,000 | 25.3 |
| Police Department | 473,000 | 25.5 |
| Street Department | 273,000 | 14.7 |
| Park Department | 328,000 | 17.6 |
| Convention/Visitors Bureau | 118,000 | 6.3 |
| Cemetery Board | 10,500 | 0.6 |
| Swimming Pool | 101,500 | 5.5 |
| Fire Department | <u>84,000</u> | <u>4.5</u> |
| TOTAL EXPENDITURES | \$1,858,000 | 100.0 |

* Source: Financial Statement and Adopted Budget figures, General Fund 2012, City of Lindsborg



The table and graph provide an overall summary of the myriad of smaller expenses in the annual total for the General Fund. Of this total, streets, police protection, and the operations of general government, which together account for over 65 percent of the yearly cost of services represent the major centers of annual expense. The remaining 35 percent are divided among 5 other centers of expenses, of which only the parks department represents over 10 percent of the annual total.

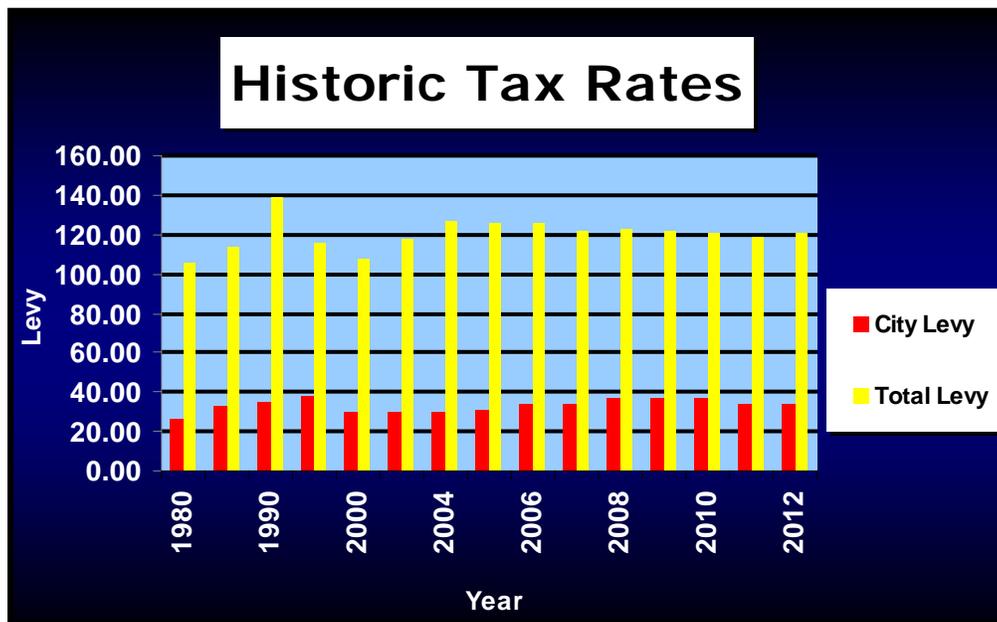
TAX RATES

As provided by state statute, a portion of the annual municipal revenue is assembled from the proceeds of property taxation. The previous revenue summary shows that revenue generated from this source alone accounted for almost 31 percent of the overall total requirement for 2012. The following table illustrates historical trends in tax rates in the Lindsborg community during recent years.

TABLE 3
HISTORIC TAX RATE PATTERNS*
City of Lindsborg

| <u>Year</u> | <u>City Levy</u> | <u>% Change</u> | <u>Total Levy</u> | <u>% Change</u> |
|-------------|------------------|-----------------|-------------------|-----------------|
| 1980 | 26.290 | | 105.830 | |
| 1985 | 33.190 | +26.2 | 113.885 | +7.6 |
| 1990 | 34.768 | + 4.8 | 139.259 | +22.3 |
| 1995 | 37.907 | +9.0 | 115.741 | -16.9 |
| 2000 | 30.043 | -20.7 | 107.184 | -7.4 |
| 2004 | 30.399 | +1.2 | 126.650 | +18.2 |
| 2005 | 31.327 | +3.1 | 125.957 | -0.5 |
| 2006 | 33.875 | +8.1 | 126.101 | +0.1 |
| 2007 | 33.862 | -0.0 | 121.819 | -3.4 |
| 2008 | 37.613 | +11.1 | 122.920 | +0.9 |
| 2009 | 37.536 | -0.2 | 122.190 | -0.6 |
| 2010 | 37.520 | -0.0 | 121.254 | -0.8 |
| 2011 | 34.516 | -8.0 | 118.438 | -2.3 |
| 2012 | 34.516 | -0.0 | 120.438 | +1.7 |

* Source: Kansas Tax Rate Book, The League of Kansas Municipalities.



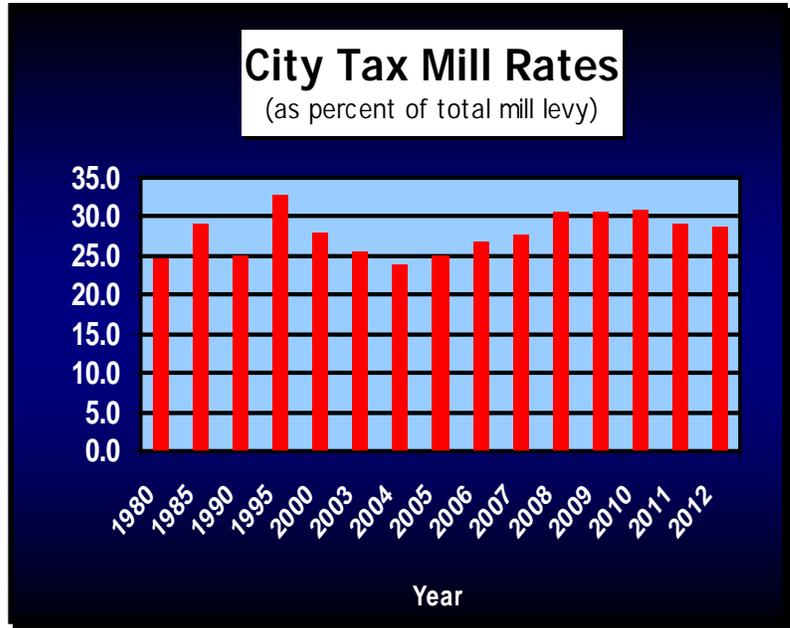
The graph and table show that the City and total tax mill levies have fluctuated over the period, but have generally increased in response to the increasing cost of providing governmental services. The City rate has fluctuated from a low of 26.29 mills in 1980 to a high of 37.907 mills in 1995, with an average of 34.574 mills since 2004. During the same period, the total combined levy ranged from a low of 105.830 mills in 1980 to a high of 139.259 mills in 1990, averaging 122.863 since 2004. Both rates registered some degree of decline in 2009, 2010 and 2011; however both increased for the 1990, 2004, 2006 and 2008 budget years.

Based on the data above, the following table indicates the City mill levy as percent of total during the period.

TABLE 4
CITY TAX MILL RATE AS
PERCENT OF TOTAL

| <u>Year</u> | <u>City Rate as Percent of Total</u> |
|-------------|--|
| 1980 | 24.8 |
| 1985 | 29.1 |
| 1990 | 25.0 |
| 1995 | 32.8 |
| 2000 | 8.0 |
| 2004 | 24.0 |
| 2005 | 24.9 |
| 2006 | 26.9 |
| 2007 | 27.8 |
| 2008 | 30.6 |
| 2009 | 30.7 |
| 2010 | 30.9 |
| 2011 | 29.1 |
| 2012 | 28.7 |

AVERAGE 28.1



The summary listing shows that the City tax mill rate typically represents from 25 to 35 percent of the total tax rate for most years, and has averaged 28.1 percent since 1980. Representing 28.7 percent in 2012, the City rate was 24.0 percent of the total in 2004.

ASSESSED VALUATIONS

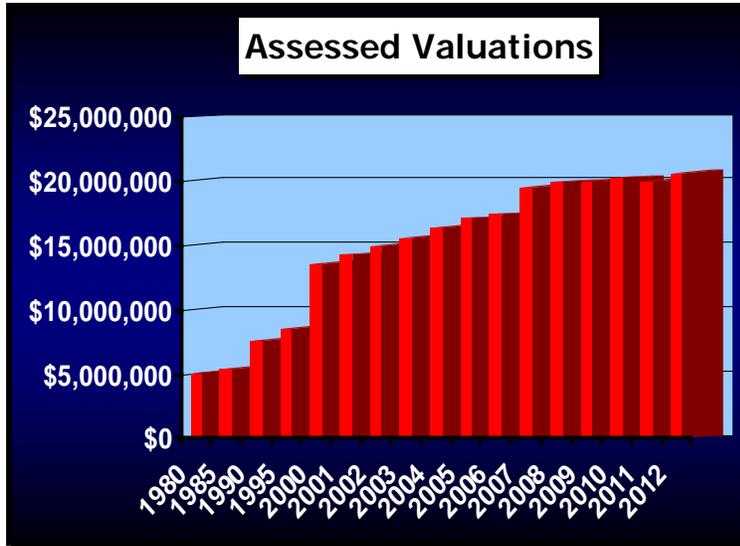
Historic trends in municipal assessed valuations are presented in the following table.

TABLE 5
HISTORIC TRENDS IN ASSESSED VALUATIONS*

| <u>Year</u> | <u>Assessed Valuation</u> | <u>Percent Change</u> |
|-------------|---------------------------|-----------------------|
| 1980 | 5,104,064 | +29.0 |
| 1985 | 5,421,049 | +8.2 |
| 1990 | 7,668,319 | +41.5 |
| 1995 | 8,526,542 | +11.2 |
| 2000 | 13,555,036 | +59.0 |
| 2004 | 16,407,979 | +21.0 |
| 2005 | 17,139,195 | +4.5 |
| 2006 | 17,455,816 | +1.8 |
| 2007 | 19,564,624 | +12.1 |
| 2008 | 19,979,552 | +2.1 |
| 2009 | 20,082,624 | +0.5 |
| 2010 | 20,273,265 | +0.9 |
| 2011 | 20,088,924 | -0.9 |
| 2012 | 20,625,102 | +2.7 |

*Source: Kansas Tax Rate Book, The League of Kansas Municipalities.

The table illustrates the fluctuations in assessed valuations since 1980. Occurring in response to economic conditions, these changes also reflect the varying patterns of capital investment in the community. Since 1980, the assessed valuation has grown by over 304 percent. Since 2004, the assessed valuation has enlarged by almost 26 percent, representing an average annual growth of about 3.2 percent.

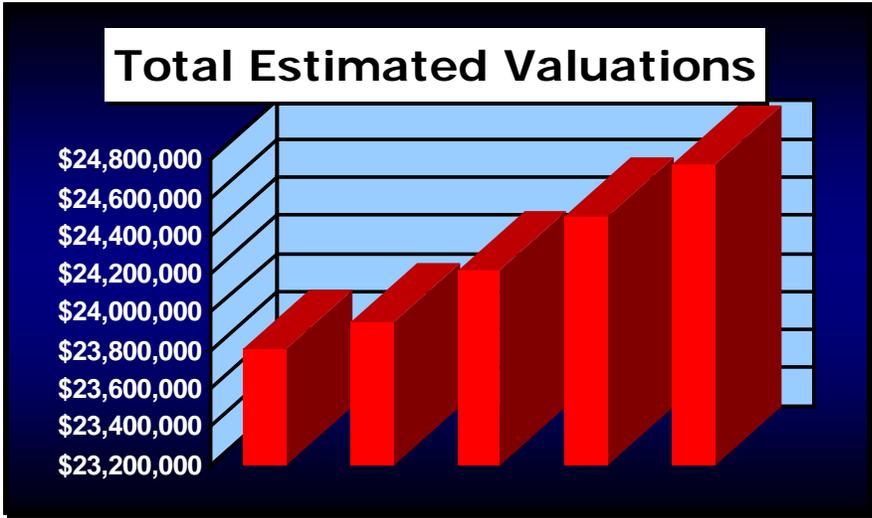


As construction of residential housing units continues in the new housing developments (Peterson Estates, Westview Addition, Emerald Lake Estates, and Smoky Valley Estates) as well as other areas in the city, there will naturally be a growth pattern in the assessed tangible valuation of the City. On the offset, the State has ordered the lowering of motor vehicle assessed valuation plus the exemption of business personal property from taxation in the coming years. Developed on these assumptions, the following table outlines potential assessed valuations for the immediate five-year capital improvement period.

TABLE 6
ESTIMATED FUTURE ASSESSED VALUATIONS
City of Lindsborg

| <u>Year</u> | <u>Estimated Assessed Tangible Valuation</u> | <u>Estimated Motor Vehicle Assessed Valuation</u> | <u>Total Estimated Assessed Valuation</u> |
|-------------|--|---|---|
| 2012 | 20,625,102 | 3,180,042 | 23,805,144 |
| 2013 | 20,750,000 | 3,200,000 | 23,950,000 |
| 2014 | 21,000,000 | 3,225,000 | 24,225,000 |
| 2015 | 21,250,000 | 3,250,000 | 24,500,000 |
| 2016 | 21,500,000 | 3,275,000 | 24,775,000 |

The figures shown in the table reflect a normal mathematical progression and do not account for unexpected single events such as the gain or loss of a major industry, or the effects of a yearly countywide reappraisal. As such, based on past experience, the table forecasts the likelihood of continuing modest increases, at least for the initial years of the planning implementation period.



Obviously, estimated gains in assessed valuations are based on expectations of economic expansion with accompanying investment in private development. If a negative change or a greater than anticipated expansion should occur, the forecasted values should be adjusted accordingly.

CURRENT BONDED INDEBTEDNESS

At the present time, the City has a relatively moderate level of bonded debt represented by the remainder outstanding on 4 separate bond issues, which include 3 revenue issues, and 1 general obligation issue. The first revenue issue in 1995 (actually funded through the Kansas Water Pollution Control Revolving Loan Fund) funded a major upgrade to the wastewater treatment plant. The second revenue issue in 2009 funded the final portion of the electrical system upgrade to 7200 capacity. The third revenue issue (funded through the Kansas Water Pollution Control Revolving Loan Fund) covers the next major upgrade to the wastewater treatment plant. The general obligation bond issue consists of the 2009 bond issue to renovate City Hall and rebuild two streets. (The 2009 bond issue also includes the refinancing of the bond for the local community hospital building.) A second general obligation bond issue should occur in 2013 or 2014 to cover the costs of the new Sundstrom Conference Center.

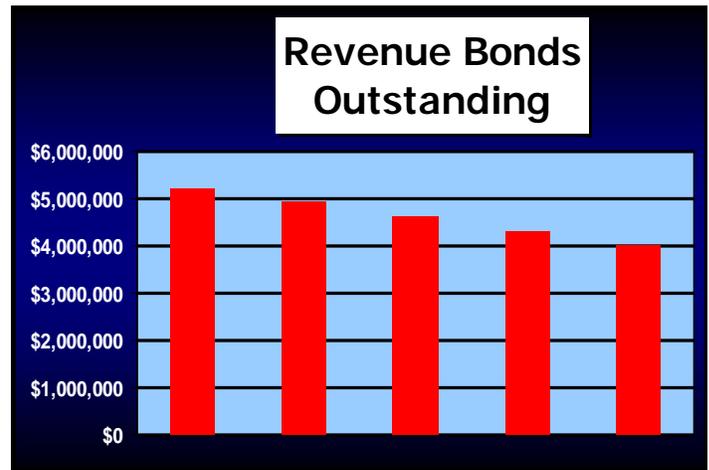
A summary of bonded debt remaining during the five-year capital improvement-programming period is outlined in the following table.

TABLE 7
MUNICIPAL BONDED DEBT*
City of Lindsborg

| <u>Year</u> | <u>General Obligation Bonds</u> | <u>Temporary Notes</u> | <u>Revenue Bonds</u> | <u>Total</u> |
|-------------|---|----------------------------|--------------------------|--------------|
| 2012 | 2,330,000 | 0 | 5,211,667 | 7,541,667 |
| 2013 | 2,200,000 | 2,375,000 | 4,915,759 | 9,490,759 |
| 2014 | 4,345,000 | 0 | 4,612,978 | 8,957,978 |
| 2015 | 4,115,000 | 0 | 4,303,110 | 8,418,110 |
| 2016 | 3,880,000 | 0 | 3,985,931 | 7,865,931 |

*Source: 2012 Budget, City of Lindsborg

The table shows that current bonded debt in all categories amounted to slightly over \$7.5 million in 2012, of which total just under 31 percent is represented by general obligation bonds with the remaining 69 percent represented by utility revenue bonds. The 2009 bond issues consist of an electric revenue bond issue and a general obligation bond issue for City Hall renovation and street improvements, plus the refinancing of the hospital building bond issue. The 2012 bond issue is for the bonding of the wastewater treatment plant improvements. The 2014 figures reflect the bonding of the Sundstrom Conference Center.



The graphs show that overall debt levels will be slightly increased during the five-year period. General obligation debt will be increased over 66 percent, while the revenue bond total will be decreased by over 23 percent. Together, these schedules will result in an aggregate bonded debt increase of slightly over 54 percent.

BONDING CAPACITY

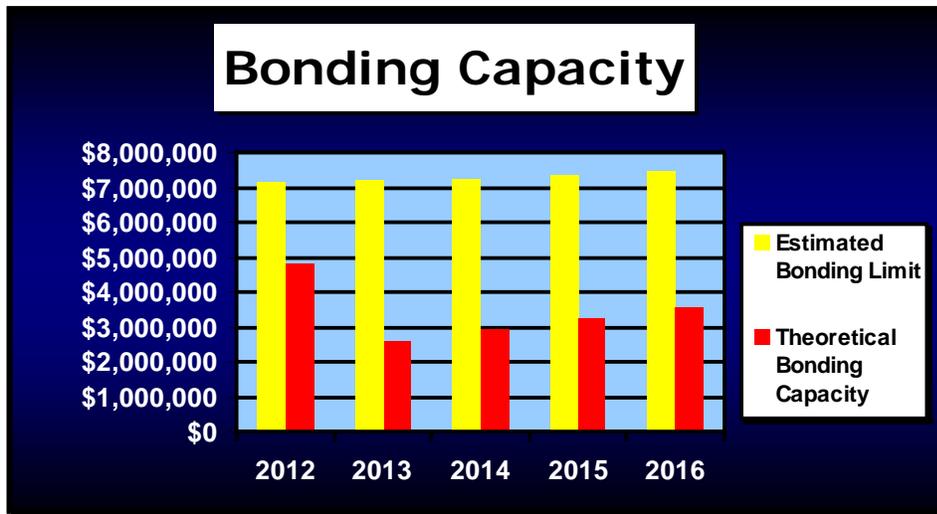
Estimates of potential future municipal bonding capacity are based on forecasts of future assessed valuations coupled with statutory limitations for bonded debt as balanced by existing debt levels. Estimated bonding capacity is based upon 30 percent of total estimated assessed valuation. Certain municipal utility and street improvement bond issues are exempt from the statutory limit.

Based on these general guidelines for bonded debt, the following table illustrates the estimated practical overall bonding capacity for the City of Lindsborg during the initial five-year capital improvements period.

TABLE 8
ESTIMATED BONDING CAPACITY

| <u>Year</u> | <u>Estimated Assessed Valuation</u> | <u>Estimated Bonding Limit</u> | <u>Existing Debt Subject to Limitation</u> | <u>Estimated Theoretical Bonding Capacity</u> |
|-------------|-------------------------------------|--------------------------------|--|---|
| 2012 | 23,805,144 | 7,141,543 | 2,330,000 | 4,811,543 |
| 2013 | 23,950,000 | 7,185,000 | 4,575,000 | 2,610,000 |
| 2014 | 24,225,000 | 7,267,500 | 4,345,000 | 2,922,500 |
| 2015 | 24,500,000 | 7,350,000 | 4,115,000 | 3,235,000 |
| 2016 | 24,775,000 | 7,432,500 | 3,880,000 | 3,552,500 |

The figures indicate the City has a relatively moderate remaining theoretical bonding capacity at the present time, which will increase during the period as bonded debt levels are decreased. Obviously, the estimates of bonding capacity are directly dependent upon realizing future assessed valuations at or near forecasted levels. If a substantial positive or negative change should occur, the values should be adjusted accordingly. The estimates should also be adjusted to reflect the impacts of any future bonded debt to maintain current values for use in the capital improvements programming process.



Another factor for the City to consider prior to issuing additional bonded debt is the amount of bonded debt being carried by both McPherson County and Smoky Valley U.S.D. 400. A high debt level carried by these two entities could adversely affect the ability of the City to issue additional debt in the near future.





**CAPITAL IMPROVEMENT
5-YEAR PLAN**

5 YEAR CAPITAL IMPROVEMENT PLAN

ADMINISTRATION

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Art Purchase-Local Artists | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | G.O. |
| Office Equipment Replacement | \$6,000 | \$6,000 | \$6,000 | \$6,000 | \$6,000 | G.O/Sales Tax |
| Online Bill Payment | \$10,000 | | | | | E/W/S/G |
| Computer Equip/Software | \$6,000 | \$6,000 | \$6,000 | \$25,000 | \$6,000 | E/W/S/G |
| Chairs 1st floor conf. room | | | \$3,000 | | | Sales Tax |
| Safety Program | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | G.O. |
| Community Survey | \$12,000 | | | | | E/W/S/G |
| Business Startup Incentive | \$10,000 | \$10,000 | | | | Comm. Dev. |
| Live Web Streaming Video | | | | | \$25,000 | G.O. |
| TOTAL | \$46,500 | \$24,500 | \$17,500 | \$33,500 | \$39,500 | |

Move to statement billing and offsite processing

5 YEAR CAPITAL IMPROVEMENT PLAN

CONVENTION VISITORS BUREAU

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Billboards Fixed Expense | \$4,650 | \$4,650 | \$4,650 | \$4,650 | \$4,650 | TGT |
| Billboard Rewraps (3 yr rotation) | \$650 | \$972 | \$800 | \$700 | \$1,000 | TGT |
| Show Vendor Fees | \$1,000 | \$1,200 | \$1,500 | \$1,500 | \$1,500 | TGT |
| Contact list of Group Planners | \$2,000 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | TGT |
| Ads - Printed and web | \$3,700 | \$3,478 | \$3,250 | \$3,150 | \$2,650 | TGT |
| CVB Promotional Tools (visitors) | \$8,000 | \$8,200 | \$8,300 | \$8,500 | \$8,700 | TGT |
| Computer Equip/Software | | | | \$4,000 | | CVB |
| Wayfinding Signs 2013 Grant | \$4,000 | | | | | Grant/CVB |
| Total | \$24,000 | \$20,000 | \$20,000 | \$24,000 | \$20,000 | |

5 YEAR CAPITAL IMPROVEMENT PLAN

POLICE

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Patrol Car & Equipment | | \$26,000 | | \$26,000 | | Police |
| Emergency Lights | | | | \$2,000 | | Police |
| Replace Body Armor | | | | \$1,600 | \$1,600 | Police/Grant |
| Computer Hardware | | | | \$5,000 | | Police |
| Computer Software | \$20,000 | | | | | Police/Grant |
| Office Furniture/Upgrades | | \$2,000 | | | \$2,000 | Police |
| Car Cameras | | | \$12,000 | | | Police |
| Training | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | Police |
| Night Vision Device | \$2,000 | | | | | Police |
| Surveillance Equipment | \$2,500 | | \$2,500 | | \$2,500 | Police |
| Switch/Trade in weapons | | | | | \$5,000 | Police |
| Generator Upgrade | | | | | \$5,000 | P/EMS/Fire |
| TOTALS | \$27,000 | \$30,500 | \$17,000 | \$37,100 | \$18,600 | |

5 YEAR CAPITAL IMPROVEMENT PLAN

EMS

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|--------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|----------------|
| EMS Building* | \$115,000 | | | | | EMS |
| EMT Class | \$4,000 | | \$4,000 | | \$4,000 | EMS |
| Computer Upgrade | | | | \$2,000 | | EMS |
| EZ Glide Stair Chairs | | \$6,500 | | | | EMS |
| Blanket Warmers (2) | \$1,300 | | | | | EMS |
| Mass Casualty Trailer Supplies | | \$5,000 | \$5,000 | | | EMS |
| Uniform Supplies | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | EMS |
| Monitor | | | | \$40,000 | \$40,000 | EMS/Grant |
| Generator Upgrade | | | | | \$5,000 | P/EMS/Fire |
| TOTALS | \$121,500 | \$12,700 | \$10,200 | \$43,200 | \$50,200 | |

*Grant search for building assistance

**Ambulance replacement scheduled for 2018

5 YEAR CAPITAL IMPROVEMENT PLAN

FIRE

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|-----------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|
| 3 Turnout Sets. | \$13,000 | | | \$6,000 | \$3,000 | Fire |
| Positive Pressure Fan | | | | | | Fire |
| Imaging Camera | | | | \$12,000 | | Fire |
| Uniform Supplies | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | Fire |
| Computer Upgrade | | | | \$1,000 | | Fire |
| Computer Software | | | | \$1,000 | | Fire |
| Hose | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | Fire |
| Rescue Truck 304 Equipment | | \$1,500 | | \$1,500 | | Fire |
| Air Pack Bottles (6) | | \$4,500 | | \$5,500 | \$5,500 | Fire |
| Generator Upgrade | | | | | \$5,000 | P/EMS/Fire |
| TOTALS | \$19,000 | \$12,000 | \$6,000 | \$33,000 | \$19,500 | |

5 YEAR CAPITAL IMPROVEMENT PLAN

PARKS

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|
| Sports Complex Improvement | | \$3,000 | | \$3,000 | | Recreation |
| North Park Restroom Upgrade | \$15,000 | | | | | Parks |
| Computer Upgrade - Tree Station | | | | | | Parks |
| Replace 1999 Pontiac Grand Prix | | \$20,000 | | | | Recreation |
| Replace 2000 Parks Vehicle | | | \$20,000 | | | Parks |
| Replace 2002 Parks Vehicle | | | | | \$20,000 | Parks |
| Playground Covering | | \$3,000 | | | | Recreation |
| Safety Program | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | Parks |
| Sports Equipment Replacement | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | Recreation |
| Grasshopper Parks Mower | | | | \$18,000 | | Parks |
| TOTALS | \$17,500 | \$28,500 | \$22,500 | \$23,500 | \$22,500 | |

SPECIAL PARKS

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|-------------------------|----------------|----------------|----------------|----------------|------------|----------|
| Park Benches | | \$4,000 | | | | Spec Pks |
| Fix Large Bleachers (4) | \$3,000 | \$3,000 | \$3,000 | \$3,000 | | Spec Pks |
| Fix Small Bleachers (4) | \$1,500 | \$1,500 | \$1,500 | \$1,500 | | Spec Pks |
| TOTALS | \$4,500 | \$8,500 | \$4,500 | \$4,500 | \$0 | |

GOLF COURSE

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|------------------------------|----------------|-----------------|----------------|----------------|----------------|---------|
| Clubhouse Remodeling | | | | | | GC |
| Car Path Maintenance | \$1,000 | | \$1,000 | | | GC |
| Sprinkler Head Replacement | | \$3,000 | | | | GC |
| Rental Golf Cart Replacement | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | GC |
| TOTALS | \$9,000 | \$11,000 | \$9,000 | \$8,000 | \$8,000 | |

POOL

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|-----------------------|-----------------|----------------|----------------|-----------------|----------------|---------|
| Add/Replace Umbrellas | | \$500 | | \$500 | | Pool |
| ADA Lift | \$5,000 | | | | | |
| Add Lounge Chairs | \$3,000 | \$3,000 | | | \$2,500 | Pool |
| Repaint Pool Building | \$10,000 | | | | | Pool |
| Lifeguard Chairs | | | | \$6,000 | | Pool |
| Replace Sunshades | | | \$4,000 | | | Pool |
| Pump for Slide | | | | | | |
| Sand for filters | | | | | | |
| Replace Diving Boards | | | | \$4,000 | | Pool |
| TOTALS | \$18,000 | \$3,500 | \$4,000 | \$10,500 | \$2,500 | |

5 YEAR CAPITAL IMPROVEMENT PLAN

STREETS

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|-----------------------------|-----------------|-----------------|-----------------|----------------|----------------|----------|
| Sign Change Out Program | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | Gen Fund |
| Computer Upgrade | | | | \$3,000 | | GO |
| Replace Paint Sprayer | | \$6,500 | | | | |
| Replace 1995 Concrete Saw | | \$6,000 | | | | GO |
| Replace Cut-Off Saw | \$1,000 | | | | | GO/Water |
| Replace 1990 Air Compressor | | | \$15,000 | | | GO |
| Replace 1995 Tow Trailer | | | \$12,000 | | | GO |
| Repair 1991 5cy Dump Truck | \$30,000 | | | | | Streets |
| Replace Skid Loader Tires | \$1,850 | | \$2,000 | | \$2,100 | GO/Water |
| TOTALS | \$35,350 | \$15,000 | \$31,500 | \$5,500 | \$4,600 | |

City owned land for stockpiles and city owned equipment

SPECIAL STREETS

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|----------------------------------|------------------|-----------------|------------------|-----------------|-----------------|--------------------|
| Annual Street Maintenance | \$10,000 | \$35,000 | \$10,000 | \$35,000 | \$35,000 | Spec Sts |
| Annual Storm Drain Maintenance | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | Spec Sts |
| Mill & Overlay W. Swensson | | | \$195,000 | | | Spec Sts |
| Mill & Overlay 100 N. 3rd | | | \$37,000 | | | Spec Sts |
| Extend Trail to Emerald Lake | | | | | \$20,000 | Grant |
| Mill & Overlay 200 W Green | | | \$22,000 | | | Spec Sts |
| Mill & Overlay 1-500 E McPherson | \$250,000 | | | | | SpcSts/Gr/Sale Tax |
| TOTALS | \$262,500 | \$37,500 | \$266,500 | \$37,500 | \$57,500 | |

Future Road Work

Mill & Overlay 200 & 400 N. McKinley \$75,000

Mill & Overlay 200 S. Cherry \$47,000

Mill & Overlay 700 N. 1st \$54,000

Mill & Overlay 1-300 W. Lindsborg \$85,000

Mill & Overlay 500 W. Grant \$57,000

Mill & Overlay 200 & 400 S. Washing \$75,000

Mill & Overlay 300 E. Olsson \$37,000

Mill & Overlay based on \$27.50/sy

5 YEAR CAPITAL IMPROVEMENT PLAN

WATER

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|---------|
| Repair Parts Inventory | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | Water |
| Paint In-Town Tower (int. & ext.) | | | | | \$100,000 | Water |
| Tower Maintenance | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$6,000 | Water |
| Replace Radio-Read Meters | | | | | \$75,000 | Water |
| Paint Country Tower (interior) | \$20,000 | | | | | Water |
| Replace Skid Loader Tires | | \$1,850 | | \$1,850 | \$1,850 | Water |
| Replace Well Meters | \$15,000 | | | | | Water |
| Computer Upgrade | | | | \$3,000 | | Water |
| Line Replacement Program | \$25,000 | \$25,000 | \$25,000 | | | Water |
| Leak Detection | \$15,000 | | | | | Water |
| Chlorination Building Repairs | \$2,000 | | | | | Water |
| Valve Replacement | | \$2,500 | | \$2,500 | | Water |
| TOTALS | \$89,500 | \$41,850 | \$37,500 | \$19,850 | \$192,850 | |

Service for new development

WASTEWATER TREATMENT PLANT

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------|
| Repair Parts Inventory | \$8,500 | \$8,500 | \$8,500 | \$8,500 | \$8,500 | Sewer |
| Lift Station / Line Maintenance | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | Sewer |
| Annual Line Cleaning | \$6,000 | \$6,000 | \$6,000 | \$6,000 | \$6,000 | Sewer |
| Replace Skid Loader Tires | | \$2,000 | | | \$2,000 | Sewer |
| Replace Sludge Trailer Tires | | \$2,200 | | | \$2,200 | Sewer |
| Ammonia Probes | | \$5,000 | | | | Sewer |
| Computer Upgrade | | | | \$6,000 | | Sewer |
| Sewer Manhole Maintenance | | | | \$10,000 | \$10,000 | Sewer |
| Sewer Master Plan | | \$50,000 | | | | Sewer |
| TOTALS | \$18,000 | \$77,200 | \$18,000 | \$34,000 | \$32,200 | |

City owned land for sludge application

Sewer Jet Machine

5 YEAR CAPITAL IMPROVEMENT PLAN

ELECTRIC

| | 2013 | 2014 | 2015 | 2016 | 2017 | Funding |
|--|------------------|------------------|-----------------|-----------------|-----------------|----------------|
| Contract Tree Trimming | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 | Electric |
| 1993 Chipper Replacement | | \$35,000 | | | | Electric |
| Street Light Replacement | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | Electric |
| Replace Open Secondaries | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | Electric |
| Computer Upgrade | | | | \$2,500 | | Electric |
| Line Locator | | | \$6,000 | | | Electric |
| Replace 1995 Digger Derrick | \$170,000 | | | | | Electric |
| Safety Test Hi Voltage Line Equipment | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | Electric |
| Add Distribution Transformers | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | Electric |
| New Poles | | \$8,000 | | \$8,000 | | Electric |
| Rate Design Study | \$28,000 | | | | | Electric |
| Legal Fees - FERC Representation | | \$60,000 | | | | Electric |
| TOTALS | \$243,500 | \$148,500 | \$51,500 | \$56,000 | \$45,500 | |

Service for new development

