

CITY OF LINDSBORG



2011 BUDGET

2011 BUDGET INTRODUCTION

The following City of Lindsborg 2011 Budget has been developed as a guide for the plan of work during the 2011 fiscal year. The fiscal year runs from January 1, 2011 through December 31, 2011. The budget is reflective of the City's Comprehensive Community Plan which was adopted in 2005 and the Strategic Plan of 2010-2012.

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 Strategic Plan of 2010-2012 was adopted after examining the Comprehensive Plan and the goals of the community. Several of the initiatives identified have been completed or are in process.

The overarching goal of the Strategic Plan of 2010 – 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 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 drops the mill levy three mills from 37.520 mills in 2010 to 34.520 mills. The budget also increases funding for the Streets Department by 17.7%. The increased sales tax revenue will also be applied to the outstanding debt on the purchase of the Lindsborg Community Hospital building in 2000.

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* to all 128 cities of the first and second class, Lindsborg ranks as the 35th lowest. That means that there are 93 cities with a higher mill levy. The range of mill levies is from a low of 8.890 mills* to a high of 81.340 mills*.

If you look at the city property tax rate in a broader context of total mill levy*, Lindsborg ranks even better. Out of the same 128 cities, Lindsborg ranks as the 11th lowest total mill levy*. The range for total mill levies is from a low of 109.817* mills to a high of 223.903 mills*.

As you review the City of Lindsborg 2011 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: 2010 Kansas Tax Rate Book, "2009 Taxes Levied for 2010," The League of Kansas Municipalities.





CITY OF LINDSBORG

Strategic Plan For 2010-2012

In consultation with the citizens of Lindsborg and City staff, the Mayor and Lindsborg City Council have adopted this strategic plan to position city government to meet the community's future needs.

City of Lindsborg Strategic Goals and Objectives

I. Expand business and industrial development to achieve job growth and expansion of the City's population and tax base.

Key objectives:

- a. Recruit new business and industry.
- b. Secure federal funds to finance capital costs of a new community-wide broadband network.
- c. Coordinate the City's long-term planning with other community partners.
- d. Streamline the new business development process through creation of a "one stop city shop" for economic development.
- e. Establish an economic development plan.

II. Contribute to the vitality and sustainability of existing businesses.

Key objectives:

- a. Represent the sale of the Sundstrom Building to an investor who will preserve and promote the property for retail development and/or a community conference center.
- b. Approve plan to finance a community conference center.
- c. Establish green spaces, new sidewalks and improved lighting in downtown area.
- d. Complete City Hall reinvestment project.



III. Increase the number of tourists who visit the community each year.

Key objectives:

- a. Acquire the Old Mill Heritage Square complex
- b. Develop a public/private plan for the amenities and features to attract local and out-of-town visitors
- c. Implement community marketing, with emphasis on the City's cultural traditions.
- d. Market the City's unique assets to tour operators.

IV. Provide incentives to sustain existing residential neighborhoods and expand the supply of affordable housing in the community.

Key objectives:

- a. Consider feasibility of plan to enhance the Cow Creek corridor within the City limits and take action accordingly.
- b. Create and keep current an inventory of the City' vacant lots available for residential, in-fill development.
- c. Promote construction of starter homes for young families on City-owned property set aside for this purpose.
- d. Recruit other potential private-sector housing developers.
- e. Develop the City's potential for senior housing.

V. Contribute to expansion of leisure activities for all ages of City residents.

Key objectives:

- a. Work with the Community Wellness Center Action Team to define and carry out the City's role in development of a community wellness center.
- b. Complete phase two of the Välkommen Trail.
- c. Develop a design and financing plan for expansion of golf course to 18 holes.



VI. Provide for efficient municipal services and excellent City employees to deliver them.

Key objectives:

- a. Sustain and enhance employee competencies through creating professional development opportunities for all employees.
- b. Expand recognition activities for exceptional employee teamwork.
- c. Develop a succession plan for all city operations.
- d. Complete expansion of the City's wastewater treatment plant.
- e. Continue City water line replacement as needed.

VII. Contribute to the enhancement of healthy community partnerships between and among individuals, groups and sectors.

Key objectives:

- a. Increase the number and diversity of volunteers who serve on the City's citizen boards and commissions.
- b. Promote the volunteer service of City employees on community and civic affairs.
- c. Facilitate community dialogue about a reauthorization of the local sales tax after 2010 and possible uses for the tax, including infrastructure and health care.
- d. If sufficient community supports warrants it, provide for a ballot question seeking voter reauthorization of local sales tax beginning in July, 2010.
- e. Regularly convene Community Partner Forums that focus on expanding organizational partnerships and volunteerism for civic improvements.
- f. Seek new opportunities to enhance City government's partnership with Bethany College.



BUDGET OVERVIEW

This summary provides a brief overview of the revenue and expenditures for the 2011 budget.

Revenue Summary:

The property tax revenue for the **General Fund** will decrease from \$517,700 in 2010 to \$429,589 in 2011. There are two primary factors driving this reduction in property tax revenue. The first is a reduction in total assessed valuation of 0.93%. Additionally, a 1.0% sales tax was passed by the electorate to replace the sunset of a ½% 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 proposed during the sales tax process was a 3.0 mill levy reduction. The adopted budget reflects a decrease in the total mill levy from 37.520 mills to 34.520 mills.

The funding of the General Fund continues to be a challenge. The State of Kansas has eliminated the Local Ad Valorem Tax Reduction funds and the City County Revenue Sharing 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 2011, this equates to an estimated loss in assessed valuation of \$564,000. The cumulative impact is a loss of funding of approximately \$124,000 (6.12 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 diminished. The assessed valuation has declined from **\$20,273,265 in 2010** to **\$20,085,000 in 2011**. Therefore, each mill yields \$20,085.00 in revenue. The 2011 valuation yields less per mill than the 2009 valuation. But the overriding goal in the development of the 2011 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. The discipline is shown by delivering on the promise to the voters in decreasing mill levy from 37.520 mills in 2010 to 34.520 mills in 2011.

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 decreased 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. But despite increased costs being experienced by the City of Lindsborg, the mill levy will decline for 2011. The current economic conditions, which are predicted to carry into 2011, are felt by the property

owners of the community and the desire is to be responsive to the property owners in Lindsborg.

The **Industrial Development Fund** will remain static for 2011. One of the goals of the City of Lindsborg's Strategic Plan is to "*Expand business and industrial development to achieve job growth, and growth in the City's population and tax base.*" This remains a goal but is challenged in an economically constrained budget and stagnant economy. Many of the expenses of the community development department are paid from this fund.

The **Library Fund** revenues for 2011 are budgeted to be \$49,180. 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 2011 will have a 3.5% decrease in the amount of tax revenues from 2010. This is due to a budgeted increase in activity fees. The primary source of increase in activity fees will be in golf course revenue. As improvements have been made, the level of rounds played continues to increase.

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. Due to tax equity issues a two-tiered activity fee system was implemented in 2009. One activity fee level is for those participants who live outside the City of Lindsborg and a lower fee level for those participants who live within the City. The Recreation Department continues to maintain a tight budget and still remains heavily reliant on activity fees.

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. The programs that have low participation rates may need to be dropped. Community organizations no longer administer these programs and the level of financial support from the organizations continues to diminish with many not providing any funding support. 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. The decline in funding, the large service area, the continued need to replace equipment and an ever increasing demand for services continues to place stress on this fund.

The **Bond and Interest Fund** shows a modest decrease of \$970 in the amount of tax required to support the City's bond obligations. The retirement of the general obligation debt in 2008 that is serviced by the property tax presented an opportunity to undertake future capital projects without a significant impact on the property tax. Those projects that were financed through bonding were the City Hall renovation project, East Lincoln Street reconstruction and the East Swensson/Bethany Drive reconstruction. The other debt outstanding is serviced by special assessments. Additionally, the ½ cent sales tax that was being used to service the debt on the purchase of the Lindsborg Community Hospital building in 2000 sunset on June 30, 2010. The electorate of Lindsborg approved a 1.0% sales tax for the purposes of property tax relief, economic development and infrastructure which took effect July 1, 2010. A portion 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.

The **Ambulance Fund** revenues will decrease slightly from \$155,399 in 2010 to \$154,724 in 2011. 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 2011, the appropriation from McPherson County will be \$79,724. The demand for EMS services remains high. The EMS currently averages 1.32 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 \$20,000 in revenue in 2011. This fund has been significantly impacted by the economic recession. Particularly impacted was leisure travel. In 2011, 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 2000, City Council approved an increase in the transient guest tax rate from 2% to 4%. 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 \$89,370 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 2011. 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 2011 will be \$393 lower than in 2010. 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 increase by \$175,000 in 2011. The additional revenue will be due to the implementation of a rate increase to service the debt on the wastewater treatment plant upgrade that 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 is scheduled to be completed May of 2011. The Stag and Tribal Assistance Grant funds (\$500,000), the American Recovery & Reinvestment Act grant funds (\$1,400,000) and the Clean Water Revolving Loan Fund (\$3,400,000) revenue to finance the project will be 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.

Compared to last year, the **Water Fund** is expected to be flat in the amount of revenue from sales available in 2011. 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 2012 budget year.

The **Refuse Collection Fund** revenues are budgeted to be flat in 2011. 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 2.8% per year. Rates will need to be reviewed for the 2012 budget. 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 8.0% in 2011. 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 necessitate an increase in rates charged to customers of the city's electric utility. A 3 phase study will be conducted in the second half of 2010 to look at the revenue requirements, cost of service to different customer classes and a new rate design. It is proposed that the new rates would more accurately reflect the cost structure of the new contract. 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. 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 decreased. This decline in assessed valuations combined with increased demands for city services and increased fuel expenses, plus the loss of the Local Ad Valorem Tax Reduction and City/County Revenue Sharing 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 2011 budget.

The 2011 budget reflects a 3.0 mill decrease. The decrease in the mill levy combined with a drop in assessed valuations has the net effect of a 3.53 mill decline in property tax revenue. The 3 mill reduction in the mill levy is part of the property tax relief that is provided with the passage of a 1.0% sales tax that took effect July 1, 2010. There continues to be an effort to maintain a prudent mill levy while meeting the goals of the city and the demands of the citizens. Lindsborg's mill levy continues to be in the bottom 25% of cities of the first and second class in the State of Kansas. To, maintain a flat mill levy, a 2008 budgeted position was not hired. It was scheduled to be revisited in 2010 and has been postponed indefinitely. The combined mill levy has been cut from 37.520 mills in 2010 to 34.520 mills for 2011.

The 5-year Capital Improvement Plan shows the following purchases scheduled for Administration in 2011:

Community Foundation Heritage Fund	10,000
Administration Vehicle	30,000
Artwork Purchases	1,500
Office Equipment	5,000
Computer Equipment/Software	5,000

STREETS DEPARTMENT:

The budget for this department will increase 17.7% for 2011. The 1.0% sales tax that was passed by the votes in April of 2010 was for property tax relief, economic development and infrastructure. The Streets Fund coupled with the Special Streets Fund will place a renewed emphasis on existing street maintenance and repair. The following purchases are planned for next year:

Replace 1999 Truck #2	35,000
Sign Changeout Program	1,000

SPECIAL STREETS FUND:

This fund is financed by the Motor Vehicle Fuel Tax that is collected from the State of Kansas. This 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 2011:

Street Maintenance	30,000
Mill & Overlay 500 S. First	151,000
Mill & Overlay 400 N. Roosevelt	50,000
Storm Drain Maintenance	2,500

POLICE DEPARTMENT:

The Police Department budget will increase in a modest 1.0% in 2011. The two patrol vehicles are budgeted with a four year lifecycle with one of the two vehicles to be replaced every other year. There are no vehicles scheduled to be replaced in 2011. The 1.0% increase is due to an increase in employee benefits. The following items are expected to be replaced in the next year:

Surveillance Equipment	2,000
Public Safety Building Tile Replacement	6,000
Training	2,500

AMBULANCE FUND:

The Ambulance Fund expenditures will remain flat in 2011. In 2007, one of the two ambulances was replaced. 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. Also, the EMS is experiencing increased demand for service and limited daytime volunteers. This puts pressure to study the issue of paid daytime EMS staff. Another option is to pursue a county-wide EMS, which will be investigated in 2011. To provide a volunteer incentive, a service honorarium program has been implemented. The following expenditures are planned for 2011:

EMT Class	8,000
Blanket Warmers	1,300
Uniform Supplies	1,200

FIRE DEPARTMENT:

The Fire Department budget will increase by \$7,000 compared to last year. This is due to an increase in the capital budget of \$7,000. 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 2011:

Turnout Sets (3)	7,000
Air Pack Bottles (6)	4,500
Hose	5,000
Pagers (6)	3,000
Rescue Gloves (24)	1,000

PARKS DEPARTMENT:

The Parks Department budget will increase 2.8% in 2011. This is due to increases in employee benefits. The following expenditures are planned for 2011:

Right-of-Way Mower	20,000
Trail Amenities	5,000

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. The following capital project are planned for 2011:

Park Lighting	15,000
Swensson Park Fountain	30,000

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 increased its contribution to \$9,000 for the cemetery. The contribution for 2011 will remain at \$9,000.

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 2.8%. A rate increase was implemented in 2004 with \$8,000 per year set aside in a depreciation reserve account. The depreciation reserve account will be 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 is 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 other increases. In 2011, there are no capital expenditures budgeted.

SWIMMING POOL:

This budget continues to grow. In 2011, it is scheduled to increase by 8.1%. The increase in the minimum wage has augmented the annual personnel cost by \$21,000 per year over 2008 levels. 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.

Lane Rope Replacement	3,500
Diving Board Replacement	4,000

LIBRARY FUND:

The Library Fund property tax support will be flat for 2011. Because of stagnant or declining property values the funding for the library was \$47,367 in 2008, \$48,640 in 2010 and is \$49,180 in 2011. 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 \$53,361 in property tax. In 2004, the property tax assessed to support recreation was \$45,000. The tax support continues to be strong because of a healthy demand for programs and increased expenses due to that demand. Additionally, in 2008, the Lindsborg Golf Club was purchased by the city. In the last quarter of 2007, activity fees were increased by an average of \$5.00 per participant to help offset increased expenses. There continues to be strong demand for the recreation programs by citizens of Lindsborg. Furthermore, those outside the community continue to participate in increasing numbers. An internship program continues to provide assistance and support to the Recreation Director. There remains a strong desire to maintain quality programs, yet price the programs for maximum participation. If a Recreation District is established for the school district, there may be an opportunity to

expand the programs and establish tax equity with the entire area the City of Lindsborg Recreation Department serves. In lieu of a Recreation District, a two-tiered activity fee structure was implemented in the fall of 2008. The two-tiered structure consists of a lower fee for residents of the City of Lindsborg and a higher fee by \$5.00 for those persons who reside outside of the corporate city limits.

BOND AND INTEREST FUND:

The amount of tax revenue needed for debt service will decrease slightly. The decrease in property tax revenue from 2010 to 2011 is \$970. It is important to note that this fund is used to service debt, but some of the bond debt is serviced by special assessments. During 2008, all general obligation debt paid by property tax was retired. In the third quarter of 2009, general obligation bonds were issued for three projects; City Hall historical renovation, reconstruction of East Lincoln Street and the improvements of East Swensson Street/Bethany Drive. These projects were undertaken because no additional property tax revenue would be needed to complete the community improvements.

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 declined. In the second half of 2010, a concerted campaign is being made to court the business and meeting market. As the focus on a new market unfolds, the impacts should be seen in increased revenue. But because of the economic downturn, a loss of 2010 revenue must be recouped before there are noticeable gains. Therefore the 2011 budget will remain the same as the 2010 budget. The revenues in this fund will be used for convention and tourism promotion purposes. Personnel expenses will not be covered by this fund.

Billboards	7,000
Promotional Advertisements	3,500

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 necessitates 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 four days for two people. The following projects are planned for 2011 to improve the efficiency, reliability and delivery of electric service to the community:

Tree Trimming, Annually	22,000
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
Metering Change Out (AMR)	25,000
Data Gathering Software	28,550
GIS Mapping of Electric Distribution System	19,992
Replace 2000 Duty Truck w/Bed	40,000

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 four days for two people. This will allow for a reallocation of human resources, reduce reading errors and improve utility revenue cash flows. In considering the purchases for 2011, the following expenditures are planned:

Repair Parts Inventory	10,000
Water Line Replacement Program	25,000
Automated Meter Reading	66,000
Water Tower Repairs	10,000

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 needs to be made. That upgrade is currently in process with a scheduled completion of May 2011. In 2011 the following items are scheduled for purchase:

Repair Parts Inventory	8,500
Sewer Line Cleaning, Annually	6,000
Lift Station & Line Maintenance	3,500
Sewer Manhole Maintenance	10,000

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 expenses in this fund will be to further the business and economic goals as adopted by the City of Lindsborg Strategic Plan 2010 – 2012.



What Is the Value of Your Tax Dollar?

Market Valuation of Home: \$100,000

To determine assessed valuation, multiply by 11.5%:

$$100,000 \times .115 = \$11,500$$

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

$$\$11,500 \times .122 = \$1,394.21$$

The city's share of the \$1,394.21 is \$431.37.

Monthly Expenses for City Services

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

$$\$431.37/12 = \$35.95$$

The following list represents a sampling of the General Fund services and Capital Improvements provided at \$35.95 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 | |

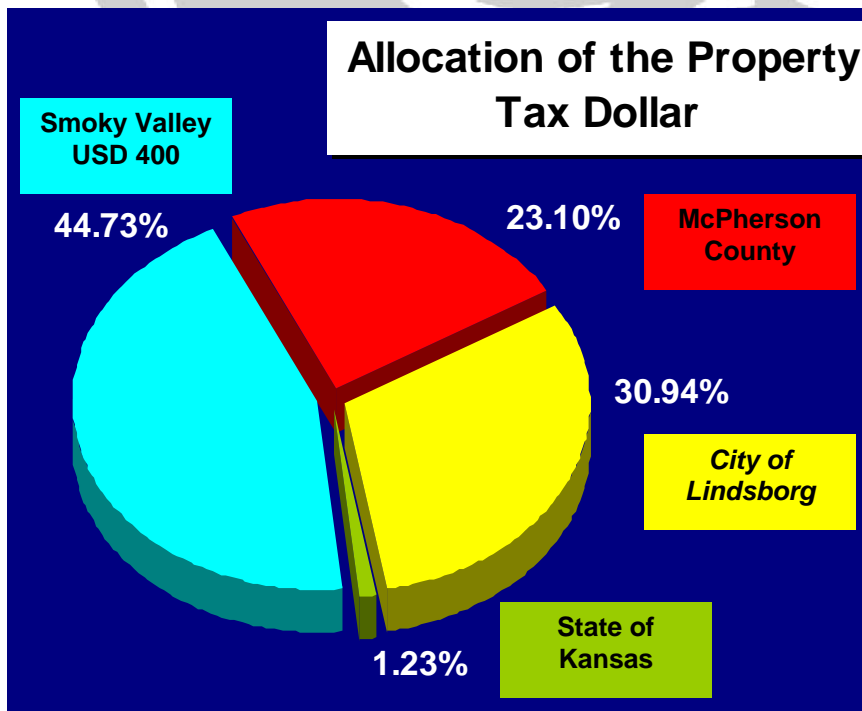
"Lindsborg: where you want to Be, to Play, to Live, to Stay"

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

- | | | | |
|---------------------------|----------|---------------------|----------|
| ✦ Gasoline: | \$137.00 | ✦ Digital Cable TV: | \$82.49 |
| ✦ Cellular Phone Service: | \$50.00 | ✦ Eating out: | \$85.00 |
| ✦ Long Distance Service: | \$40.00 | ✦ Car Insurance: | \$100.00 |

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 1.23 cents of every dollar; Smoky Valley USD 400 gets 44.73 cents of every dollar; McPherson County gets 23.1 cents of every dollar; and the City of Lindsborg receives 30.74 cents.



Allocation of property tax paid:*

State of Kansas	1.23%
USD 400	44.73%
McPherson County	23.10%
City of Lindsborg	30.74%
	<u>100%</u>

*Source: 2009 for 2010 Budget Levy and Valuation Worksheet, McPherson County Clerk, McPherson County, Ks. Levy Sheet available at www.mcphersoncountyks.us.

2011

CERTIFICATE

To the Clerk of McPherson County, State of Kansas
We, the undersigned, officers of
City of Lindsborg

- certify that: (1) the hearing mentioned in the attached publication was held;
(2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditures for the various funds for the year 2011; and
(3) the Amount(s) of 2010 Ad Valorem Tax are within statutory limitations.

Table of Contents:			2011 Adopted Budget		
			Expenditures	Amount of 2010 Ad Valorem Tax	County Clerk's Use Only
		Page No.			
Computation to Determine Limit for 2011		2			
Allocation of MVT, RVT, 16/20M Veh & Slider		3			
Schedule of Transfers		4			
Statement of Indebtedness		5			
Statement of Lease-Purchases		6			
Fund	K.S.A.				
General	12-101a	7	1,741,907	429,589	
Debt Service	10-113	8	241,071	120,286	
Library	12-1220	9	49,180	41,535	
Industrial	12-1617h	9	73,000	48,566	
Recreation	12-1932	10	247,058	53,361	
		10			
Special Streets		11	261,653		
Spec Pks/ Recreation		11	56,173		
Tourism Promotion		12	22,544		
Ambulance		12	365,163		
Sewer		13	1,386,022		
Water		13	1,549,324		
Refuse Collection		14	437,414		
		14			
Electric		15	4,957,400		
Non-Budgeted Funds-A		16			
Totals		x	11,387,909	693,337	
Budget Summary		17			
Neighborhood Revitalization Rebate					

Is an Ordinance required to be passed, published, and attached to the budget? No

Assisted by: _____

Address: _____

Attest: _____, 2010

County Clerk

County Clerk's Use Only

November 1st Total
Assessed Valuation

Governing Body

City of Lindsborg

2011

Computation to Determine Limit for 2011

		Amount of Levy
1. Total Tax Levy Amount in 2010 Budget	+ \$	<u>760,627</u>
2. Debt Service Levy in 2010 Budget	- \$	<u>121,256</u>
3. Tax Levy Excluding Debt Service	\$	<u>639,371</u>
 2010 Valuation Information for Valuation Adjustments:		
4. New Improvements for 2010:	+ <u> </u>	144,184
5. Increase in Personal Property for 2010:		
5a. Personal Property 2010	+ <u> </u>	1,044,920
5b. Personal Property 2009	- <u> </u>	1,284,410
5c. Increase in Personal Property (5a minus 5b)	+ <u> </u>	0
		(Use Only if > 0)
6. Valuation of annexed territory for 2010:		
6a. Real Estate	+ <u> </u>	298
6b. State Assessed	+ <u> </u>	0
6c. New Improvements	- <u> </u>	0
6d. Total Adjustment (Sum of 6a, 6b, and 6c)	+ <u> </u>	298
7. Valuation of Property that has Changed in Use during 2010:		<u>0</u>
8. Total Valuation Adjustment (Sum of 4, 5c, 6d & 7)		<u>144,482</u>
9. Total Estimated Valuation July 1, 2010	<u> </u>	20,085,098
10. Total Valuation less Valuation Adjustment (9 minus 8)		<u>19,940,616</u>
11. Factor for Increase (8 divided by 10)		<u>0.00725</u>
12. Amount of Increase (11 times 3)	+ \$	<u> </u> 4,633
13. Maximum Tax Levy, excluding debt service, without an Ordinance (3 plus 12)	\$	<u> </u> 644,004
14. Debt Service Levy in this 2011 Budget		<u> </u> 120,286
15. Maximum levy, including debt service, without an Ordinance (13 plus 14)		<u> </u> 764,290

If the 2011 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.

City of Lindsborg

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

Budgeted Funds for 2010	Budget Tax Levy Amt for 2009	Allocation for Year 2011			
		MVT	RVT	16/20M Veh	Slider
General	517,700	83,320	1,489	343	0
Debt Service	121,256	19,516	348	80	0
Library	41,920	6,747	120	28	0
Industrial	24,437	3,933	70	16	0
Recreation	55,314	8,903	159	37	0
TOTAL	760,627	122,419	2,186	504	0

County Treas Motor Vehicle Estimate	<u>122,419</u>			
County Treasurers Recreational Vehicle Estimate		<u>2,186</u>		
County Treasurers 16/20M Vehicle Estimate			<u>504</u>	
County Treasurers Slider Estimate				<u>0</u>
 Motor Vehicle Factor	<u>0.16094</u>			
Recreational Vehicle Factor		<u>0.00287</u>		
16/20M Vehicle Factor			<u>0.00066</u>	
Slider Factor				<u>0.00000</u>

STATEMENT OF INDEBTEDNESS

Type of Debt	Date of Issue	Date of Retirement	Interest Rate %	Amount Issued	Beginning Amount Outstanding Jan 1,2010	Date Due		Amount Due 2010		Amount Due 2011	
						Interest	Principal	Interest	Principal	Interest	Principal
General Obligation:											
Hospital Building	3/1/00	10/1/10	5.73	1,171,000	55,000	4/1 - 10/1	10/1	2,888	55,000	0	0
Special Assessments	11/1/01	10/1/11	3.67	130,000	30,000	4/1 - 10/1	10/1	1,192	15,000	600	15,000
Refunding & Improvements	10/15/09	10/1/29	3.94	2,740,000	2,740,000	4/1 - 10/1	10/1	91,404	280,000	89,503	130,000
Total G.O. Bonds					2,825,000			95,484	350,000	90,103	145,000
Revenue Bonds:											
Electric Revenue	4/1/09	10/1/24	4.68	1,310,000	1,310,000	4/1 - 10/1	10/1	56,325	65,000	54,375	75,000
Wastewater Revolving Loan	11/15/95	3/1/16	3.56	1,149,629	518,915	3/1 - 9/1	3/1 - 9/1	17,836	72,295	15,239	74,892
Wastewater Revolving Loan (Estimated)	9/1/10	9/1/30	2.67	3,700,000	0	3/1 - 9/1	3/1 - 9/1	0	0	153,000	142,000
Total Revenue Bonds					1,828,915			74,161	137,295	222,614	291,892
Other:											
Total Other					0			0	0	0	0
Total Indebtedness					4,653,915			169,645	487,295	312,717	436,892

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 2010	Payments Due 2010	Payments Due 2011
None at this time							
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

2011

FUND PAGE - GENERAL

Adopted Budget General	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	726,437	750,824	358,970
Receipts:			
Ad Valorem Tax	466,473	517,700	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	9,294	5,000	5,000
Motor Vehicle Tax	72,394	67,844	83,320
Recreational Vehicle Tax	1,319	1,255	1,489
16/20M Vehicle Tax	466	424	343
Gross Earning (Intangible) Tax	0	0	0
LAVTR	0	0	0
City and County Revenue Sharing	0	0	0
Slider	0	0	0
Mineral Production Tax			
Local Alcoholic Liquor	6,669	6,907	6,514
In Lieu of Taxes	15,241	14,354	15,000
Sales Tax	532,476	430,000	510,000
Franchise Tax	78,313	80,000	80,000
Local Fire Agreement	15,950	16,080	16,200
Court Fees	51,203	50,000	73,000
Zoning Fees	400	250	250
Connecting Link	11,032	11,032	11,032
Electric Licenses	758	500	500
Plumbing Licenses	399	500	500
Other Licenses	440	500	500
Dog Tags/ Impound Fees	2,350	2,000	2,000
CMB Licenses	275	400	400
Liquor Licenses	1,000	1,000	1,000
Building Permits	6,847	5,000	5,000
Cable TV Pole Charges	3,708	3,800	3,900
Rent	15,400	11,400	11,400
Swimming Pool	51,682	45,000	45,000
Transfers From Refuse Service	17,000	19,200	21,000
Reimbursed Expenses	9,202	5,000	5,000
2009 Works! Conference	23,381	0	0
Special Assessments	23,462	0	0
Interest on Idle Funds	144,880	50,000	50,000
Miscellaneous	4,627	5,000	5,000
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	1,566,641	1,350,146	953,348
Resources Available:	2,293,078	2,100,970	1,312,318

City of Lindsborg

2011

Adopted Budget General Fund - Detail Expenditures	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Expenditures:			
General Administration			
Personnel	151,655	155,000	197,000
Contractual	175,393	175,000	175,000
Commodities	29,590	25,000	25,000
Capital Outlay	0	190,000	76,407
Transfer To Reserve	46,323	50,000	50,000
Total	402,961	595,000	523,407
Police Department			
Personnel	342,729	346,500	370,000
Contractual	35,901	35,000	32,500
Commodities	18,558	25,000	25,000
Capital Outlay	7,924	26,000	9,000
Total	405,112	432,500	436,500
Street Department			
Personnel	172,012	185,000	200,000
Contractual	19,111	20,000	18,500
Commodities	30,783	35,000	33,000
Capital Outlay	110,406	3,500	35,000
Total	332,312	243,500	286,500
Parks Department			
Personnel	107,918	110,000	120,000
Contractual	47,001	20,000	20,000
Commodities	15,721	20,000	20,000
Capital Outlay	10,496	30,000	25,000
Total	181,136	180,000	185,000
Convention/ Visitors Bureau			
Personnel	39,427	79,000	86,000
Contractual	26,378	20,000	19,000
Commodities	8,142	10,000	9,000
Capital Outlay	0	0	0
Total	73,947	109,000	114,000
Swimming Pool			
Personnel	51,523	68,000	68,000
Contractual	9,920	10,000	10,000
Commodities	16,818	15,000	15,000
Capital Outlay	0	0	7,500
Total	78,261	93,000	100,500
Fire Department			
Personnel	43,022	46,000	47,000
Contractual	8,960	11,000	10,000
Commodities	5,780	14,000	14,000
Capital Outlay	3,007	7,500	14,500
Total	60,769	78,500	85,500
Appropriations			
Elmwood Cemetery	7,000	9,000	9,000
Library	756	1,500	1,500
Total	7,756	10,500	10,500
Page Total	1,542,254	1,742,000	1,741,907

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

City of Lindsborg

2011

FUND PAGE

Adopted Budget Debt Service	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	99,658	259,836	26,824
Receipts:			
Ad Valorem Tax	116,258	121,256	xxxxxxxxxxxxxxxxxxxxx
Delinquent Tax	2,474	1,500	1,500
Motor Vehicle Tax	19,152	16,908	19,516
Recreational Vehicle Tax	350	313	348
16/20M Vehicle Tax	129	106	80
Slider			0
Special Assessments	(1,521)	15,517	15,517
Local Sales Tax Allocation	162,389	85,000	57,000
Dedicated Special Bond Reserve	0	202,709	0
Interest on Idle Funds	638	0	0
Miscellaneous	648	0	0
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	300,517	443,309	93,961
Resources Available:	400,175	703,145	120,785
Expenditures:			
Bond Principal	65,000	542,865	130,000
Bond Interest	49,393	133,431	86,046
Commission & Postage	1	25	25
Cash Basis Reserve	0	0	25,000
Dedicated Special Bond Reserve	25,945	0	0
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	140,339	676,321	241,071
Unencumbered Cash Balance Dec 31	259,836	26,824	xxxxxxxxxxxxxxxxxxxxx
2009/2010 Budget Authority Amount:	347,267	701,321	
		Non-Appr Bal	
		Tot Exp/Non-Appr Bal	241,071
		Tax Required	120,286
		Del Comp Rate: 0.000%	0
		Amount of 2010 Ad Valorem Tax	120,286

City of Lindsborg

2011

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Library	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	0	0	0
Receipts:			
Ad Valorem Tax	40,075	41,920	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	809	750	750
Motor Vehicle Tax	6,325	5,826	6,747
Recreational Vehicle Tax	116	108	120
16/20M Vehicle Tax	42	36	28
Slider			0
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	47,367	48,640	7,645
Resources Available:	47,367	48,640	7,645
Expenditures:			
Appropriate To Library Board	47,367	48,640	49,180
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	47,367	48,640	49,180
Unencumbered Cash Balance Dec 31	0	0	XXXXXXXXXXXXXXXXXXXX
2009/2010 Budget Authority Amount:	47,921	48,640	
		Non-Appr Bal	
		Tot Exp/Non-Appr Bal	49,180
		Tax Required	41,535
		Del Comp Rate: 0.000%	0
		Amount of 2010 Ad Valorem Tax	41,535

Adopted Budget

Industrial	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	38,713	30,237	3,825
Receipts:			
Ad Valorem Tax	37,315	24,437	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	903	500	500
Motor Vehicle Tax	7,800	5,427	3,933
Recreational Vehicle Tax	142	100	70
16/20M Vehicle Tax	44	34	16
Slider			0
County Economic Development	5,950	6,090	6,090
Transfer From Electric Fund	0	10,000	10,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	52,154	46,588	20,609
Resources Available:	90,867	76,825	24,434
Expenditures:			
Personnel	35,055	33,000	35,000
Contractual	23,869	35,000	33,000
Commodities	1,706	5,000	5,000
Capital Outlay	0	0	0
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	60,630	73,000	73,000
Unencumbered Cash Balance Dec 31	30,237	3,825	XXXXXXXXXXXXXXXXXXXX
2009/2010 Budget Authority Amount:	67,000	73,000	
		Non-Appr Bal	
		Tot Exp/Non-Appr Bal	73,000
		Tax Required	48,566
		Del Comp Rate: 0.000%	0
		Amount of 2010 Ad Valorem Tax	48,566

City of Lindsborg

2011

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Recreation	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	38,696	66,619	34,098
Receipts:			
Ad Valorem Tax	76,191	55,314	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	1,096	500	500
Motor Vehicle Tax	9,068	11,081	8,903
Recreational Vehicle Tax	162	205	159
16/20M Vehicle Tax	33	69	37
Slider	0	0	0
Activity Fees	118,923	127,000	132,000
Concessions	11,967	15,000	15,000
Reimbursed Expenses	578	398	0
Miscellaneous	4,471	3,000	3,000
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	222,489	212,567	159,599
Resources Available:	261,185	279,186	193,697
Expenditures:			
Personnel	111,872	138,000	152,500
Contractual	26,537	34,000	31,500
Commodities	41,751	40,000	39,000
Capital Outlay	14,406	13,900	5,000
Debt Service	0	19,188	19,058
Neighborhood Revitalization Rebate			
Miscellaneous	0		
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	194,566	245,088	247,058
Unencumbered Cash Balance Dec 31	66,619	34,098	xxxxxxxxxxxxxxxxxxxx
2009/2010 Budget Authority Amount:	239,600	257,100	Non-Appr Bal
			Tot Exp/Non-Appr Bal
			247,058
			Tax Required
			53,361
			Del Comp Rate: 0.000%
			0
			Amount of 2010 Ad Valorem Tax
			53,361

Adopted Budget

Adopted Budget	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	0	0	0
Receipts:			
Ad Valorem Tax			xxxxxxxxxxxxxxxxxxxx
Delinquent Tax			
Motor Vehicle Tax			
Recreational Vehicle Tax			
16/20M Vehicle Tax			
Slider			
Activity Fees			
Concessions			
Reimbursed Expenses			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	0	0	0
Resources Available:	0	0	0
Expenditures:			
Personnel			
Contractual			
Commodities			
Capital Outlay			
Debt Service			
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	xxxxxxxxxxxxxxxxxxxx
2009/2010 Budget Authority Amount:	0		Non-Appr Bal
			Tot Exp/Non-Appr Bal
			0
			Tax Required
			0
			Del Comp Rate: 0.000%
			0
			Amount of 2010 Ad Valorem Tax
			0

City of Lindsborg

2011

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Special Streets	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	102,420	176,563	172,283
Receipts:			
State of Kansas Gas Tax	82,044	85,720	89,370
County Transfers Gas	0	0	0
Reimbursed Expenses	0	0	0
Miscellaneous	0		
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	82,044	85,720	89,370
Resources Available:	184,464	262,283	261,653
Expenditures:			
Contractual	0	80,000	226,653
Commodities	7,901	10,000	35,000
Capital Outlay	0	0	0
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	7,901	90,000	261,653
Unencumbered Cash Balance Dec 31	176,563	172,283	0
2009/2010 Budget Authority Amount:	187,221	222,600	

Adopted Budget

Spec Pks/ Recreation	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	36,083	42,752	49,659
Receipts:			
Local Alcoholic Liquor	6,669	6,907	6,514
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	6,669	6,907	6,514
Resources Available:	42,752	49,659	56,173
Expenditures:			
Contractual	0	0	1,000
Commodities	0	0	1,000
Capital Outlay	0	0	54,173
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	0	0	56,173
Unencumbered Cash Balance Dec 31	42,752	49,659	0
2009/2010 Budget Authority Amount:	29,426	48,514	

City of Lindsborg

2011

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Tourism Promotion	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	5,304	5,905	2,544
Receipts:			
Transient Guest Tax	17,633	20,000	20,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	17,633	20,000	20,000
Resources Available:	22,937	25,905	22,544
Expenditures:			
Contractual	17,032	22,361	21,544
Commodities	0	1,000	1,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	17,032	23,361	22,544
Unencumbered Cash Balance Dec 31	5,905	2,544	0
2009/2010 Budget Authority Amount:	27,943	27,361	

Adopted Budget

Ambulance	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	249,635	272,540	210,439
Receipts:			
Service Charges	82,862	75,000	75,000
County Allocation	79,724	79,724	79,724
Memorials/ Donations	785	675	0
Reimbursed Expenses	1,101	0	0
Miscellaneous	0	0	0
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	164,472	155,399	154,724
Resources Available:	414,107	427,939	365,163
Expenditures:			
Personnel	97,809	112,000	112,000
Contractual	30,564	35,000	35,000
Commodities	13,194	15,000	15,000
Capital Outlay	0	55,500	203,163
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	141,567	217,500	365,163
Unencumbered Cash Balance Dec 31	272,540	210,439	0
2009/2010 Budget Authority Amount:	401,040	398,254	

City of Lindsborg

2011

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Sewer	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	557,159	629,753	787,522
Receipts:			
Sales	410,832	420,000	595,000
Penalties	3,923	3,000	3,000
Reimbursed Expenses	730	400	0
Miscellaneous	1,013	500	500
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	416,498	423,900	598,500
Resources Available:	973,657	1,053,653	1,386,022
Expenditures:			
Personnel	97,997	111,000	123,000
Contractual	45,448	40,000	40,000
Commodities	16,810	20,000	20,000
Capital Outlay	93,518	5,000	559,841
Debt Service--Principal	69,789	72,295	216,892
Debt Service--Interest/ Service Fee	20,342	17,836	168,239
Transfer To Depreciation Reserve	0	0	258,050
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	343,904	266,131	1,386,022
Unencumbered Cash Balance Dec 31	629,753	787,522	0
2009/2010 Budget Authority Amount:	541,681	700,460	

Adopted Budget

Water	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	1,354,953	1,186,167	1,166,324
Receipts:			
Sales	360,554	370,000	370,000
Penalties	3,146	3,000	3,000
Reimbursed Expenses	1,366	1,157	0
Miscellaneous	17,851	10,000	10,000
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	382,917	384,157	383,000
Resources Available:	1,737,870	1,570,324	1,549,324
Expenditures:			
Personnel	172,919	209,000	224,000
Contractual	45,914	45,000	45,000
Commodities	59,732	90,000	90,000
Capital Outlay	21,184	60,000	290,324
Debt Service--Principal	245,000	0	0
Debt Service--Interest	6,954	0	0
Transfer To Depreciation Reserve	0	0	900,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	551,703	404,000	1,549,324
Unencumbered Cash Balance Dec 31	1,186,167	1,166,324	0
2009/2010 Budget Authority Amount:	865,660	554,673	

City of Lindsborg

2011

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Refuse Collection	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	158,569	198,107	230,664
Receipts:			
Collections	203,657	205,000	205,000
Penalties	2,013	1,750	1,750
Reimbursed Expenses	11	7	0
Miscellaneous	0	0	0
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	205,681	206,757	206,750
Resources Available:	364,250	404,864	437,414
Expenditures:			
Contractual	147,184	150,000	155,000
Commodities	1,959	5,000	7,414
Capital Outlay	0	0	190,000
Transfer To General Fund	17,000	19,200	21,000
Transfer To Depreciation Reserve	0	0	64,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	166,143	174,200	437,414
Unencumbered Cash Balance Dec 31	198,107	230,664	0
2009/2010 Budget Authority Amount:	323,594	342,080	

Adopted Budget

0	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	0	0	0
Resources Available:	0	0	0
Expenditures:			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	0
2009/2010 Budget Authority Amount:	0	0	

City of Lindsborg

2011

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Electric	Prior Year Actual 2009	Current Year Estimate 2010	Proposed Budget Year 2011
Unencumbered Cash Balance Jan 1	2,086,271	2,157,425	2,137,400
Receipts:			
Sales	2,313,189	2,500,000	2,700,000
Penalties	16,192	15,000	15,000
Sales Tax	52,523	65,000	75,000
Reimbursed Expenses	7,310	4,000	0
Miscellaneous	46,451	30,000	30,000
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	2,435,665	2,614,000	2,820,000
Resources Available:	4,521,936	4,771,425	4,957,400
Expenditures:			
Production - Purchased Power	1,402,238	1,600,000	1,800,000
Distribution:			
Personnel	331,847	345,000	376,000
Contractual	76,796	60,000	60,000
Commodities	71,080	85,000	85,000
Capital Outlay	135,967	40,000	694,225
Total	615,690	530,000	1,215,225
General Administration			
Personnel	207,503	188,000	183,000
Contractual	45,596	75,000	45,000
Commodities	4,393	5,000	5,000
Capital Outlay	0	1,000	5,000
Total	257,492	269,000	238,000
Non-Operating			
Postage	4,812	5,200	5,300
Sales Tax	57,990	72,000	83,000
Interest	317	500	500
Debt Service--Principal	0	65,000	75,000
Debt Service--Interest	25,972	56,325	54,375
Transfer To Depreciation Reserve	0	0	1,450,000
Energy Efficiency Reserve	0	26,000	26,000
Transfer To Industrial Development Fund	0	10,000	10,000
Total	89,091	235,025	1,704,175
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	2,364,511	2,634,025	4,957,400
Unencumbered Cash Balance Dec 31	2,157,425	2,137,400	0

2009/2010 Budget Authority Amount:

3,116,010

3,489,508

0

NON-BUDGETED FUNDS (A)
(Only the actual budget year for 2009 is to be shown)

Non-Budgeted Funds-A

(1) Fund Name:		(2) Fund Name:		(3) Fund Name:		(4) Fund Name:		(5) Fund Name:		
Equipment Reserve		Capital Improvements		Capital Projects		0		0		
Unencumbered		Unencumbered		Unencumbered		Unencumbered		Unencumbered		Total
Cash Balance Jan 1	14,240	Cash Balance Jan 1	0	Cash Balance Jan 1	0	Cash Balance Jan 1		Cash Balance Jan 1		14,240
Receipts:		Receipts:		Receipts:		Receipts:		Receipts:		
Transfers In	46,324	Transfers In	0	Transfers In	0					
				SRTS Grant	13,954					
				Bonding	4,050,000					
				Interest	277					
Total Receipts	46,324	Total Receipts	0	Total Receipts	4064231	Total Receipts	0	Total Receipts	0	4,110,555
Resources Available:	60,564	Resources Available:	0	Resources Available:	4,064,231	Resources Available:	0	Resources Available:	0	4,124,795
Expenditures:		Expenditures:		Expenditures:		Expenditures:		Expenditures:		
Capital Outlay	0	Capital Outlay	0	Capital Projects	2,120,413					
				Costs of Issuance	90,693					
Total Expenditures	0	Total Expenditures	0	Total Expenditures	2211106	Total Expenditures	0	Total Expenditures	0	2,211,106
Cash Balance Dec 31	60,564	Cash Balance Dec 31	0	Cash Balance Dec 31	1,853,125	Cash Balance Dec 31	0	Cash Balance Dec 31	0	1,913,689 **
										1,913,689 **

**Note: These two block figures should agree.

NOTICE OF BUDGET HEARING

The governing body of
City of Lindsborg
will meet on August 9, 2010 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 2011 Expenditures and Amount of 2010 Ad Valorem Tax establish the maximum limits of the 2011 budget
Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2009		Current Year Estimate for 2010		Proposed Budget for 2011		
	Expenditures	Actual Tax Rate *	Expenditures	Actual Tax Rate *	Expenditures	Amount of 2010 Ad Valorem Tax	Estimate Tax Rate *
General	1,542,254	23.780	1,742,000	25.536	1,741,907	429,589	21.388
Debt Service	140,339	5.927	676,321	5.981	241,071	120,286	5.989
Library	47,367	2.043	48,640	2.068	49,180	41,535	2.068
Industrial	60,630	1.902	73,000	1.206	73,000	48,566	2.418
Recreation	194,566	3.884	245,088	2.729	247,058	53,361	2.657
Special Streets	7,901		90,000		261,653		
Spec Pks/ Recreation					56,173		
Tourism Promotion	17,032		23,361		22,544		
Ambulance	141,567		217,500		365,163		
Sewer	343,904		266,131		1,386,022		
Water	551,703		404,000		1,549,324		
Refuse Collection	166,143		174,200		437,414		
Electric	2,364,511		2,634,025		4,957,400		
Non-Budgeted Funds-A	2,211,106						
Totals	7,789,023	37.536	6,594,266	37.520	11,387,909	693,337	34.520
Less: Transfers	63,324		79,200		2,753,050		
Net Expenditure	7,725,699		6,515,066		8,634,859		
Total Tax Levied Assessed Valuation	753,775		760,627		xxxxxxxxxxxxxxxxxxxx		
	20,082,624		20,273,265		20,085,098		

Outstanding Indebtedness,	2008	2009	2010
January 1,			
G.O. Bonds	1,095,000	895,000	2,825,000
Revenue Bonds	1,017,467	833,704	1,828,915
Other	0	0	0
Lease Purchase Principal	0	0	0
Total	2,112,467	1,728,704	4,653,915

*Tax rates are expressed in mills

City Official Title: City Clerk

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 2008.

TABLE 1
 COMPARATIVE REVENUE SUMMARY*
 GENERAL FUND - 2010 BUDGET YEAR
 City of Lindsborg

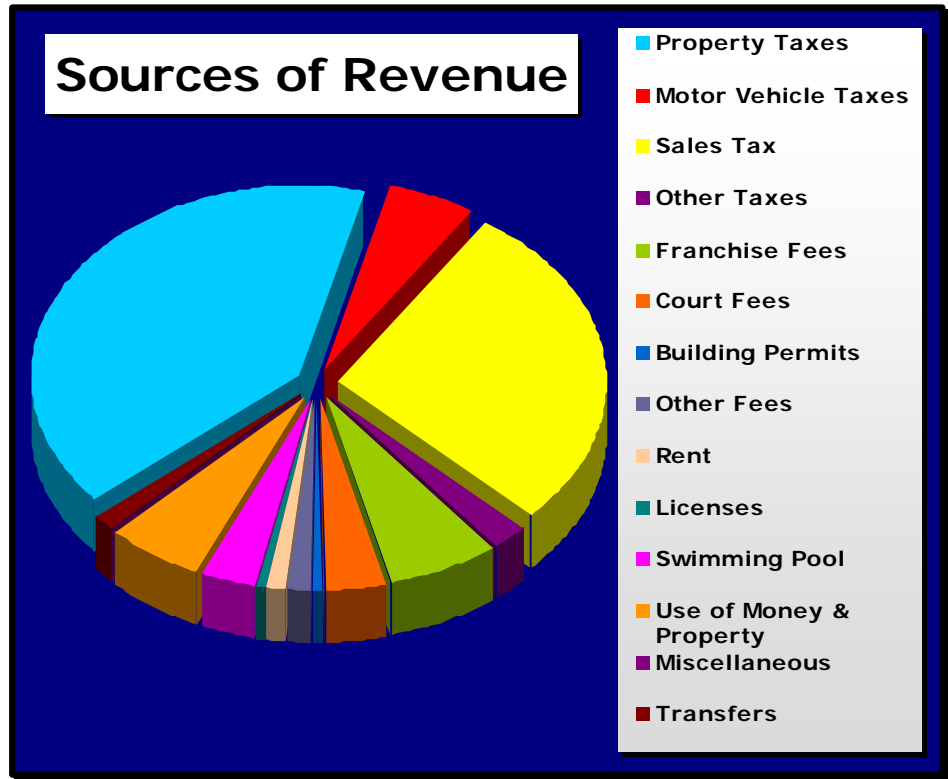
<u>Source of Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Taxes & Shared Revenues		
Property Taxes	\$522,700	39.7
Motor Vehicle Taxes	69,500	5.3
Sales Tax	365,000	27.7
Other	<u>32,300</u>	<u>2.4</u>
Subtotal	\$989,500	75.1
Fees & Permits		
Franchise Fees	85,000	6.4
Court Fees	50,000	3.8
Building Permits	5,000	0.4
Other	<u>20,100</u>	<u>1.5</u>
Subtotal	\$160,100	12.1
Other Revenues		
Rent	14,400	1.1
Licenses	4,900	0.4
Swimming Pool	45,000	3.4
Use of Money & Property	75,000	5.7
Miscellaneous	10,000	0.8
Transfers	<u>19,200</u>	<u>1.4</u>
Subtotal	\$168,500	12.8
TOTAL REVENUE	\$1,318,100	100.0

* Source: Financial Statement & Adopted Budget figures, General Fund 2010, 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 \$1,318,100 budgeted for the General Fund in 2010.

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 39.7 percent of the total, while property taxes combined with motor vehicle taxes accounted for 45 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 27.7 percent of the revenue total, and which includes substantial amounts of non-local moneys.



Expenditures

A comparative summary of General Fund expenditures for the 2010 budget year is outlined in the following table.

TABLE 2
COMPARATIVE EXPENSE SUMMARY*
GENERAL FUND - 2010 BUDGET YEAR
City of Lindsborg

<u>Expense Item</u>	<u>Amount</u>	<u>Percent of Total</u>
General Government	\$ 575,300	32.8
Police Department	440,500	25.1
Street Department	251,000	14.3
Park Department	186,000	10.6
Convention/Visitors Bureau	109,000	6.2
Cemetery Board	10,500	0.6
Swimming Pool	102,000	5.8
Fire Department	<u>81,000</u>	<u>4.6</u>
TOTAL EXPENDITURES	\$1,755,300	100.0

* Source: Financial Statement and Adopted Budget figures, General Fund 2010, 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 72 percent of the yearly cost of services represent the major centers of annual expense. The remaining 28 percent are divided among 5 other centers of expenses, of which only the parks department represents over 10 percent of the annual total.

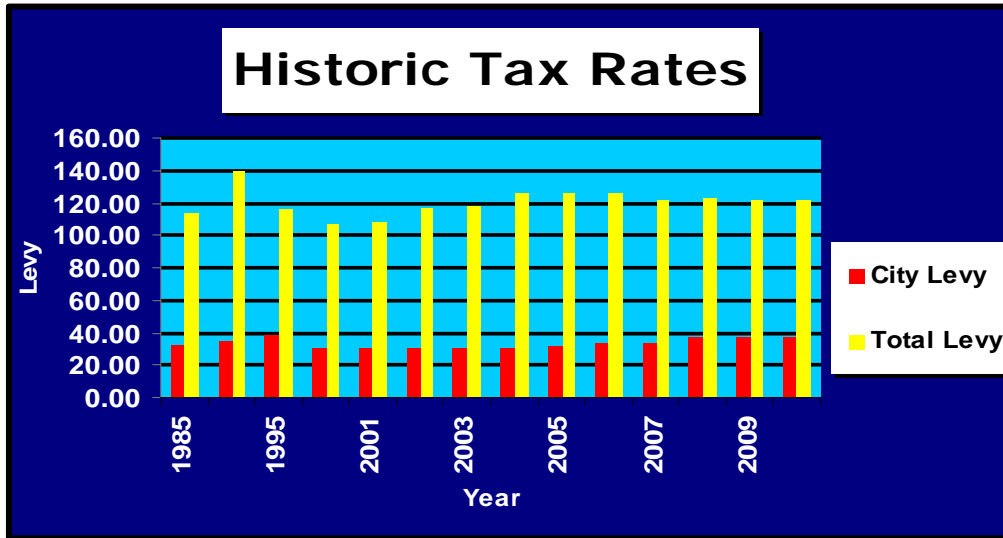
TAX RATES

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 40 percent of the overall total requirement for 2010. 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
2002	30.431	+1.3	117.493	+9.6
2003	30.116	-1.0	118.081	+0.5
2004	30.399	+0.9	126.650	+7.3
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

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



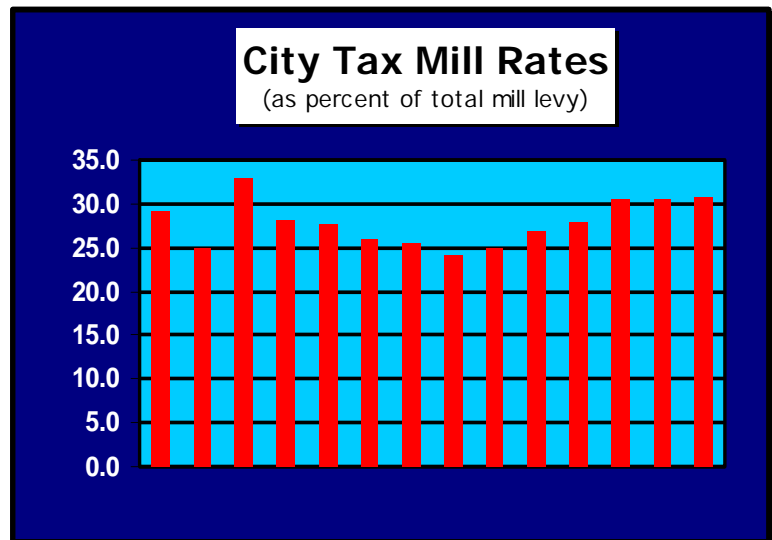
The graph and table shows that the City and total tax mill levies have fluctuated over the period, but have generally increased in response to the increasing cost of providing governmental services. The City rate has fluctuated from a low of 26.29 mills in 1980 to a high of 37.907 mills in 1995, with an average of 33.631 mills since 2002. During the same period, the total combined levy ranged from a low of 107.184 mills in 2000 to a high of 139.259 mills in 1990, averaging 122.496 since 2002. Both rates registered some degree of decline in 2009 and 2010; however both increased for the 1990, 2002, 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

Year	City Rate as Percent of Total
1980	24.8
1985	29.1
1990	25.0
1995	32.8
2000	28.0
2002	25.9
2003	25.5
2004	24.0
2005	24.9
2006	26.9
2007	27.8
2008	30.6
2009	30.7
2010	30.9

AVERAGE 27.6



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 27.6 percent since 1980. Representing 30.9 percent in 2010, the City rate was 25.9 percent of the total in 2002.

ASSESSED VALUATIONS

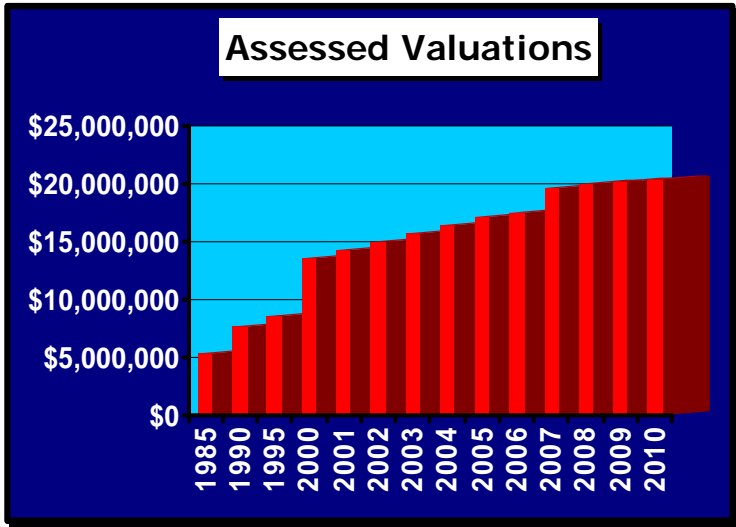
Historic trends in municipal assessed valuations are presented in the following table.

TABLE 5
HISTORIC TRENDS IN ASSESSED VALUATIONS*
City of Lindsborg

<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
2002	15,042,752	+11.0
2003	15,640,528	+4.0
2004	16,407,979	+4.9
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

*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 297 percent. Since 2002, the assessed valuation has enlarged by almost 35 percent, representing an average annual growth of about 4.4 percent.

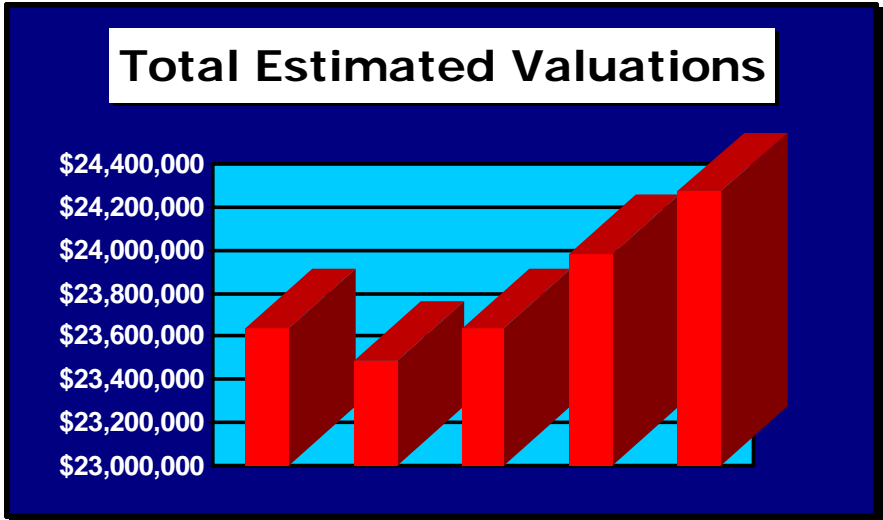


As construction of residential housing units continues in the new housing developments (Peterson Estates, Westview Addition, Emerald Lake Estates, and Smoky Valley Estates) as well as other areas in the city, there will naturally be a growth pattern in the assessed tangible valuation of the City. On 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>
2010	20,273,265	3,360,327	23,633,592
2011	20,085,000	3,400,000	23,485,000
2012	20,200,000	3,440,000	23,640,000
2013	20,500,000	3,480,000	23,980,000
2014	20,750,000	3,520,000	24,270,000

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 5 separate bond issues, which include 2 revenue issues, and 3 general obligation issues. 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. (An additional revenue issue – to be funded through the Kansas Water Pollution Control Revolving Loan Fund – is anticipated to be issued in 2011 to cover the next major upgrade to the wastewater treatment plant.) The general obligation bond issues consist of the 2000 bonds issued to purchase the local community hospital building; the 2001 bonds issued to fund the Peterson Estates Phase III improvements; and 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.)

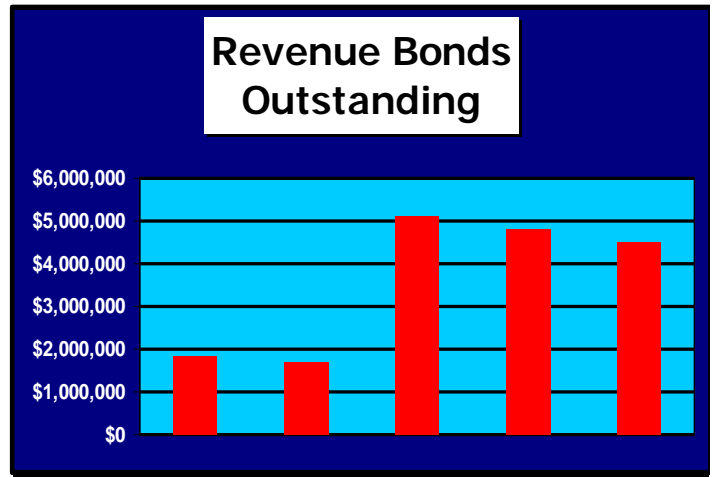
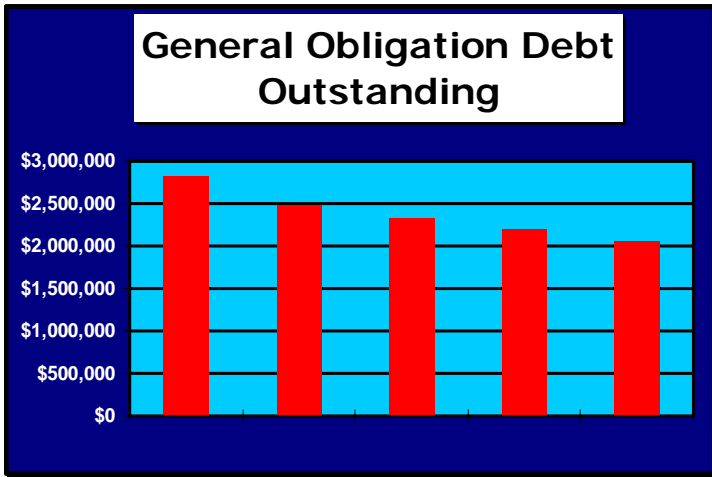
A summary of bonded debt remaining during the five-year capital improvement-programming period is outlined in the following table.

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>
2010	2,825,000	0	1,828,915	4,653,915
2011	2,475,000	0	1,691,620	4,166,620
2012	2,330,000	0	5,099,700	7,429,700
2013	2,200,000	0	4,805,100	7,005,100
2014	2,060,000	0	4,507,700	6,567,700

*Source: 2010 Budget, City of Lindsborg

The table shows that current bonded debt in all categories amounted to slightly under \$4.7 million in 2010, of which total just under 61 percent is represented by general obligation bonds with the remaining 39 percent represented by utility revenue bonds. The 2001 bond issue is comprised entirely of special assessment 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 figures reflect the bonding of the wastewater treatment plant improvements.



The graphs show that overall debt levels will be greatly increased during the five-year period. General obligation debt will be decreased over 27 percent, while the revenue bond total will be increased by over 146 percent. Together, these schedules will result in an aggregate bonded debt increase of over 41 percent.

BONDING CAPACITY

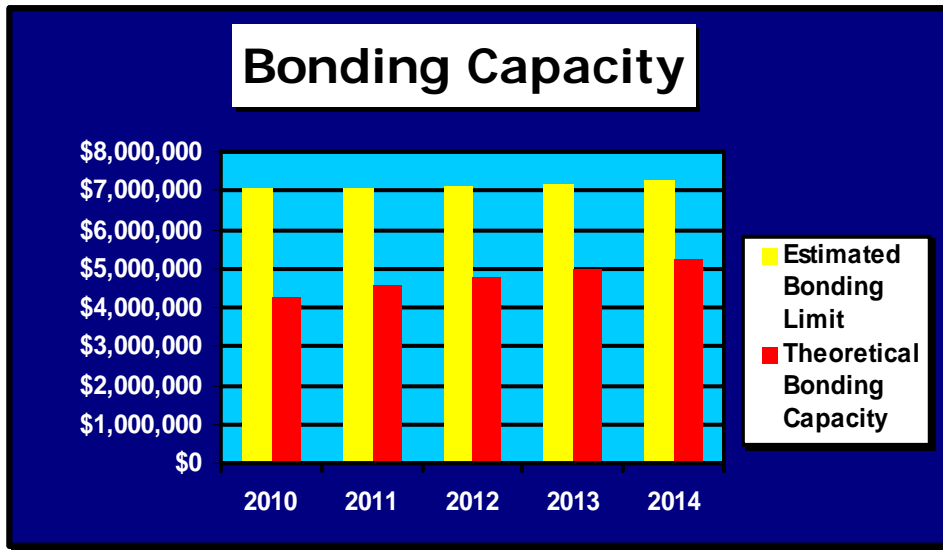
Estimates of potential future municipal bonding capacity are based on forecasts of future assessed valuations coupled with statutory limitations for bonded debt as balanced by existing debt levels. Estimated bonding capacity is based upon 30 percent of total estimated assessed valuation. Certain municipal 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>
2010	23,633,592	7,090,078	2,825,000	4,265,078
2011	23,485,000	7,045,500	2,475,000	4,570,500
2012	23,640,000	7,092,000	2,330,000	4,762,000
2013	23,980,000	7,194,000	2,200,000	4,994,000
2014	24,270,000	7,281,000	2,060,000	5,221,000

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.



5 YEAR CAPITAL IMPROVEMENT PLAN

ADMINISTRATION

	2011	2012	2013	2014	2015	Funding
Art Purchase-Local Artists	•	•	•	•	•	G.O.
Office Equipment Replacement	•	•	•	•	•	G.O./Sales Tax
Administration Vehicle	•					G.O.
Community Foundation Heritage	•	•				G.O.
Computer Equip/Software	•	•	•	•	•	E/W/S/G
Addl City Hall Furnishings	•					G.O./E/W/S
Chairs 1st floor conf. room		•				Sales Tax
City Hall Parking Lot	•					G.O.
Safety Program	•	•	•	•	•	G.O.
Disaster Recovery offsite	•	•	•	•	•	GO/E/W/S
Map Storage		•				G.O.

Additional ideas:

Microfilm reader when old records are converted to microfilm.

Wireless telephone headsets

Live video broadcast of council meetings via website

5 YEAR CAPITAL IMPROVEMENT PLAN

CONVENTION VISITORS BUREAU

	2011	2012	2013	2014	2015	Funding
Billboards Fixed Expense	•	•	•	•	•	Tour Promo
Billboard Rewraps (3YR Rotation)	•	•	•		•	Tour Promo
Show Vendor Fees	•	•	•	•	•	Tour Promo
Social Media Advertising	•	•	•	•	•	Tour Promo
Ads (Magazines, Papers)	•	•	•	•	•	Tour Promo
CVB Promotional Tools	•	•	•	•	•	Tour Promo

5 YEAR CAPITAL IMPROVEMENT PLAN

POLICE

	2011	2012	2013	2014	2015	Funding
Patrol Car & Equipment		•		•		Police
Car cameras					•	Police
Replace Body Armor					•	Police/Grant
Computer Hardware		•				Police
Computer Software			•			Police
Office Furniture/Upgrades	•			•		Police
Floor tile replacement	•					Police
Training	•	•	•	•	•	Police
Night Vision Device			•			Drug Fund/Grant
Surveillance Equipment	•		•			Police

5 YEAR CAPITAL IMPROVEMENT PLAN

EMS

	2011	2012	2013	2014	2015	Funding
Ambulance			•			EMS
EMT Class	•	•	•	•	•	EMS
Computer Upgrade		•				EMS
Enclosed room in bay					•	EMS
Blanket Warmers (2)	•					EMS
Mass Casualty Trailer Supplies				•		EMS
Uniform Supplies	•	•	•	•	•	EMS
Stair chairs		•				EMS

5 YEAR CAPITAL IMPROVEMENT PLAN

FIRE

	2011	2012	2013	2014	2015	Funding
3 Turnout Sets.	•	•	•	•	•	Fire
Fire Truck (2018)						SalesTax/Grant
New Truck Equipment (2018)						SalesTax/Grant
12 Helmets		•	•			Fire
Positive Pressure Fan		•				Fire
Fire Software						Fire
Imaging Camera					•	Fire/Grant
Roof						Fire
Uniform Supplies		•	•	•	•	Fire
Computer Upgrade						Fire
Hose	•	•	•	•	•	Fire
24 Rescue Gloves	•					Fire
Voice Amplifiers						Fire/Grant
Jaws & Accessories						Fire
Rescue Truck 304 Equipment		•		•		Fire
Air Pack Bottles (6)	•			•		Fire
Air Machine						Fire
Pagers (6)	•					Fire

5 YEAR CAPITAL IMPROVEMENT PLAN

PARKS

	2011	2012	2013	2014	2015	Funding
Sports Complex Improvement		•		•		Recreation
Parks Maintenance Building Equipment		•				Parks
North Park Restroom Upgrade			•			Parks
South Park Restroom		•				Sales Tax
Update Computer		•				Parks
Vehicle Replacement			•		•	Parks
Right of Way Mower	•					Parks
Playground Covering				•		Recreation
Trail Amenities	•					Parks
Safety Program	•	•	•	•	•	Parks
Sports Equipment Replacement	•	•	•	•	•	Recreation

SPECIAL PARKS

	2011	2012	2013	2014	2015	Funding
Park Lighting	•					Spec Pks
Park Benches			•			Spec Pks
Park Fountain	•					Spec Pks

POOL

	2011	2012	2013	2014	2015	Funding
Add/Replace Umbrellas		•		•		Pool
Add Lounge Chairs		•				Pool
Repaint Pool/Building		•	•			Pool
Replace Lane Ropes	•					Pool
Lifeguard Chairs				•		Pool
Replace Sunshades			•			Pool
Replace Diving Boards	•				•	Pool

5 YEAR CAPITAL IMPROVEMENT PLAN

GOLF COURSE

	2011	2012	2013	2014	2015	Funding
Clubhouse Remodeling			•			GC
Cart Path Maintenance		•		•		GC
Sprinkler Head Replacement	•		•		•	GC
Rental Golf Car Lease	•	•	•	•	•	GC
Irrigation Control	•					GC

5 YEAR CAPITAL IMPROVEMENT PLAN

STREETS

	2011	2012	2013	2014	2015	Funding
Sign change out program	•	•	•	•	•	Gen. Fund
Update computers		•				G.O.
Replace 1999 dump truck (#2)	•					G.O.
Replace 1990 Air Compressor					•	G.O.
Replace 1995 Tow trailer					•	G.O.
Replace 1991 5cy dump truck			•			E/W/S/WW
Replace skid loader tires	•		•		•	
Safety Program	•	•	•	•	•	G.O.

City owned land for stockpiles and city owned equipment

SPECIAL STREETS

	2011	2012	2013	2014	2015	Funding
Annual street maintenance	•	•	•	•	•	Spec Sts
Annual storm drain maintenance	•	•	•	•	•	Spec Sts
Mill & Overlay 1-300 W. Lindsborg			•			Spec Sts
Mill & Overlay 100 N. 3rd			•			Spec Sts
Mill & Overlay 500 S. 1st	•					Spec Sts
Mill & Overlay 200 W. Green					•	Spec Sts
Mill & Overlay 1-500 E McPherson					•	Spec Sts
Mill & Overlay 400 N. Roosevelt	•					Spec Sts

Future Road Work
 Mill & Overlay 200 S. Cedar
 Mill & Overlay 200 S. Cherry

5 YEAR CAPITAL IMPROVEMENT PLAN

WATER

	2011	2012	2013	2014	2015	Funding
Metering change out	•					Water
Repair parts inventory pr year	•	•	•	•	•	Water
Breakroom & office furniture	•					Water/Elec
Replace shop emergency lighting	•					Water/Elec
Replace shop heaters	•					Water/Elec
Replace shop windows	•					Water/Elec
Replace skid loader tires		•		•		Water
Replace 2000 meter reading truck		•				Water/Elec
In-town tower repairs	•					Water
Update computers		•				Water
Line Replacement Program	•	•	•	•	•	Water
Valve Replacement		•		•		Water
Safety Program	•	•	•	•	•	Water

Service for new development

5 YEAR CAPITAL IMPROVEMENT PLAN

WASTEWATER TREATMENT PLANT

	2011	2012	2013	2014	2015	Funding
Repair parts inventory	•	•	•	•	•	Sewer
Lift station and line maintenance	•	•	•	•	•	Sewer
Annual line cleaning	•	•	•	•	•	Sewer
Replace skid loader tires			•			Sewer
Replace sludge trailer tires		•		•		Sewer
Update computers		•				Sewer
Vacuum Truck			•			Sewer
Sewer manhole maintenance	•	•				Sewer
Sewer Master Plan				•		Sewer
Safety Program	•	•	•	•	•	Sewer

City owned land for sludge application

5 YEAR CAPITAL IMPROVEMENT PLAN

ELECTRIC

	2011	2012	2013	2014	2015	Funding
Contract tree trimming per year	•	•	•	•	•	Electric
Add radio-read meters	•					Electric
Street light replacement per year	•	•	•	•	•	Electric
Breakroom & office furniture	•					Water/Elec
Replace shop emergency lighting	•					Electric
Replace shop heaters	•					Water/Elec
Replace shop windows	•					Water/Elec
Replace open secondaries	•	•	•	•	•	Electric
Replace 1999 dump truck #1	•					Electric
Update computers		•				Electric
Replace 1995 Digger Derrick			•			Electric
Replace 2000 Duty Truck w/bed	•					Electric
Safety test hi voltage line equipment	•	•	•	•	•	Electric
Add distribution transformers	•	•	•	•	•	Electric
New Poles		•		•		Electric
Data gathering software	•					Electric
GIS mapping of system	•					
Safety Program	•	•	•	•	•	Electric
Replace 2000 meter reading truck		•				Water/Elec

Service for new developments

DEPARTMENT	DESCRIPTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Projected Life	
STREETS	1990 Sullair Air Compressor					1											22 Years	
	1982 IHC Dump Truck (Do Not Replace)																DNR	
	1995 18' x 18'6" Trailer					1											15 Years	
	1999 Ford Truck w/ Dump Bed	1										1					10 Years	
	1999 Ford F450 Dump Truck			1											1		11 Years	
	2009 Johnston Street Sweeper									1							10 Years	
	2000 Titan Gooseneck Trailer						1										15 Years	
	1995 Concrete Saw		1															12 Years
	1989 950 John Deere Tractor	1																19 Years
	2010 Bobcat Skid Steer	1	1	1	1	1												
	2005 Mower Deck							1										10 Years
	Easy-Liner Paint Sprayer	1																14 Years
	2008 John Deere 444 Loader													1				14 Years
	1998 Caterpillar Motor Grader								1									18 Years
1979 Water Tank							1										35 Years	
1991 IHC Dump Truck		1															20 Years	
WWTP	1989 Meyers Sewer Cleaner			1													20 Years	
	2007 Ford F-250							1									16 Years	
	1997 Manure Spreader											1					18 Years	
	2010 Bobcat Skid Steer	1	1	1	1	1	1						1				12 Years	
	1984 Cummins Generator**			0													28 Years	
	2005 Nunn 3700gal Sludge Wagon											1					15 Years	
	2010 Grasshopper Mower										1						10 Years	
2005 Case IH MXM175 Tractor																20 Years		
ELECTRIC	1993 Ford Ranger Pickup (Do Not Replace)																DNR	
	1995 Digger Derrick			1													15 Years	
	2000 GMC w/1989 Hi-Ranger									1							10 Years	
	2000 Ford Pickup w/ Utility Bed	1										1					10 Years	
	2000 Vermeer Trencher						1										15 Years	
2000 Ext Cab S-10 Pickup(trade w/93 Ford)		1										1				11 Years		
WATER	1996 100 kW Generator							1									20 Years	
	1997 Backhoe								1								15 Years	
	2010 Ford F250 Pickup w/ 2010 Utility Bed										1						10 Years	
	1966 Chevrolet Pole Cat Truck				1												35 Years	
ELECTRIC/WATER	2002 Ford F150 Pickup			1													12 Years	
RECYCLING	Aeromaster Compost Turner											1					25 Years	

DEPARTMENT	DESCRIPTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Projected Life
PARKS	2001 720K Grasshopper Mower						1							1			7 Years
	2002 Ford F150 Pickup								1								15 Years
	2004 Toolcat (Evaluate Usefulness)					1											10 Years
RECREATION	1999 Pontiac Grand Prix			1													15 Years
GROWING OUT STATION	2000 Ford F150 Pickup			1											1		12 Years
FIRE	2006 Fire Truck																25 Years
	1998 Miller McCoy Rescue Truck													1			25 Years
	1993 Pierce Fire Truck								1								25 Years
EMS	2008 Osage Ambulance									1							10 Years
	2002 Ford E450 MedTec Ambulance			1										1			10 Years
POLICE	2010 Ford Police Interceptor				1				1				1				4 Years
	2008 Ford Crown Vic Interceptor		1				1				1				1		4 Years
PUBLIC SAFETY																	
	Public Safety Building Generator														1		35 Years
ADMINISTRATION	2000 Ford Tarus SE	1										1					10 Years
	Kindle DX Readers					1					1					1	5 Years
ALL DEPARTMENTS	Computer Network		1					1					1				5 Years
TOTAL PER YEAR		7	7	8	5	6	7	4	4	3	4	6	5	3	4	1	

**1984 Cummins Generator will be replaced per KDHE requirements in the WWTP Upgrade