

CITY OF LINDSBORG



2012 BUDGET

2012 BUDGET INTRODUCTION

The following City of Lindsborg 2012 Budget has been developed as a guide for the plan of work during the 2012 fiscal year. The fiscal year runs from January 1, 2012 through December 31, 2012. 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 due to the exemption equals approximately \$92,000 per year or the equivalent of 4.58 mills of property tax.

The resultant effect of the loss of revenue from the State of Kansas was a shift in the tax burden to local property owners and a greater reliance on sales tax. This is reflected by an increase in the City of Lindsborg mill levy over the last eight years from 30.035 mills in 2003 to 37.520 mill in 2010. In April of 2010, the voters of Lindsborg approved a 1.0% sales tax for the purposes of property tax relief, economic development and infrastructure. The 2011 budget dropped the mill levy three mills from 37.520 mills in 2010 to 34.516 mills. The 2012 budget maintains the mill levy at 34.517 mills. 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* of 34.516 mills to all 128 cities of the first and second class, Lindsborg ranks as the 34th lowest. That means that there are 94 cities with a higher mill levy. The range of mill levies is from a low of 8.876 mills* to a high of 84.201 mills*.

If you look at the city property tax rate in a broader context of total mill levy* of 118.438 mills, Lindsborg ranks even better. Out of the same 128 cities, Lindsborg ranks as the 4th lowest total mill levy*. The range for total mill levies is from a low of 113.914* mills to a high of 223.733 mills*.

As you review the City of Lindsborg 2012 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: 2011 Kansas Tax Rate Book, "2010 Taxes Levied for 2011," The League of Kansas Municipalities.





STRATEGIC PLAN



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's 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.





REVENUE SUMMARY
EXPENDITURE SUMMARY

BUDGET OVERVIEW

This summary provides a brief overview of the revenue and expenditures for the 2012 budget.

Revenue Summary:

The property tax revenue for the **General Fund** will increase from \$429,589 in 2011 to \$461,915 in 2012. This is less than the 2010 assessment of \$517,700. There are two primary factors driving this increase in property tax revenue. The first is a reduction in the funds carryover amount from 2011. This is projected to be \$289,626 less than it was in 2011. This reduction in funds carryover is due to the spending of reserves to maintain city services. Interest rates on city investments are extremely low. The 10-year average annual interest income is \$240,000. In 2011, \$45,000 in interest revenue was received. In 2012, only \$40,000 of income is expected to be generated by the investments. Additionally, a 1.0% sales tax was passed by the electorate to replace the sunset of a ½% that expired on June 30, 2010. The 1.0% sales tax was passed for three purposes; property tax relief, economic development and infrastructure. The property tax relief proposed during the sales tax process was a 3.0 mill levy reduction. The adopted budget reflects a decrease in the total mill levy from 37.520 mills to 34.516 mills. The decision was made to maintain the mill levy at the current level for the 2012 fiscal year.

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 2012, this equates to an estimated loss in assessed valuation of \$564,000. The cumulative impact is a loss of funding of approximately \$146,000 (7.08 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 stagnated. The assessed valuation has increased from **\$20,088,924 in 2011** to **\$20,624,257 in 2012**. Therefore, each mill yields \$20,624.26 in revenue. The 2012 valuation yields just \$350 per mill more than the 2010 valuation. But the overriding goal in the development of the 2012 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 by maintaining the mill levy 34.517 mills for 2012.

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 remain constant for 2012. The current economic conditions and the slow economic recovery, which are predicted to carry into 2012, are felt by the property owners of the community. The desire of City Council is to be responsive to economic conditions impacting the property owners in Lindsborg.

The **Industrial Development Fund** will decrease by \$4,000 for 2012. 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. The fund is being decreased to reach the goal of maintaining the total mill levy at the 2011 level. Many of the expenses of the community development department are paid from this fund.

The **Library Fund** revenues for 2012 are budgeted to be \$50,297. 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 2012 will have a 3.1% increase in the amount of tax revenues from 2011. This is due to the additional tax support for the golf course. The primary source of revenue is in activity fees at the golf course. As improvements have been made, the level of rounds played has not increased to cover the operations and maintenance expenses of the course.

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. Agreements are being pursued for the offering and enhancement of recreation programs through public-private partnerships (P3). The goal is quality programs while minimizing the amount of property tax support for the programs.

Several years ago, many of the recreational activities that were available to the community were administered and funded by other organizations. Today, the Recreation Department is operating a majority of these programs and the money that supported them is channeled through this fund. This places increased scrutiny on the programs being offered and the level of participation in those programs. Community organizations no longer administer these programs and the level of financial support from the organizations 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. Recreation adds to the quality of life in Lindsborg. But all of these factors are creating the need to pursue new and innovative ways to offer programming.

The **Bond and Interest Fund** shows an increase of \$20,970 in the amount of tax required to support the City's bond obligations. This is caused by the lack of funds carryover from 2011. All outstanding special assessments were retired in 2011. The outstanding debt is a refunding and improvements bond issue. The refunding was to refinance the hospital building debt. The improvements were the City Hall renovation project, East Lincoln Street reconstruction and the East Swensson/Bethany Drive reconstruction. The electorate of Lindsborg approved a 1.0% sales tax for the purposes of property tax relief; economic development and infrastructure that took effect July 1, 2010. \$60,000 of the revenue from this sales tax will be used to continue to service the debt on the bond for the acquisition of the Lindsborg Community Hospital building.

The **Ambulance Fund** revenues will decrease slightly from \$155,390 in 2011 to \$154,724 in 2012. 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 2012, the appropriation from McPherson County will be \$79,724. The demand for EMS services remains high. The EMS currently averages 1.34 runs per day. Funding will be used for recruitment and training of additional volunteers plus offset the increasing operation and equipment costs. As the demand for services continues to grow and the daytime availability of volunteers diminishes, the EMS will experience pressure to go to paid daytime staffing. To encourage EMS volunteers to take more "on-call" time, a service honorarium program was established in 2007. Another alternative to remain a high quality service provider is to examine the potential for a county wide emergency medical service.

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

The **Special Streets Fund** is expected to experience a modest increase to \$88,320 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 2012. 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 2012 will be modestly lower than in 2011. These revenues, like the gas tax revenues, are subject to reallocation by the Kansas Legislature to balance the State of Kansas budget. The majority of the revenues in this fund are utilized to pay for capital projects in the parks.

The **Sewer Fund** revenues are expected to remain the same in 2012. Additional revenue was generated in 2011 due to the implementation of a rate increase to service the debt on the wastewater treatment plant upgrade. The upgrade was mandated by the Environmental Protection Agency (EPA) and the Kansas Department of Health & Environment (KDHE). A \$5.3 million expansion of the wastewater treatment plant commenced in the fourth quarter of 2009 and was completed May of 2011. The State and Tribal Assistance Grant (STAG) funds (\$500,000), the American Recovery & Reinvestment Act grant funds (\$1,400,000), sewer reserve funds (\$500,000) and the Clean Water Revolving Loan Fund (\$3,400,000) revenue to finance the project was accounted for in the Capital Improvement Project Fund for the upgrade. The City continues to set aside funds each year to help pay for major improvements to the sewer system.

Compared to last year, the **Water Fund** is budgeted to be increased in the amount of \$10,000 in sales in 2012. 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 2013 budget year.

The **Refuse Collection Fund** revenues are budgeted to be flat in 2012. In 2008, a rate increase from \$10.50 to \$12.50 per month was implemented. The last increase was in 2004. Since 2004 costs have increased by 14.33%. The cost of trash pick up service continues to increase an average of 3% per year. Rates will need to be reviewed for the 2013 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 7.4% in 2012. Over the last eight years there has been a restructuring of the electric industry. This has increased the cost of wholesale energy as rates were unbundled and transmission services are now regulated by the Southwest Power Pool. This forecasted increase in revenue is also due to the implementation of a new wholesale power supply contract in June of 2010. The proposed terms of the contract necessitated an increase in rates charged to customers of the city's electric utility. A 3 phase study was commissioned in the second half of 2010 to look at the revenue requirements, cost of service to different customer classes and a new rate design. The results of the study identified rates that would more accurately reflect the cost structure of the new contract. The new rates were implemented with those bills that were due on September 10, 2011. On the national landscape, the electric industry is changing from a cost-based industry to a market based industry. The shift in the industry has created a greater volatility in purchased power that necessitated the implementation of an energy cost adjustment in October of 2007. An energy cost adjustment is the incremental difference between the contract price of energy and the actual cost of energy based upon the type of generation: coal, nuclear, natural gas, hydroelectric or wind. Under the new electric rate, the energy cost adjustment will be forward looking to minimize the volatility to the utility's customers. A depreciation reserve fund has been established to pay for major improvements to the electric system.

EXPENDITURES SUMMARY:

GENERAL GOVERNMENT FUND:

The tax levy limit imposed by the state government was allowed to expire in 2000. Growth in the City's assessed valuation has stagnated. This stagnation in assessed valuations combined with increased demands for city services and increased fuel expenses, plus the loss of the Local Ad Valorem Tax Reduction 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 2012 budget.

The 2012 budget reflects maintaining the mill levy at the same rate as the 2011 budget, 34.517 mills. The 3 mill reduction in the mill levy from 2010 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. In fact, of the 128 cities of the first and second class, the City of Lindsborg's mill levy ranks as the 34th lowest. 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. Additionally, there remains 1 vacant position that a public-private partnership is being pursued to provide the services of the position. The combined mill levy was cut from 37.520 mills in 2010 to 34.516 mills for 2011. For 2012, the mill levy will be 34.517 mills.

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

Community Foundation Heritage Fund	10,000
Community Survey	15,000
Artwork Purchases	1,500
Office Equipment	5,500
Computer Equipment/Software	25,000

STREETS DEPARTMENT:

The budget for this department will decrease 4.7% for 2012. In 2011, this budget was increased 17.7%. The reduction in budget was necessitated to reach the goal of maintaining the mill levy at the 2011 level. The Streets Fund coupled with the Special Streets Fund focus on existing street maintenance and repair. The following purchases are planned for next year:

Curb Roller	4,500
Sign Change-out Program	2,500

SPECIAL STREETS FUND:

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

Street Maintenance	35,000
Extend Vålkommen Trail (Grant)	20,000
Storm Drain Maintenance	2,500

POLICE DEPARTMENT:

The Police Department budget will increase in a modest 8.5% in 2012. The two patrol vehicles are budgeted with a four year lifecycle with one of the two vehicles to be replaced every other year. There is one vehicle scheduled to be replaced in 2012. The vehicle replacement is the primary driver in the increase in this budget. The following items are budgeted for 2012:

Patrol Car	26,000
Computer Hardware	5,000
Training	2,500

AMBULANCE FUND:

The Ambulance Fund expenditures will increase in 2012. Ambulance replacement is a major capital expenditure for Emergency Medical Services. Ambulances are budgeted with a 10 year lifecycle. Therefore money is set aside each year for that major capital expenditure. The ambulance fund also owns a property adjacent to the Public Safety Center. A decision will need to be made in 2012 whether to purchase a new ambulance or rehabilitate the property for a new EMS Center in 2013. The following expenditures are planned for 2012:

Electric Cot	10,000
Computer Hardware & Software	10,000
Uniform Supplies	1,200

FIRE DEPARTMENT:

The Fire Department budget will decrease by \$1,500 compared to last year. This is due to a decrease in personnel expense of \$2,000. 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 2012:

Turnout Sets (3)	11,500
Positive Pressure Fan	3,500
Hose	5,000
Truck 304 Rescue Equipment	1,500

PARKS DEPARTMENT:

The Parks Department budget will increase \$157,000 in 2012. This is primarily due to the replacement of the restroom facility in Riverside Park. The following expenditures are planned for 2012:

Riverside Park Restroom Replacement	125,000
Parks Maintenance Building Equipment	2,500

SPECIAL PARKS AND RECREATION:

The money in this fund comes from the local alcoholic liquor tax and can be used for projects, but not personnel costs. There are no capital projects planned for 2012:

CEMETERY BOARD:

In 1996, the city increased the funding to the cemetery board to pay for increased personnel costs. That increase was from \$3,000 to \$5,000. In 2010, the City raised its contribution to \$9,000 for the cemetery. The contribution for 2012 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 3%. A rate increase was implemented in 2004 with \$8,000 per year set aside in a depreciation reserve account. The depreciation reserve account is used to enhance recycling and composting facilities, and recycling services. In 2008, a rate increase from \$10.50

per month to \$12.50 per month was implemented. This was to offset the annual cost increase from the McPherson Area Solid Waste Utility and to improve the recycling services through the construction of a new recycling center. The new recycling center was completed in 2009. In the future it is expected that increased regulations from Federal and State Governments will cause the city to face additional increases. In 2012, there are no capital expenditures budgeted.

SWIMMING POOL:

This budget continues to grow. In 2012, it is scheduled to increase by 9.7%. Staffing of the pool will change in 2012 that will eliminate one daily position. This will save approximately \$8,500 in personnel expenses. The attendance at the pool has leveled off as neighboring communities have constructed new aquatic parks which have impacted attendance. Although the pool does not generate enough money to cover the capital costs, the increased revenues have helped to offset a major portion of the operation. The increase in the budget is due to planned capital expenditures. The following capital projects are planned for the pool next year.

Pool & Bathhouse Painting	25,000
Lounge Chair & Umbrella Replacement	2,500

LIBRARY FUND:

The Library Fund property tax support will be flat for 2012. Because of stagnant property values the funding for the library was \$48,640 in 2010 and is \$49,180 in 2011, and \$50,297 in 2012. 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 \$42,129 in property tax. In 2008, the Lindsborg Golf Club was purchased by the city. The primary use of the property tax support will be to subsidize the operations and maintenance of the golf course. There continues to be strong demand for the recreation programs by citizens of Lindsborg. The City is examining opportunities for public-private partnerships (P3) that will enhance recreation programs in a cost-effective fashion. A Recreation District has been examined in the past, but has not received the support of the school district to place it on the ballot for a public referendum. The city provides recreation services for constituents beyond the corporate boundaries, but programs are funded by property owners within the city and through activity fees. There remains a strong desire to maintain quality programs, yet price the programs for maximum participation. The local subsidy, the

large service area, the lack of support for a recreation district, along with the desire to maintain quality programs has prompted the examination of the potential public-private partnerships (P3).

BOND AND INTEREST FUND:

The amount of tax revenue needed for debt service will increase. The increase is due to only \$154 of funds carryover from 2011. The amount of increase is \$20,970. It is important to note that this fund is used to service debt, but some of the bond debt is serviced by sales tax. \$60,000 in sales tax is used to service the debt on the City's purchase of the hospital building in 2000.

TOURISM PROMOTION FUND:

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

Billboards	6,450
Promotional Advertisements	8,500

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 necessitated a new rate design that encourages the efficient use of energy. The electric utility will need to continue to improve and maintain an efficient delivery system to remain competitive. In 2001, an engineering study of the city's distribution system was completed and implemented by City Council. Additionally, a demand meter program with automatic meter reading (AMR) has been established. The goal is to shorten the meter reading time from two people, 10 days a month to one person, one-half day a month. Currently, the read time has been reduced to six days for one person. The following projects are planned for

2012 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
Enhanced Automated Meter Reading (AMR)	10,000
Computer Upgrade	2,500
Park Secondaries Underground	19,992
Replace 2000 Duty Truck w/Bed	55,000
Replace Meter Reading Vehicle	9,000

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 six days for one person. This will allow for a reallocation of human resources, reduce reading errors and improve utility revenue cash flows. In considering the purchases for 2012, the following expenditures are planned:

Repair Parts Inventory	10,000
Water Line Replacement Program	25,000
Enhanced Automated Meter Reading (AMR)	10,000
Water Tower Maintenance	6,000
Replace Meter Reading Vehicle	9,000
Computer Upgrade	2,500

SEWER FUND:

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

wastewater treatment facility was made. That upgrade was completed in May of 2011. In 2012 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
Computer Upgrade	2,500

INDUSTRIAL DEVELOPMENT FUND:

These funds are designated for community and economic development and are utilized by the City of Lindsborg community development department for those purposes. In 2004, an Economic Development Director position was added. In 2008, the position was changed to Community Development Director. The 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?

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

To determine assessed valuation, multiply by 11.5%:

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

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

$$\$13,800 \times .118 = \$1,628.40$$

The city's share of the \$1,628.40 is \$474.52.

Monthly Expenses for City Services

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

$$\$474.52/12 = \$39.54$$

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 | |

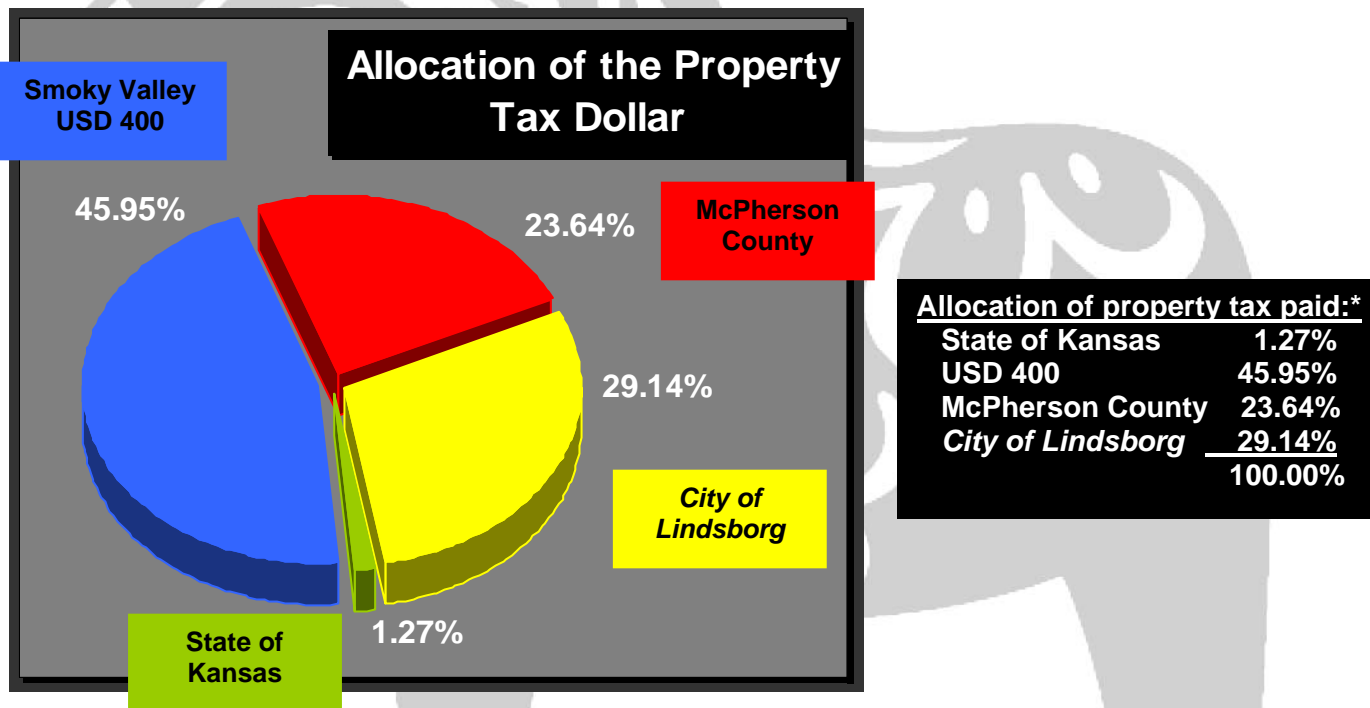
"Lindsborg: where you want to Be, to Play, to Live, to Stay"

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

- | | | | |
|---------------------------|----------|---------------------|----------|
| ✎ Gasoline: | \$156.00 | ✎ Digital Cable TV: | \$82.49 |
| ✎ Cellular Phone Service: | \$79.99 | ✎ Eating out: | \$125.00 |
| ✎ 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 1.27 cents of every dollar; Smoky Valley USD 400 gets 45.95 cents of every dollar; McPherson County gets 23.64 cents of every dollar; and the City of Lindsborg receives 29.14 cents.



*Source: 2010 for 2011 Budget Levy and Valuation Worksheet, McPherson County Clerk, McPherson County, Ks. Levy Sheet available at www.mcphersoncountyks.us.



STATE OF KANSAS
BUDGET DOCUMENTS

2012

CERTIFICATE

To the Clerk of McPherson, 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 2012; and
(3) the Amount(s) of 2011 Ad Valorem Tax are within statutory limitations.

			2012 Adopted Budget		
			Budget Authority for Expenditures	Amount of 2011 Ad Valorem Tax	County Clerk's Use Only
Table of Contents:					
Computation to Determine Limit for 2012		Page No. 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	1,997,250	461,915	
Debt Service	10-113	8	222,883	141,256	
Library	12-1220	8	50,297	42,650	
Industrial	12-1617h	9	69,000	23,925	
Recreation	12-1932	9	230,220	42,129	
Special Streets		10	211,581		
Spec Pks/ Recreation		10	17,028		
Tourism Promotion		11	26,425		
Ambulance		11	374,452		
Sewer		12	1,218,124		
Water		12	639,148		
Refuse Collection		13	399,273		
		13			
Electric		14	3,853,637		
Non-Budgeted Funds-A		15			
Non-Budgeted Funds-B		16			
Totals		xxxxxx	9,309,318	711,875	
Is an Ordinance required to be passed, published, and attached to the budget?			No		County Clerk's Use Only
Budget Summary		17			
Neighborhood Revitalization Rebate					Nov 1, 2011 Total Assessed Valuation

Assisted by:

Address:

Attest: _____, 2011

County Clerk

Governing Body

City of Lindsborg

2012

Computation to Determine Limit for 2012

		Amount of Levy
1. Total Tax Levy Amount in 2011 Budget	+ \$	<u>693,337</u>
2. Debt Service Levy in 2011 Budget	- \$	<u>120,286</u>
3. Tax Levy Excluding Debt Service	\$	<u>573,051</u>
2011 Valuation Information for Valuation Adjustments:		
4. New Improvements for 2011:	+ _____	822,366
5. Increase in Personal Property for 2011:		
5a. Personal Property 2011	+ _____	824,895
5b. Personal Property 2010	- _____	1,046,269
5c. Increase in Personal Property (5a minus 5b)	+ _____	0
		(Use Only if > 0)
6. Valuation of annexed territory for 2011:		
6a. Real Estate	+ _____	298
6b. State Assessed	+ _____	0
6c. New Improvements	- _____	0
6d. Total Adjustment (Sum of 6a, 6b, and 6c)	+ _____	298
7. Valuation of Property that has Changed in Use during 2011:	_____	0
8. Total Valuation Adjustment (Sum of 4, 5c, 6d & 7)	_____	822,664
9. Total Estimated Valuation July 1, 2011	_____	20,624,257
10. Total Valuation less Valuation Adjustment (9 minus 8)	_____	19,801,593
11. Factor for Increase (8 divided by 10)	_____	0.04155
12. Amount of Increase (11 times 3)	+ \$ _____	23,808
13. Maximum Tax Levy, excluding debt service, without an Ordinance (3 plus 12)	\$ _____	596,859
14. Debt Service Levy in this 2012 Budget	_____	141,256
15. Maximum levy, including debt service, without an Ordinance (13 plus 14)	_____	<u>738,115</u>

If the 2012 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

2012

STATEMENT OF INDEBTEDNESS

Type of Debt	Date of Issue	Date of Retirement	Interest Rate %	Amount Issued	Beginning Amount Outstanding Jan 1, 2011	Date Due		Amount Due 2011		Amount Due 2012	
						Interest	Principal	Interest	Principal	Interest	Principal
General Obligation:											
Special Assessments	11/01/2001	10/01/2011	3.67	130,000	15,000	4/1 - 10/1	10/1	600	15,000	0	0
Refunding & Improvements	10/15/2009	10/01/2029	3.94	2,740,000	2,460,000	4/1 - 10/1	10/1	89,503	130,000	86,578	130,000
Total G.O. Bonds					2,475,000			90,103	145,000	86,578	130,000
Revenue Bonds:											
Electric Revenue	04/01/2009	10/01/2024	4.68	1,310,000	1,245,000	4/1 - 10/1	10/1	54,375	75,000	52,125	75,000
Wastewater Revolving Loan	11/15/1995	03/01/2016	3.56	1,149,629	446,620	3/1 - 9/1	3/1 - 9/1	15,239	74,892	12,549	77,582
Wastewater Revolving Loan (Estimated)	09/01/2011	03/01/2032	2.83	3,740,107	0	3/1 - 9/1	3/1 - 9/1	100,500	0	104,852	141,327
Total Revenue Bonds					1,691,620			170,114	149,892	169,526	293,909
Other:											
Total Other					0			0	0	0	0
Total Indebtedness					4,166,620			260,217	294,892	256,104	423,909

City of Lindsborg

2012

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 2011	Payments Due 2011	Payments Due 2012
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

2012

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget General	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	750,824	777,498	487,872
Receipts:			
Ad Valorem Tax	500,880	429,589	xxxxxxxxxxxxxxxxxxxxx
Delinquent Tax	10,221	5,000	5,000
Motor Vehicle Tax	73,808	83,320	69,616
Recreational Vehicle Tax	1,357	1,489	1,237
16/20M Vehicle Tax	317	343	481
Gross Earning (Intangible) Tax			0
LAVTR			0
City and County Revenue Sharing			0
Slider			0
Mineral Production Tax			
Local Alcohol Liquor	6,449	6,514	6,313
Compensating Use Tax	88,504	35,000	70,000
Local Sales Tax	517,397	475,000	560,000
In Lieu of Taxes	0	7,560	15,000
Franchise Tax	75,601	75,000	75,000
Local Fire Agreement	18,490	16,200	16,336
Court Fees	58,106	73,000	73,000
Zoning Fees	200	250	250
Connecting Link	11,040	11,040	11,040
Electric Licenses	992	500	500
Plumbing Licenses	653	500	500
Other Licenses	720	500	500
Dog Tags/ Impound Fees	3,825	2,000	2,000
CMB Licenses	275	400	400
Liquor Licenses	600	850	850
Building Permits	3,104	4,000	4,000
Cable TV Pole Charges	3,991	4,500	4,600
Rent	11,680	12,249	13,640
Swimming Pool	46,724	45,000	45,000
Transfers From Refuse Service	19,200	21,000	22,200
Reimbursed Expenses	40,596	5,000	5,000
Special Assessments	64	1,570	0
Interest on Idle Funds	63,412	45,000	40,000
Miscellaneous	5,169	5,000	5,000
Does miscellaneous exceed 10% Total Rec			
Total Receipts	1,563,375	1,367,374	1,047,463
Resources Available:	2,314,199	2,144,872	1,535,335

Adopted Budget

Delinquent Comp Rate: 0.000
Amount of 2011 Ad Valorem Tax

City of Lindsborg

2012

Adopted Budget General Fund - Detail Expenditures	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Expenditures:			
General Administration			
Personnel	161,650	190,000	194,000
Contractual	161,815	182,000	182,000
Commodities	26,944	25,000	25,000
Capital Outlay	7,031	25,000	158,250
Transfer To Reserve	47,221	50,000	50,000
Total	404,661	472,000	609,250
Police Department			
Personnel	364,073	370,000	390,000
Contractual	28,479	28,000	28,000
Commodities	24,456	24,000	24,000
Capital Outlay	25,521	9,000	31,000
Total	442,529	431,000	473,000
Street Department			
Personnel	182,216	200,000	212,000
Contractual	18,099	18,500	20,000
Commodities	43,742	33,000	33,000
Capital Outlay	4,190	35,000	8,000
Total	248,247	286,500	273,000
Parks Department			
Personnel	115,651	108,000	145,000
Contractual	17,345	19,000	19,000
Commodities	25,148	19,000	19,000
Capital Outlay	29,949	25,000	145,000
Total	188,093	171,000	328,000
Convention/ Visitors Bureau			
Personnel	71,890	86,000	96,000
Contractual	6,745	15,000	12,000
Commodities	5,856	7,000	10,000
Capital Outlay	1,229	0	0
Total	85,720	108,000	118,000
Swimming Pool			
Personnel	52,446	60,000	51,500
Contractual	6,595	10,000	10,000
Commodities	10,417	15,000	15,000
Capital Outlay	3,019	7,500	25,000
Total	72,477	92,500	101,500
Fire Department			
Personnel	49,203	47,000	45,000
Contractual	8,243	10,000	10,000
Commodities	20,498	14,000	14,000
Capital Outlay	7,258	14,500	15,000
Total	85,202	85,500	84,000
Appropriations			
Elmwood Cemetery	9,000	9,000	9,000
Library	772	1,500	1,500
Total	9,772	10,500	10,500
Page Total	1,536,701	1,657,000	1,997,250

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

City of Lindsborg

2012

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget	Prior Year Actual	Current Year Estimate	Proposed Budget Year
Debt Service	2010	2011	2012
Unencumbered Cash Balance Jan 1	259,836	38,595	154
Receipts:			
Ad Valorem Tax	117,314	120,286	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	2,584	1,500	1,500
Motor Vehicle Tax	18,540	16,908	19,492
Recreational Vehicle Tax	342	313	347
16/20M Vehicle Tax	83	106	134
Slider			0
Special Assessments	15,582	15,517	0
Local Sales Tax Collections	97,655	23,000	60,000
Dedicated Special Bond Reserve	202,709	0	0
Interest on Idle Funds	247	0	0
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
Total Receipts	455,056	177,630	81,473
Resources Available:	714,892	216,225	81,627
Expenditures:			
Bond Principal	542,865	130,000	115,000
Bond Interest	133,431	86,046	82,858
Commission & Postage	1	25	25
Cash Basis Reserve	0	0	25,000
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Exp			
Total Expenditures	676,297	216,071	222,883
Unencumbered Cash Balance Dec 31	38,595	154	xxxxxxxxxxxxxxxxxxxx
2010/2011 Budget Authority Amount:	701,321	241,071	xxxxxxxxxxxxxxxxxxxx
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	222,883
		Tax Required	141,256
Delinquent Comp Rate:	0.000		0
Amount of 2011 Ad Valorem Tax			141,256

Adopted Budget	Prior Year Actual	Current Year Estimate	Proposed Budget Year
Library	2010	2011	2012
Unencumbered Cash Balance Jan 1	0	0	0
Receipts:			
Ad Valorem Tax	40,563	41,535	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	875	750	750
Motor Vehicle Tax	6,350	6,747	6,731
Recreational Vehicle Tax	117	120	120
16/20M Vehicle Tax	27	28	46
Slider			0
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
Total Receipts	47,932	49,180	7,647
Resources Available:	47,932	49,180	7,647
Expenditures:			
Appropriate To Library Board	47,932	49,180	50,297
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Exp			
Total Expenditures	47,932	49,180	50,297
Unencumbered Cash Balance Dec 31	0	0	xxxxxxxxxxxxxxxxxxxx
2010/2011 Budget Authority Amount:	48,640	49,180	xxxxxxxxxxxxxxxxxxxx
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	50,297
		Tax Required	42,650
Delinquent Comp Rate:	0.000		0
Amount of 2011 Ad Valorem Tax			42,650

City of Lindsborg

2012

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Industrial	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	30,237	13,788	20,192
Receipts:			
Ad Valorem Tax	23,653	48,566	xxxxxxxxxxxxxxxxxxx
Delinquent Tax	811	750	750
Motor Vehicle Tax	6,224	3,933	7,870
Recreational Vehicle Tax	117	70	140
16/20M Vehicle Tax	34	16	54
Slider			0
County Economic Development	6,090	6,069	6,069
Transfer From Electric Fund	10,000	10,000	10,000
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
Total Receipts	46,929	69,404	24,883
Resources Available:	77,166	83,192	45,075
Expenditures:			
Personnel	33,997	27,000	31,000
Contractual	27,408	33,000	33,000
Commodities	1,973	3,000	5,000
Capital Outlay	0	0	0
Neighborhood Revitalization Rebate			
Miscellaneous	0		
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	63,378	63,000	69,000
Unencumbered Cash Balance Dec 31	13,788	20,192	xxxxxxxxxxxxxxxxxxx
2010/2011 Budget Authority Amount:	73,000	73,000	xxxxxxxxxxxxxxxxxxx
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			69,000
Tax Required			23,925
Delinquent Comp Rate: 0.000			0
Amount of 2011 Ad Valorem Tax			23,925

Adopted Budget

Recreation	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	66,619	40,864	34,730
Receipts:			
Ad Valorem Tax	53,527	53,361	xxxxxxxxxxxxxxxxxxx
Delinquent Tax	1,256	1,256	1,000
Motor Vehicle Tax	11,743	8,903	8,647
Recreational Vehicle Tax	213	159	154
16/20M Vehicle Tax	43	37	60
Slider			0
Activity Fees	126,984	130,000	128,500
Concessions	12,996	15,000	15,000
Reimbursed Expenses	399	208	0
Miscellaneous	2,001	0	0
Does miscellaneous exceed 10% Total Rec			
Total Receipts	209,162	208,924	153,361
Resources Available:	275,781	249,788	188,091
Expenditures:			
Personnel	127,003	126,000	138,000
Contractual	40,339	32,000	37,000
Commodities	41,930	36,500	36,500
Capital Outlay	6,457	1,500	0
Debt Service	19,188	19,058	18,720
Neighborhood Revitalization Rebate			
Miscellaneous	0	0	0
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	234,917	215,058	230,220
Unencumbered Cash Balance Dec 31	40,864	34,730	xxxxxxxxxxxxxxxxxxx
2010/2011 Budget Authority Amount:	257,100	247,058	xxxxxxxxxxxxxxxxxxx
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			230,220
Tax Required			42,129
Delinquent Comp Rate: 0.000			0
Amount of 2011 Ad Valorem Tax			42,129

City of Lindsborg

2012

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Special Streets	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	176,563	170,291	123,261
Receipts:			
State of Kansas Gas Tax	86,865	86,470	88,320
County Transfers Gas		0	0
Reimbursed Expenses	0	0	0
Miscellaneous	0	0	0
Does miscellaneous exceed 10% Total Rec			
Total Receipts	86,865	86,470	88,320
Resources Available:	263,428	256,761	211,581
Expenditures:			
Contractual	79,884	101,000	154,081
Commodities	13,253	32,500	57,500
Capital Outlay	0	0	0
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	93,137	133,500	211,581
Unencumbered Cash Balance Dec 31	170,291	123,261	0
2010/2011 Budget Authority Amount:	222,600	261,653	

Adopted Budget

Spec Pks/ Recreation	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	42,752	49,201	10,715
Receipts:			
Local Alcohol Liquor Tax	6,449	6,514	6,313
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
Total Receipts	6,449	6,514	6,313
Resources Available:	49,201	55,715	17,028
Expenditures:			
Contractual	0	0	1,000
Commodities	0	0	1,000
Capital Outlay	0	45,000	15,028
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	0	45,000	17,028
Unencumbered Cash Balance Dec 31	49,201	10,715	0
2010/2011 Budget Authority Amount:	48,514	56,173	

City of Lindsborg

2012

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Tourism Promotion	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	5,905	6,469	1,425
Receipts:			
Transient Guest Tax	16,679	17,500	25,000
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
Total Receipts	16,679	17,500	25,000
Resources Available:	22,584	23,969	26,425
Expenditures:			
Contractual	11,542	17,544	21,425
Commodities	4,573	5,000	5,000
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	16,115	22,544	26,425
Unencumbered Cash Balance Dec 31	6,469	1,425	0
2010/2011 Budget Authority Amount:	27,361	22,544	

Adopted Budget

Ambulance	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	272,540	231,398	219,728
Receipts:			
Service Charges	95,594	75,000	75,000
County Allocation	79,724	79,724	79,724
Memorials/ Donations	700	0	0
Reimbursed Expenses	699	606	0
Miscellaneous	2,200	0	0
Does miscellaneous exceed 10% Total Rec			
Total Receipts	178,917	155,330	154,724
Resources Available:	451,457	386,728	374,452
Expenditures:			
Personnel	113,863	112,000	120,000
Contractual	36,641	35,000	35,000
Commodities	14,001	15,000	15,000
Capital Outlay	55,554	5,000	204,452
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	220,059	167,000	374,452
Unencumbered Cash Balance Dec 31	231,398	219,728	0
2010/2011 Budget Authority Amount:	398,254	365,163	

City of Lindsborg

2012

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Sewer	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	629,753	650,460	618,624
Receipts:			
Sales	412,646	595,000	595,000
Penalties	3,943	4,000	4,000
Reimbursed Expenses	360	345	0
Miscellaneous	715	500	500
Does miscellaneous exceed 10% Total Rec			
Total Receipts	417,664	599,845	599,500
Resources Available:	1,047,417	1,250,305	1,218,124
Expenditures:			
Personnel	116,310	123,000	134,000
Contractual	21,580	40,000	40,000
Commodities	18,510	20,000	20,000
Capital Outlay	137,854	0	657,814
Debt Service--Principal	72,295	74,892	218,909
Debt Service--Interest/ Service Fee	30,408	115,739	117,401
Transfer To Depreciation Reserve	0	258,050	30,000
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	396,957	631,681	1,218,124
Unencumbered Cash Balance Dec 31	650,460	618,624	0
2010/2011 Budget Authority Amount:	700,460	1,386,022	

Adopted Budget

Adopted Budget Water	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	1,186,167	1,212,555	246,148
Receipts:			
Sales	381,325	370,000	380,000
Penalties	3,205	3,000	3,000
Reimbursed Expenses	1,157	593	0
Miscellaneous	14,921	10,000	10,000
Does miscellaneous exceed 10% Total Rec			
Total Receipts	400,608	383,593	393,000
Resources Available:	1,586,775	1,596,148	639,148
Expenditures:			
Personnel	215,981	224,000	230,000
Contractual	48,616	45,000	45,000
Commodities	49,088	90,000	50,000
Capital Outlay	60,535	91,000	264,148
Transfer To Depreciation Reserve	0	900,000	50,000
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	374,220	1,350,000	639,148
Unencumbered Cash Balance Dec 31	1,212,555	246,148	0
2010/2011 Budget Authority Amount:	554,673	1,549,324	

City of Lindsborg

2012

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Refuse Collection	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	198,107	230,765	192,523
Receipts:			
Collections	206,667	205,000	205,000
Penalties	2,102	1,750	1,750
Reimbursed Expenses	8	8	0
Miscellaneous	0	0	0
Does miscellaneous exceed 10% Total Rec			
Total Receipts	208,777	206,758	206,750
Resources Available:	406,884	437,523	399,273
Expenditures:			
Contractual	151,748	155,000	160,000
Commodities	5,171	5,000	9,073
Capital Outlay	0	0	200,000
Transfer To General Fund	19,200	21,000	22,200
Transfer To Depreciation Reserve	0	64,000	8,000
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	176,119	245,000	399,273
Unencumbered Cash Balance Dec 31	230,765	192,523	0
2010/2011 Budget Authority Amount:	342,080	437,414	

Adopted Budget

0	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
Total Receipts	0	0	0
Resources Available:	0	0	0
Expenditures:			
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	0
2010/2011 Budget Authority Amount:	0	0	

City of Lindsborg

2012

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Electric	Prior Year Actual 2010	Current Year Estimate 2011	Proposed Budget Year 2012
Unencumbered Cash Balance Jan 1	2,157,425	2,363,375	814,137
Receipts:			
Sales	2,733,826	2,700,000	2,900,000
Penalties	20,226	17,500	17,500
Sales Tax	66,982	75,000	77,000
Reimbursed Expenses	15,725	1,437	0
Miscellaneous	81,806	45,000	45,000
Does miscellaneous exceed 10% Total Rec			
Total Receipts	2,918,565	2,838,937	3,039,500
Resources Available:	5,075,990	5,202,312	3,853,637
Expenditures:			
Production - Purchased Power	1,791,811	1,900,000	2,015,000
Distribution			
Personnel	347,044	357,000	349,000
Contractual	52,747	60,000	60,000
Commodities	48,095	85,000	85,000
Capital Outlay	37,780	70,000	735,987
Total	485,666	572,000	1,229,987
General Administration			
Personnel	196,368	183,000	196,000
Contractual	31,291	45,000	45,000
Commodities	3,003	5,000	5,000
Capital Outlay	3,122	5,000	5,000
Total	233,784	238,000	251,000
Non-Operating			
Postage	4,893	5,300	5,400
Sales Tax	64,637	83,000	87,000
Interest & Fees	499	500	500
Debt Service--Principal	65,000	75,000	75,000
Debt Service--Interest	56,325	54,375	52,125
Transfer To Depreciation Reserve	0	1,450,000	50,000
Transfer To Energy Efficiency Reserve	0	0	77,625
Transfer To Industrial Development Fund	10,000	10,000	10,000
Total	201,354	1,678,175	357,650
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
Total Expenditures	2,712,615	4,388,175	3,853,637
Unencumbered Cash Balance Dec 31	2,363,375	814,137	0
2010/2011 Budget Authority Amount:	3,489,508	4,957,400	

0

NON-BUDGETED FUNDS (A)
(Only the actual budget year for 2010 is to be shown)

2012

Non-Budgeted Funds-A

(1) Fund Name:		(2) Fund Name:		(3) Fund Name:		(4) Fund Name:		(5) Fund Name:		
Capital Projects		Spec. Sewer Reserve		Electric Reserve		Refuse Reserve		Water Reserve		
Unencumbered		Unencumbered		Unencumbered		Unencumbered		Unencumbered		Total
Cash Balance Jan 1	1,853,125	Cash Balance Jan 1	0	Cash Balance Jan 1	0	Cash Balance Jan 1	0	Cash Balance Jan 1	0	1,853,125
Receipts:		Receipts:		Receipts:		Receipts:		Receipts:		
Transfers In	0	Transfers In	0	Transfers In	0	Transfers In	0	Transfers In	0	
EPA--STAG Grant	485,000									
KDHE Revolving Loan	3,639,941									
Interest	2,862									
Total Receipts	4,127,803	Total Receipts	0	Total Receipts	0	Total Receipts	0	Total Receipts	0	4,127,803
Resources Available:	5,980,928	Resources Available:	0	Resources Available:	0	Resources Available:	0	Resources Available:	0	5,980,928
Expenditures:		Expenditures:		Expenditures:		Expenditures:		Expenditures:		
Capital Projects	5,443,793									
Debt Service	537,135									
Total Expenditures	5,980,928	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	5,980,928
Cash Balance Dec 31	0	Cash Balance Dec 31	0	Cash Balance Dec 31	0	Cash Balance Dec 31	0	Cash Balance Dec 31	0	0 **
										0 **

**Note: These two block figures should agree.

0

NON-BUDGETED FUNDS (B)
(Only the actual budget year for 2010 is to be shown)

2012

Non-Budgeted Funds-B

(1) Fund Name:		(2) Fund Name:		(3) Fund Name:		(4) Fund Name:		(5) Fund Name:	
Equipment Reserve		Capital Improvements		0		0		0	
Unencumbered		Unencumbered		Unencumbered		Unencumbered		Unencumbered	Total
Cash Balance Dec 31	60,563	Cash Balance Dec 31	0	Cash Balance Dec 31		Cash Balance Dec 31		Cash Balance Dec 31	60,563
Receipts:		Receipts:		Receipts:		Receipts:		Receipts:	
Transfers In	0	Transfers In	47,221						
Total Receipts	0	Total Receipts	47,221	Total Receipts	0	Total Receipts	0	Total Receipts	47,221
Resources Available:	60,563	Resources Available:	47,221	Resources Available:	0	Resources Available:	0	Resources Available:	107,784
Expenditures:		Expenditures:		Expenditures:		Expenditures:		Expenditures:	
Capital Outlay	0	Capital Outlay	0						
Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0
Cash Balance Dec 31	60,563	Cash Balance Dec 31	47,221	Cash Balance Dec 31	0	Cash Balance Dec 31	0	Cash Balance Dec 31	107,784 **
								107,784	**

**Note: These two block figures should agree.

NOTICE OF BUDGET HEARING

The governing body of
City of Lindsborg
will meet on August 8, 2011 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 2012 Expenditures and Amount of 2011 Ad Valorem Tax establish the maximum limits of the 2012 budget
Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2010		Current Year Estimate for 2011		Proposed Budget for 2012		
	Expenditures	Actual Tax Rate *	Expenditures	Actual Tax Rate *	Budget Authority for Expenditures	Amount of 2011 Ad Valorem Tax	Estimate Tax Rate *
General	1,536,701	25.536	1,657,000	21.385	1,997,250	461,915	22.397
Debt Service	676,297	5.981	216,071	5.988	222,883	141,256	6.849
Library	47,932	2.068	49,180	2.068	50,297	42,650	2.068
Industrial	63,378	1.206	63,000	2.418	69,000	23,925	1.160
Recreation	234,917	2.729	215,058	2.657	230,220	42,129	2.043
Special Streets	93,137		133,500		211,581		
Spec Pks/ Recreation			45,000		17,028		
Tourism Promotion	16,115		22,544		26,425		
Ambulance	220,059		167,000		374,452		
Sewer	396,957		631,681		1,218,124		
Water	374,220		1,350,000		639,148		
Refuse Collection	176,119		245,000		399,273		
Electric	2,712,615		4,388,175		3,853,637		
Non-Budgeted Funds-A	5,980,928						
Non-Budgeted Funds-B							
Totals	12,529,375	37.520	9,183,209	34.516	9,309,318	711,875	34.517
Less: Transfers	76,421		2,753,050		297,825		
Net Expenditure	12,452,954		6,430,159		9,011,493		
Total Tax Levied	760,627		693,337		xxxxxxxxxxxxxxxxxxx		
Assessed							
Valuation	20,273,265		20,088,924		20,624,257		
Outstanding Indebtedness,							
January 1,	2009		2010		2011		
G.O. Bonds	895,000		2,825,000		2,475,000		
Revenue Bonds	833,704		1,828,915		1,691,620		
Other	0		0		0		
Lease Purchase Principal	0		0		0		
Total	1,728,704		4,653,915		4,166,620		

*Tax rates are expressed in mills

City Official Title: City Clerk

City of Lindsborg

2012

2012 Neighborhood Revitalization Rebate

Budgeted Funds for 2012	2011 Ad Valorem before Rebate**	2011 Mil Rate before Rebate	Estimate 2012 NR Rebate
General			
Debt Service			
Library			
Industrial			
Recreation			
TOTAL	0	0.000	0

2011 July 1 Valuation: 20,624,257

Valuation Factor: 20,624.257

Neighborhood Revitalization Subj to Rebate: 0

Neighborhood Revitalization factor:

**This information comes from the 2012 Budget Summary page. See instructions tab #11 for completing the Neighborhood Revitalization Rebate table.



**CAPITAL IMPROVEMENT
PROGRAM**

INTRODUCTION

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

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

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

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

9. The Capital Improvement Program sets out the intentions of the community for a given period of time, thereby allowing private enterprise, public utilities and other public agencies to coordinate their activities with those of the municipality.
10. Proper planning and engineering can be undertaken with the advance knowledge of projects set out in the Capital Improvement Program, thus utilizing slack time of available personnel.
11. The formal public improvement programming technique provides an important means to achieve the objectives of the formally adopted comprehensive plan.

PROGRAMMING PROCEDURE

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

FINANCIAL ANALYSIS

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

PROJECT PRIORITIES

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

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

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

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

METHODS OF FINANCING CAPITAL IMPROVEMENTS

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

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

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

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

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

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

Revenue is derived from those who use the capital improvement; thus, projects can be undertaken which may be of real value only to one segment of the public. In this way, the cost of improvements, which benefit only a particular segment of the population, will not be borne by the total population.

b. Revenues Produced from Taxes (General Obligation Bonds)

Advantages of General Obligation Bonds are:

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

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

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

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

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

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

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

CITY REVENUES AND EXPENDITURES

Revenues

Many citizens, unfamiliar with the detail of city finances, often feel that moneys raised through a general taxation provide the sole means of funding the operations of municipal government. In actuality, however, this is an erroneous assumption in light of the numerous and varied sources of revenue relied upon for funding of the annual municipal budget. Table 1 illustrates major sources of revenue utilized in the General Fund for the year 2011.

TABLE 1
COMPARATIVE REVENUE SUMMARY*
GENERAL FUND - 2011 BUDGET YEAR
City of Lindsborg

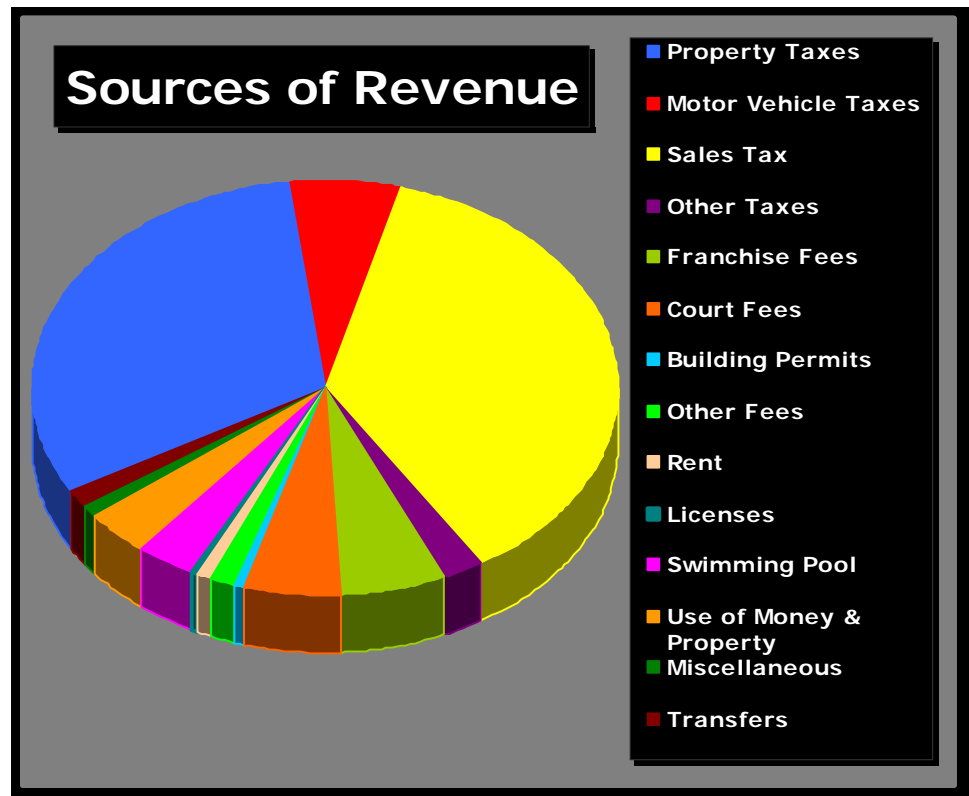
<u>Source of Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Taxes & Shared Revenues		
Property Taxes	\$434,600	31.4
Motor Vehicle Taxes	85,200	6.2
Sales Tax	510,000	36.9
Other	<u>32,500</u>	<u>2.3</u>
Subtotal	\$1,062,300	76.8
Fees & Permits		
Franchise Fees	80,000	5.8
Court Fees	73,000	5.3
Building Permits	5,000	0.4
Other	<u>20,300</u>	<u>1.4</u>
Subtotal	\$178,300	12.9
Other Revenues		
Rent	11,400	0.8
Licenses	4,900	0.4
Swimming Pool	45,000	3.3
Use of Money & Property	50,000	3.6
Miscellaneous	10,000	0.7
Transfers	<u>21,000</u>	<u>1.5</u>
Subtotal	\$142,300	10.3
TOTAL REVENUE	\$1,382,900	100.0

* Source: Financial Statement & Adopted Budget figures, General Fund 2011, 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 \$1,382,900 budgeted for the General Fund in 2011.

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 31.4 percent of the total, while property taxes combined with motor vehicle taxes accounted for 37.6 percent of the annual General Fund revenue total.

Besides property tax, the single largest item of income was the Sales Tax category which alone accounted for 36.9 percent of the revenue total, and which includes substantial amounts of non-local moneys.



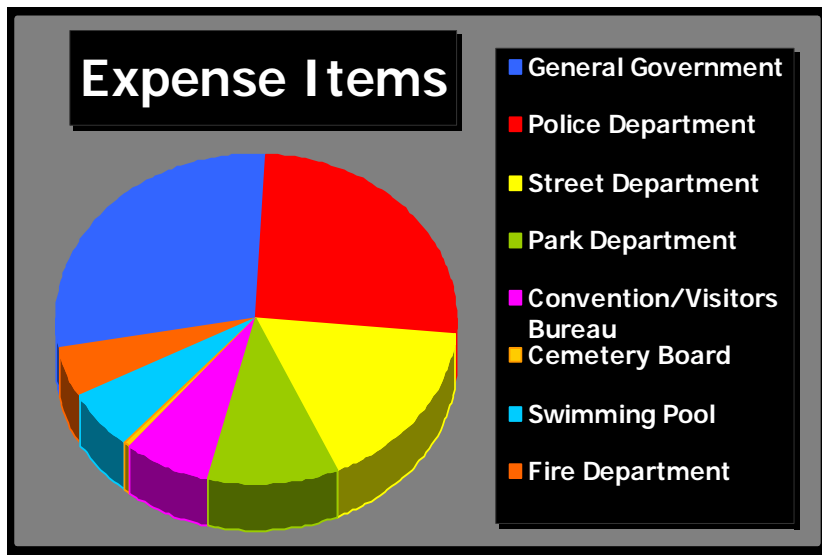
Expenditures

A comparative summary of General Fund expenditures for the 2011 budget year is outlined in the following table.

TABLE 2
COMPARATIVE EXPENSE SUMMARY*
GENERAL FUND - 2011 BUDGET YEAR
City of Lindsborg

<u>Expense Item</u>	<u>Amount</u>	<u>Percent of Total</u>
General Government	\$ 487,000	28.6
Police Department	436,500	25.6
Street Department	286,500	16.8
Park Department	185,000	10.8
Convention/Visitors Bureau	114,000	6.7
Cemetery Board	10,500	0.6
Swimming Pool	100,500	5.9
Fire Department	<u>85,500</u>	<u>5.0</u>
TOTAL EXPENDITURES	\$1,705,500	100.0

* Source: Financial Statement and Adopted Budget figures, General Fund 2011, 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 71 percent of the yearly cost of services represent the major centers of annual expense. The remaining 29 percent are divided among 5 other centers of expenses, of which only the parks department represents over 10 percent of the annual total.

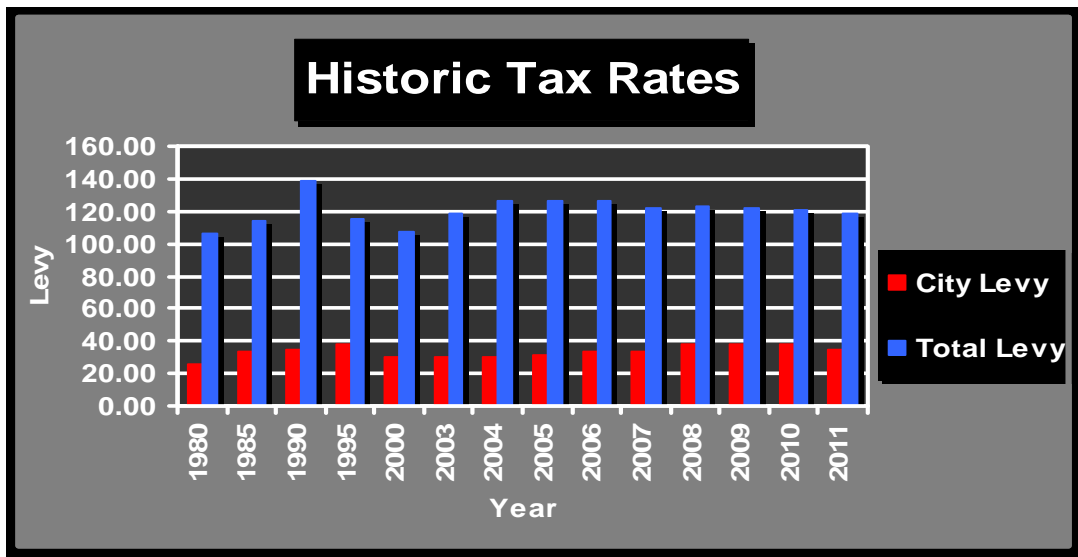
TAX RATES

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 over 31 percent of the overall total requirement for 2011. 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
2003	30.116	+0.2	118.081	+10.2
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
2011	34.516	-8.0	118.438	-2.3

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



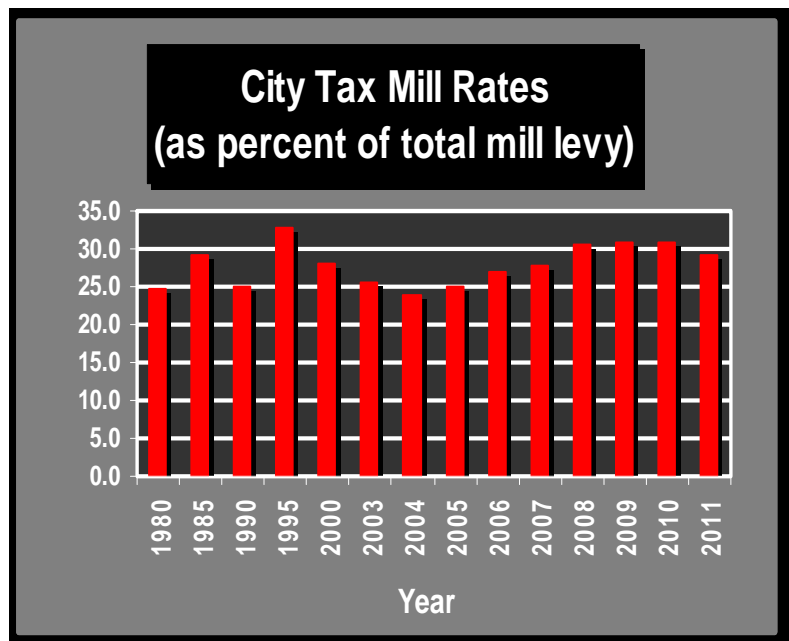
The graph and table shows that the City and total tax mill levies have fluctuated over the period, but have generally increased in response to the increasing cost of providing governmental services. The City rate has fluctuated from a low of 26.29 mills in 1980 to a high of 37.907 mills in 1995, with an average of 34.085 mills since 2003. During the same period, the total combined levy ranged from a low of 105.830 mills in 1980 to a high of 139.259 mills in 1990, averaging 122.601 since 2003. Both rates registered some degree of decline in 2009, 2010 and 2011; however both increased for the 1990, 2003, 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
2003	25.5
2004	24.0
2005	24.9
2006	26.9
2007	27.8
2008	30.6
2009	30.7
2010	30.9
2011	29.1

AVERAGE 27.9



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 27.9 percent since 1980. Representing 29.1 percent in 2011, the City rate was 25.5 percent of the total in 2003.

ASSESSED VALUATIONS

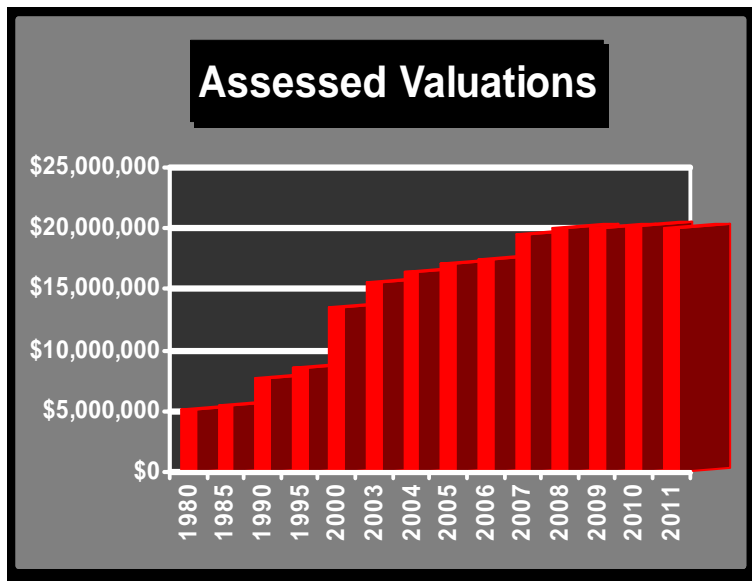
Historic trends in municipal assessed valuations are presented in the following table.

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
2003	15,640,528	+15.4
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
2011	20,088,924	-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 almost 294 percent. Since 2003, the assessed valuation has enlarged by over 28 percent, representing an average annual growth of about 3.6 percent.

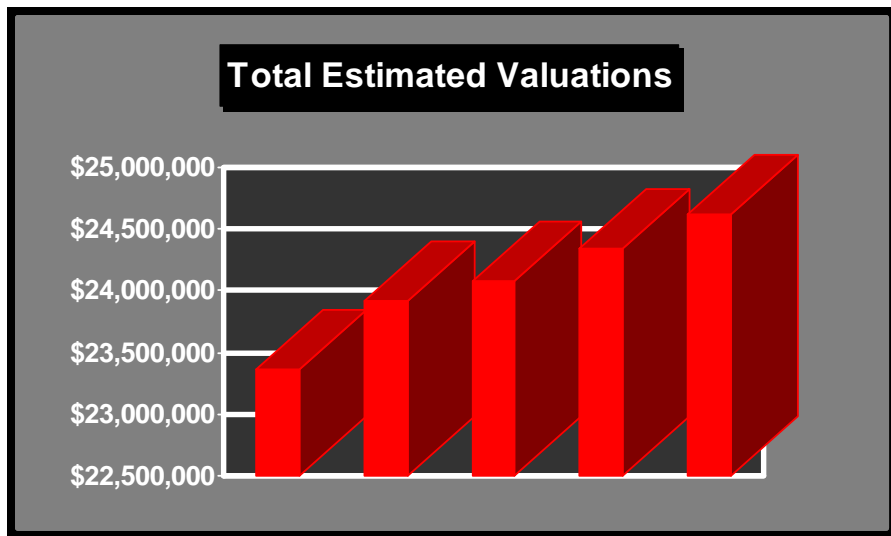


As construction of residential housing units continues in the new housing developments (Peterson Estates, Westview Addition, Emerald Lake Estates, and Smoky Valley Estates) as well as other areas in the city, there will naturally be a growth pattern in the assessed tangible valuation of the City. On 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>
2011	20,088,924	3,274,961	23,363,885
2012	20,624,000	3,300,000	23,924,000
2013	20,750,000	3,325,000	24,075,000
2014	21,000,000	3,350,000	24,350,000
2015	21,250,000	3,375,000	24,625,000

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



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

CURRENT BONDED INDEBTEDNESS

At the present time, the City has a relatively moderate level of bonded debt represented by the remainder outstanding on 4 separate bond issues, which include 2 revenue issues, and 2 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 – will be issued in 2011 to cover the next major upgrade to the wastewater treatment plant.) The general obligation bond issues consist of 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.)

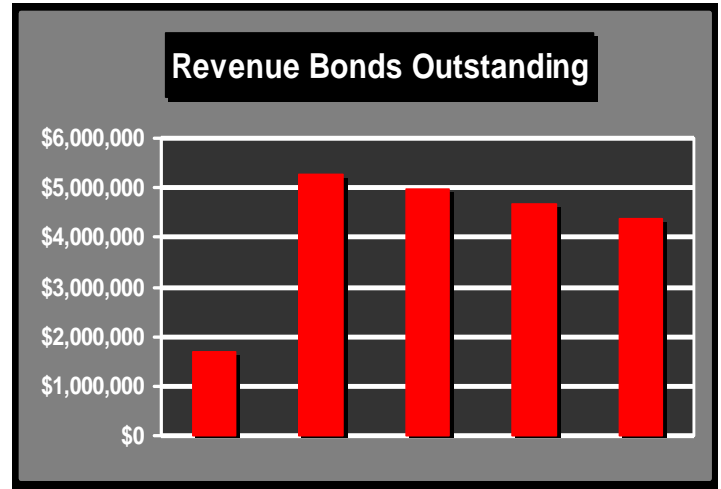
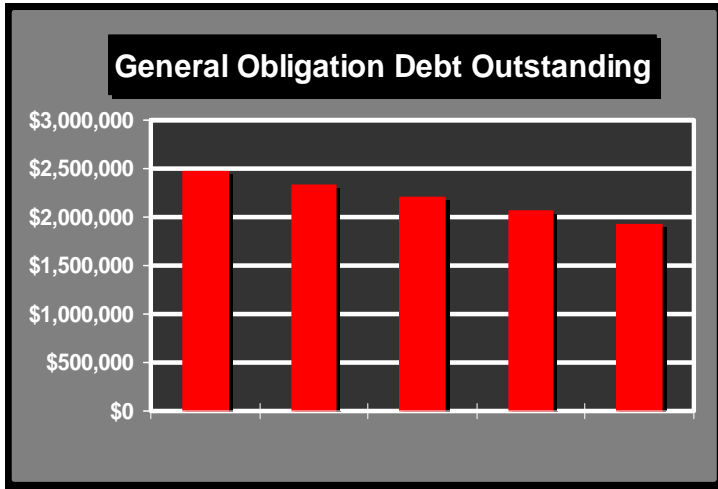
A summary of bonded debt remaining during the five-year capital improvement-programming period is outlined in the following table.

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>
2011	2,475,000	0	1,691,620	4,166,620
2012	2,330,000	0	5,281,835	7,611,835
2013	2,200,000	0	4,987,925	7,187,925
2014	2,060,000	0	4,687,202	6,747,202
2015	1,920,000	0	4,379,450	6,299,450

*Source: 2011 Budget, City of Lindsborg

The table shows that current bonded debt in all categories amounted to slightly under \$4.2 million in 2011, of which total just over 59 percent is represented by general obligation bonds with the remaining 41 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 22 percent, while the revenue bond total will be increased by under 159 percent. Together, these schedules will result in an aggregate bonded debt increase of over 51 percent.

BONDING CAPACITY

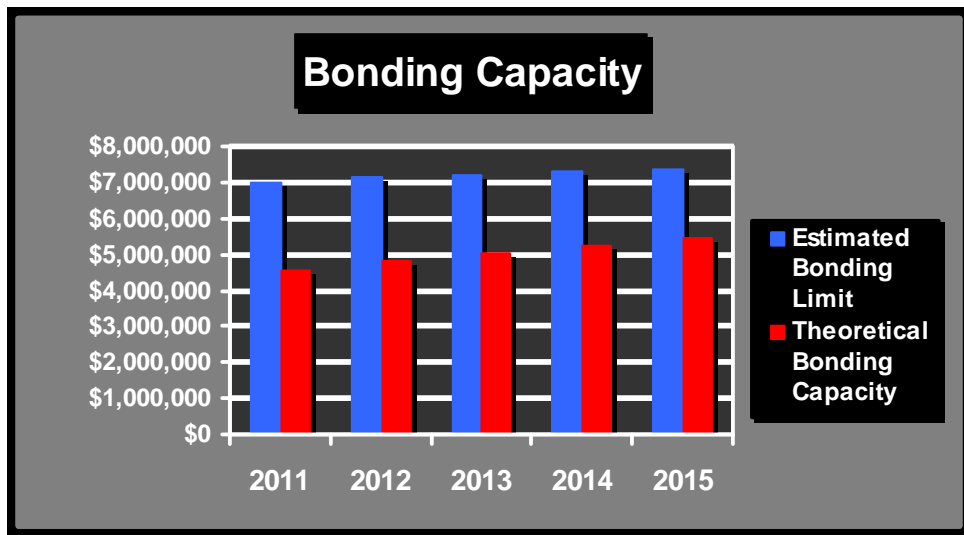
Estimates of potential future municipal bonding capacity are based on forecasts of future assessed valuations coupled with statutory limitations for bonded debt as balanced by existing debt levels. Estimated bonding capacity is based upon 30 percent of total estimated assessed valuation. Certain municipal 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>
2011	23,363,885	7,009,166	2,475,000	4,534,166
2012	23,924,000	7,177,200	2,330,000	4,847,200
2013	24,075,000	7,222,500	2,200,000	5,022,500
2014	24,350,000	7,305,000	2,060,000	5,245,000
2015	24,625,000	7,387,500	1,920,000	5,467,500

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



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





**CAPITAL IMPROVEMENT
5-YEAR PLAN**

5 YEAR CAPITAL IMPROVEMENT PLAN

ADMINISTRATION

	2012	2013	2014	2015	2016	Funding
Art Purchase-Local Artists	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	GO
Office Equipment Replacement	\$5,500	\$6,000	\$6,500	\$7,000	\$7,500	GO/Sales Tax
Microfilm Reader/Scanner	\$2,000					GO
Community Foundation Heritage	\$10,000					GO
Computer Equip/Software	\$25,000	\$6,000	\$6,000	\$6,000	\$6,500	E/W/S/G
Chairs - 1st Floor Conference Rm		\$3,000				Sales Tax
Safety Program	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	GO
Disaster Recovery Offsite	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	GO/E/W/S
Community Survey	\$12,000					GO/E/W/S
Map Storage			\$2,200			GO
TOTAL	\$58,800	\$19,300	\$19,000	\$17,300	\$18,300	

5 YEAR CAPITAL IMPROVEMENT PLAN

CONVENTION VISITORS BUREAU

	2012	2013	2014	2015	2016	Funding
Billboard Fixed Expense	\$4,650	\$4,650	\$4,650	\$4,650	\$4,650	TGT
Billboard Rewrap (3 year cycle)	\$1,800	\$1,400	\$0	\$1,800	\$1,400	TGT
Show Vendor Fees	\$1,550	\$2,450	\$2,500	\$2,050	\$2,050	TGT
Social Media / List Growth	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	TGT
Advertising	\$2,000	\$2,500	\$3,850	\$2,500	\$2,900	TGT
Promotional Tools (VG / Video)	\$8,500	\$7,500	\$7,500	\$7,500	\$7,500	TGT
TOTALS	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	

5 YEAR CAPITAL IMPROVEMENT PLAN

POLICE

	2012	2013	2014	2015	2016	Funding
Patrol Car & Equipment	\$26,000		\$26,000		28,000	Police
Emergency Lights					\$2,000	Police
Replace Body Armor				\$1,600	\$1,600	Police/Grant
Computer Hardware	\$5,000					Police
Computer Software		\$20,000				Police/Grant
Office Furniture/Upgrades			\$2,000			Police
Car Cameras				\$12,000		Police
Training	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	Police
Night Vision Device		\$2,000				Police
Surveillance Equipment		\$2,500				Police
Generator Upgrade (2017)						P/EMS/Fire
TOTALS	\$33,500	\$27,000	\$30,500	\$16,100	\$34,100	

5 YEAR CAPITAL IMPROVEMENT PLAN

EMS

	2012	2013	2014	2015	2016	Funding
Ambulance		\$115,000				EMS
110 S. 1st						EMS/Grant
EMT Class		\$4,000		\$4,000		EMS
Computer Upgrade	\$2,000					EMS
Computer Software	\$8,000					EMS
Electric Cot	\$10,000					EMS
EZ Glide Stair Chairs			\$6,000			EMS
Mass Casualty Trailer Supplies			\$5,000	\$5,000		EMS/Grant
Uniform Supplies	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	EMS
Monitor					\$40,000	EMS/Grant
Generator Upgrade (2017)						P/EMS/Fire
TOTALS	\$21,200	\$120,200	\$12,200	\$10,200	\$41,200	

Ambulance vs. Property: Decision on which is the greater priority, renovation of EMS house or new ambulance

5 YEAR CAPITAL IMPROVEMENT PLAN

FIRE

	2012	2013	2014	2015	2016	Funding
3 Turnout Sets.	\$11,500	\$13,000			\$6,000	Fire
Positive Pressure Fan	\$3,500					Fire
Imaging Camera				\$12,000		Fire/Grant
Uniform Supplies	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	Fire
Computer Upgrade					\$1,000	Fire
Computer Software					\$1,000	Fire
Hose	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	Fire
Rescue Truck 304 Equipment	\$1,500		\$1,500		\$1,500	Fire
Air Pack Bottles (6)			\$4,500			Fire
Generator Upgrade (2017)						P/EMS/Fire
TOTALS	\$22,500	\$19,000	\$12,000	\$18,000	\$15,500	

Fire Truck - 2018

Fire Truck Equipment - 2018

5 YEAR CAPITAL IMPROVEMENT PLAN

PARKS

	2012	2013	2014	2015	2016	Funding
Sports Complex Improvement	\$3,000		\$3,000		\$3,000	Recreation
Parks Maintenance Building Equipment	\$20,000					Parks
North Park Restroom Upgrade		\$15,000				Parks
South Park Restroom	\$125,000					Sales Tax
Computer Upgrade - Tree Station	\$2,500					Parks
Replace 1999 Parks Vehicle		\$20,000				Parks
Replace 2000 Parks Vehicle				\$20,000		Parks
Playground Covering			\$3,000			Recreation
Safety Program	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	Parks
Sports Equipment Replacement	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	Recreation
Grasshopper Parks Mower					\$18,000	Parks
TOTALS	\$153,000	\$37,500	\$8,500	\$22,500	\$23,500	

SPECIAL PARKS

	2012	2013	2014	2015	2016	Funding
Park Benches			\$4,000			Spec Pks
TOTALS	\$0	\$0	\$4,000	\$0	\$0	

POOL

	2012	2013	2014	2015	2016	Funding
Add/Replace Umbrellas	\$500		\$500		\$500	Pool
Add Lounge Chairs	\$2,000				\$2,000	Pool
Repaint Pool/Building	\$25,000	\$10,000				Pool
Lifeguard Chairs			\$6,000			Pool
Replace Sunshades		\$3,000				Pool
Replace Diving Boards				\$4,000		Pool
TOTALS	\$27,500	\$13,000	\$6,500	\$4,000	\$2,500	

GOLF COURSE

	2012	2013	2014	2015	2016	Funding
Clubhouse Remodeling		\$1,000				GC
Car Path Maintenance	\$1,000		\$1,000		\$1,000	GC
Sprinkler Head Replacement		\$3,000		\$3,000		GC
Rental Golf Cart Replacement	\$7,600	\$7,600	\$8,000	\$8,000	\$8,000	GC
TOTALS	\$8,600	\$11,600	\$9,000	\$11,000	\$9,000	

5 YEAR CAPITAL IMPROVEMENT PLAN

STREETS

	2012	2013	2014	2015	2016	Funding
Sign Change Out Program	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	Gen Fund
Computer Upgrade	\$2,500					GO
Curb Roller	\$4,500					GO
Replace Cut-Off Saw	\$1,000					GO/Water
Replace 1990 Air Compressor				\$15,000		GO
Replace 1995 Tow Trailer				\$12,000		GO
Replace 1991 5cy Dump Truck		\$40,000				E/W/S/WW
Replace Skid Loader Tires		\$1,850		\$1,850		GO/Water
TOTALS	\$10,500	\$44,350	\$2,500	\$31,350	\$2,500	

City owned land for stockpiles and city owned equipment

SPECIAL STREETS

	2012	2013	2014	2015	2016	Funding
Annual Street Maintenance	\$35,000	\$10,000	\$35,000	\$10,000	\$35,000	Spec Sts
Annual Storm Drain Maintenance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	Spec Sts
Mill & Overlay W. Swensson				\$120,000		Spec Sts
Mill & Overlay 100 N. 3rd				\$35,000		Spec Sts
Extend Trail to Emerald Lake	\$20,000					Grant
Mill & Overlay 1-500 E McPherson		\$150,000				SpcSts/Gr
TOTALS	\$57,500	\$162,500	\$37,500	\$167,500	\$37,500	

Future Road Work

Mill & Overlay 200 & 400 N. McKinley	\$85,000
Mill & Overlay 200 S. Cherry	\$46,000
Mill & Overlay 700 N. 1st	\$46,000
Mill & Overlay 1-300 W. Lindsborg	\$100,000
Mill & Overlay 500 W. Grant	\$46,000
Mill & Overlay 200 & 400 S. Washingto	\$100,000
Mill & Overlay 300 E. Olsson	\$46,000

5 YEAR CAPITAL IMPROVEMENT PLAN

WATER

	2012	2013	2014	2015	2016	Funding
Repair Parts Inventory	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	Water
Paint In-Town Tower				\$90,000		Water
Tower Maintenance	\$6,000	\$2,500	\$2,500	\$2,500	\$2,500	Water
Enhanced AMR System	\$10,000					Water/Elec
Paint Country Tower					\$65,000	Water
Replace Skid Loader Tires	\$1,850		\$1,850		\$1,850	Water
Replace Cut-Off Saw	\$1,000					GO/Water
Replace 2000 Meter Read Truck	\$9,000					Water/Elec
Computer Upgrade	\$2,500					Water
Line Replacement Program	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	Water
Valve Replacement	\$2,500		\$2,500		\$2,500	Water
TOTALS	\$67,850	\$37,500	\$41,850	\$127,500	\$106,850	

Service for new development

WASTEWATER TREATMENT PLANT

	2012	2013	2014	2015	2016	Funding
Repair Parts Inventory	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	Sewer
Lift Station / Line Maintenance	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	Sewer
Annual Line Cleaning	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	Sewer
Replace Skid Loader Tires	\$2,000		\$2,000			Sewer
Replace Sludge Trailer Tires	\$2,200		\$2,200			Sewer
Ammonia Probes		\$5,000				
Computer Upgrade	\$2,500					Sewer
Sewer Manhole Maintenance	\$10,000				\$10,000	Sewer
Sewer Master Plan			\$50,000			Sewer
TOTALS	\$34,700	\$23,000	\$72,200	\$18,000	\$28,000	

City owned land for sludge application

Sewer Jet Machine

5 YEAR CAPITAL IMPROVEMENT PLAN

ELECTRIC

	2012	2013	2014	2015	2016	Funding
Contract Tree Trimming	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	Electric
Enhanced AMR System	\$10,000					Electric
Street Light Replacement	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	Electric
Replace Open Secondaries	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	Electric
Computer Upgrade	\$2,500					Electric
Replace Duty Truck	\$55,000					
Replace 1995 Digger Derrick		\$150,000				Electric
Safety Test Hi Voltage Line Equipment	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	Electric
Add Distribution Transformers	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	Electric
New Poles	\$8,000		\$8,000		\$8,000	Electric
Park Secondaries Underground	\$10,000					Electric
Replace 2000 Meter Reading Truck	\$9,000					Water/Elec
TOTALS	\$147,000	\$202,500	\$60,500	\$52,500	\$60,500	

Service for new development