



Capital Improvement Program

The City of Augusta is currently developing its first capital improvement program. A capital improvement program is a long term planning tool used to manage capital and infrastructure assets. Staff is expecting to have a program completed prior to the start of the 2011 budget process.



City of Augusta

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Capital Improvements Outlook – Proposed 2010 Projects

The Capital Improvement Fund provides the resources for various capital projects. The revenue comes from transfers from the Electric Fund and the General Fund (Sales Tax). Major capital projects (\$50,000+) proposed for 2010 include the following:

• Kelly and Ohio Intersection

Transfer of \$150,000 to a project fund for the Kelly and Ohio Intersection project. There will be a need to do the design engineering in 2010 as well as probable acquisition of right-of-way. Some of these costs will need to be shared with the Street Sales Tax Fund.

• Levee Project

Transfer of \$150,000 to the Levee Project Fund to be used for real estate acquisition and relocation expenses for city utilities.

• Indianola Road

There is \$75,000 to be used for materials towards a chip seal along Indianola Road that runs along the west side of the airport. This will be contingent upon a partnership with the County to do the work with their equipment and crews.

• Crack Fill and Seal Airport Runway

There is \$55,000 to be used as a local match for a KDOT Aviation Grant to crack fill and seal the runway at the municipal airport.

• 500 Block Osage Storm Sewer

There is \$50,000 to be used towards the replacement of the storm sewer in the 500 block of Osage. This will be contingent upon the Street Sales Tax Committee recommending the repair of this street as part of the 2010 program.

2010 Budget Brief

NOVEMBER
2009

Introduction to the Budget Brief

This document is intended to provide an overview to the City of Augusta's budget for Fiscal Year (FY) 2010. The graphics and charts provide a visual perspective of the City's projected revenues and expenditures.

CALENDAR OF EVENTS

Dept. Meetings	May-Jun
1 st Work Session	Jul. 13
2 nd Work Session	Jul. 27
Public Hearing	Aug. 10
Budget Adoption	Aug. 10



this brief

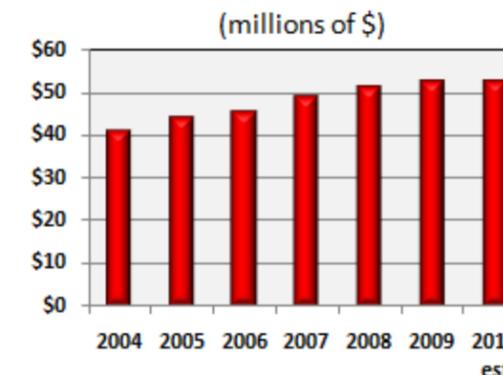
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Property Tax Outlook

In developing the 2010 Budget, the City of Augusta was very conscientious about the economy, job losses, and the need to be fiscally responsible. With that in mind, the City Council and staff are proud to have approved a reduction in the mill levy from 39.552 to 39.169, in turn, lowering the tax burden on our citizens in these tough economic times.

The estimated total assessed valuation for 2010 is just under \$52.8 million. This represents a minor reduction of \$27,931 from last year's final assessed valuation total. The 2010 budget uses the reduced valuation number as the basis for the City's tax supported funds.

Assessed Valuation



The **General Fund** is the primary operating fund that provides for such basic services as administration, public safety, street maintenance, planning and codes inspection, parks, etc. The General Fund is made up of a number of individual departmental budgets that provide the resources for most of the non-utility services provided by the City.

FY 2010 General Fund resources (revenues plus revenue forward) total just under \$4.45 million, a 6.1% decline over FY 2009. The largest single source of revenue is property tax (31%), but sales tax (21%) also constitutes a significant portion of general fund revenues.

All sales tax revenue is deposited in the General Fund and transferred as provided by Ordinance. Projected sales tax revenue for 2010 is flat compared to last year, but reflects an 11.5% reduction from 2008.

To offset declining revenues, several positions were either eliminated from the budget (e.g. SRO Officer and Laborer) or were funded but not filled

Property Tax 101: Understanding the Basics

The **appraised value** of your property is set by the County Appraiser and represents the market value of your home at the time of the appraisal.

Assessed value is used as the basis for calculating property taxes on a given property. For residential property, assessed value is currently equal to 11.5% of the appraised value (this percentage rate is set by the State of Kansas).

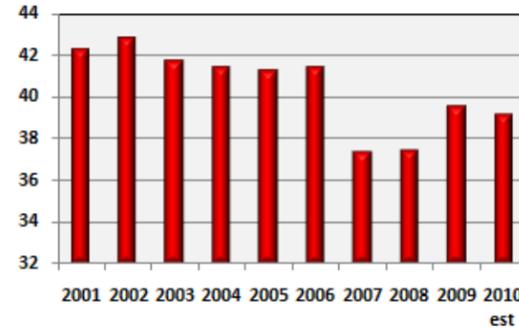
A **mill levy** is a tax rate applied to the assessed value to calculate your annual tax liability. One mill is equal to \$1 per \$1,000 of assessed value.

Calculating your City Tax Bill

Step 1:
Find the Assessed Value
Appraised Value x 11.5%

Step 2:
Find Annual Tax Liability
Assessed Value x Mill Levy/1000

Total City Mill Levy
(mills)



During the state legislative session in 2009, cities & counties lost the Machinery & Equipment Slider that was put into place for several years to offset the permanent tax exemption on the purchase of new machinery and equipment.

Like the Special City County Highway fuel tax funds, the state will be keeping M & E Slider revenues to help offset their own budget shortfalls.

The goal for the General Fund is to build a cash reserve equivalent to three months expenditures, or approximately \$900,000. The City has been slowly building towards this goal in the past few years, and has earmarked \$700,000 in the 2010 Budget (an increase of \$100,000 over 2009)

This reserve account will function as a "rainy day" fund to be used in case of revenue

2010 Property tax Outlook for the City of Augusta

Despite flat valuation, City successfully reduces mill levy to ease citizens' tax burden during tough economic times

2010 General Fund Revenues

Revenue Source	%
Property Taxes	31.2
1 Cent Sales Tax	21.2
Revenue Forward	21.9
Franchise Fees	5.4
Transfers	5.0
Permits, Fines & Fees	5.9
Miscellaneous	9.6

shortfalls, emergencies, and to help fund major capital projects.



Special Revenue Funds Outlook

Special revenue funds are dollars legally earmarked for a specific purpose. Several of these funds are paid for by monies redistributed to local governments by the State.

The City of Augusta has a number of special revenue funds: Special Alcohol Fund, Emergency Communications Fund, Special Parks Fund, Special City County Highway Fund, Cemetery Endowment Fund, and the Convention & Tourism Fund,

With the major budget shortfalls that the State has incurred over the past year, many of the funding sources earmarked for cities and counties have been slashed.

Of particular concern is the Special City County Highway Fund (fuel taxes) designated for cities and counties. This is a significant source of revenue for the City of Augusta Street Department. YTD the City has seen a 21% reduction from 2008.

For 2010, many of the budget line items were trimmed. A PT position was taken out of the budget, and another position was eliminated by attrition.

The Council approved the purchase of a new street sweeper because the long-term cost was cheaper than repairing the old sweeper. Unfortunately, the needs of this department are not going away; several other vehicles are also needed.

Wages & Benefits Outlook

Over the past two years, the Council has generously supported implementation of the City's first pay plan and job classification system.

The City has demonstrated its commitment to providing competitive wages through annual Cost of Living Adjustments (COLAs) and/or Merit increases.

The 2010 Budget supports the pay plan at a level that reflects the current downed economy and our ability to fund the plan.

No COLA adjustments will be provided, but a 2% merit increase is built into departmental budgets (which is in line with nearby cities based on regional studies).

Benefit costs continue to increase. A 5-7% increase is projected in the dental plan after no increases in two of the past three years.

The City's contribution to KPERS will also increase from 6.54% to 7.14% on Jan 1, 2010. However, workers comp insurance should see a significant decrease.

EYE ON IT - Utility Rates Outlook



Shortfalls Highlight Need for Utility Rate Increases

The City's water, sewer, and sanitation funds consistently do not generate enough revenues to cover expenditures. The water and sewer funds, especially, depend on cash reserves in order to operate in the black. For the 2010 Budget, the City Council took action to address revenue shortfalls in these two funds by adding **\$4.65** to the base fee for water, and **\$1.00** to the base plus **10%** to the tiers for the sewer fund. Sanitation rates were left the same, but will likely be increased in January 2010. Even with these increases, the City of Augusta's utility rates are still highly competitive with nearby communities according to regional studies.



TAX BILL City Tax Liability

The City of Augusta is one of several taxing entities that make up your total property tax bill. Your property tax bill includes taxes levied by the County, USD 402, Butler County Community College, as well as any other special assessments against your property.

City's Portion of 2008 Property Tax Bill:

25.9%



UTILITY PAYMENTS Online Bill Pay

The City of Augusta offers citizens the option of paying their utility bills online with a credit card. A processing fee may apply. Direct Debit is also available (registration form available on the City website).

For more details, visit the City of Augusta website @ www.augustagov.org.