

Memorandum

City of Lawrence

Finance

TO: City Commission

FROM: Jeremy Willmoth, Finance Director

DATE: January 11, 2023

RE: First Quarter Budget Adjustment

The intent of the quarterly budget adjustment process is to keep the public and City Commission informed on changes to the budget made throughout the year to address unforeseen expenditures, carry forward fund balances from projects from prior years, and to remain flexible for new projects and opportunities throughout the year.

As part of this quarterly process, a formal budget amendment may be brought forward to increase a fund's statutory expenditure authority if necessary. For this to occur, a public hearing must be held and notice of the public hearing must be given at least 10 days prior to the hearing. This is anticipated to occur towards the end of the year if needed. Throughout the year, staff will look for places to reduce expenditures to offset the impact of these items whenever possible.

Many of these items have been before the City Commission previously for consideration and this is capturing those items to formally adjust the budget to account for those decisions. A summary of adjustments is presented below by fund.

General Fund

1. KU Crossing Project – \$50,000 of unspent funds from the FY 2022 Budget that are currently in fund balance and are being requested to be appropriated to fund this project in the FY 2023 budget. The applicant will provide these funds, so this does not impact the City's budget. Line Items to be impacted:

FROM:

Fund:	Department:	Line Item:	Project:	Amount:
101 (General)		207001 (Reimbursed Expenses)	KUCROSS	\$50,000

TO:

Fund:	Department:	Line Item:	Project:	Amount:
101	101.0800 (Economic Development)	301101 (Professional Services)	KUCROSS	\$50,000

2. Master Street Tree Program – The City collects money from building permits for the construction of new homes to preserve the trees in the rights of way. These funds are held until the trees are purchased, and then they are disbursed. The fall 2022 planting did not get placed in time to occur in 2022, so these funds need to be reappropriated from the 2022 Fund Balance so that the City can purchase these trees as promised to the permit payers. The permit fees collected in 2022 will pay for this item, so this does not technically impact the City's budget. Line Items to be impacted:

FROM:

Fund:	Department:	Line Item:	Project:	Amount:
101 (General)		Fund Balance	N/A	\$47,000

TO:

Fund:	Department:	Line Item:	Project:	Amount:
101	101.1812 (Parks and Recreation – Urban Forestry)	301011 (Operating Expenses)	N/A	\$47,000

3. Ambulance purchases – Douglas County provides the funding for all ambulance purchases per our agreement with them to provide EMS services to the entire County. This budget adjustment is more a timing issue than a funding one. The County has requested that the City purchase two additional ambulances beyond what was programmed into the 2023 Budget to assist with the ambulance replacement program. The County will provide these funds, so this does not impact the City's budget. Line Items to be impacted:

FROM:

Fund:	Department:	Line Item:	Project:	Amount:
101 (General)		202027 (DC EMS Charges)	DCEMS	\$633,000

TO:

Fund:	Department:	Line Item:	Project:	Amount:
101	101.1601 (LDCFM – Operations)	303001 (Vehicles and Equipment)	DCEMS	\$633,000

Transient Guest Tax Fund

1. Lawrence Cultural Arts Commission (LCAC) – The Transient Guest Tax Fund, which funds the LCAC was hit hard during the COVID-19 pandemic. While recovery of the TGT fund has been better than expected, the pace and timing of the recovery meant that the LCAC was not able to implement their budgeted programs in 2022. The LCAC is requesting that \$48,000 of the unspent funds from 2022 be reappropriated to 2023 so that they can provide increased program funding for our artists and creative community as they continue recovering from the impact of the pandemic. Line Items to be impacted:

FROM:

Fund:	Department:	Line Item:	Project:	Amount:
221 (Transient Guest Tax)		Fund Balance	N/A	\$48,000

TO:

Fund:	Department:	Line Item:	Project:	Amount:
221	221.1804 (Parks and Recreation – Community Events)	301702 (Payments to Outside Organizations)	LCAC	\$48,000

Kansas Fights Addiction Fund

1. The City Commission approved Resolution 7402 authorizing the city to enter an agreement with the Kansas Attorney General regarding opioid litigation and claims against opioid manufacturers. By doing so, the City released its individual claims and instead opted to participate in the statewide Kansas Fights Addiction Act program. The City now needs to establish this fund, and request permission from the City Commission to spend these dollars in accordance with the agreement with the Kansas Attorney General. Line Items to be impacted:

FROM:

Fund:	Department:	Line Item:	Project:	Amount:
226 (Kansas Fights Addition)		206009 (State Shared Revenue)	N/A	\$24,000

TO:

Fund:	Department:	Line Item:	Project:	Amount:
226	226.1501 (Police – Office of the Chief)	301011 (Operating Expenses)	N/A	\$24,000

Federal Funds Exchange Fund

1. The City created this fund late last year, so this wasn't a part of the initial 2023 budget process. This fund was established for better accountability of federal fund exchange dollars given to the City by agreement with the Kansas Department of Transportation. These are the dollars that were allocated last year, but unspent that need to be moved to 2023 to continue these projects Line Items to be impacted:

FROM:

Fund:	Department:	Line Item:	Project:	Amount:
227 (Federal Funds Exchange)		Fund Balance	N/A	\$1,302,000

TO:

Fund:	Department:	Line Item:	Project:	Amount:
227	227.1750 (MSO – Street Maintenance)	303002 (Infrastructure)	PW-1622 (6th St & Queens Rd, Intersection Improvements)	\$2,000
227	227.1750	303002	MS-200005 (23rd Street - Haskell Bridge to East City Limits)	\$900,000
227	227.1750	303002	MS-210017 (Wakarusa -	\$400,000

			Research Pkwy to 23rd Street)	
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Administrative Services Fund

1. Replace the Records Management System - \$120,000 of unspent funds from the FY 2022 Budget are currently in fund balance and are being requested to be appropriated to the FY 2023 budget for this project. The Clerk's Office has partnered with IT to use these dollars to replace the Records Management System citywide in 2023. Due to the implementation of HR, Finance and Planning software systems, both the City Clerk's office and the IT department were unable to dedicate resources needed to implement the project. Line Item to be impacted:

FROM:

Fund:	Department:	Line Item:	Project:	Amount:
601 (Administrative Services)		Fund Balance	N/A	\$112,000

TO:

Fund:	Department:	Line Item:	Project:	Amount:
601	601.0703 (City Clerk – Records Retention)	303001 (Vehicles and Equipment)	N/A	\$112,000

2. Office reconfiguration - \$22,000 of unspent funds from the FY 2022 Budget are currently in fund balance and are being requested to be appropriated to the FY 2023 budget for this project. Human Resources (HR) needs to reconfigure and update its office space to support a planned realignment of human resources related work. It has been several years since new furniture has been purchased and an update is needed. The restructure is designed to advance engaged and empowered teams and improve customer service for HR. We started planning for this project several months ago, and recently got the updated plan from the vendor in mid-December. Unfortunately, due to the timing we could not complete the project in 2022. Line Item to be impacted:

FROM:

Fund:	Department:	Line Item:	Project:	Amount:
601 (Administrative Services)		Fund Balance	N/A	\$22,000

TO:

Fund:	Department:	Line Item:	Project:	Amount:
601	601.0903 (Human Resources – Employee Relations)	301011 (Operating Expenses)	N/A	\$22,000

Adjustments to the Capital Improvement Plan

The 2023-2027 Plan is located [here](#). Attached are all the recommended changes to the plan for the 1st Quarter.

Unspent Project Funds rolling from 2022 into 2023

Project information from Fiscal Year 2022							Project Information to roll into Fiscal Year 2023		
Project Name	Project Number	Account Information	2022 Budget	2022 Expenses	2022 Encumbrances	2022 Ending Balance	Project Number	Account Information	2023 Amendment
2022 Alley Rehabilitation	MS-22-8015	001-3-3000-2141	\$ 81,000	\$ -	\$ -	\$ 81,000	228015-MS	101.1750 / 301102 / PROJ	\$ 81,000
Sealing of Drives at Fire Medical Facilities	MS-22-0059	001-3-3000-2536	175,000	-	-	175,000	MS-220059	101.1750 / 301502 / PROJ	71,000
2022 Alley Rehabilitation	MS-21-8015	001-3-3000-2536	600,000	324,776	-	275,224	MS6-M23001	101.1750 / 301102 /PROJ	99,000
2022 Alley Rehabilitation	MS-21-8015	001-3-3000-2536					MS6-M23002	101.1750 / 301102 /PROJ	176,000
6th & Schwarz Rd. ADA Improvements	MS-21-8008-1	001-3-3000-2536	100,000	-	-	100,000	MS-2180081	101.1750/ 301502/ PROJ	100,000
2022 Neighborhood Traffic Management Program	MS-21-8005	101-3-3000-2536	121,726	36,063	1,984	83,680	218005-MS	101.1750 / 301502 / PROJ	84,000
General Fund						714,903			611,000
Rehabilitation of T-Hanger Taxilines	MS-22-0052	201-3-3030-6017	96,000	-	-	96,000	MS-220052	241.1720 / 303002 / PROJ	96,000
Airport Terminal Improvements	MS-25-0045	201-3-3030-6017	202,000	79,743.16	43,626	78,631	MS-250045	241.1720 / 303002 / PROJ	79,000
Airport Pump Station Improvements	MS-22-9905-1	201-3-3030-6017	20,000	-	-	20,000	2299051-MS	241.1720 / 303002 / PROJ	20,000
Lot 2 Taxilane	MS-21-0049	201-3-3030-6017	205,000	14,825	64,175	126,000	MS-210049	241.1720 / 303002 / PROJ	126,000
Rehabilitate Taxiway	MS-22-0050	201-3-3030-6017	180,000	-	-	180,000	MS-220050	241.1720 / 303002 / PROJ	180,000
Airport Fund						500,631			501,000
Green Pavement Intersection Crossings	CI-21-0002	202-3-3000-2141	372,000	14,225	13,836	343,939	CI-210002	201.1750 / 303002 / PROJ	344,000
Sidewalk Hazard Urgent Repair	MS-22-0047	202-3-3000-2536	100,000	-	-	100,000	220047-MS	201.1750 / 301502 / PROJ	100,000
2022 Sidewalk/Bike/Ped Improvements	MS-22-0020	202-3-3000-2536	50,000	-	24,190	25,810	MS-220020	201.1750/ 301502/ PROJ	26,000
Naismith Mobility Enhancement	MS-21-8000-1	202-3-3000-6017	52,990	10,872	23,267	18,852	MS-2180001	201.1750/ 303002/ PROJ	19,000
2022 Sidewalk/Bike/Ped Improvements	MS-22-8000	202-3-3000-6034	592,000	-	-	592,000	MS-2280000	201.1750/ 303003/ PROJ	592,000
Lawrence Loop - Michigan to Sandra Shaw Park	PR-23-9000	202-4-4800-6034	300,000	30,197	4,483	265,321	PR-239000	201.1750 / 303003 / PROJ	265,000
Lawrence Loop - Michigan to Sandra Shaw Park	PR-23-9000	202-4-4800-6060	100,000	-	-	100,000	PR-239000	201.1750 / 303005 / PROJ	100,000
Santa Fe Depot Parking Lot	PW19E3CIP	202-9-3000-6034	173,366	44,749	-	128,617	PW-19E3	201.1750 / 303003 / PROJ	56,000
Capital Improvement Sales Tax Fund						1,574,539			1,502,000
Multi Modal Facility	TR-20-01	210-1-1014-6034	8,908,000	284,606.49	543,966	8,079,428	TR-2001	203.0403 / 303004 / PROJ	3,350,000
Transportation Fund									
2022 Pedestrian Improvements	MS-22-0020-1	214-3-3000-2536	350,000	-	-	350,000	MS-2200201	223.1750/ 301502/ PROJ	350,000
2022 Sidewalk/Bike/Ped Improvements	MS-22-0020	214-3-3000-2536	105,000	-	-	105,000	MS-220020	223.1750/ 301502/ PROJ	105,000
6th Street - Iowa to Mass St.	MS-22-0062	214-3-3020-2141	100,000	20,737	26,540	52,723	MS-220062	233.1755 / 301102 / PROJ	48,000
Special Gasoline Tax Fund						507,723			503,000
Water Spray Park - Lyons Park	PR-22-2501	216-4-4040-2536	99,000	-	-	99,000	PR-222501	224.1807 / 303003 / PROJ	99,000
Special Recreation Fund									
2022 Alley Rehabilitation	MS-22-8015	502-3-3515-2141	260,000	-	-	260,000	228015-MS	502.1780 / 301102 / PROJ	217,000
Smart Truck Technology	MS-21-0056	502-3-3515-6005	850,000	16,228	8,764	825,008	MS-210056	502.1780 / 303001 /PROJ	825,000
Solid Waste Fund						1,085,008			1,042,000
Stormwater Quality	MS-22-9805	505-3-3910-6034	208,000	-	-	208,000	2198050-MS	504.1748 / 301101 / PROJ	208,000
Stormwater Fund									
2022 Facility Maintenance Program	MS-22-8018	523-3-3040-4203	381,000	92,933	167,298	120,769	228018-MS	601.1770 / 301016 / PROJ	121,000
Administrative Services Fund									
Pump Station 50 Abandonment	MS-22-9905-2	552-7-7800-2141	92,000	-	-	92,000	2299052-MS	506.1745 / 301102 / PROJ	92,000
Pump Station 4 Rehabilitation	MS-22-9912-1	552-7-7800-2141	84,000	-	-	84,000	2299121-MS	506.1745 / 301102 / PROJ	84,000

N Lawrence Wastewater Odor Control Study	MS-22-9912-2	552-7-7800-2141	135,000	-	-	135,000	2299122-MS	506.1745 / 301102 / PROJ	135,000
Wastewater Collection System Preventative Maint.	MS-22-9908-3	552-7-7800-2141	362,000	-	-	362,000	MS-2299083	506.1745 / 301102 / PROJ	362,000
Barker Ave Sanitary Sewer Improvements	MS-22-9909-3	552-7-7800-2536	100,000	65,451	24,949	9,600	MS-2299093	506.1745 / 301502 / PROJ	9,000
Kaw & Clinton WTP Improvement Program	MS-22-9901	552-7-7800-6005	270,000	-	82,491	187,509	MS-2299010	501.1760 / 303001 / PROJ	188,000
Wakarusa WWTP Maintenance Building	MS-21-0057	552-7-7800-6017	450,000.00	-	-	450,000	MS-210057	506.1765 / 303002 / PROJ	450,000
Airport Pump Station Improvements	MS-22-9905-1	552-7-7800-6017	89,000	-	-	89,000	2299051-MS	506.1745 / 303002 / PROJ	89,000
2022 Kaw WTP Infrastructure Rehab	MS-22-0032	552-7-7800-6017	3,560,000	16,288	82,007	3,461,705	MS-220032	506.1740 / 303002 / PROJ	3,460,000
Vermont St. Bridge Watermain Rehabilitation	MS-22-0023	552-7-7800-6034	1,000,000	-	-	1,000,000	MS-220023	506.1740 / 303003 / PROJ	1,000,000
Eagle Bend and YSC Irrigation Water Supply Project	MS-20-0012	552-7-7810-2141	692,000	-	-	692,000	MS-200012	506.1740 / 303002 / PROJ	692,000
Stratford Water Tower Replacement	UT1984CIP	552-7-7810-6017	1,869,000	-	-	1,869,000	UT-1984	506.1740 / 303002 / PROJ	1,869,000
Clinton WTP Chemical Storage and Distribution Imp.	MS-22-9901-1	552-7-7810-6017	154,000.00	-	-	154,000	MS-2299011	506.1760 / 303002 / PROJ	154,000
Eagle Bend and YSC Irrigation Water Supply Project	MS-20-0012	552-7-7810-6060	10,000	-	-	10,000	MS-200012	506.1740 / 303005 / PROJ	10,000
Water/Wastewater Non-Bonded Construction Fund						8,595,814			8,594,000
Wakarusa - Research Pkwy to 23rd Street	MS-21-0017	609-3-3000-6017	400,000	-	-	400,000	MS-210017	227.1750/ 303002/ PROJ	400,000
23rd Street - Haskell Bridge to East City Limits	MS-20-0005	609-3-3000-6017	900,000	-	-	900,000	MS-200005	227.1750 / 303002 / PROJ	900,000
6th St & Queens Rd, Intersection Improvements	PW1622	609-3-3000-6017	7,000	-	5,222	1,778	PW-1622	227.1750 / 303002 / PROJ	2,000
Federal Funds Exchange Fund						1,301,778			1,302,000
Multi Modal Facility	TR-20-01	611-1-1014-6034	50,000	-	-	50,000	TR-2001	801.0403 / 303004 / PROJ	50,000
Airport Terminal Improvements	MS-25-0045	611-3-3030-6017	1,075,124	78,225	-	996,899	MS-250045	801.1720 / 303002 / PROJ	997,000
Lawrence Loop - Michigan to Sandra Shaw Park	PR-23-9000	611-4-4800-6304	564,000	-	-	564,000	PR-239000	801.1807 / 303003 / PROJ	564,000
Federal Grant Fund						1,610,899			1,611,000
Total 2022 Unspent Project Funds to roll into the 2023 CIP			\$ 26,645,206	\$ 1,129,918	\$ 1,116,798	\$ 24,398,491			19,444,000

New Grants Awarded in 2023 after the adoption of the Budget

Grants programmed in 2023 but not awarded

TOTAL Adjustments to the 2023 CIP	\$ 15,746,015
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