

BUDGET IN BRIEF



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The City of Hays 2013 budget continues to be very healthy from a financial standpoint. The key aspects of the 2013 budget are:

- **Balanced budget**
- **No mill levy increase**
- **No fee increase in solid waste**
- **Adequate reserves maintained**
- **Employees receive a 3% pay adjustment**

With the 2013 budget the Commission objective of keeping the mill levy static for the foreseeable future is upheld. Taking advantage of sound financial practices in the past, the plan is to pay cash for capital projects so as not to incur debt which will increase the mill levy. City Commission Financial Policy Projects, over the past two years, has allowed payment of cash for \$3.5 million in projects.

Other Commission initiatives achieved include utilization of excess sales tax to reduce property taxes and continuation of the capped contribution to the employee health insurance program.

These practices ensure all reasonable measures are taken to limit dependency on property taxes.

Significant projects within operating budgets include:

- **Wage and Benefit Study**
- **PW Building Improvements**
- **Aquatic Park Wood Stain**
- **Sewer Main Cleaning**
- **Manhole Rehabilitation**
- **Water Plant Efficiency Upgrades**
- **Waste Water Plant Efficiency Upgrades**
- **Water Conservation Projects**

Capital Improvement Projects planned for 2013 include:

- **Bike Hays System**
- **Vine Street 13th to 22nd**
- **41st Street**
- **Storm Water Projects**
- **Big Creek Well Field Improvement Study**
- **Utilities Maintenance Facility**
- **Plant Infrastructure Maintenance**

The Budget in Brief gives citizens a general overview of the City's 2013 operating budget. For more detailed information, the entire budget is available at the Hays Public Library, City Hall or at www.haysusa.com.

BUDGET SUMMARY

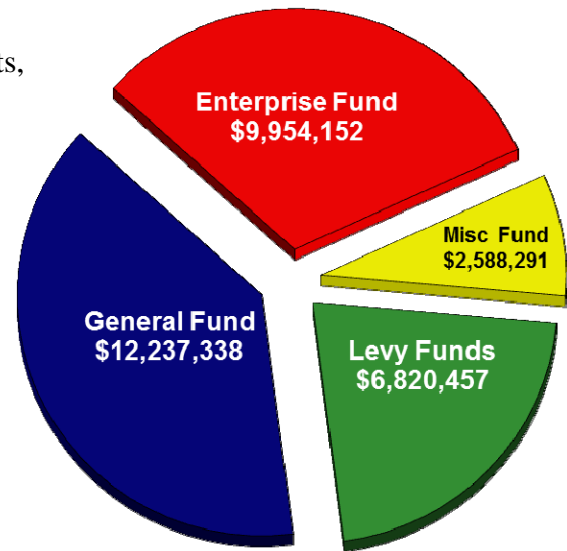
2013 TOTAL BUDGETED REVENUES

All Revenues	2012	2013	\$ Difference	% Difference
General Funds	\$ 11,459,813	\$ 12,237,338	\$ 777,525	6.8%
Levy Funds	\$ 6,831,849	\$ 6,820,457	\$ (11,392)	-0.2%
Enterprise Funds	\$ 9,320,059	\$ 9,954,152	\$ 634,093	6.8%
Miscellaneous Funds	\$ 2,421,042	\$ 2,588,291	\$ 167,249	6.9%
Total Revenues	\$ 30,032,763	\$ 31,600,238	\$ 1,567,475	5.2%

The City budget is financed through a wide variety of revenue sources, including property, sales, transient guest taxes, permits, state funds, and franchise fees. The enterprise funds are supported mainly by user fees.

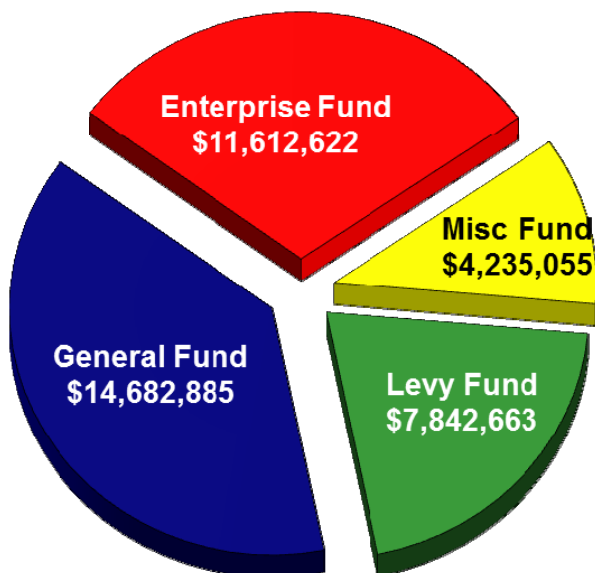
2013 Budget Revenue Facts:

- \$31.6 Million in total revenues.
- **NO** Increase in the mill levy (25) for a fourth year.
- 2012 & 2013 Sales tax has projected increases.
- Transient Guest Tax has a projected increase.
- Stormwater revenue increased in 2012.



2013 TOTAL BUDGETED APPROPRIATION

All Funds Appropriated	2012	2013	\$ Difference	% Difference
General Funds	\$ 14,346,443	\$ 14,682,885	\$ 336,442	2.3%
Levy Funds	\$ 7,656,995	\$ 7,842,663	\$ 185,668	2.4%
Enterprise Funds	\$ 10,328,354	\$ 11,612,622	\$ 1,284,268	12.4%
Miscellaneous Funds	\$ 3,911,778	\$ 4,235,055	\$ 323,277	8.3%
Total Funds Appropriated	\$ 36,243,570	\$ 38,373,225	\$ 2,129,655	5.9%



2013 Budget Appropriation Facts:

- \$38.4 million in total Expenditures.
- Increase in expenditures primarily attributed to increased revenue, transfer to reserves.
- **Property Tax Initiatives Continued:**
 - Allows for the offset (\$271,323) of the mill levy.
 - Continuation of paying capital projects with cash rather than increasing debt/property taxes.
 - City Commissions cap of \$9,500 per average employee for health insurance continued.
- Salary increases of 3% pay adjustment for all employees.
- Only necessary projects funded.

GENERAL FUND

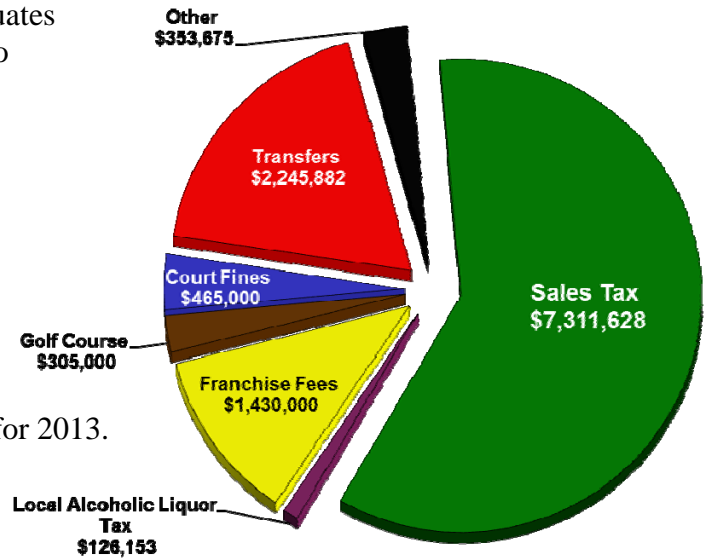
2013 GENERAL FUND REVENUES

All Revenues	2012	2013	\$ Difference	% Difference	
Sales Tax	\$ 6,653,273	\$ 7,311,628	\$ 658,355	9.9%	pg 26
Local Alcoholic Liquor Tax	\$ 118,813	\$ 126,153	\$ 7,340	6.2%	pg 26
Franchise Fees	\$ 1,486,083	\$ 1,430,000	\$ (56,083)	-3.8%	pg 26
Golf Course	\$ 301,503	\$ 305,000	\$ 3,497	1.2%	pg 26
Court Fines	\$ 450,000	\$ 465,000	\$ 15,000	3.3%	pg 26
Transfers	\$ 2,106,116	\$ 2,245,882	\$ 139,766	6.6%	pg 26
Other	\$ 344,025	\$ 353,675	\$ 9,650	2.8%	
Total Revenues	\$ 11,459,813	\$ 12,237,338	\$ 777,525	6.8%	

General Fund departments do not have offsetting operating revenues. In 2004 a ¾% sales tax was passed to shift the budget's dependency from property taxes to sales tax revenue. The sales tax provides over half of the total General Fund revenues. Sales tax fluctuates according to our local economy. This requires the city to budget within our community's means.

2013 General Fund Revenue Facts:

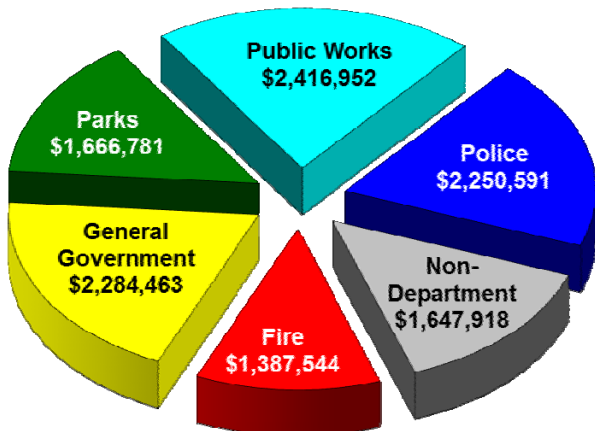
- 2013 is a balanced budget.
- \$12.2 million in revenues, or 6.8% increase.
- Sales tax is projected with a 3% increase in 2012 & 2% increase in 2013.
- Cash reserves remain sound.
- Increased sales tax and reduced expenditures allow for consistent financial policy projects (\$2.8 million) for 2013.



2013 GENERAL FUND EXPENDITURES

All Expenditures	2012	2013	\$ Difference	% Difference	
General Government	\$ 1,662,855	\$ 2,284,463	\$ 621,608	37.4%	pg 32+
Fire	\$ 1,334,830	\$ 1,387,544	\$ 52,714	3.9%	pg 70
Parks	\$ 1,606,910	\$ 1,666,781	\$ 59,871	3.7%	pg 74
Police	\$ 2,656,660	\$ 2,250,591	\$ (406,069)	-15.3%	pg 52
Public Works	\$ 2,239,219	\$ 2,416,952	\$ 177,733	7.9%	pg 56
Non-Departmental	\$ 1,527,504	\$ 1,647,918	\$ 120,414	7.9%	
Total Expenditures	\$ 11,027,978	\$ 11,654,249	\$ 626,271	5.7%	

General Fund includes General Government (City Commission, City Manager, Finance, IT), Fire, Parks, Police, Public Works and Non-department (Transfer, Intergovernmental, Outside Agencies).



2013 General Fund Expenditures Facts:

- General Fund Expenditures increased and contributed to a 3% pay adjustment and projects.
- Continued transfer (\$271,323) to keep mill levy at 25.
- Dispatch is a new division under the City Manager.
- Electrical and fuel costs increase.
- Primary projects include:
 - Wage and benefit study
 - Public Works remodel
 - Swimming pool wood staining

LEVY FUND

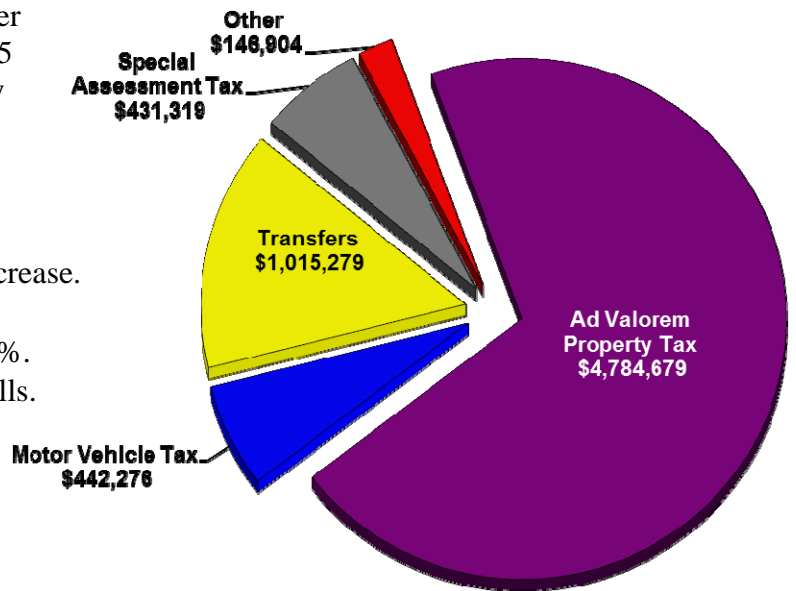
2013 LEVY FUND REVENUES

All Revenues	2012	2013	\$ Difference	% Difference
Ad Valorem Property Tax	\$ 4,679,405	\$ 4,784,679	\$ 105,274	2.2%
Motor Vehicle Tax	\$ 434,407	\$ 442,276	\$ 7,869	1.8%
Transfers	\$ 1,080,211	\$ 1,015,279	\$ (64,932)	-6.0%
Special Assessment Tax	\$ 492,067	\$ 431,319	\$ (60,748)	-12.3%
Other	\$ 145,759	\$ 146,904	\$ 1,145	0.8%
Total Revenues	\$ 6,831,849	\$ 6,820,457	\$ (11,392)	-0.2%

The Hays Levy funds are primarily dependent on ad valorem property taxes. No property taxes are used for General Fund expenditures or salaries. The City Commission has developed a plan to restrain large increased expenditures realized in years past. This plan includes capping employee health insurance to \$9,500 per average employee and setting the mill levy at 25 for the near future and limiting bonding/debt by paying cash for capital improvement projects as well as buying down the mill with reserves.

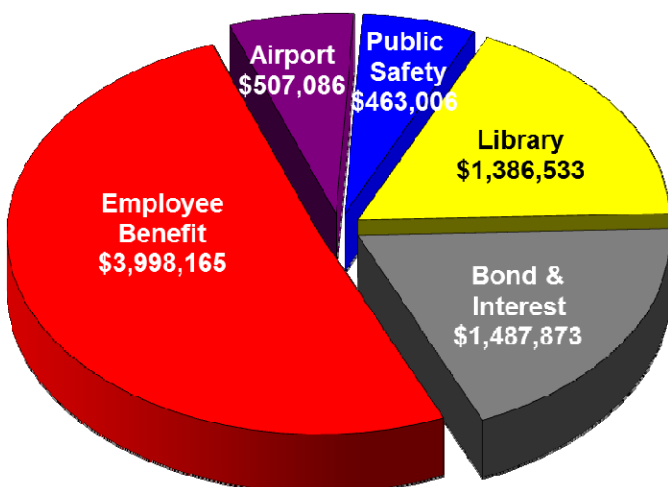
2013 Levy Fund Revenue Facts:

- 25 mill levy for 4th year in a row, **NO** levy increase.
- Library levy accounts for 6.49 mills.
- Total valuation is expected to increase by 2.5%.
- Transfer (\$271,323) to keep the levy at 25 mills.



2013 LEVY FUND EXPENDITURES

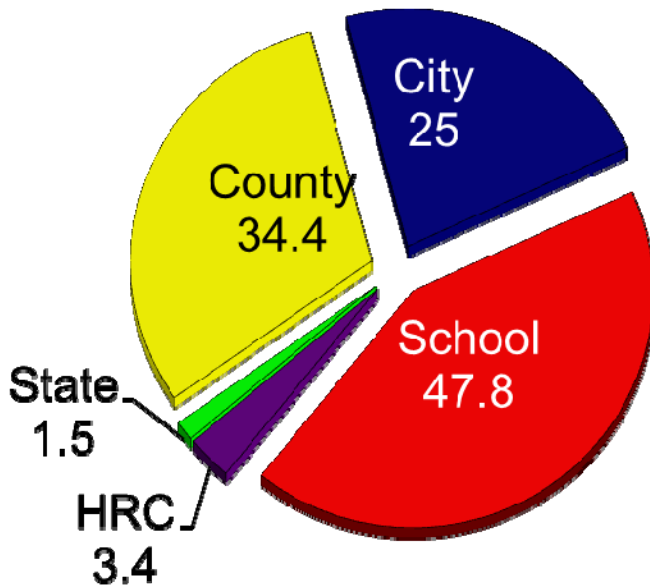
All Expenditures	2012	2013	\$ Difference	% Difference
Airport	\$ 443,174	\$ 507,086	\$ 63,912	14.4%
Public Safety Equipment	\$ 525,969	\$ 463,006	\$ (62,963)	-12.0%
Library	\$ 1,381,115	\$ 1,386,533	\$ 5,418	0.4%
Bond & Interest	\$ 1,715,324	\$ 1,487,873	\$ (227,451)	-13.3%
Employee Benefit Contribution	\$ 3,591,413	\$ 3,998,165	\$ 406,752	11.3%
Total Expenditures	\$ 7,656,995	\$ 7,842,663	\$ 185,668	2.4%



2013 Levy Fund Expenditures Facts:

- Airport contains a transfer to the improvement fund (\$177,154) to assist in future projects outlined in the capital improvement schedule.
- Bond and Interest decreased with the retirement of a bond.
- Employee Benefits increased as a direct correlation to the salary adjustment.

PROPERTY TAXES EXPLAINED....

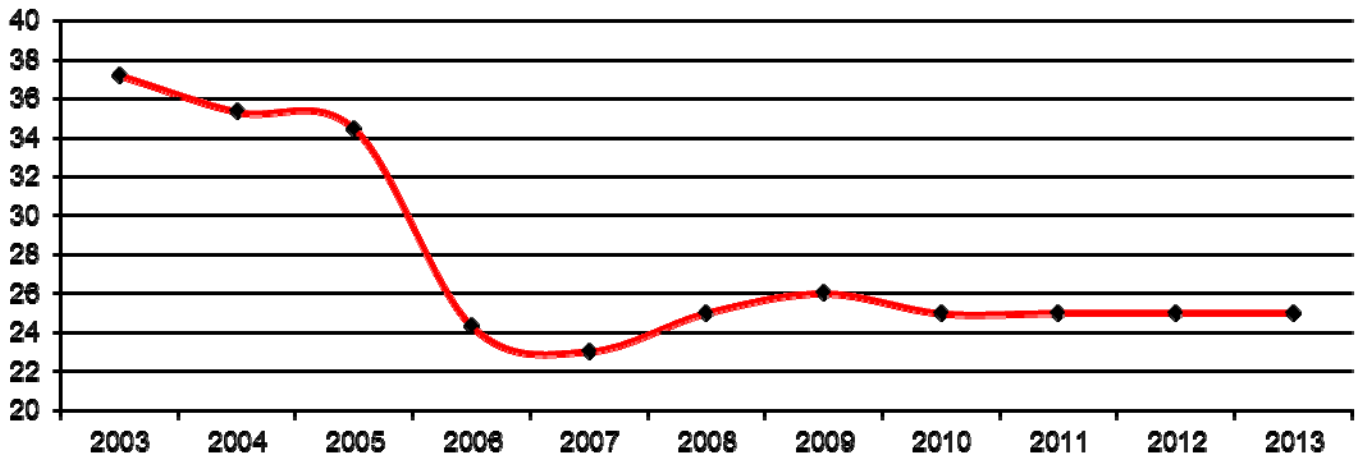


The City of Hays mill levy is 25. The Library receives 6.49 mills. This leaves the City of Hays levy dedicated for municipal purposes at 18.51 mills.

One mill is equivalent to \$191,380. The total valuation of the city increased 2.5%.

The City of Hays kept the mill levy at 25 for the fourth year in a row. This is accomplished by using reserves to buy down the mill, paying cash for various projects, no increased debt and capping employee benefits.

**City of Hays Mill Levy
2003 – 2013**



In 2005 a ¾% sales tax was enacted for budget stabilization. Since 2006 it has been utilized for the general fund to offset property taxes necessary to fund general government activities. This graph shows the sales tax reduces the dependence on property taxes as the mill dropped between 2005 and 2006. The sales tax offset this drop/property tax need.

2011 TOTAL HAYS LEVY

Hays homeowners pay property taxes to the following entities:

- 1.5 State
- 34.389 County
- 25.0 City
- 47.831 School (USD 489)
- 3.44 Hays Recreation Commission
- 112.225 Total Hays Levy

ENTERPRISE FUND

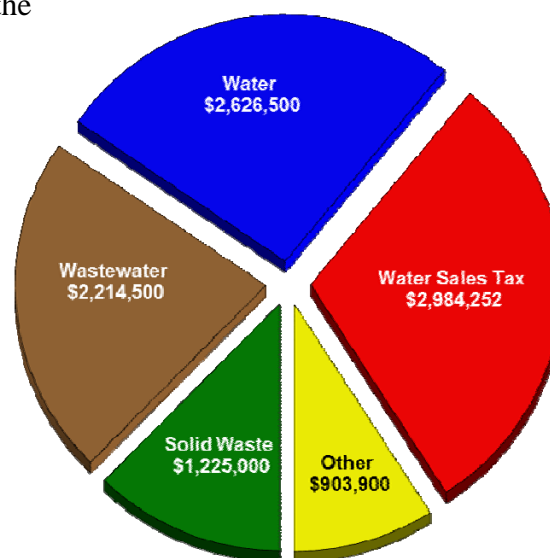
2013 ENTERPRISE FUND REVENUES

All Revenues	2012	2013	\$ Difference	% Difference	
Solid Waste	\$ 1,225,000	\$ 1,225,000	\$ -	0.0%	pg 110
Wastewater	\$ 2,020,000	\$ 2,214,500	\$ 194,500	9.6%	pg 114
Water	\$ 2,517,875	\$ 2,626,500	\$ 108,625	4.3%	pg 114
Water Sales Tax	\$ 2,714,134	\$ 2,984,252	\$ 270,118	10.0%	pg 114
Other	\$ 843,050	\$ 903,900	\$ 60,850	7.2%	
Total Revenues	\$ 9,320,059	\$ 9,954,152	\$ 634,093	6.8%	

The Enterprise Funds are used to account for operations that are primarily financed and operated in a manner similar to private business enterprises. The intent of the governing body is to provide goods or services to the general public on a continuing basis financed or recovered primarily through user fees.

2013 Enterprise Fund Revenue Facts:

- No rate increase for Solid Waste.
- Water Sales Tax is projected with a 3% increase in 2012 & 2% increase in 2013.

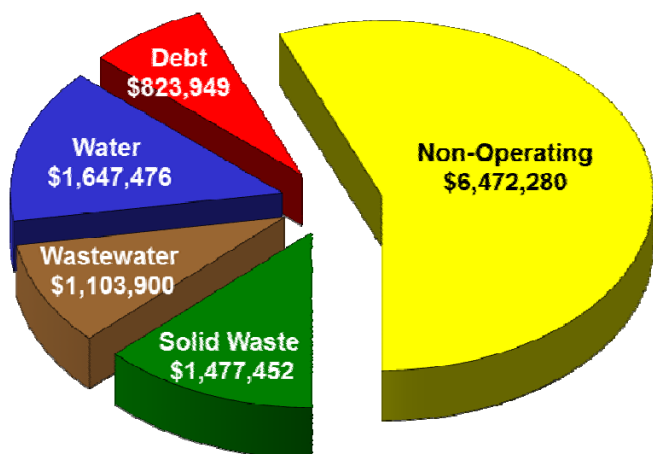


2013 ENTERPRISE FUNDS EXPENDITURES

All Expenditures	2012	2013	\$ Difference	% Difference	
Solid Waste	\$ 1,369,112	\$ 1,477,452	\$ 108,340	7.9%	pg 110
Wastewater	\$ 932,040	\$ 1,103,900	\$ 171,860	18.4%	pg 118
Water	\$ 1,518,860	\$ 1,647,476	\$ 128,616	8.5%	pg 124
Debt Service	\$ 855,568	\$ 823,949	\$ (31,619)	-3.7%	pg 130
Non-Operating	\$ 5,652,774	\$ 6,472,280	\$ 819,506	14.5%	pg 132
Water Conservation	\$ -	\$ 87,565	\$ 87,565	n/a	pg 128
Total Expenditures	\$ 10,328,354	\$ 11,612,622	\$ 1,284,268	12.4%	

2013 Enterprise Fund Expenditures Facts:

- Solid Waste is still sustainable with no rate increase.
- A new Water Conservation division is created.
- Primary enterprise projects include:
 - Sewer line cleaning
 - Manhole rehabilitation
 - Electrical efficiency upgrades
 - Water conservation projects
- The capital improvement transfer provides funding for project without incurring debt.
- Chemicals and electricity have expected increases.



MISCELLANEOUS FUND

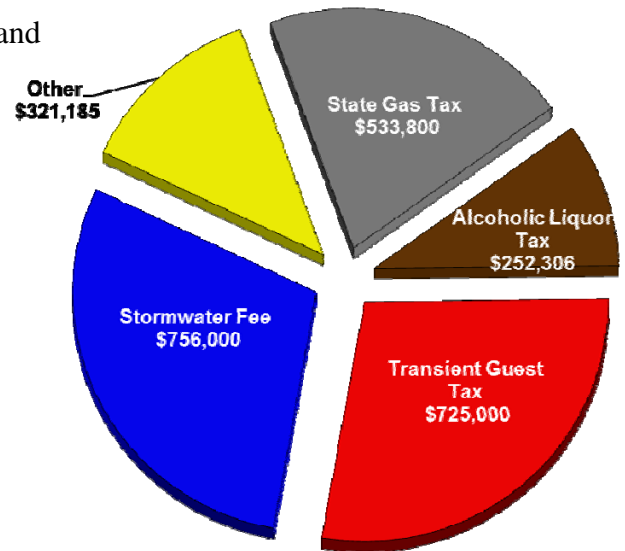
2013 MISCELLANEOUS FUND REVENUES

All Revenues	2012	2013	\$ Difference	% Difference	
State Gas Tax	\$ 549,250	\$ 533,800	\$ (15,450)	-2.8%	pg 134
Local Alcoholic Liquor Tax	\$ 237,626	\$ 252,306	\$ 14,680	6.2%	pg 136+
Transient Guest Tax	\$ 660,000	\$ 725,000	\$ 65,000	9.8%	pg 142
Stormwater Fees	\$ 670,000	\$ 756,000	\$ 86,000	12.8%	pg 148
Other	\$ 304,166	\$ 321,185	\$ 17,019	5.6%	
Total Revenues	\$ 2,421,042	\$ 2,588,291	\$ 167,249	6.9%	

Miscellaneous Funds contain various Departments, Divisions and projects which contain funding sources from the State, Special Tax or User Fees.

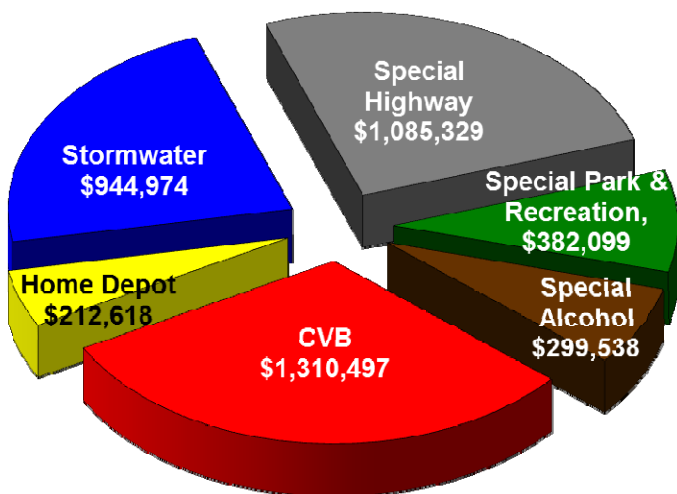
2013 Miscellaneous Fund Revenue Facts:

- Convention and Visitors Bureau Transient Guest Tax increased for a second year in a row.
- Stormwater increased as less delinquent accounts were realized than anticipated.



2013 MISCELLANEOUS FUND EXPENDITURES

All Expenditures	2012	2013	\$ Difference	% Difference	
Special Highway	\$ 667,742	\$ 1,085,329	\$ 417,587	62.5%	pg 134
Special Park & Recreation	\$ 852,120	\$ 382,099	\$ (470,021)	-55.2%	pg 136
Special Alcohol	\$ 305,850	\$ 299,538	\$ (6,312)	-2.1%	pg 140
Convention Visitors Bureau	\$ 1,032,046	\$ 1,310,497	\$ 278,451	27.0%	pg 142
Stormwater	\$ 841,000	\$ 944,974	\$ 103,974	12.4%	pg 148
Home Depot	\$ 207,993	\$ 212,618	\$ 4,625	2.2%	pg 156
Park Development	\$ 5,027	\$ -	\$ (5,027)	-100.0%	pg 154
Total Expenditures	\$ 3,911,778	\$ 4,235,055	\$ 323,277	8.3%	



2013 Miscellaneous Fund Expenditures Facts:

- Special Highway increase is misleading because of the budget process and only \$600,000 is available for 2013.
- Special Park paid for the back 9 and parks facility in 2012 and budgeted the bike plan for 2013.
- CVB contains additional expenditures to properly fund the new marketing plan.

