

2009

City of Columbus

Annual Financial Report

**By: Evan D. Capron
City Administrator**

March 31, 2010

Dear Citizen:

We are pleased to provide you with a copy of the 2009 City of Columbus Annual Financial Report. This is our first time producing our Annual Report in a format designed to help citizens to understand operation of the city in respect to “where their (the City) money comes from” and “where their money goes.” Because of the timing of this report, the data used in this report is from unaudited data.

In this Annual Report, we devote more attention to how the budget fits into the overall picture of operating the City Government. As you can imagine, it is a very important piece. It draws a significant amount of attention and interest from the community, the City Council and the employees. However, as you will see in the coming pages, if done correctly a municipal budget is simply a natural extension of putting community goals into action.

I encourage you as you read this document to evaluate how we spend the resources you give us. Ask yourself, “Is my City Government meeting what I believe should be the community’s goals?” Let us know what you think. A community of 3,200 probably has that many different opinions about what it’s City Government should “do” and “cost.” The document in your hands is one year’s solution to that ever changing puzzle.

Enjoy learning more about your City Government and we look forward to seeing you involved in the process!

Sincerely,

Evan D. Capron
City Administrator

What is a Budget?

A municipal budget is a financial guideline that directs how the City finances its operations to the Citizens and other end users. That means the City of Columbus uses the budget as a guide to shape the programs and services it provides to best meet community needs, as defined by members of the community through the budgeting process.

The end goal of the City's budgeting process is to create a community that is in charge of its own fate. The most important factor in achieving that goal is getting input from community members because that input helps the elected officials set goals. For example, goals for 2009 included:

- Ensuring heightened financial scrutiny in uncertain economic times,
- Holding the mill levy in 2010,
- Ensuring the City's Utility Rate Structure is appropriate,
- Identifying opportunities to combine or consolidate services,
- Promote a clean community to members of the public,
- Improving communication with the public,

During the summer of 2008 the City of Columbus Council adopted its financial guideline for 2009 by approving a total budget of \$3,971,354. The City Council will use \$3,750,898 of this to pay for its operating expenditures (salaries, benefits, equipment, commodities, etc). Another \$220,456 (5.55% of the total budget) will be used to pay down the debt that the City has accumulated by bonding and loans for long-term major capital improvement projects.

City Budgets are organized into two types of funds: funds with a tax levy and funds without a tax levy. The most common, and usually the largest City fund with a tax levy, is the General Fund (\$1,965,670) approved for FY 2009 which encompasses those City Departments that are funded with tax dollars. Funds with no tax levy can be used for a variety of purposes. The most common, and usually the largest, will be Enterprise Funds, the utilities, (\$1,140,645 approved for FY 2009) set up in a way where revenues cover expenses.

The City Departments and funds that levy a tax are listed in the area on the next page, as are the Enterprise Funds which rely on user fees.

Tax Supported Funds

Tax supported funds are supported by taxes levied by the City to support the services provided by departments funded in those distinct areas. With the exception of utilities, these are many of the services residents receive on a regular basis.

General Fund

The City's General Fund is the largest and most common City fund with a tax levy (primarily funded through ad valorem property taxes, vehicle taxes, sales tax, Municipal Court fines and franchise fee payments). The monies used to pay for the costs of programs and services provided by City Departments including: City Administration, Cemeteries, Law Enforcement, Fire, Community Development, as well as Parks.

Administration and Legislation

Mayor: Marie Nepple

City Council: John Paradee, Jerri Burton, David Morrison, Dewey Smith, Gary Smith, Grant Spieth, Steve Dunlap, Dana Wellmeier, Doug Hosier, Connie Bennett

City Administrator: Evan Capron

City Attorney: Barbara Wright

City Prosecutor: Maradeth Frederick

Budget Expense: \$295,203

Actual Expense: \$295,089

Description:

The Administration Department carries out policy development and approval (City Council); program and policy implementation, employee oversight and management, budget preparation, employee development, recruitment and retention and addresses technology needs for the organization (City Administrator), Legal advisement (City Attorney), prosecution (City Prosecutor).

Streets

City Superintendent: Jim Burton

Budget Expense: \$484,600

Actual Expense: \$345,805

Description:

The Street Maintenance Department of the Public Works Department is responsible for repairing and maintaining the alleys and streets within the city as well as traffic signals and signs. The Department also conducts snow and storm debris removal on an as needed basis.

Cemetery

City Superintendent: Jim Burton
Cemetery Sexton: Larry Caviness

Budget Expense: \$91,450

Actual Expense: \$77,199

Description:

The City of Columbus Cemetery Department maintains and operates Columbus's two cemeteries: Park and City. The budget allows necessary funds to make improvements and maintenance to these important community facilities.

Parks

City Superintendent: Jim Burton

Budget Expense: \$37,845

Actual Expense: \$32,396

Description:

The Public Works Department maintains and enhances the appearance and quality of public parks, including the Main City Park, Reeves Park and Lions Park.

Swimming Pool

City Superintendent: Jim Burton

Budget Expense: \$76,505

Actual Expense: \$61,126 Actual Revenue: \$24,000

Description:

The swimming pool was built in 2001 with a \$1.2M bond which will be retired in September 2011. Although the swimming pool fees (\$24,000) is not enough to offset the actual expenses by \$37,000, the facility is a great recreational attraction in the area for all ages.

Property

City Superintendent: Jim Burton

Budget Expense: \$44,750

Actual Expense: \$43,870

Description:

Responsible for all matters relating to public buildings and other property owned by the City.

Police Department

Police Chief: Chuck Sharp

Budget Expense: \$489,744

Actual Expense: \$444,575

Description:

The Columbus Police Department budget provides for the Columbus Police Department to enhance the quality of life in the City of Columbus by working cooperatively with citizenry to enforce the laws, preserve the peace, reduce fear and provide for a safe environment in a way which strikes the optimum balance between the collective interests of all citizens and the personal rights of all individuals, while displaying no partiality to social or political influences. The Columbus Police Department is currently staffed by nine full time Law Enforcement Officers, six part time Law Enforcement Officers, with one of the part time officers also serving as the Chaplain. There is also one full time Animal Control Officer, and a full time Municipal City Court Clerk.

Animal Control

Police Chief: Chuck Sharp

Animal Control Officer: Joe Allison

Budget Expense: \$49,240

Actual Expense: \$44,750

Description:

The animal control department is responsible for enforcing ordinances related to animals in the City and maintaining the dog pound.

Fire Department

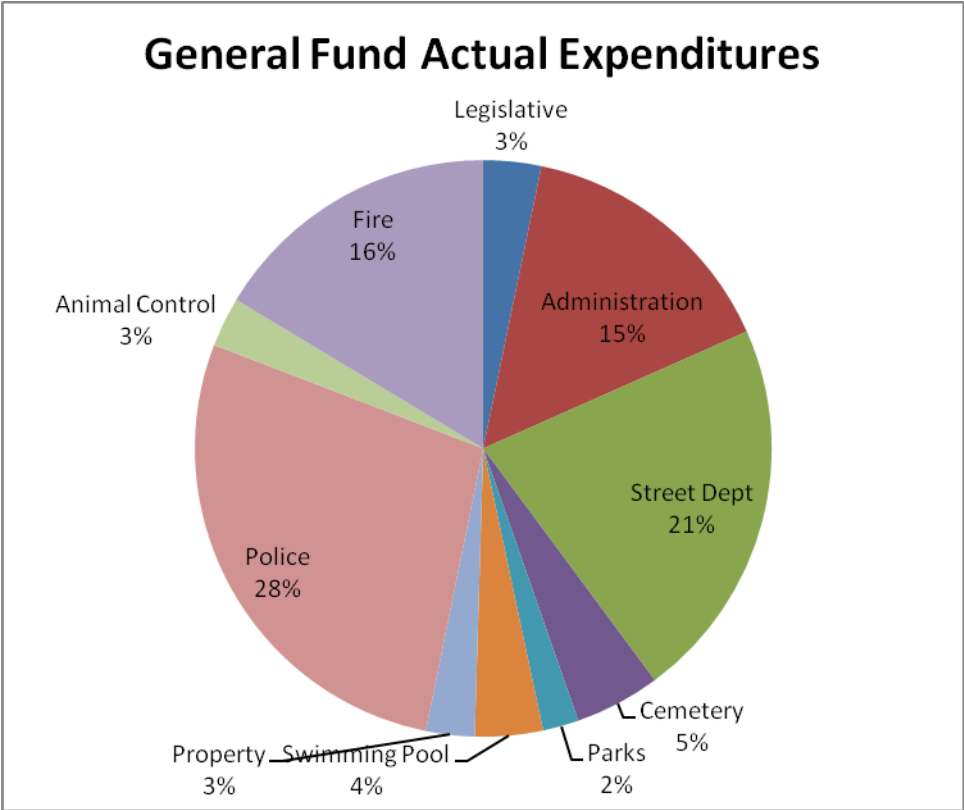
Fire Chief: Brad Gleason

Budget Expense: \$323,986

Actual Expense: \$263,334

Description:

The Columbus Fire Department is responsible for fire protection for the city of Columbus as well as townships of Crawford, Lola, Lyons, Mineral, Salamanca and Sheridan. The territory consists of approximately 260 square miles. The department averages 360 runs per year which includes responses to structure fires, grass fires, ambulance assists and vehicle extrication. The department also has mutual aid agreements with ten area fire departments to give or receive aid in the event of a major incident.



Tax Supported Funds Which Are Not Under General Funds

Library

Budget Expense: \$83,500

Actual Expense: \$83,500

Description:

The City owned library is managed by an appointed board. Tax monies are used to support the library.

Bond & Interest

Budget Expense: \$152,520

Actual Expense: \$152,526

Description:

Retiring the City's outstanding debt is also a component of the 2009 budget. This debt is comprised of municipal bonds, issued to pay for a major capital improvement project (swimming pool). This year 3.84 percent of the budget will go into paying debt service.

Special Liability

Budget Expense: \$12,000 Actual Revenue: \$5,006

Actual Expense: \$8,649

Description: The Special Liability Fund is set up for extraordinary legal fees on liabilities that may occur.

Special Streets

Budget Revenue: \$96,000 Budget Expense: \$72,941

Actual Revenue: \$80,764 Actual Expense: \$47,052

Description: Special Streets receives funding from gasoline tax. This money is used to pay for special street projects such as the High School Street Project and Highway 69 Project.

Special Parks

Budget Revenue: \$3,000 Budget Expense: \$0

Actual Revenue: \$4,690 Actual Expense: \$0

Description:

Special Parks is set up to provide funds for purchasing playground equipment and other recreational equipment, the source of revenue is from alcohol liquor tax.

Recreation Department

Budget Revenue: \$1,880 Budget Expense: \$13,000

Actual Revenue: \$11,766 Actual Expense: \$13,000

Description:

The recreation department has their own mayor appointed board who purchases playground equipment. They also help with the expenses of the American Legion owned softball complex.

Employee Benefits

Budget Revenue: \$238,560 Budget Expense: \$372,655

Actual Revenue: \$397,807 Actual Expense: \$322,106

Description:

Employee Benefits fund is setup to account for employee's health insurance, workers comp and KPERS.

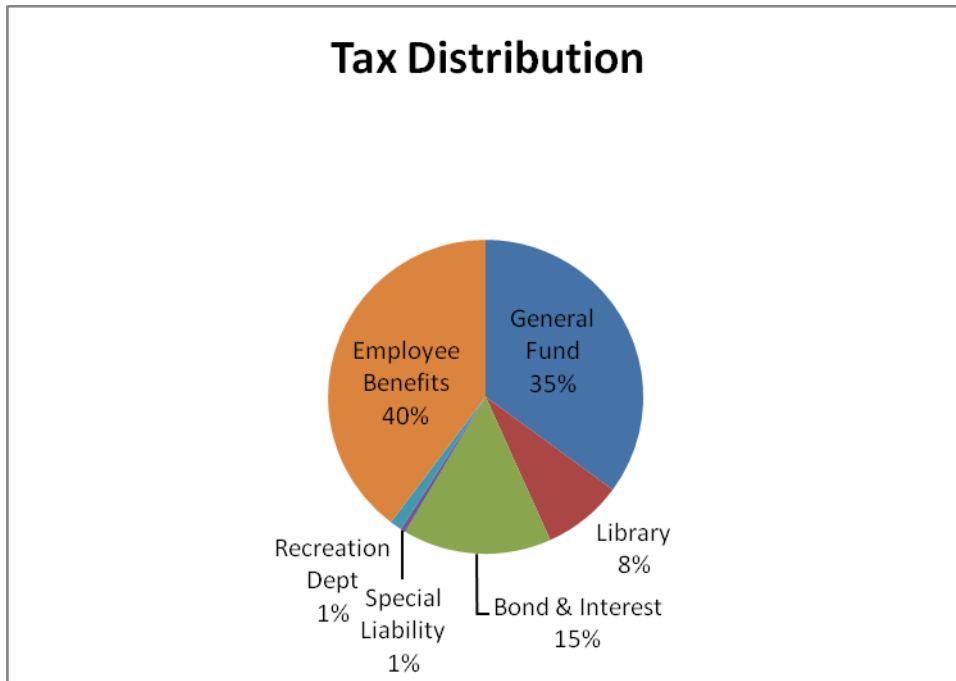
Transient Guest Tax

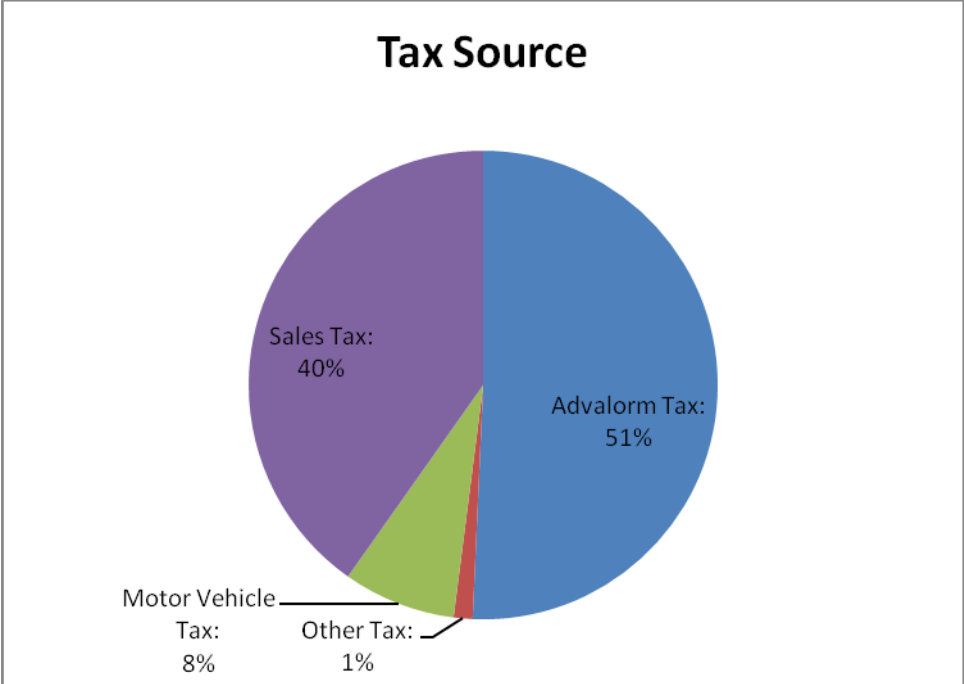
Budget Revenue: \$6,000 Budget Expense: \$4,000

Actual Revenue: \$4,903 Actual Expense: \$2,000

Description:

The source of revenue for the Transient Guest Tax is a 4% tax collected for the City on hotel rooms within the City. The money is used to help promote tourism.





Other Tax = Delinquent Tax + Recreational Vehicle + Rental Excise + 16/20M Vehicle

Special Tracking Funds

Street Project

Actual Revenue: \$196,500 Actual Expense: \$196,500

Description:

Is a fund setup to track street projects and in this case the High School Street Project.

Clean Up Columbus

Budget Revenue: \$10,000 Budget Expense: \$0
Actual Revenue: \$20,000 Actual Expense: \$3,650

Description:

Clean Up Columbus (CUC) represents donated money to help demolish old houses when citizens cannot afford to maintain them or tear them down. We are very fortunate to have an individual in the Columbus area who is helping us to clean up the town of unlivable houses.

Special Revenue Funds

Special revenue funds are used by the City of Columbus to account for revenue which are legally restricted for specific purposes. That is, these funds are comprised of monies collected by the City to be used for very specific purposes or projects. These funds are not supported by tax funds collected by the City, rather, they represent funds erected for the purposes of carrying out and accounting for specific transactions determined through the budgetary process.

Economic Development:

Budget Balance: \$64,482.90

This money is set aside for economic development within the City of Columbus. The source of revenue for this fund is from the sale of the City owned cable TV. Monies are received monthly in the amount of \$3,138.16 for 20 years.

Enterprise Funds

Enterprise funds represent those funds where user fees account for the revenue generated by the City of Columbus. Generally, Enterprise Funds are intended to be self sufficient due to their dependence on charges paid by users of the service. Over the last year, the Wastewater Utility (Sewer) has made significant improvements in "East Town" (a \$1.2 million project) to improve the sewer drainage which has been a problem for over 30 years. The Water Utility has replaced several aging and inefficient lines in the past years. The Solid Waste Utility (Garbage) has recently changed schedules, procedures and charges due to the recent county landfill closing. With changes made in all these services to improve and provide more services for the citizens, implementing incremental increases in charges will be required over the next few years.

Water Utility

City Superintendent: Jim Burton

Budget Revenue: \$586,200 Budget Expense: \$652,126

Actual Revenue: \$592,242 Actual Expense: \$594,648

Description:

The fund is used to account for the activities of the City's operations of the City-owned waterworks distribution system. Water Maintenance Reserve is accumulated over the years as backup money if unexpected projects take place which are not budgeted. The Water Utility will be implementing incremental rate increases over 2010 and 2011 to ensure that the Utility will be able to sustain acceptable service levels to all customers.

Waste Water Utility

City Superintendent: Jim Burton

Budget Revenue: \$270,200 Budget Expense: \$271,295

Actual Revenue: \$281,958 Actual Expense: \$195,580

Description:

The Waste Water Utility fund is used to maintain the sanitary sewer and wastewater treatment operations. Additional funds maintained with the sewer utility department required a KDHE Revolving Loan and a CDBG grant for the "East Town" \$1.2M project in 2009. Rate increases will take place over the future years starting in 2010 to pay for the \$700,000 KDHE loan over the next 20 years.

Solid Waste Utility

City Superintendent: Jim Burton

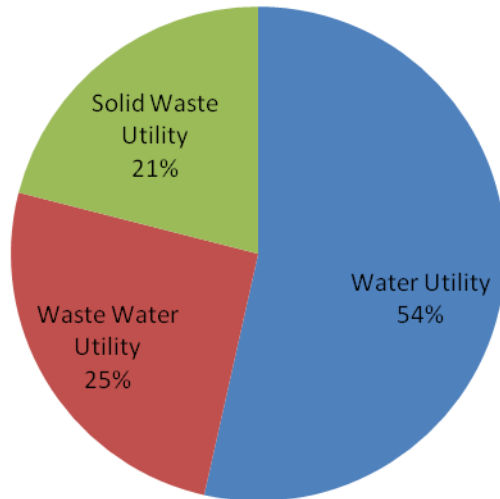
Budget Revenue: \$230,200 Budget Expense: \$219,410

Actual Revenue: \$232,549 Actual Expense: \$185,924

Description:

This fund is used to account for the revenues generated and cost incurred through the City's operation of the solid waste disposal program. Because of the closing of the County land fill in February 2010, the garbage pickup and charge structure was changed to accommodate transporting the garbage over a longer distance to a transfer station.

Enterprise Funds Actual Revenue



Mill Levy

In the year 2008, our budgeted mill levy was 48.627 the actual at the end of the year was 48.627. Proposed mill levy for 2009 was 51.416 the estimate for 2009 is 49.812. The proposed mill levy for 2010 is 50.941.

Reserve Funds

Reserve Funds consists of Capital Reserves (used for building expenditures) and Equipment Reserves (used for equipment/machinery expenditures) and Utility Reserves. Reserve funds are like a savings account saving for future projects and expenditures.

	Capital Reserves	Equipment Reserves	Utility Reserves
Legislative		33,960.00	
Administrative	8,142.20	36,498.36	
Cemetery		15,964.24	
Parks	3,120.00	1,746.00	
Pool	21,164.00	1,938.00	
Property	15,148.00		
Police		28,586.07	
Animal Control	3,315.00	8,492.00	
Fire		66,119.40	
Street Improvement	67,564.06	98,103.00	
Garbage			42,376.34
Water			137,269.08
Sewer			98,725.33
Total:	118,453.26	291,407.07	278,370.75
All Total:	688,231.08		

Operating and Available Cash

Cash in bank as of December 31, 2009 was \$2,349,754. CD's in the bank was \$480,000 consisting of 12, \$40,000 CDs renewed at the frequency of one per month.

Projects Completed During 2009

Major Projects completed during 2009 include the Highway 69 project, East Town Sewer Project and several hundred feet of new water line installation for the residents on Walnut Street. Several ADA projects were completed, with the curb cut ADA ramps installed and to be finished when the street around the Court House is milled and resurfaced.