



# City Commission Agenda Item

**Meeting Date:** December 20, 2022  
**From:** Jennifer Waggoner, Finance Director/Treasurer  
**Item:** Amend the 2022 Budget

**Purpose:** Hold a public hearing regarding the proposed 2022 amended budget. **(Voice Vote)**  
a. Consider first reading of an Ordinance amending specified funds in the budget for the City of Arkansas City for the year beginning January 1, 2022. **(Roll Call Vote)**

## **Background:**

Kansas State Statutes allow the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, the governing body must set a public hearing, and publish the notice in the City's official newspaper. The Notice of Hearing for Amending the 2022 Budget must be published at least 10 days before a formal budget hearing is held to hear the public comments on the proposed changes before its adoption. This notice was published on December 10, 2022.

**Water Fund:** The water fund experienced unprecedented inflation on chemicals, fuel and repair accessories. Several unbudgeted expenditures including a field survey on East Kansas Avenue, a Water Master Plan, motor rebuilds on RO motors and equipment repairs also contributed to the need for a budget amendment.

**Sanitation Fund:** The Sanitation Fund is being amended to accommodate a mid-year salary adjustment approved by the commission, as well as increasing fuel costs.

**Library Fund:** The Library is budgeted to receive 6 mills per charter ordinance. This amendment increases the budget authority should the last distribution of motor vehicle tax come in stronger than expected.

**Municipalities Fight Addiction Fund:** This is a newly created fund, required by the State of Kansas to accommodate distributions made on behalf of the Kansas Fights Addiction Act (KFAA). The amendment is necessary in order to expend these funds, if desired, in a manner consistent with the approved purposes.

**Debt Service:** This amendment is necessary to accommodate the issuance of Taxable General Obligation Bonds, Series 2022, on behalf of Strother Field.

**Healthcare Sales Tax Fund (HST):** This fund accounts for 95% of the Healthcare Sales Tax receipts, as well as 30% of total Compensating Use Tax. Sales tax and Compensating Use Tax came in stronger than anticipated. This amendment gives us budget authority to remit the funds to the Trustee.

**Unpledged Healthcare Sales Tax Fund (UHST):** This fund accumulates the other 5% Healthcare Sales Tax receipts, as well as 20% of total Compensating Use Tax. These funds are available for use following the guidelines set in the 2018 Sales Tax Question. This amendment gives us budget authority to distribute the remaining funds, if requested.

**CID Sales Tax Fund:** This fund receives 100% of the 1% special Community Improvement District Sales Tax levied within Summit Plaza. The money is in turn paid to the developer (Diversified Acquisitions) until the earlier of:

1. 22 years from its commencement date of July 1, 2015 (or)

2. The date on which reimbursement of pay-as-you-go costs of the Project not to exceed \$750,000 from the CID Sales Tax and NRD revenue has been paid.

As of 11/29/2022, a total of \$360,520.77 has been paid to Diversified Acquisitions. This amendment gives us budget authority to remit the funds to Diversified Acquisitions should the last distribution come in stronger than expected.

**Commission Options:**

1. Adopt the ordinance approving the 2022 Amended Budget as presented.
2. Adopt the Ordinance approving the 2022 Amended Budget at lower amounts than presented.

**Fiscal Impact:**

Amount:

Fund: Department: Expense Code:

Included in budget       Grant       Bonds       Other Not Budgeted

**Approved for Agenda by:**



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Randy Frazer, City Manager