



City Commission Agenda Item

Meeting Date: November 7, 2023
From: Jennifer Waggoner, Finance Director/Treasurer
Item: Set Public Hearing for 2023 Budget Amendment

Purpose: A Resolution approving the notice of budget hearing for publication and setting the date for a public hearing at 5:30 p.m. on November 21, 2023, to amend the 2023 budget for the City of Arkansas City. **(Voice 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 2023 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.

General Fund: The General Fund is being amended to accommodate the \$1 million loan to the hospital.

Sewer Fund: The Sewer Fund is being amended to accommodate the runout of the Wastewater Treatment Plant upgrade project.

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 2023.

Healthcare Sales Tax Fund (HST): This fund accounts for 95% of the Healthcare Sales Tax receipts, as well as 40% 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.

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 10/31/2023, a total of \$430,939.32 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 resolution to approve the Notice of Budget Hearing for publication and set the public hearing to amend the 2023 budget for 5:30 p.m. on November 21, 2023.
2. Disapprove

Fiscal Impact:

Amount:

Fund: **01 General** Department: **209 Finance** Expense Code: **6301 Advertising**

Included in budget Grant Bonds Other (explain)

Approved for Agenda by:



Randy Frazer, City Manager