City of Edgerton
2025 Budget Work Session
July 18, 2024

Packet Items

General Fund Budget

Utility Funds Budget

Other Funds Budget

Vehicles & Equipment

City of Edgerton
2025 Budget Work Session
July 18, 2024

General Fund Budget

EDGERTON
global routes. local roots.
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EDGERTONKS.ORG

July 3, 2024

To: Mayor and City Council Members

From: Beth Linn, City Administrator
Karen Kindle, Finance Director

Re: 2025 Recommended General Fund Budget

Please find enclosed with this memo the 2025 Recommended General Fund Budget. The General Fund contains the general operations of the City which are funded by a mixture of general-purpose revenues including property taxes, sales and use taxes, user fees and charges and payment in lieu of taxes for abated properties. Also included with this memo are (1) the calculation of the recommended mill rate for the 2025 Budget per Council direction given at the June 10, 2021, Council Meeting; and (2) the list of adjustments to the Revenue Neutral Rate (RNR) in accordance with the policy direction given by Council at the June 10, 2021 Council Meeting.

Throughout the annual budget process, the City Council approved the use of the Consumer Price Index for All Urban Consumers (CPI-U) as reported by the US Bureau of Labor Statistics (BLS). In January 2024 BLS released the CPI-U which was 3.4%. In January 2023 the CPI-U was 6.5%.

2024 Estimate

The 2024 estimated revenues and expenditures reflect staff's evaluation of the activity so far in 2024 compared to the budget approved for 2024. A line item with an estimate of more than 100% means that staff expects the 2024 activity to exceed the budget. A line item with an estimate that is less than 100% means that staff anticipates the 2024 activity to be less than the budget.

Revenues

Property Tax Revenue

In March 2021, Senate Bill 13 (SB 13) was signed by the Governor and became effective for the 2022 Budget. SB 13 repealed the previous tax lid which focused to the total property tax revenue required for the budget. SB 13 focuses on the mill rate and provides for the calculation of a RNR. This RNR calculation takes last year's property tax revenue divided by this year's estimated assessed valuation to arrive at the mill rate that would be required to receive the same property tax revenue. SB 13 doesn't provide for any adjustments to the RNR to capture economic growth, issuance of debt or County errors in the assessed valuation numbers. At the Council Meeting on June 10, 2021, the City's Financial Advisor and City staff presented information about SB 13 and asked for direction from the Council regarding suggested adjustments to the RNR. The property tax revenue amount included in the 2025 General Fund Budget was calculated based on the Council direction provided.

Assessed Value

The City's Assessed Value is made up of three major components:

- Real Estate
- Personal Property
- State Assessed Utilities/Railroads

The Real Estate and State Assessed portions make up the majority of the assessed value. The Personal Property amount is small and continues to decrease each year due to legislation passed by the Kansas Legislature in 2006.

The assessed value amounts per the County Clerk's Budget Information Form received on June 15, 2024, show an increase in Real Estate values and the State Assessed portion. Upon review of supplemental reports provided by the County Clerk, City staff discovered that the Flexsteel property had not been returned to the tax rolls upon the expiration of their abatement period on January 1, 2024, and therefore, was not included in the assessed value numbers on the County Clerk's Budget Information Form. City staff contacted the County Clerk's Office to verify the error. County Clerk staff worked with Appraiser staff to correct the tax roll. However, the County Clerk is not going to provide an updated County Clerk's Budget Information Form with the corrected numbers. City staff has included the Flexsteel value in the Corrections column on the Mill Rate Calculation Sheet. Please see the letter from the County Appraiser attached to the Mill Rate Calculation Sheet in Appendix B.

Mill Levy Rate

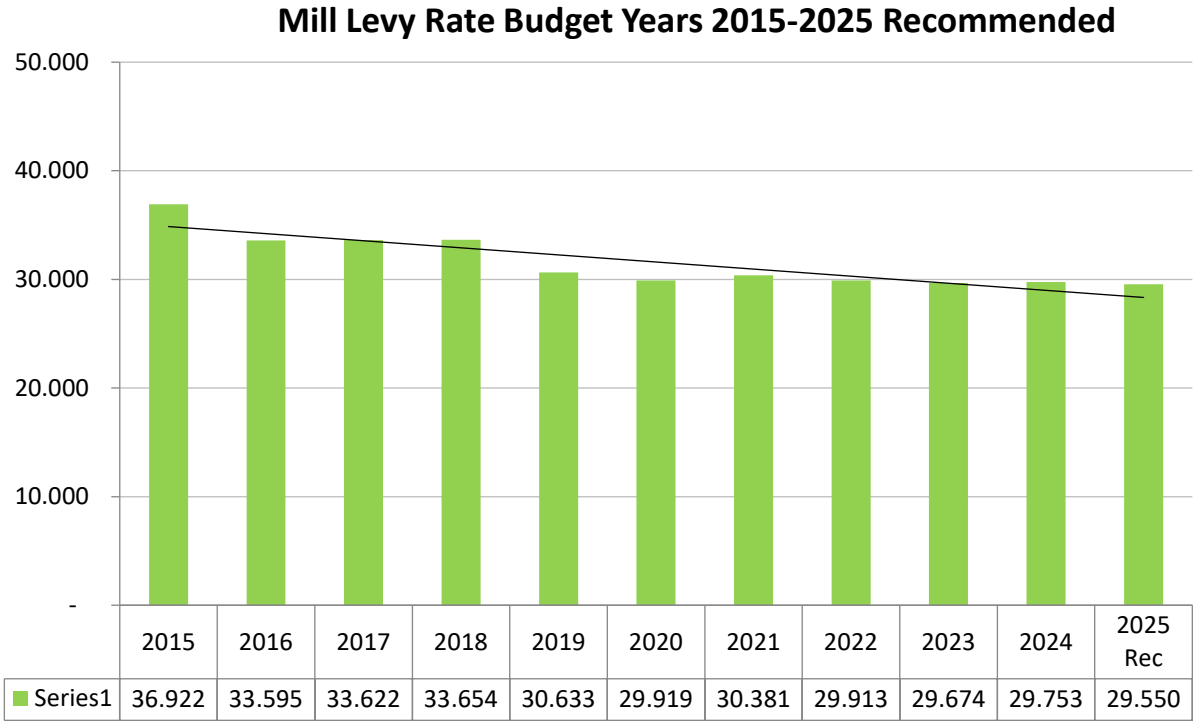
Since 2009, the City of Edgerton has lowered the mill levy rate over 14 mills. The ability to lower the mill levy rate while maintaining or increasing property tax revenue collection is driven by the growth in the value of one mill.

The chart below shows the information regarding the RNR, adjustments for categories approved at the June 10, 2021, Council Meeting and the recommended mill rate for the 2025 Budget. In order to levy the recommended mill rate, the City Council will have to hold a public hearing and pass a resolution. The public hearing is scheduled to occur during the August 22, 2024, Council Meeting. The City must also provide a notice of intent to hold the public hearing to the County Clerk no later than July 20, 2024.

	Revenue Neutral Rate (RNR)	Recommended Adjustments To the RNR	Recommended Mill Rate for the 2023 Budget
Property Tax Revenue	$1,789,515	$655,031	$2,444,546
Estimated Mill Rate	23.810	5.740	**29.550**

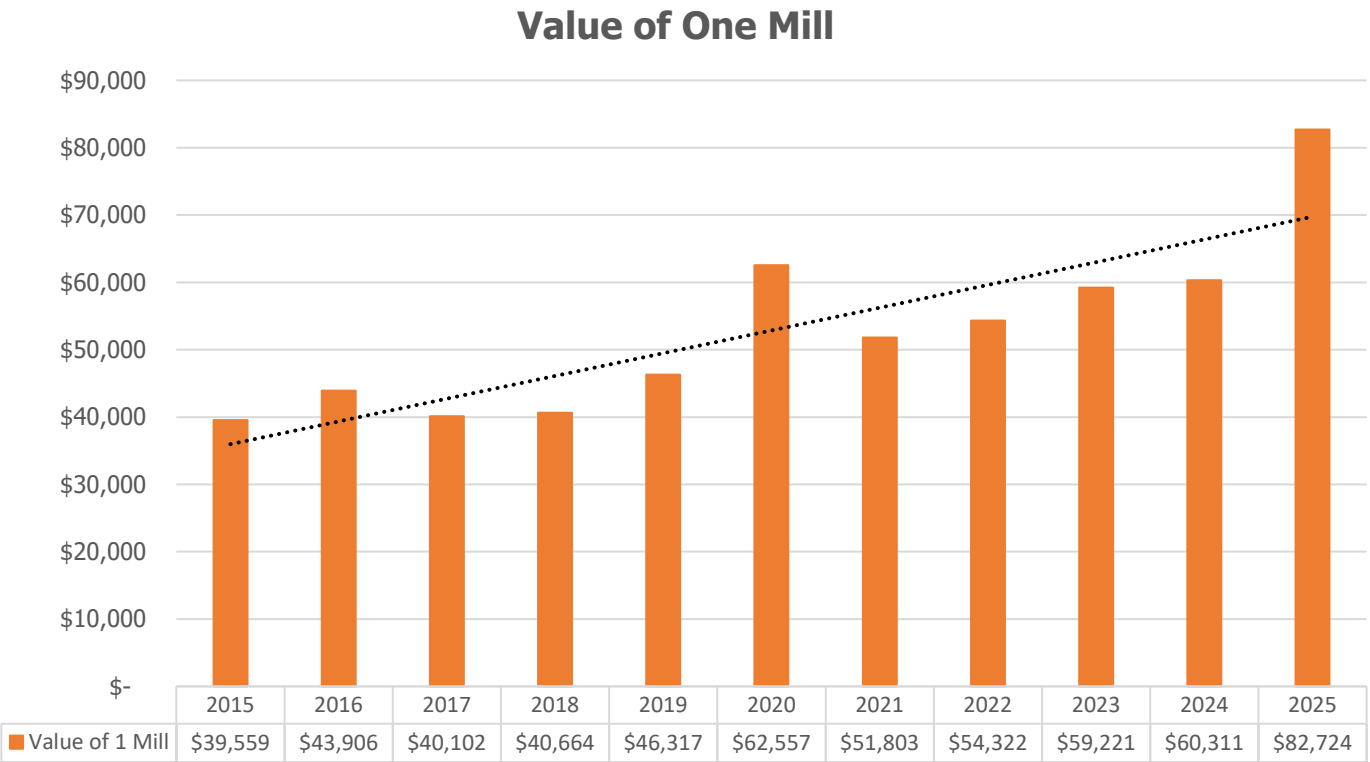
The 2023 mill rate for the 2024 Budget was 29.753. **The recommended 2024 mill rate for the 2025 Budget represents a 0.203 mills or 0.6% DECREASE in the mill rate.**

The graph below shows the history of the City's mill rate since the 2015 Budget.



Value of One Mill

Growth in the value of one mill results from a citywide increase in appraised valuation. Since 2009, the value of one mill has grown by $73,128. The most significant factor in increasing the city's appraised valuation is the new construction at Logistics Park Kansas City and surrounding area. For the 2025 Budget, the first abated properties return to the tax roll. The value of one mill can fluctuate due to the timing of construction and the appraisal process. Improvements under construction on January 1st will receive a partial value for that assessment year based on the percentage of completion. If an abatement is processed for the next assessment year, the City's assessed value will decrease, sometimes causing an overall decrease from the prior year. The chart below shows the change in the value of one mill since the 2015 budget.



Other Revenue

The chart below provides information about changes from the 2024 Budget to the 2025 Recommended Budget in the other sources of revenue for the General Fund.

Revenue Item	Change from 2024 Budget to 2025 Recommended
LPKC Pilot	The revenue from payments in lieu of taxes for abated properties at LPKC has decreased to reflect three properties coming off abatement and one property starting abatement.
City TIF Increment	This number is the amount of City property tax that is deposited into the TIF Funds. It is subtracted from the amount of total property tax to be received since it will be deposited directly into the TIF funds when distributions are received from the County Treasurer. This number is the same as 2024 pending receipt of the TIF budget information from the County Clerk.
Motor Vehicle Tax **Recreational Vehicle Tax** **16/20M Vehicle Tax**	These estimates are provided by the County Treasurer.
Local Alcoholic Liquor Tax	The estimate is provided by the County Treasurer. For 2025, the County Treasurer's estimate showed a significant decrease due to what appears to be delayed remittance by the vendors. The June distribution appears to have caught up the shortfall on the previous two distributions on which the Treasurer based their estimate. Based on that staff is not recommending a change in the amount for 2025.
Use Tax	Increase in Local Use Tax based on amount received in 2022-2023 and collection trend in 2024. Based on that trend, the 2025 Budget reflects a 1% increase over the 2024 Budget. Increase in County Use

	Tax reflects a 1% increase over the 2024 Budget based on the County's 2025 budget forecast information.
Sales Tax	Increase in Local Sales Tax based on amount received in 2022-2023 and collection trend in 2024. Based on that trend, the 2025 Budget reflects a 1% increase over the 2024 Budget. Increase in County Sales Tax reflects a 1% increase over the 2024 Budget based on the County's 2025 budget forecast information.
Franchise Tax	No change.
Licenses & Permits	The bulk of the revenue in this category comes from Building Permits and Plan Review Fees. The 2025 Budget was calculated using the following building permit volumes: • 1 million square foot warehouse • 1 quick service restaurant • 113 single family homes (Dwyer Farms)
Fines & Forfeitures	For 2025, the estimate for this revenue has increased based on the trend from 2022-2024 year-to-date. The number and type of tickets issued can have a significant impact on this revenue source.
Charges for Services	The 2025 Budget is an increase over the 2024 budget due to adding revenue sources related to The Greenspace building as well as an increase in the contract costs for trash service. The Gardner Disposal contract expires on December 31, 2024, so an increase in revenue from trash customers is included in the 2025 estimate to reflect the potential increase in cost under a new contract. The City charges customers for half of the trash service cost.
Reimbursements/Miscellaneous	The City doesn't typically budget any funds in this category. This category is used to account for reimbursements for things like insurance claims, sale of trash stickers and other small receipts not categorized elsewhere.
Investment Income	The amount is increased slightly in 2025 to be in line with actuals. In addition, it does not appear the Fed will decrease rates in 2025 to the levels we had seen a couple of years ago.

Expenditures

The budget amount is an estimate of resources needed to carry out the level of services the Governing Body offers its citizens. The approved budget sets the legal level of budget authority at the fund level, which the City cannot exceed without going through the statutory budget amendment process.

Changes in expenditures between budget years can occur for several reasons: (1) County/State/Federal mandates/change in charges/fees; (2) inflation; (3) change in level of service, including corresponding changes in personnel; (4) more refined budgeting for a program(s) based on actual experience, etc.

Appendix A includes information about the change in each department's budget from year to year.

Other Sources & Uses

Transfers to/from other funds are listed in this section of the fund schedule. These transactions are more of a one-time occurrence than are routine.

Transfers from the TIF Funds consist of the annual TIF administrative fee the City is allowed to collect from TIF revenues related to the Homestead Lane Retail TIF District project plans. There are currently two project

plans: (1) A1 – On the Go Travel Plaza and (2) B1 – Edgerton Crossing. As of publication of the work session packet, the TIF budget information had not yet been received from the County Clerk. The amount could change once the TIF fund budgets are calculated. The TIF fund budgets will be provided to Council at a later date.

The 2025 Budget also includes a transfer of $301,211 in LPKC Maintenance Fees from the LPKC Phase 1 PIF to cover the costs of operating The Greenspace building.

Transfers to the Equipment Reserve are typically done each year to systematically save for replacement of the City's vehicles and equipment. Staff has included a $125,000 transfer to equipment reserve in the 2025 Budget, which is the same as the transfer in the 2024 Budget.

A transfer of $40,000 to a new IT Equipment Reserve Fund-General is included for 2025. Staff recommends IT equipment replacement be handled in a manner similar to how we handle vehicles and equipment. The amount of equipment and replacement costs/schedule are at a point where they are causing large fluctuations in expenditures from year to year. Staff recommends this change in process to plan/save for larger expenditures as well as to level out the expenditure each year. Staff will bring authorizing documents for this fund prior to the start of 2025. During the 2026 Budget process, staff will present the 5-year IT Equipment Replacement Plan.

Transfers to capital projects will vary from year to year depending on the projects approved and the funding sources for those projects. The Governing Body reviews projects and discusses priorities and staff available capacity at the CIP work session in October each year. At a meeting following that work session, the Governing Body approves the CIP, setting the budget and timing for projects. After the CIP is approved, the budget for transfers to capital projects is updated to reflect the approved plan. The CIP adopted in October 2023 did not include any funding from the General Fund in 2025. The 2024 Estimate does include additional funding for the Glendell Park Renovation and the SW Area Metro Transportation Connection Plan approved by Council earlier this year.

Ending Balance and Reserves

The carryforward balance from 2023 to 2024 was greater than estimated during the 2024 Budget process due to lower expenditures for 2023 than originally forecast as well as some revenue sources exceeding projections. The projected balance at the end of 2024 and 2025 exceeds the required reserves, leaving funding available for projects or other priorities.

City of Edgerton
General Fund

	2023 Budget	2024 Budget	2024 Estimate	2025 Recommended
Mill Rate:	29.674	29.753		29.550 calculated
Revenue from 1 Mill:	$59,221	$60,311		$82,725 est.
Balance 1/1	$ 1,901,407	$ 2,058,293	$ 2,812,785	$ 2,288,368
Revenues:				
Ad Valorem Tax	1,757,393	1,789,515	100%	2,444,546
City TIF Increment	(50,425)	(50,698)	100%	(50,698)
LPKC PILOT	620,119	610,619	100%	604,876
Delinquent Tax	-	-	-	-
Motor Vehicle Tax	53,576	46,871	100%	50,377
Recreational Vehicle Tax	823	1,000	100%	729
16/20M Vehicle Tax	488	323	100%	141
Local Alcoholic Liquor Tax	9,000	8,500	100%	8,500
City 1% Use Tax	253,000	305,000	100%	308,000
County Use Tax	122,000	155,000	100%	157,000
City 1% Sales Tax	540,000	610,000	100%	616,100
County Sales Tax	380,000	408,000	100%	412,150
Franchise Tax	199,000	235,000	100%	235,000
Licenses & Permits	224,000	414,850	57%	383,976
Charges for Services	85,470	85,470	100%	143,830
Fines & Forfeitures	80,000	80,000	100%	120,000
Reimbursements/Miscellaneous	-	-	-	-
Investment Income	15,000	15,000	100%	20,000
Total Revenue	$ 4,289,444	$ 4,714,450	96%	$ 5,454,527
Expenditures:				
General Government	1,138,238	1,223,435	97%	1,128,955
Law Enforcement	572,719	621,067	97%	698,244
Public Works	721,645	754,458	97%	779,614
Parks	336,947	372,387	97%	554,653
Facilities	142,424	137,914	97%	506,786
Fleet Maintenance	62,250	67,050	97%	80,027
Community Development	494,000	495,394	97%	437,770
Economic Development	494,775	580,900	97%	593,147
Information Technology	89,167	98,029	97%	143,305
Employee Benefits	602,718	630,402	97%	703,668
Total Expenditures	$ 4,654,883	$ 4,981,036	97%	$ 5,626,169
Revenues Over(Under) Expenditures	**$ (365,439)**	**$ (266,586)**		**$ (171,642)**
Other Financing Sources & Uses				
Transfers from Other funds:				
Transfer from Capital Projects Fund	$ -	$ -	-	$ -
Transfer from LPKC Ph 1 PIF	$ -	$ -	-	$ 301,211
Transfer from TIF Funds-City TIF Fee	$ 5,343	$ 1,107	100%	$ 1,107
Transfers to Other Funds:				
Transfer to Equipment Reserve Fund-General	(125,000)	(125,000)	100%	(125,000)
Transfer to IT Equipment Reserve Fund-General	-	-	0%	(40,000)
Transfer to Capital Projects Fund	-	-	0%	-
Total Other Financing Sources & Uses	$ (119,657)	$ (123,893)		$ 137,318
Balance 12/31	**$ 1,416,311**	**$ 1,667,814**	**$ 2,288,368**	**$ 2,254,043**

Undesignated Reserve:	$	796,776	$	906,449
Portion Designated for Self-Insured Losses:	$	50,000	$	50,000
Reserve Per Policy - 17% of Budgeted Expenditures:	$	846,776	$	956,449
Unencumbered Cash Over(Under) Requirement:	$	1,441,592	$	1,297,595
Undesignated Reserve:	$	1,195,259	$	1,356,542
Portion Designated for Self-Insured Losses:	$	50,000	$	50,000
Reserve Per Policy - 25% of Budgeted Expenditures:	$	1,245,259	$	1,406,542
Unencumbered Cash Over(Under) Requirement:	$	1,043,109	$	847,501

Funding Sources: Property tax, sales tax, franchise fees, user fees and charges

Expenditures: General operations of the City

Appendix A – Expenditures Approved Budgets Year-to-Year Detail

General Government

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Added biennial Citizen Survey which is done in the even years. • Estimated 8% increase in property insurance premiums. • Reduced printing costs to reflect actual costs from the past few years. • Added funding for Adopt-A-Highway segments approved by Council in 2022 after the 2023 Budget was adopted (Highway 56). • Increase in support for Project Grad. • Increase in support for utility assistance. • Increase support for UCS. • Increased cost for City Attorney to reflect rate increase, the first increase since the firm was hired five years ago.	• Removed biennial Citizen Survey which is done in the even years. • Moved insurance premiums to the Facilities and Fleet Departments. • Reduced printing costs to reflect actual costs from the past few years. • Increased contractual residential solid waste contract due to contract expiring. • Increased audit costs due to contract expiring. • Increase in support for Project Grad. • Increase support for UCS. • Increase for positions/career progression approved in January 2024 • Increase for career progression for Finance Director and Accountant

Law Enforcement

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Includes a 10% increase in the policing contract with the Johnson County Sheriff's Office. • Increase in the prisoner boarding fees from $75/day to $85/day.	• Includes 7.9% increase in policing contract with Johnson County Sheriff's Office • Increase in cost for prosecutor based on two courts per month and actual hours outside court • Increase in cost for interpreter services as the Court encounters more clients that do not speak English.

Public Works

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Increased electric costs for streetlights and traffic signals for rate increase resulting from a potential Evergy rate case that would be effective in January 2024. • Increase in cost for streetlight and traffic signal maintenance as the items in LPKC are approaching ten years old. • Increase in cost for City Engineer services. • Increase in cost for storm siren maintenance, including the cost to replace one battery each year. • Increase in cost for brine used in snow operations in case we have to change vendors.	• Added biennial bridge inspection (odd years) • Increase in cost of salt for ice control • Increase for career progression for Public Works Superintendent

Parks

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Allocation of On-Call pay for Parks employees. In the past, the On-Call pay was all charged to Public Works. • Added back one Summer Movie Night event. • Increase in cost for the 3rd of July event related to food and insect treatment for the grass area. • Estimating an 8% increase in property insurance premiums. • Increase in costs for chemical applications for Bridgewater Lake and grassy areas. • Increased financial support for Frontier Days.	• Increase for positions/career progression approved in January 2024 • Added new Maintenance Technician I split position (Parks Maintenance/Facilities/The Greenspace) • Increase in support for Frontier Days • Increase in costs for 3rd of July event

Facilities

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Removed utilities and internet costs for the Yellow House and the Red Barn. • Increase in cost of the cleaning contract to reflect cost with the current provider.	• Moved property insurance premiums from General Government • Added The Greenspace operating costs, including staff at $301,211. This amount includes operation and staffing plan as directed by City Council at June 13th work session plus portion of new position below. • Added new Maintenance Tech I split position (Parks Maintenance/Facilities/The Greenspace)

Fleet Maintenance

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Increase in the cost of parts and materials used to maintain the fleet. • Moved the cost for the Verizon Network Fleet from Public Works. • Increase in fuel costs to reflect the actuals from the last couple of years.	• Moved the cost of vehicle insurance from General Government • Increased fuel and vehicle maintenance for the new Facilities vehicle

Community Development

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Added the Building Inspector position. • Reduced professional services for items that the building inspector would handle.	• Decreased contracted building inspection/plan review services due to in-house building inspector • Reduced legal fees

• Increase in the cost for relocating animals to shelters.	

Economic Development

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Small decrease in the BNSF increment. • Added the Residential Grant Program. • Decreased the Utility Sales Tax transfer to the LPKC Phase 1 Public Infrastructure Fund to reflect the trend in the transfers made the last two years.	• Increase in the BNSF increment. • Increased contribution to ElevateEdgerton!

Information Technology

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Estimating a 20% increase in cyber insurance premiums. • Increase in user license fees for some software programs, such as Adobe. • Added vulnerability scanning and monitoring monthly service for compliance with Payment Card Industry Data Security Standards (PCI Compliance) per the credit card merchant agreement with Global Payments. • Added the Tyler Online Payment Portal Maintenance fee (per transaction fee billed to the City after each quarter).	• Moved cell phones from Facilities into IT • Reallocated contracted IT support services between general/water/sewer • Increase costs for contracted IT support services due to contract expiring • Moved equipment to IT Equipment Reserve

Employee Benefits

2023 Budget – 2024 Budget	2024 Budget -2025 Recommended
• Estimating a 10% increase in health insurance premiums and a 3% increase in premiums for dental and vision. • Increase in KPERS Rate from 9.43% to 10.26%. For the last few years, the rate had stayed around the same amount.	• Estimating a 6% increase in health insurance premiums and a 3% increase in premiums for dental and vision • Increase in KPERS Rate from 10.26% to 10.71% • Increase in number of employees • Increase due to career progression and added positions

City of Edgerton
Calculation of the Adjustment to the RNR
for the 2025 Budget

Real Property

Class	Description	Nov 2023	6/15/2024 Assessed Value: #'s Co Clerk	Corrections	Adj #'s	Change: Nov 2023-6/15/2024 Adj	Council Policy
R	Residential Including Apartments	$ 14,471,091	$ 15,526,812	$ -	$ 15,526,812	$ 1,055,721	capture revenue incr up to CIP-U
A	Agricultural Land Use & Improvements	$ 192,265	$ 178,913	$ -	$ 178,913	$ (13,352)	capture all revenue
C	Commercial & Industrial	$ 7,978,386	$ 20,004,576	$ 7,553,250	$ 27,557,826	$ 19,579,440	capture all revenue
V	Vacant Lots	$ 4,786,028	$ 4,680,781	$ -	$ 4,680,781	$ (105,247)	capture all revenue
N	Not for Profit	$ -	$ -	$ -	$ -	$ -	capture all revenue
O	All Other Real Property	$ 1,722	$ 1,875	$ -	$ 1,875	$ 153	capture all revenue
U	Utilities	$ -	$ -	$ -	$ -	$ -	capture all revenue
ED	Exempt Dam	$ -	$ -	$ -	$ -	$ -	capture all revenue
EI	Exempt IRB	$ -	$ -	$ -	$ -	$ -	capture all revenue
EIC	Exempt IRB for Com	$ -	$ -	$ -	$ -	$ -	capture all revenue
EIR	Exempt IRB for Res	$ -	$ -	$ -	$ -	$ -	capture all revenue
EIV	Exempt IRB for Vac	$ -	$ -	$ -	$ -	$ -	capture all revenue
EX	Exempt Ec Dev	$ -	$ -	$ -	$ -	$ -	capture all revenue
EXC	Exempt Ec Dev for Com	$ -	$ -	$ -	$ -	$ -	capture all revenue
EXR	Exempt Ec Dev for Res	$ -	$ -	$ -	$ -	$ -	capture all revenue
EXV	Exempt Ec Dev for Vac	$ -	$ -	$ -	$ -	$ -	capture all revenue
E	All Other Tax Exempt Property	$ -	$ -	$ -	$ -	$ -	capture all revenue
	Total Real Property	$ 27,429,492	$ 40,392,957	$ 7,553,250	$ 47,946,207	$ 20,516,715	

Personal Property

Class	Description	Nov 2023	6/15/2024 AV: #'s Co Clerk	Adj	Adj #'s	Change: Nov 2023-6/15/2024 Adj	Council Policy
	Personal Property	$ 158,837	$ 144,603	$ -	$ 144,603	$ (14,234)	capture all revenue

State Assessed

Class	Description	Nov 2023	6/15/2024 AV: #'s Co Clerk	Adj	Adj #'s	Change: Nov 2023-6/15/2024 Adj	Council Policy
	State Assessed	$ 32,557,263	$ 34,634,116	$ -	$ 34,634,116	$ 2,076,853	capture all revenue
	Grand Totals	$ 60,145,592	$ 75,171,676	$ 7,553,250	$ 82,724,926	$ 22,579,334	

Calculation of Adjustment to RNR

Change in Assessed Value All Non-Residential (Category 3)			$ 21,523,613	
Residential New Construction Assessed Value (Category 2)			$ -	
Allowable Change in Assessed Value - Residential per Council Policy (Category 4)				
Assessed Value - Residential incl Apartments at Nov 2023	$ 14,471,091			
Allowable Increase % Per Council Policy (CPI-U @ 12/31/2023)	3.4%			
Allowable Residential Assessed Value Increase Per Council Policy		$ 492,017		
Total Change in Residential Assessed Value Nov 2023 to 6/15/2024	$ 1,055,721			
Less: Residential New Construction	$ -			
Residential Change in Assessed Valuation due to Reappraisal		$ 1,055,721		
Allowable increase in Residential Assessed Valuation			$ 492,017	*
Total Allowable Change in <u>Assessed</u> Value Per Council Policy			$ 22,015,630	
Nov 2023 Mill Rate for the 2024 Budget			29.753	
Allowable increase in Property Tax **<u>Revenue</u>** per Council Policy			$ 655,031	
Property Tax Levied 2023 for 2024 Budget			$ 1,789,515	
Total Property Tax Revenue for the 2025 Budget			$ 2,444,546	
Base Mill Rate Needed			29.550	
Mill Rate Needed for GO Debt Service	$ -		-	
Total Mill Rate Needed			**29.550**	
RNR			23.810	
Estimated Adjustment to the RNR			5.740	
<u>Decrease</u> in Mill Rate from 2024 Budget to 2025 Budget			(0.203)	

* Due to Council Policy of only allowing an increase in Residential Assessed Value equal to the rate of inflation, the City is removing $563,704 of assessed value out of the property tax calculation, resulting in forgone revenue of $16,772.

City of Edgerton
Policy Regarding Adjustments to the RNR
Adopted by Council on 6/10/2021

Categories of Adjustments to the RNR:

1. Roll off of incentives, including abatements
2. New territory/annexations
3. Growth in assessed value for non-residential properties
4. Growth in assessed value of residential property due to inflation based on the CPI-U
5. Issuance of GO debt
6. County errors

JOHNSON COUNTY KANSAS
Appraiser's Office

11811 S. Sunset Drive, Suite 2100
Olathe, Kansas 66061

June 25, 2024

To Whom It May Concern:

This letter is to inform you than upon review, we discovered a calculation error in the June 1, 2024 certified roll to the County Clerk. The parcel 046-138-34-0-30-02-001.00-0 is located at 31608 W 191st St., Edgerton, KS. The certified assessed value was $0 and the corrected assessed value is $7,553,250.

Please adjust your worksheets to reflect this change.

KUPN	Appraised Land Value	Appraised Building Value	Appraised Total Value	Assessed Total Value
046-138-34-0-30-02-001.00-0	$2,028,500	$28,184,500	$30,213,000	$7,553,250

Due to our business practice, additional changes may transpire before November 1, 2024. These potential adjustments occur when processing splits, combinations, and litigation settlements. Our office will notify you of any changes.

In addition, since the County Clerk has already provided you the values I certified on June 1, the County Clerk will not be sending updated 2025 County Clerk Budget Information letters reflecting this change. Please factor this valuation change into your FY2025 budget setting process as you would any other valuation changes that occur after June 1.

If you have any question, please contact me.

Respectfully,

Beau Boisvert, RMA
County Appraiser

Cc: BOCC, CMO, Budget

913-715-9000 office
800-766-3777 TDD
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City of Edgerton
General Fund Summary of Audits

	2021 Actual	2022 Actual	2023 Actual
Balance 1/1	$ 1,978,603	$ 2,098,781	$ 2,368,806
Revenues:			
Ad Valorem Tax	2,081,360	2,194,690	2,356,031
City TIF Increment	-	(38,133)	(50,434)
LPKC PILOT	-	-	-
Delinquent Tax	1,460	9,016	3,787
Motor Vehicle Tax	53,313	46,960	47,821
Recreational Vehicle Tax	916	1,192	1,011
16/20M Vehicle Tax	598	434	311
Local Alcoholic Liquor Tax	8,156	7,728	6,048
City 1% Use Tax	253,200	294,254	425,015
County Use Tax	112,556	154,981	140,915
City 1% Sales Tax	523,941	560,160	674,555
County Sales Tax	366,045	373,853	408,065
Franchise Tax	199,933	226,162	238,816
Licenses & Permits	242,452	160,187	311,111
Charges for Services	115,272	124,824	121,730
Fines & Forfeitures	121,756	92,585	87,003
Reimbursements/Miscellaneous	9,517	36,144	17,952
Investment Income	6,477	12,751	57,757
Total Revenue	$ 4,096,952	$ 4,257,788	$ 4,847,494
Expenditures:			
General Government	882,428	892,585	1,089,842
Law Enforcement	543,316	535,611	561,313
Public Works	527,357	577,800	618,697
Parks	224,320	311,378	323,154
Facilities	101,251	103,091	109,860
Fleet Maintenance	52,357	49,857	60,568
Community Development	423,422	366,082	401,186
Economic Development	425,747	460,944	428,159
Information Technology	38,203	45,501	89,074
Employee Benefits	410,119	445,056	524,399
Total Expenditures	$ 3,628,520	$ 3,787,905	$ 4,206,252
Revenues Over(Under) Expenditures	**$ 468,432**	**$ 469,883**	**$ 641,242**
Other Financing Sources & Uses			
Transfers from Other funds:			
Transfer from Capital Projects Fund	$ 31,521	$ 84,069	$ 86,907
Transfer from TIF Funds-City TIF Fee	$ -	$ 50,916	$ 5,321
Transfers to Other Funds:			
Transfer to Equipment Reserve Fund-General	(126,775)	(127,000)	(176,000)
Transfer to Capital Projects Fund	(253,000)	(207,843)	(113,491)
Total Other Financing Sources & Uses	$ (348,254)	$ (199,858)	$ (197,263)
Balance 12/31	**$ 2,098,781**	**$ 2,368,806**	**$ 2,812,785**

City of Edgerton
2025 Budget Work Session
July 18, 2024

Utility Funds Budget

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July 3, 2024

To: Mayor and City Council Members

From: Beth Linn, City Administrator
Karen Kindle, Finance Director
Dan Merkh, Public Works Director

Re: 2025 Recommended Water Fund Budget

Attached please find the 2025 Recommended Budget for the Water Fund. This fund contains the water utility operation of the City.

Throughout the annual budget process, the City Council approved the use of the Consumer Price Index for All Urban Consumers (CPI-U) as reported by the US Bureau of Labor Statistics (BLS). In January 2024 BLS released the CPI-U which was 3.4%. In January 2023 the CPI-U was 6.5%.

2024 Estimate

The 2024 estimated revenues and expenditures reflect staff's evaluation of the activity so far in 2024 compared to the budget approved for 2024. A line item with an estimate of more than 100% means that staff expects the 2024 activity to exceed the budget. A line item with an estimate that is less than 100% means that staff anticipates the 2024 activity to be less than the budget.

Staff included a transfer to the new Infrastructure Fund-Water of $10,000 in 2024. As staff works to inventory the water system infrastructure, the condition of the infrastructure components (such as booster pumps, hydrants, valves, etc.) are reviewed and plans for repair/replacement/maintenance of the items will be developed. In addition, there are sometimes expensive emergency repairs which are not contemplated in the budget causing the use of reserves and large fluctuations in expenditures. Establishing the Infrastructure Fund-Water will allow the water utility to save for large repairs/replacements and emergency maintenance activities while minimizing the fluctuations in the operating budget. Staff will bring authorizing documents for this fund to a future Council meeting.

Revenues

The water utility operations are considered an enterprise, and as such, the funding for operations comes from user charges. The user charges needed to fund the utility operations are calculated based on the operation and maintenance costs required to run the utility, the debt service payments required on outstanding debt and any costs for capital outlay, such as equipment or capital improvements to the system.

Charges for Services

- The revenues are from the 2024 Rate Study Report prepared by Raftelis, which is included in this packet for reference. The 2024 Rate Study Report recommends a small increase of $2.15 per month for the average customer for 2025.
    - If there is consensus to adopt the recommendation in the 2024 Rate Study Report, staff would bring back the updated fee resolution for Council consideration at a meeting in September.
- This category also includes the tower rent received from AT&T. There is a small increase for this source based on annual increases built into the lease agreement.

Fines & Forfeitures

- The 2025 Budget remains the same as the 2024 Budget. The 2024 Budget was a decrease from the 2023 Budget due to the implementation of the Tyler software. With the new software the late fees are now allocated proportionally among the General Fund (for trash-related late fees), the Water Fund and the Sewer Fund. Previously, all the late fees were deposited in the Water Fund.

Investment Income

- The 2025 Budget is the same as the 2024 Budget.

Expenditures

Fleet Maintenance

- The 2025 Budget is an increase from the 2024 Budget because staff has moved the vehicle insurance cost from the Administration Department.

Information Technology

- Includes a 12% increase in the cost of cyber insurance.
- Cost of cell phones was moved from the Administration Department.
- Increased cost of contracted IT services due to current contract expiring at the end of 2024. Includes a small increase in software maintenance contracts.
- Reflects revised cost allocation percentages for the contracted IT services. Staff reviewed the allocation and determined based on FTE count and equipment used in the operations that the allocation percentages should be adjusted. Previously the allocation was 1/3 each to General, Water and Sewer Funds. The new allocation is 65% General Fund, 10% Water Fund, 20% Sewer Fund and 5% Capital Projects Fund.
- Removed equipment replacement cost. Staff is recommending IT equipment replacement be handled in a manner similar to how we handle vehicles and equipment. The amount of equipment and replacement costs/schedule are at a point where they are causing large fluctuations in expenditures from year to year. Staff recommends this change in process to plan/save for larger expenditures as well as to level out the expenditure each year. Staff is recommending a $5,000 transfer to an IT Equipment Reserve Fund in 2025. Staff will bring authorizing documents for this fund prior to the start of 2025. During the 2026 Budget process, staff will present the 5-year IT Equipment Replacement Plan.

Production

- Increase due to estimated increases in the cost of water purchased from Miami RWD #2; increase in transportation fee from Water 7; as well as an increase in the cost of the HAWC contract. The Miami RWD #2 contract provides for annual review of their rates and changes related to increases in their costs of operation. The transportation fee from Water 7 has not increased since the contract was signed in 2006. The HAWC cost increases annually when the state increases the cost of raw water. Staff also worked with Raftelis to refine the calculation of this expenditure.

Distribution

- Increased cost for locates based on a continued increase in the number of locates.
- Reduced lab/testing fees related to LCCR due to more information becoming available regarding testing requirements under this regulation.
- Moved building maintenance costs related to the booster pump station buildings from the Administration Department.

Administrative-Water

- Added new Maintenance Technician III position split Water/Sewer. Focused on implementation of preventative maintenance programs and operation/maintenance of complex mechanical, electrical and plumbing systems in the water infrastructure.
- Increase for career progression for Accountant for utility billing related duties.
- Removed the cost for the rate study. Rate studies are conducted in even years.
- Increased credit card fees to reflect the trend in the actual expenditures. The City switched credit card providers when the new software was implemented. The new provider is fully integrated with the software allowing for real-time posting of payments. The City absorbs the credit card fees for utility payments to encourage customers to utilize the online portal and to save staff time posting payments.
- Increase in training due to Director attending a conference in odd years as well as the addition of the new position.
- Reduction in Community Assistance based on the request from Miami County Conservation District at the May 23, 2024, Council Meeting.
- Increase in clothing/uniforms/PPE for the new position.

Employee Benefits

- Increase due to new position and career progression.
- Includes a 6% increase in health insurance premiums and a 3% increase in dental and vision insurance premiums based on information from the City's provider, Midwest Public Risk. The City has been fortunate that actual increases the last few years have been less than 10%.
- Includes an increase in the KPERS employer rate. The rate will go from 10.26% to 10.71%.

Debt Service

- Includes the State Revolving Loan payments for the AMI meter system. The loan is scheduled to be paid off in 2037.

Transfers to Other Funds

- The recommended budget includes a $15,000 transfer to the Equipment Reserve Fund-Water to continue funding replacement of equipment used in the water operations.
- Added a transfer to the IT Equipment Reserve Fund as noted above for $5,000.
- Added a transfer to the new Infrastructure Fund-Water in the amount of $7,500.

Ending Balance and Reserves

The projected balance at the end of 2025 meets the level required by Council policy.

Future Considerations

The financial plan presented in the 2024 Rate Study Report is a forecast that relies on assumptions made about expenditures, customer base, debt service requirements, etc. These factors can change, and as more information is obtained, the assumptions will be updated.

Staff is inventorying the water system components to analyze and develop a replacement plan. The establishment of the new Infrastructure Fund-Water in 2024 and planned transfers in each year of the financial plan will provide a funding mechanism for the needs identified and will be reviewed annually to determine if the amount is adequate.

Another future consideration that might affect the financial plan is the renewal of the City's wholesale water contracts with the City of Baldwin City and Miami County Rural Water District No. 2; and the City's transportation contract with Johnson County Water District No. 7.

City of Edgerton
Water Fund

	2023 Budget	2024 Budget	2024 Estimate	2025 Recommended
Balance 1/1	$ 137,901	$ 192,147	$ 210,244	$ 211,413
Revenues:				
Charges for Services	487,630	511,187	100%	533,440
Fines & Forfeitures	20,000	8,000	100%	8,000
Reimbursements	-	-	-	-
Investment Income	2,500	2,500	100%	2,500
Total Revenue	$ 510,130	$ 521,687	100%	$ 543,940
Expenditures:				
Fleet Maintenance	6,075	7,475	95%	8,763
Information Technology	51,738	52,309	95%	39,711
Production	175,000	175,000	95%	204,766
Distribution	63,030	67,030	95%	70,460
Administrative - Water	150,151	162,562	95%	178,269
Employee Benefits	37,938	40,184	95%	46,885
Debt Service	14,957	14,957	100%	14,956
Total Expenditures	$ 498,889	$ 519,517	95%	$ 563,810
Revenues Over(Under) Expenditures	**$ 11,241**	**$ 2,170**		**$ (19,870)**
Other Financing Sources & Uses:				
Transfers from Other funds:				
Transfer from Water Reserve Fund	-	-	0%	-
Transfer from Capital Projects Fund	-	-	0%	-
Transfers to Other Funds:				
Transfer to Equipment Reserve Fund-Water	(15,000)	(15,000)	100%	(25,000)
Transfer to Infrastructure Fund-Water	-	-	n/a	(7,500)
Transfer to IT Equipment Reserve-Water	-	-	0%	(5,000)
Transfer to Capital Projects Fund	-	-		-
Total Other Financing Sources & Uses	**$ (15,000)**	**$ (15,000)**	**167%**	**$ (37,500)**
Balance 12/31	**$ 134,142**	**$ 179,317**	**$ 211,413**	**$ 154,043**

Reserve Per Policy - 17% of Budgeted Expenditures:	$ 88,318	$ 95,848
Unencumbered Cash Over(Under) Requirement:	$ 123,095	$ 58,195
Reserve Per Policy - 25% of Budgeted Expenditures:	$ 129,879	$ 140,953
Unencumbered Cash Over(Under) Requirement:	$ 81,534	$ 13,091

Funding Sources: Charges to users of the City's water system

Expenditures: Water system operation and maintenance

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July 3, 2024

To: Mayor and City Council Members

From: Beth Linn, City Administrator
Karen Kindle, Finance Director
Dan Merkh, Public Works Director

Re: 2025 Recommended Sewer Fund Budget

Attached please find the 2025 Recommended Budget for the Sewer Fund.

Throughout the annual budget process, the City Council approved the use of the Consumer Price Index for All Urban Consumers (CPI-U) as reported by the US Bureau of Labor Statistics (BLS). In January 2024 BLS released the CPI-U which was 3.4%. In January 2023 the CPI-U was 6.5%.

2024 Estimate

The 2024 estimated revenues and expenditures reflect staff's evaluation of the activity so far in 2024 compared to the budget approved for 2024. A line item with an estimate of more than 100% means that staff expects the 2024 activity to exceed the budget. A line item with an estimate that is less than 100% means that staff anticipates the 2024 activity to be less than the budget.

Staff included a transfer to the Capital Projects Fund for $50,000 to fund the 2025 CDBG Project. A transfer had not been included in the 2024 Budget due to the uncertainty with the end of the agreement with Gardner. Based on the 2023 results, staff and Raftelis are comfortable including this transfer for 2024 to fully leverage potential CDBG funding.

Staff included a transfer to a new Infrastructure Fund-Sewer of $25,000 in 2024. As staff works to inventory the sewer system infrastructure, the condition of the infrastructure components (such as pumps, screens, blowers, etc.) are reviewed and plans for repair/replacement/maintenance of the items will be developed. In addition, there are sometimes expensive emergency repairs which are not contemplated in the budget causing the use of reserves and large fluctuations in expenditures. Establishing the Infrastructure Fund-Sewer will allow the sewer utility to save for large repairs/replacements and emergency maintenance activities while minimizing the fluctuations in the operating budget. Staff will bring authorizing documents for this fund to a future Council meeting.

Revenues

The sewer utility operations are considered an enterprise, and as such, the funding for operations comes from user charges. The user charges needed to fund the utility operations are calculated based on the operation and maintenance costs required to run the utility, the debt service payments required on outstanding debt and any costs for capital outlay such as equipment or capital improvements to the system.

Licenses & Permits

- This revenue is generated from businesses that are using holding tanks because they are not yet connected to the City's wastewater system.

Charges for Services

- The revenues are from the 2024 Rate Study Report prepared by Raftelis, which is included in this packet for reference.
- The 2024 Rate Study Report recommends an increase of $1.51 per month for the average customer for 2025.
    - If there is consensus to adopt the recommendation in the 2024 Rate Study Report, staff would bring back the updated fee resolution for Council consideration at a meeting in September.

Investment Income

- The 2025 Budget is the same as the 2024 Budget.

Expenditures

Fleet Maintenance

- Increased due to moving vehicle insurance cost from the Administration Department.

Information Technology

- Includes a 12% increase in the cost of cyber insurance.
- Cost of cell phones was moved from the Administration Department.
- Increased cost of contracted IT services due to current contract expiring at the end of 2024.
- Includes a small increase in software maintenance contracts.
- Reflects revised cost allocation percentages for the contracted IT services. Staff reviewed the allocation and determined based on FTE count and equipment used in the operations that the allocation percentages should be adjusted. Previously the allocation was 1/3 each to General, Water and Sewer Funds. The new allocation is 65% General Fund, 10% Water Fund, 20% Sewer Fund and 5% Capital Projects Fund.
- Removed equipment replacement cost. Staff is recommending IT equipment replacement be handled in a manner similar to how we handle vehicles and equipment. The amount of equipment and replacement costs/schedule are at a point where they are causing large fluctuations in expenditures from year to year. Staff recommends this change in process to plan/save for larger expenditures as well as to level out the expenditure each year. Staff is recommending a $5,000 transfer to an IT Equipment

Reserve Fund in 2025. Staff will bring authorizing documents for this fund prior to the start of 2025. During the 2026 Budget process, staff will present the 5-year IT Equipment Replacement Plan.

Treatment Plant

- Decreased costs for contracted sludge disposal services. In late 2023, Council approved a contract with a new provider which lowered the cost.
- Decreased maintenance contracts amount to reflect that the centrifuge maintenance is only done in the even years.
- The City's insurance agent, Kevin O'Brien estimates that property insurance costs will increase 12% in 2025. A portion of those insurance costs is allocated to the treatment plant.

Sewer Line Maintenance

- No increase over the 2024 Budget.

Lift Stations/Vaults

- Decreased electricity to be in line with the trend in actual expenditures.
- Increased trash expenditure to reflect estimated increase due to current contract expiring at the end of 2024.
- Increased generator maintenance contract cost due to current contract expiring at the end of 2024.

Administrative-Sewer

- Added new Maintenance Technician III position split between Water/Sewer. Focused on implementation of preventative maintenance programs and operation/maintenance of complex mechanical, electrical and plumbing systems in the sewer infrastructure.
- Increase for career progression for Accountant for utility billing related duties.
- Removed the cost for the rate study. Rate studies are conducted in even years.
- The City's insurance agent, Kevin O'Brien estimates that property insurance costs will increase 12% in 2025. A portion of those insurance costs is allocated to Sewer Administration Department.
- Increased credit card fees to reflect the trend in the actual expenditures. The City switched credit card providers when the new software was implemented. The new provider is fully integrated with the software allowing for real-time posting of payments. The City absorbs the credit card fees for utility payments to encourage customers to utilize the online portal and to save staff time posting and reconciling payments.
- Increase in training due to the Director attending a conference in odd years as well as the addition of the new position.
- Increase in clothing/uniforms/PPE for the new position.

Employee Benefits

- Increase due to new position and career progression.
- Includes a 6% increase in health insurance premiums and a 3% increase in dental and vision insurance premiums based on information from the City's provider, Midwest Public Risk.

- Includes an increase in the KPERS employer rate. The rate will go from 10.26% to 10.71%.

Debt Service

- Includes the payment for the Series 2016A and 2016B General Obligation Bonds for the conversion of the old treatment plant to a lift station. The project was completed in 2017. The bonds are scheduled to be paid off in 2046 and 2048, respectively.

Transfers to Other Funds

- Includes a transfer to capital projects of $50,000 to fund the 2025 CDBG Project.
- Includes a $15,000 transfer to the Equipment Reserve Fund-Sewer to continue funding replacement of equipment used in the sewer operations.
- Added a transfer to the IT Equipment Reserve-Sewer as noted above for $5,000.
- Added a transfer to the new Infrastructure Fund-Sewer for $20,000.

Ending Balance and Reserves

The projected balance at the end of 2025 meets the level required by Council policy.

Future Considerations

The financial plan presented in the 2024 Rate Study Report is a forecast that relies on assumptions made about expenditures, customer base, debt service requirements, etc. These factors can change, and as more information is obtained, the assumptions will be updated.

The Wastewater Master Plan is now complete and those projects have been added to the unfunded CIP list. The financial plan does not currently reflect any funding for these projects.

Staff continues to work on the inventory of sewer system components to analyze and develop a replacement plan. The establishment of the new Infrastructure Fund-Sewer in 2024 and planned transfers in each year of the financial plan will provide a funding mechanism for the needs identified and will be reviewed annually to determine if the amount is adequate.

City of Edgerton
Sewer Fund

	2023 Budget	2024 Budget	2024 Estimate	2025 Recommended
Balance 1/1	$ 456,410	$ 704,735	$ 843,765	$ 750,791
Revenues:				
Licenses & Permits	100	100	-	100
Charges for Services	704,931	761,265	106%	839,363
Fines & Forfeitures	-	7,000		10,000
Reimbursements	-	-	-	-
Bond Proceeds	-	-	-	-
Investment Income	3,500	3,500	100%	3,500
Total Revenue	$ 708,531	$ 771,865	106%	$ 852,963
Expenditures:				
Fleet Maintenance	6,075	7,475	95%	9,978
Information Technology	51,738	53,351	95%	50,423
Treatment Plant	193,772	225,055	95%	207,980
Sewer Line Maintenance	11,700	13,200	95%	13,200
Lift Stations/Vaults	35,756	38,456	95%	38,950
Administrative - Sewer	235,028	251,897	95%	310,662
Employee Benefits	65,055	71,876	95%	95,368
Debt Service	194,438	192,438	100%	195,438
Total Expenditures	$ 793,562	$ 853,748	96%	$ 921,999
Revenues Over(Under) Expenditures	**$ (85,031)**	**$ (81,883)**		**$ (69,036)**
Other Financing Sources & Uses:				
Transfers from Other funds:				
Transfer from Sewer Reserve Fund	-	-	-	-
Transfer from LPKC Phase I Maintenance Fee	194,438	-	-	-
Transfer from Capital Projects Fund	-	-	-	-
Transfers to Other Funds:				
Transfer to Equipment Reserve Fund-Sewer	-	-	-	(15,000)
Transfer to IT Equipment Reserve Fund-Sewer	-	-	-	(5,000)
Transfer to Infrastructure Fund-Sewer	-	-	-	(20,000)
Transfer to Capital Projects Fund	(50,000)	-	#DIV/0!	(50,000)
Total Other Financing Sources & Uses	$ 144,438	$ -	#DIV/0!	$ (90,000)
Balance 12/31	**$ 515,817**	**$ 622,852**	**$ 750,791**	**$ 591,755**

Reserve Per Policy - 17% of Budgeted Expenditures:	$ 145,137	$ 156,740
Unencumbered Cash Over(Under) Requirement:	$ 605,654	$ 435,015
Reserve Per Policy - 25% of Budgeted Expenditures:	$ 213,437	$ 230,500
Unencumbered Cash Over(Under) Requirement:	$ 537,354	$ 361,255

Funding Sources: Charges to users of the City's sewer system

Expenditures: Sewer system operation and maintenance

CITY OF EDGERTON

Water and Sewer Rate Study

DRAFT REPORT / JULY 2024

RAFTELIS

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Executive Summary

The City of Edgerton retained Raftelis in 2024 to update the City's Utility Financial Plan (Study). Raftelis reviewed the City's operating budgets, historical water use data, forecasts of growth at the Dwyer Farms development, and planned transfers for capital expenditures. Based on this information, Raftelis **recommends increasing water rates by 4.75% and sewer rates by 4.0% in FY 2025**. The primary drivers of these increases are the need to meet debt service coverage requirements, the creation of new reserves for capital, the addition of a new employee in 2025, and increased water purchase costs.

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Proposed Increases							
Water Rates			4.75%	4.50%	4.50%	4.50%	4.50%
Sewer Rates			4.00%	4.00%	4.00%	4.00%	4.00%
Customer Bill - 3,000 Gal.							
Water	$42.63	$44.78	$46.93	$49.07	$51.30	$53.63	$56.06
Sewer	34.27	37.02	38.53	40.08	41.70	43.40	45.14
Combined	**$76.90**	**$81.80**	**$85.46**	**$89.15**	**$93.00**	**$97.03**	**$101.20**

Introduction

The City of Edgerton retained Raftelis in 2024 to update the City's Utility Financial Plan (Study). Raftelis has previously completed several updates to the original Study performed in 2016. The primary objective of financial planning involves determining the overall level of revenue that the water and sewer utilities need to operate, repair and replace critical infrastructure and maintain appropriate reserves for rate stabilization and emergencies. This is referred to as the revenue requirement. Determining the revenue requirement involves three steps:

1. Develop status quo (without rate increases) revenue forecast
2. Forecast operating and capital expenses
3. Develop cash flow projections to determine the level of revenues required to cover projected costs in a financially sustainable fashion

For the City, financial sustainability focuses on maintaining an appropriate level of cash reserves, after funding operating expenses, debt service and rate (cash) funded capital repair and replacement.

Raftelis updated the City's financial plan for a five-year study period from FY 2025 through FY 2029. This plan determines the financial status of the utility under the recommended rates. Raftelis recommends updating the financial plan on a regular basis to recognize changes in capital improvement plans, water use characteristics, and system growth.

Key changes from the 2022 study include updated budget forecasts to account for increased costs, the impact of the new residential development at Dwyer Farms, and the creation of a new Infrastructure Fund to pay for planned or emergency repairs.

During the course of this project, the City provided Raftelis with a variety of financial information, including but not limited to, audited and unaudited financial results, customer billing data, and cost and revenue data. Raftelis did not independently assess or test for the accuracy of such data – historic or projected. We have relied on this data in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report.

Water Utility

Revenue Forecast

The forecast of revenues under existing rates forms the baseline for the level of revenues the City can expect to receive with no adjustments to rates. This revenue is compared to projected expenses to determine if adjustments to revenue levels are needed. The forecast of revenues requires first developing a forecast of water sold and bills issued. Historically, the City has experienced little growth in the number of accounts with water service or the amount of water sold. Forecasts have simply been based on actual water demand in the most recently completed year. However, the new Dwyer Farms residential development is nearing completion and the City expects 113 homes to be sold in 2025[1], and a total of 275 homes sold through 2029. Each of these homes is expected to use 4,000 gallons of water per month. Figure 1 presents a forecast of water use through the study period. Demand from Dwyer Farms is expected to increase the City's total water sold by approximately 40% by 2029.

Figure 1: Water Demand Forecast

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Baseline							
Water Bills Issued	8,491	8,491	8,491	8,491	8,491	8,491	8,491
Water Use (1,000 Gal.)	28,974	28,974	28,974	28,974	28,974	28,974	28,974
Dwyer Farms							
Bills Issued			-	1,356	1,842	2,328	2,814
Water Use (1,000 Gal.)			-	5,424	7,368	9,312	11,256
Total							
Bills Issued	8,491	8,491	8,491	9,847	10,333	10,819	11,305
Water Use (1,000 Gal.)	28,974	28,974	28,974	34,398	36,342	38,286	40,230

Figure 2 shows a forecast of revenue at current FY 2024 rates using the Demand Forecast presented above. Expenses will be compared to this revenue to determine the level of rate increases required.

Figure 2: Water Revenue at Current Rates

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Fixed Charge		$214,848	$214,848	$247,202	$258,798	$270,394	$281,990
Volume Charge		256,188	256,188	299,553	315,095	330,638	346,180
Subtotal	**$465,413**	**$471,036**	**$471,036**	**$546,755**	**$573,893**	**$601,031**	**$628,170**
Misc. Revenue	$61,892	$49,412	$49,412	$49,412	$49,412	$49,412	$49,412
Total	**$527,305**	**$520,448**	**$520,448**	**$596,167**	**$623,305**	**$650,443**	**$677,582**

[1] In order to develop a conservative forecast, demand is forecasted to begin the year after the City believes the homes will be sold.

Expense Forecast

Operating Expenses

Operating expenses are those which the utility incurs on a day-to-day basis and do not involve the construction of a capital asset. The basis for the operating expense forecast is the FY 2025 utility budget provided by City staff. From this, Raftelis removed debt service and any transfers to other funds, which we evaluated separately. To develop expense projections beyond the budget year we applied escalation rates to account for inflationary increases in costs that will occur over the forecast period. The cost to purchase water was also increased to account for additional sales at Dwyer Farms and increased charges from Miami Co. RWD #2, Water District #7, Baldwin City, and the Hillsdale Area Water Cooperative. Finally, a 95% spend factor is applied to the total for FY 2024 and beyond.

Figure 3: Water Operating Expense Forecast

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Information Technology	$49,411	$52,309	$39,711	$41,697	$43,782	$45,971	$48,269
Employee Benefits	36,604	40,184	46,885	49,230	51,691	54,276	56,989
Production	179,035	175,000	204,766	247,318	278,390	308,651	341,640
Distribution	57,414	67,030	70,460	74,244	78,238	82,454	86,906
Administrative	144,031	162,562	178,269	183,746	192,933	202,580	212,709
Fleet Maintenance	3,690	7,475	8,763	9,201	9,661	10,144	10,651
Total	**$470,185**	**$504,560**	**$548,854**	**$605,435**	**$654,695**	**$704,076**	**$757,165**
Adjusted Total	**$470,185**	**$479,332**	**$521,412**	**$575,164**	**$621,960**	**$668,872**	**$719,307**

Capital Expenses

Capital Expenses for the City's water utility include debt service payments for the Series 2016 PWSLF bonds of approximately $15,000 per year and transfers to the Equipment Fund, Capital Fund, and newly created Infrastructure Fund and IT Equipment Fund. The Equipment Fund is primarily used for the purchase of new vehicles, while the Infrastructure Fund is intended for planned or emergency repairs to pump stations, valves, or other critical assets. Figure 4 summarizes transfers from the Operating Fund.

Figure 4: Water Transfers to Other Funds

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Fund	$0	$0	$0	$0	$0	$0	$0
Infrastructure Fund	0	10,000	10,000	15,000	15,000	15,000	15,000
IT Equipment Fund	0	0	5,000	5,000	5,000	5,000	5,000
Equipment Fund	15,000	15,000	25,000	30,000	50,000	50,000	90,000
Total	**$15,000**	**$25,000**	**$40,000**	**$50,000**	**$70,000**	**$70,000**	**$110,000**

Operating Fund Balance

In addition to the three capital-related funds described above, the City maintains the Operating Fund in order to handle unanticipated declines in revenue or emergency expenditures without reducing service quality or dramatically increasing rates. An appropriate reserve begins with a utility's minimum cash expenditures which include the cost to operate the utility on a day-to-day basis (O&M), plus annual principal and interest

payments on any outstanding debt (debt service). The City's reserve policy requires a balance ranging from 17% to 25% of annual operating expenses and debt service; the proposed rates will continue to meet the 25% target.

Cash Flow Forecast

The last step in the financial planning process involves compiling a cash flow forecast, which identifies the revenue adjustments necessary to ensure financial sustainability. Figure 5 summarizes the water utility financial plan. In order to ensure that the City is able to maintain debt service coverage of at least 1.1 times annual debt service in 2025 and maintain fund balance targets in the future, **we recommend a rate increase of 4.75% in FY 2025** and 4.5% each year thereafter.

Figure 5: Water Financial Plan

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Proposed Revenue Adjustment			4.75%	4.50%	4.50%	4.50%	4.50%
Revenue							
Retail Customer Revenue	$465,413	$471,036	$493,410	$598,498	$656,474	$718,456	$784,686
Other Revenue	61,892	49,422	50,530	51,671	52,846	54,056	55,303
Total	**$527,305**	**$520,458**	**$543,940**	**$650,169**	**$709,320**	**$772,512**	**$839,989**
Revenue Requirement							
Operating Expenses	$470,185	$479,332	$521,412	$575,164	$621,960	$668,872	$719,307
Existing Debt Service	14,957	14,955	14,955	14,955	14,958	14,959	14,960
Transfers	15,000	25,000	40,000	50,000	70,000	70,000	110,000
Total	**$500,142**	**$519,288**	**$576,367**	**$640,119**	**$706,919**	**$753,832**	**$844,267**
Surplus/(Deficit)	$27,163	$1,170	($32,427)	$10,050	$2,401	$18,680	($4,278)
Debt Service Coverage	3.81	2.74	1.17	4.68	5.50	6.59	7.73
Fund Balances							
Operating (25% Budget)	$121,285	$123,572	$134,092	$147,530	$159,230	$170,958	$183,567
Operating (Unencumbered)	88,959	87,842	44,895	41,507	32,209	39,161	22,274
System Development	25,772	25,772	25,772	25,772	25,772	25,772	25,772
Equipment	79,406	53,776	59,316	89,316	102,566	27,326	11,958
IT Equipment	0	0	5,000	10,000	15,000	20,000	25,000
Infrastructure	0	10,000	20,000	35,000	50,000	65,000	80,000
Total	**$315,422**	**$300,963**	**$289,075**	**$349,125**	**$384,777**	**$348,217**	**$348,571**

Figure 6 presents the same information in graphic format. The columns represent the amount the City is forecasted to spend on O&M, debt service, and transfers. The yellow line shows revenue without any rate increases, which increases significantly with the addition of Dwyer Farms. The green line shows revenue with the recommended rate increases. The gap between the green line and the top of the column is the annual surplus or deficit.

Figure 6: Water Financial Plan Graph

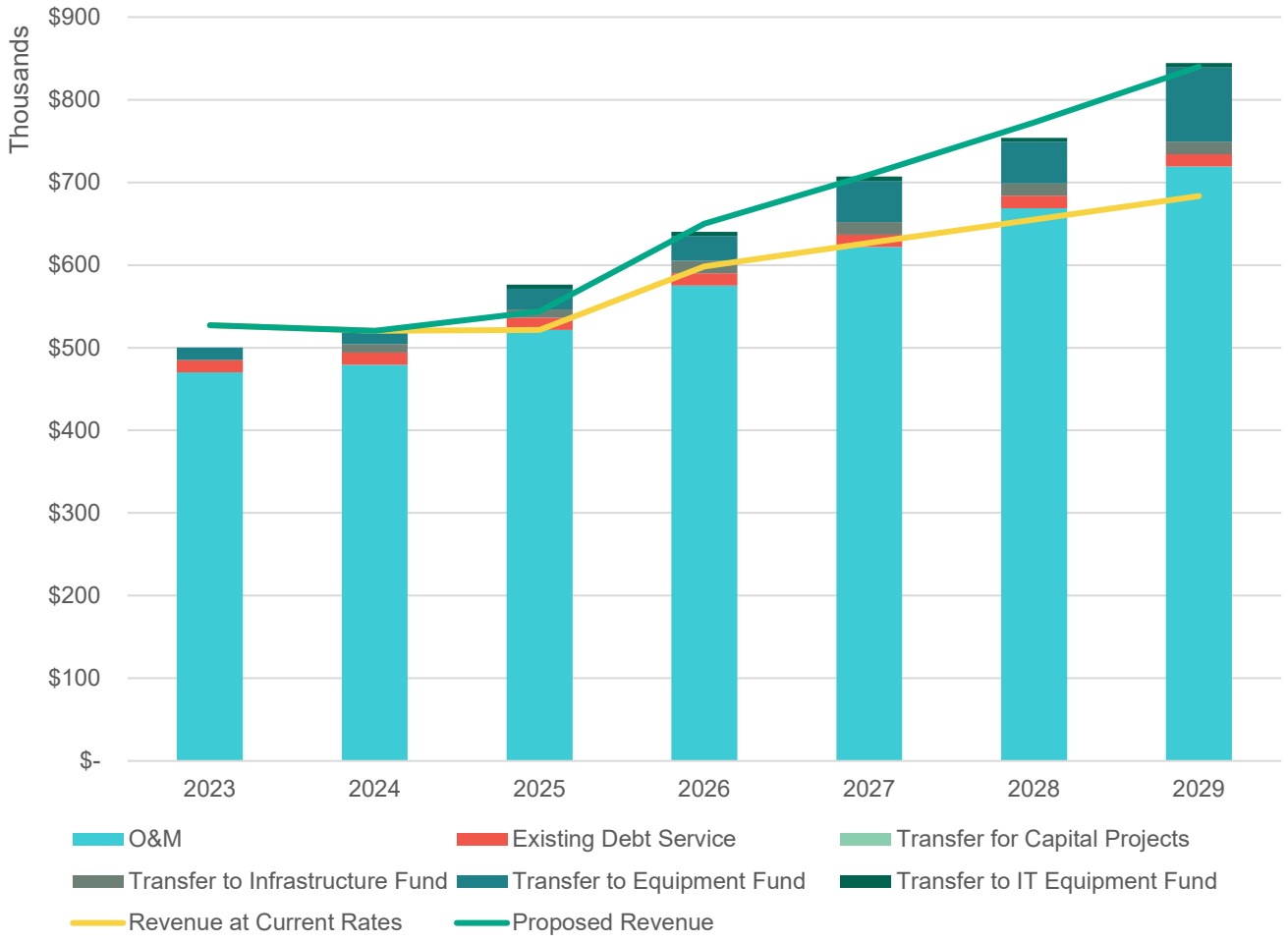
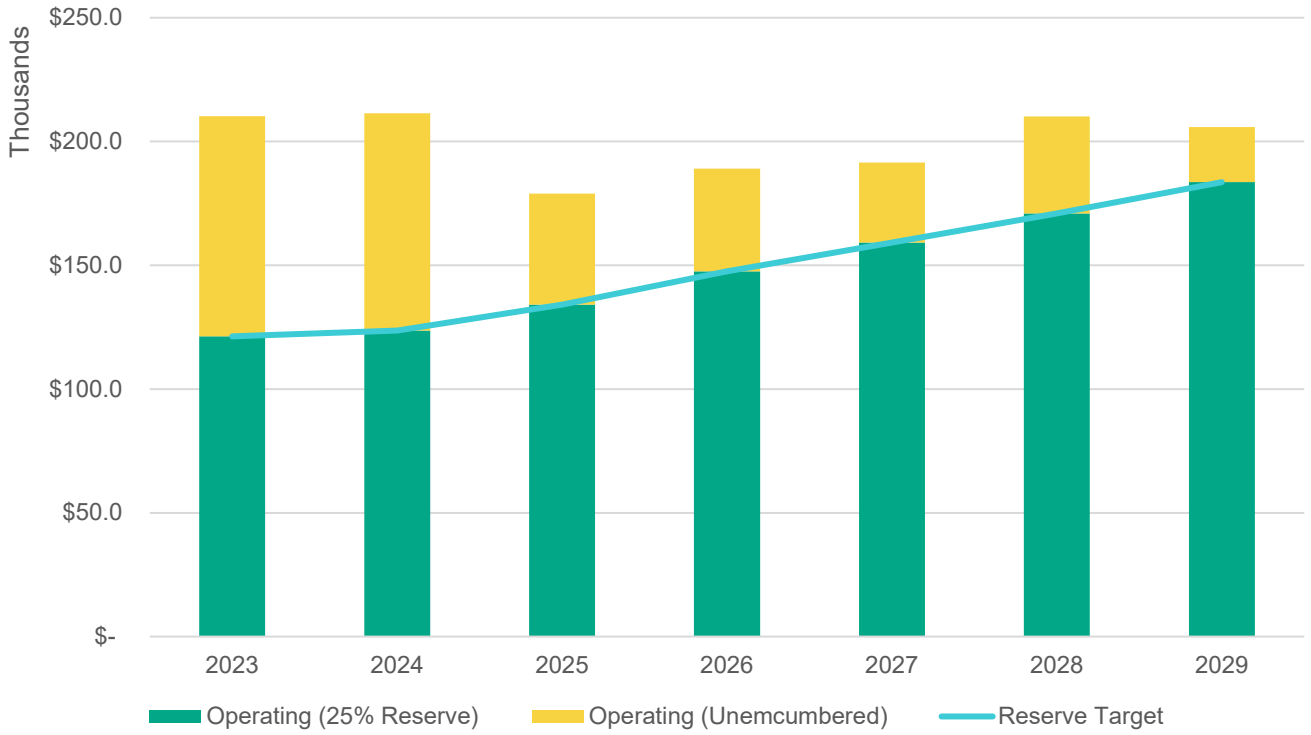


Figure 7 displays a forecast of the operating fund balance. The green bar represents the portion of the balance that is set aside to meet the 25% reserve target. The yellow bar shows the additional, unencumbered balance available for the utility to use as needed in the future. The proposed rates ensure that the utility is able to continue to maintain adequate reserves.

Figure 7: Water Operating Fund Balance



Proposed Water Rates

Figure 8 presents a forecast of the proposed inside city water rates.

Figure 8: Proposed Water Rate Schedule

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Fixed Monthly Charge							
5/8"	$22.72	$23.86	$25.00	$26.13	$27.31	$28.54	$29.83
3/4"	24.13	25.34	26.55	27.75	29.00	30.31	31.68
1"	27.00	28.35	29.70	31.04	32.44	33.90	35.43
1 1/2"	34.12	35.83	37.54	39.23	41.00	42.85	44.78
2"	42.70	44.84	46.97	49.09	51.30	53.61	56.03
3"	62.70	65.84	68.97	72.08	75.33	78.72	82.27
4"	91.24	95.81	100.37	104.89	109.62	114.56	119.72
6"	162.62	170.76	178.88	186.93	195.35	204.15	213.34
8"	248.30	260.72	273.11	285.40	298.25	311.68	325.71
Volume Rate (1,000 Gal.)							
Below 2,000	$4.69	$4.93	$5.17	$5.41	$5.66	$5.92	$6.19
2,001 – 10,000	10.53	11.06	11.59	12.12	12.67	13.25	13.85
Above 10,000	14.51	15.24	15.97	16.69	17.45	18.24	19.07

Sewer Utility

Revenue Forecast

The forecast of sewer revenue under existing rates is similar to the forecast of water revenue. The construction of new homes at Dwyer Farms will significantly increase sewer revenue in future years. Additionally, LPKC customers continue to grow, with sales of approximately 50,000 units of wastewater in 2023 compared to 38,000 in 2022. Figure 9 presents the forecast of sewer demand.

Figure 9: Sewer Demand Forecast

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Baseline							
Sewer Bills Issued	7,516	7,516	7,516	7,516	7,516	7,516	7,516
Sewer Use (1,000 Gal.)	77,675	77,675	77,675	77,675	77,675	77,675	77,675
Dwyer Farms							
Sewer Bills Issued				1,356	1,842	2,328	2,814
Sewer Use (1,000 Gal.)				5,424	7,368	9,312	11,256
Total							
Sewer Bills Issued	7,516	7,516	7,516	8,872	9,358	9,844	10,330
Sewer Use (1,000 Gal.)	77,675	77,675	77,675	83,099	85,043	86,987	88,931

Figure 10 shows a forecast of revenue at current FY 2024 rates using the Demand Forecast presented above. Expenses will be compared to this revenue to determine the level of rate increases required.

Figure 10: Sewer Revenue at Current Rates

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Fixed Charge		$62,232	$62,232	$73,460	$77,484	$81,508	$85,532
Volume Charge		744,126	744,126	796,088	814,711	833,335	851,958
Subtotal	**$774,779**	**$806,358**	**$806,358**	**$869,548**	**$892,195**	**$914,843**	**$937,491**
Misc. Revenue	$224,105	$11,350	$14,350	$14,350	$14,350	$14,350	$14,350
Total	**$998,884**	**$817,708**	**$820,708**	**$883,898**	**$906,545**	**$929,193**	**$951,841**

Expense Forecast

Operating Expenses

The forecast of sewer operating expenses is conducted in a similar manner as the forecast of water expenses. The primary difference is that chemical and electricity usage at the wastewater treatment plant is expected to follow the same growth pattern as total billed sewer use in order to account for the increased wastewater contributions from Dwyer Farms. The total budgeted O&M is then reduced using a 95% spend factor. Figure 11 presents forecast of sewer operating expenses.

Figure 11: Sewer Operating Expense Forecast

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Information Technology	$49,511	$53,351	$50,423	$52,945	$55,592	$58,371	$61,290
Employee Benefits	66,621	71,877	95,368	100,137	105,144	110,401	115,921
Treatment Plant	152,490	225,055	207,980	220,629	234,090	248,419	263,675
Sewer Line Maintenance	1,814	13,200	13,200	13,860	14,553	15,281	16,045
Lift Stations and Vaults	25,040	38,456	38,950	41,351	43,909	46,634	49,537
Administrative	217,429	251,897	310,662	326,196	342,505	359,631	377,612
Fleet Maintenance	4,037	7,475	9,978	10,477	11,001	11,551	12,128
Total	**$516,942**	**$661,311**	**$726,562**	**$765,594**	**$806,794**	**$850,287**	**$896,208**
Adjusted Total	**$516,942**	**$628,245**	**$690,234**	**$727,314**	**$766,454**	**$807,773**	**$851,397**

Capital Expenses

Capital Expenses for the City's sewer utility include debt service payments for the Series 2016 GO bonds of approximately $195,000 per year and transfers to the Equipment Fund, Capital Fund, and newly created Infrastructure Fund. Figure 12 summarizes transfers from the Operating Fund.

Figure 12: Sewer Transfers to Other Funds

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Capital Projects	$14,100	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Infrastructure Fund	0	25,000	20,000	20,000	20,000	20,000	20,000
IT Equipment Fund	0	0	5,000	5,000	5,000	5,000	5,000
Equipment Fund	0	15,000	15,000	15,000	25,000	25,000	25,000
Total	**$14,100**	**$90,000**	**$90,000**	**$90,000**	**$100,000**	**$100,000**	**$100,000**

Cash Flow Forecast

Figure 13 summarizes the sewer utility financial plan. The City's capital and equipment transfers in FY 2024 will reduce the Operating Fund to approximately the required minimum balance. In order to ensure that the Fund Balance remains positive in FY 2025 and beyond, **we recommend a rate increase of 4.0% in FY 2025** and each year thereafter.

Figure 13: Sewer Financial Plan

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Proposed Revenue Adjustment			4.00%	4.00%	4.00%	4.00%	4.00%
Revenue							
Retail Customer Revenue	$774,779	$806,358	$838,613	$940,503	$1,003,598	$1,070,237	$1,140,601
Other Revenue	29,667	11,350	14,350	14,350	14,350	14,350	14,350
Transfer from Fund 900	194,438	0	0	0	0	0	0
Total	**$998,884**	**$817,708**	**$852,963**	**$954,853**	**$1,017,948**	**$1,084,587**	**$1,154,951**
Revenue Requirement							
Operating Expenses	$516,942	$628,245	$690,234	$727,314	$766,454	$807,773	$851,397
Existing Debt Service	194,438	192,438	195,438	193,338	196,238	194,038	191,563
Transfers	14,100	90,000	90,000	90,000	100,000	100,000	100,000
Total	**$725,479**	**$910,683**	**$975,672**	**$1,010,652**	**$1,062,692**	**$1,101,810**	**$1,142,960**
Surplus/(Deficit)	$273,405	($92,974)	($122,709)	($55,799)	($44,743)	($17,223)	$11,991
Debt Service Coverage	2.47	0.98	0.80	1.15	1.25	1.40	1.55
Fund Balances							
Operating (25% Reserve)	$177,845	$205,171	$221,418	$230,163	$240,673	$250,453	$260,740
Operating (Unencumbered)	665,919	545,619	406,662	342,118	286,865	259,862	261,566
System Development	623,487	623,487	623,487	623,487	623,487	623,487	623,487
Equipment	97,406	97,406	92,946	107,946	132,946	69,456	25,838
IT Equipment	-	-	5,000	10,000	15,000	20,000	25,000
Infrastructure	0	25,000	45,000	65,000	85,000	105,000	125,000
Total	**$1,564,657**	**$1,496,682**	**$1,394,513**	**$1,378,714**	**$1,383,971**	**$1,328,257**	**$1,321,630**

Figure 14 presents the same information in graphical format.

Figure 14: Sewer Financial Plan Graph

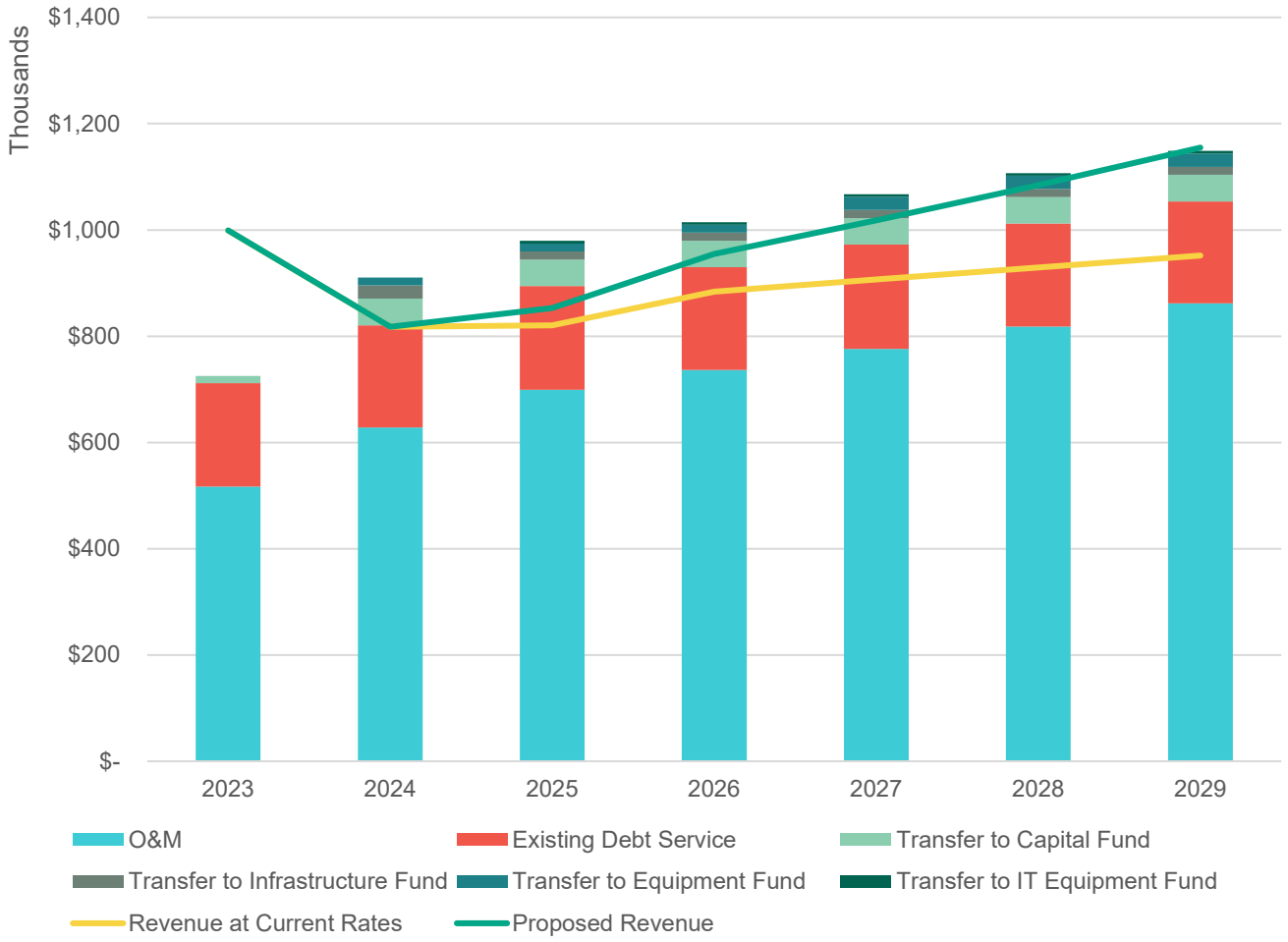
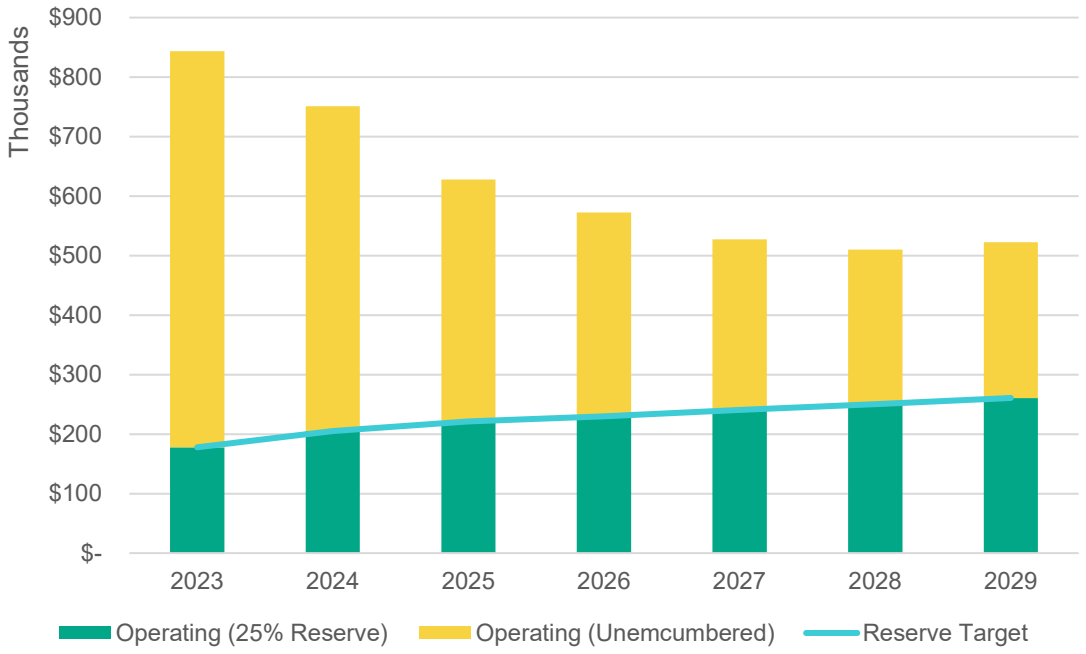


Figure 15: Sewer Operating Fund Balance



Proposed Sewer Rates

Figure 16 presents a forecast of the proposed sewer rates.

Figure 16: Proposed Sewer Rates

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Fixed Monthly Charge	$7.66	$8.28	$8.62	$8.97	$9.33	$9.71	$10.10
Volume Rate (1,000 Gal.)	$8.87	$9.58	$9.97	$10.37	$10.79	$11.23	$11.68

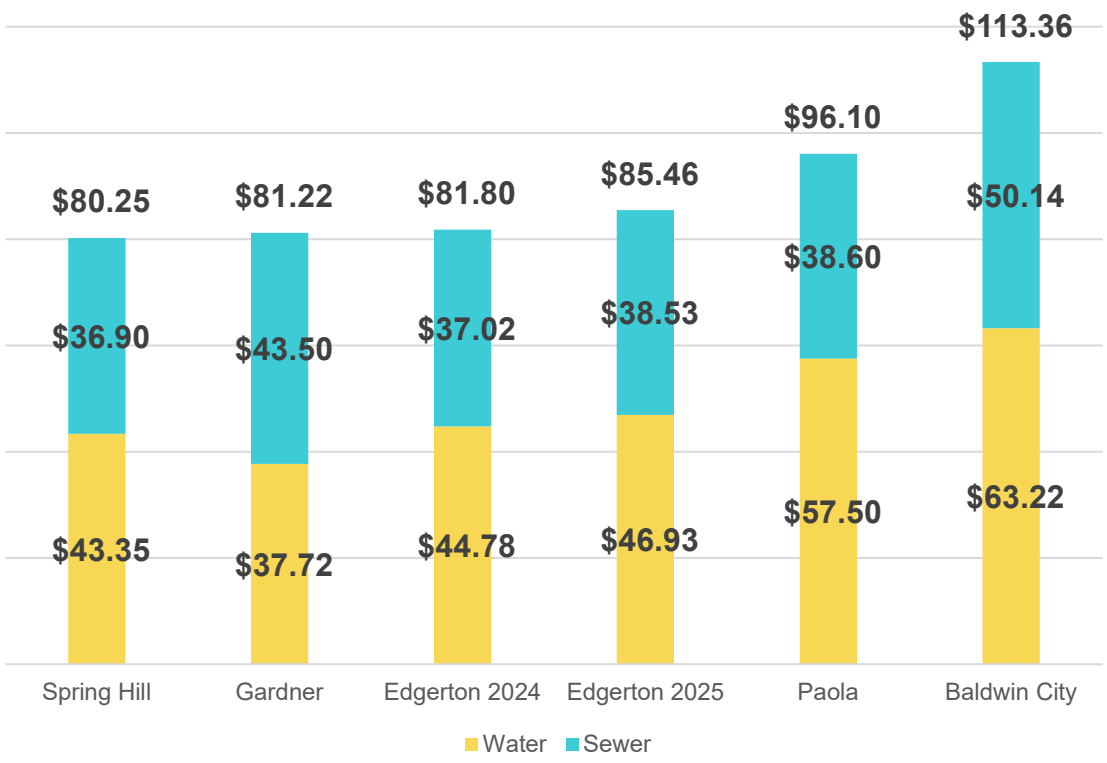
Customer Bill Impacts

Figure 17 presents a typical residential water, sewer, and combined bill for varying levels of water use. Figure 18 compares 2024 and proposed 2025 typical water and sewer bills in the City of Edgerton to bills in neighboring communities in 2024.

Figure 17: Customer Bills

	Use	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Water Bill								
Small	3	$42.63	$44.78	$46.93	$49.07	$51.30	$53.63	$56.06
Medium	8	95.28	100.08	104.88	109.67	114.65	119.88	125.31
Large	15	188.89	198.40	207.91	217.36	227.24	237.58	248.36
Sewer Bill								
Small	3	$34.27	$37.02	$38.53	$40.08	$41.70	$43.40	$45.14
Medium	8	78.62	84.92	88.38	91.93	95.65	99.55	103.54
Large	15	140.71	151.98	158.17	164.52	171.18	178.16	185.30
Combined Bill								
Small	3	$76.90	$81.80	$85.46	$89.15	$93.00	$97.03	$101.20
Medium	8	173.90	185.00	193.26	201.60	210.30	219.43	228.85
Large	15	329.60	350.38	366.08	381.88	398.42	415.74	433.66

Figure 18: 3,000 Gallon Bill Comparison



Utility Rates FY 2025

2025 Proposed Average Monthly Water Charge

Water

$46.93

an increase of

$2.15

2025 Proposed Average Monthly Sewer Charge

$38.53

an increase of

$1.51

Sewer

2025 Proposed Total Average Monthly Increase

$3.66

per month

This utility rate increase is less than...

A tube of whitening toothpaste

3 Pack of tissues

Bottle of Coffee Creamer

One Day Pool Pass

Two crunchy tacos from Taco Bell

How are rates set?

Both water and sewer are considered enterprise funds, which means they operate like a business. The user charges are based on how much money is needed to run the utility, any debt service payments and capital costs.

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City of Edgerton
2025 Budget Work Session
July 18, 2024

Other Funds Budget

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Edgerton, KS 66021
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EDGERTONKS.ORG

July 3, 2024

To: Mayor and City Council Members

From: Beth Linn, City Administrator
Karen Kindle, Finance Director

Re: Other Funds 2025 Recommended Budgets

Attached are the budget schedules for the other funds for which the City adopts a budget. The sections below provide additional information about the 2025 Recommended Budget for these funds.

Special Highway Fund

The Special Highway Fund is the fund the City is required to establish by state statute to track the revenues and expenditures related to the state gasoline tax.

Revenues
The portion of the gas tax that is distributed to cities is distributed on a per capita basis. The League of Kansas Municipalities provides an estimate of the gas tax revenue for the current year and the budget year. The League shows no change in 2024 estimated revenue and a small increase from that amount to the 2025 estimated revenue. The City's portion of the state gasoline tax revenue has stayed about the same over the last few years.

Expenditures
Expenditures of gas tax revenues are limited to street maintenance by state statute. The City uses the gas tax revenue to fund the Annual Street Preservation Program. The funds are transferred to the Capital Projects Fund and deposited into the Annual Street Preservation Project.

Special Parks and Recreation Fund

The Special Parks & Recreation Fund is the fund the City is required to establish by state statute to track the revenues and expenditures related to the tax on alcoholic beverages sold by any club, caterer or drinking establishment. A portion of the taxes paid within the City limits are returned to the City and must be allocated 50% to the General Fund and 50% to the Special Parks and Recreation Fund.

Revenues
The Johnson County Treasurer provides an estimate of the alcohol tax for the budget year. Staff reviewed that estimate as well as the trend in the actuals, including the two distributions received so far in 2024 to estimate the revenue to be received in 2025. This review resulted in a leaving the revenue estimate unchanged for both the 2024 estimate and the 2025 budget year. Due to timing of remittance of the tax by the vendors, the last distribution in 2023 and the first

distribution in 2024 were lower than normal. The second distribution in 2024 appears to have made up the difference from those two distributions.

Expenditures

Expenditures of the portion of the alcohol tax revenue deposited in the Special Parks & Recreation Fund are limited to park and recreation programs and improvements. Council utilized $40,000 of the balance in this fund for the Edgerton Lake/Dam Exploration project. Council has not designated funds from this source for any other programs or capital projects, so the balance will start to accumulate again. The 2025 Recommended Budget includes a transfer to the Capital Projects fund should the Council decide later to utilize the balance in this fund.

Bond & Interest Fund

The Bond & Interest Fund contains the transactions related to some of the debt obligations of the City. Currently, this fund contains the transactions related to the Series 2020A General Obligation Bonds, which refunded the 2012A General Obligation Bonds related to the Sunflower Benefit District. Debt obligations related to water operations are paid from the Water Fund. Debt obligations related to the sewer operations are paid from the Sewer Fund. Debt obligations related to LPKC Phases 1 and 2 are paid from their respective Public Infrastructure Funds in accordance with the development agreements and master trust indentures.

Revenues

The Recommended Budget includes the special assessments payable to the City from the properties within the Sunflower Benefit District for 2025. Collections are at 82% so far in 2024; however, there are still two property tax distributions left in 2024 which may contain the remaining assessments. Collections were 95% in 2023. There is adequate fund balance on hand to cover debt payments in addition to a reserve that is maintained in the Series 2020A Bond Reserve Fund.

Expenditures

The expenditures in the Recommended Budget reflect the amount payable on the Series 2020A General Obligation Bonds related to the Sunflower Benefit District in 2025. Bond payments have been made according to the debt schedule each year. The Series 2020A GO Bonds are scheduled to be paid off in 2030.

TIF Funds

At time of publication of the packet, the City had not yet received the 2025 TIF Budget Information from the County Clerk. Budget information for the TIF Funds will be provided at a future Council meeting.

Dwyer RHID Fund

At time of publication of the packet, the City had not yet received the 2025 RHID Budget Information from the County Clerk. Budget information for the Dwyer RHID Fund will be provided at a future Council meeting.

City of Edgerton
Special Highway Fund

	2023 Budget	2024 Budget	2024 Estimate	2025 Recommended
Balance 1/1	$ 8,463	$ -	$ -	$ -
Revenues:				
Gasoline Tax	49,600	48,270	100%	48,310
Total Revenue	$ 49,600	$ 48,270	100%	$ 48,310
Expenditures:				
Public Works	-	-	-	-
Total Expenditures	$ -	$ -	$ -	$ -
Revenues Over(Under) Expenditures	**$ 49,600**	**$ 48,270**		**$ 48,310**
Other Financing Sources & Uses:				
Transfers to Other Funds:				
Transfer to Capital Projects Fund	58,063	48,270	100%	48,310
Total Other Financing Sources & Uses	$ (58,063)	$ (48,270)		$ (48,310)
Balance 12/31	**$ -**	**$ -**	**$ -**	**$ -**
Expenditure Detail:				
Annual Street Preservation Program	$ 58,063	$ 48,270	100%	$ 48,310
	$ 58,063	$ 48,270	100%	$ 48,310

Funding Sources: State gasoline tax (per gallon)

Expenditures: Maintenance of City streets

City of Edgerton
Special Parks & Recreation Fund

	2023 Budget	2024 Budget	2024 Estimate	2025 Recommended
Balance 1/1	$ 47,687	$ 54,915	$ 12,463	$ 20,963
Revenues:				
Local Alcoholic Liquor Tax	9,000	8,500	100%	8,500
Total Revenue	$ 9,000	$ 8,500	100%	$ 8,500
Expenditures:				
Parks	-	-	-	-
Total Expenditures	$ -	$ -	$ -	$ -
Revenues Over(Under) Expenditures	**$ 9,000**	**$ 8,500**		**$ 8,500**
Other Financing Sources & Uses:				
Transfers to Other Funds:				
Transfer to Capital Projects Fund	56,687	63,415	0%	29,463
Total Other Financing Sources & Uses	$ (56,687)	$ (63,415)		$ (29,463)
Balance 12/31	**$ -**	**$ -**	**$ 20,963**	**$ -**

Expenditure Detail:

Transfer to CIP	$ 29,463
	$ 29,463

Funding Sources: Special alcohol tax per K.S.A. 79-41a04 (1/2 of total alcohol tax received by the City)

Expenditures: Park & Recreation programs and improvements

City of Edgerton
Bond & Interest Fund

	2023 Budget	2024 Budget	2024 Estimate	2025 Recommended
Balance 1/1	$ 385,225	$ 389,228	$ 376,739	$ 312,857
Revenues:				
Special Assessments	238,954	238,954	100%	238,954
Investment Income		-		-
Total Revenue	$ 238,954	$ 238,954	100%	$ 238,954
Expenditures:				
Debt Service	307,290	302,836	100%	303,380
Total Expenditures	$ 307,290	$ 302,836	100%	$ 303,380
Revenues Over(Under) Expenditures	**$ (68,336)**	**$ (63,882)**		**$ (64,426)**
Other Financing Sources & Uses:				
Transfers from Other funds:	-	-	-	-
Transfers to Other Funds:	-	-	-	-
Total Other Financing Sources & Uses	$ -	$ -	$ -	$ -
Balance 12/31	**$ 316,889**	**$ 325,346**	**$ 312,857**	**$ 248,431**

Funding Sources: Special assessments

Expenditures: Debt service payments on the City's 2020 outstanding GO bonds

Notes: The City's 2020 outstanding GO bonds will be paid off in 2030.

City of Edgerton
2025 Budget Work Session
July 18, 2024

Vehicles & Equipment

EDGERTON
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July 3, 2024

To: Mayor and City Council Members

From: Beth Linn, City Administrator
Karen Kindle, Finance Director
Dan Merkh, Public Works Director

Re: Vehicles & Equipment 2024-2029

Staff has reviewed and updated the Vehicles & Equipment Plan for 2024-2029. The document is divided into the following sections:

- Recommended Budget – items scheduled for replacement in 2024 and 2025.
- Current Program – items scheduled for replacement in 2026-2029.
- Unfunded Equipment – items for which staff has identified a need but the items have not been approved for funding by Council.

The Vehicle & Equipment Process includes the following steps:

- Review the plan and obtain consensus on funding new requests, if any, at the budget work session.
- Staff updates the plan documents to reflect Governing Body direction given at the work session and brings back the plan for formal approval with the other 2025 Budget documents. This approval sets the budget for the purchase of the equipment items.
- After approval of the plan, purchase of the individual items will be made in 2024/2025 in accordance with the City's Purchasing Policy, including obtaining Governing Body approval if required by the Purchasing Policy.

Equipment Condition Rating Scale

Staff use a rating scale to note the condition of each equipment item. The scale considers the age of the unit, number and extent of repairs and quarterly inspections of the item and historical data related to the unit.

Condition Rating	Rating Title	Rating Description
1	Failed	Unit outside the useful life - catastrophic emergency maintenance & repair needed to safely operate
2	Poor	Unit has traditionally received some urgent maintenance and/or minor emergency maintenance - Typically in the 7 - 9 yrs. of service
3	Fair	Unit has traditionally received only minor maintenance outside the traditional PM's - Typically in the 4 - 6 yrs. of service
4	Good	Unit has only received Standard PM's - Typically in the 1 - 3 yrs. of service.
5	Excellent	Brand New Unit - No PM's to-date

Recommended Budget 2024-2025 (Exhibit A)

Items on this list are recommended for replacement within the current year and the next budget year. There are columns that indicate the budget that was approved last year, the year a piece of equipment will be ordered and the year the payment will be made for the equipment item. For large equipment, it sometimes takes 9-12 months for the equipment to arrive after the order is placed, so having the two columns showing order year and payment year clarifies when the funding is actually needed for cash flow and forecasting purposes.

Items listed for replacement in the Recommended Budget were initially scheduled in compliance with the adopted Vehicle & Equipment Policy. In addition, since the item has now reached its scheduled replacement date, staff has evaluated the item based on actual condition and recommends it for replacement.

The document is broken down into three sections: (1) purchases that will need to come back through Council for approval per the Purchasing Policy; (2) purchases that can be approved by the City Administrator per the Purchasing Policy; and (3) payments required per lease agreements or other similar contracts. A column has been added to indicate which items already have an approved budget amount.

Items in the Recommended Budget were updated as follows (highlighted in orange):

Asset #	Item	Change
1269	**Compact Track/Wheel Loader (New Request)**	The year was updated from 2023 to 2024 since the item will be purchased in 2024.
1270	**Hydraulic Hammer Attachment (New Request)**	The year was updated from 2023 to 2024 since the item will be purchased in 2024.
1000	**Class 5 Truck (1 Ton) Flat Bed (RCLB)**	The cost of this item increased from $57,000 to $74,250 to reflect both an increase in the cost of trucks due to the MARC Cooperative purchasing no longer being available and to include the cost of the flat bed. In the past the City was able to purchase just the cab and chassis and then add the flat bed. Now the whole truck has to be purchased and the bed removed to accommodate the flat bed.
1014	**Skid Steer Loader (Wheeled)**	The year was updated from 2023 to 2024 since the item will be purchased in 2024.
1016	**Edgerton Rd Tank Butterfly Valves**	The year was updated from 2023 to 2024 since the valves will be replaced in 2024.

The following were new requests added to the Budget since the 2024 Budget process (highlighted in green):

Asset #	Item	Details
1279	**Spreader (New Request)**	The spreader for truck 528 will be transferred to truck 646, which currently does not have a spreader.
1280	**Class 3 Truck (1/2 Ton) – Construction Inspector (New Request)**	Council approved the addition of a Construction Inspector position. This employee will require a vehicle to access project sites.
1286	**Class 3 (1/2 Ton) Truck – Facilities Maintenance Tech (New Request)**	Staff is proposing the addition of a Facilities Maintenance Tech position. The employee will need a vehicle to access City facility sites and to plow parking lots.
1287	**Plow – Facilities Truck (New Request)**	For the added Facilities Maintenance Tech Position.

Items from 2025 were moved from the Current Program to the Recommended Budget. Staff reviewed projected replacement costs and timing and made the following updates (highlighted in orange):

Asset #	Item	Changes
1006	**Class 4 Truck (3/4 Ton) CCSB**	The cost of this item increased from $57,000 to $65,750 to reflect an increase in the cost of trucks due to the MARC Cooperative purchasing no longer being available.

<u>Current Program (Exhibit B)</u>

This list contains the items to be replaced in the balance of the five-year program (2026-2029). Staff reviewed the timing and replacement cost for these items and made the following changes from the plan that was approved by Council on September 14, 2023. Also, items with a replacement year of 2025 were moved into the Recommend Budget. Items with a replacement year of 2029 were moved into the Current Program. Items listed for replacement during the Current Program are based on the adopted Vehicle & Equipment Policy for budget and financial planning. However, as an item gets closer to its scheduled replacement date, staff evaluates the item based on actual condition to consider opportunities for recommended changes. For example, an increase in significant maintenance may move an item forward for recommended replacement, or lower usage or less repairs may lengthen the recommended life of an item.

Asset #	Item	Changes
1241	**Class 3 Truck (1/2 Ton) ECSB**	The cost of this item increased from $51,000 to $55,000 to reflect an increase in the cost of trucks due to the MARC Cooperative purchasing no longer being available.
1009	**83″ x 16′ Utility Trailer**	The replacement year was pushed back from 2025 to 2026. The allocation was changed from 50% Water/50% Sewer to 100% General as the trailer will primarily be used in general operations.
1271	**Concrete Saw (New Request)**	The addition of the concrete saw was approved previously with a purchase year of 2024. Staff has delayed the purchase to 2026 to allow more time for research of concrete maintenance operations.
1011	**Class 5 Truck (1 Ton) CCSB**	The cost of this item increased from $57,000 to $65,750 to reflect an increase in the cost of trucks due to the MARC Cooperative purchasing no longer being available.
1023	**Class 5 Truck (1 Ton) CC Cab & Chassis 60″**	The cost of this item increased from $57,000 to $65,750 to reflect an increase in the cost of trucks due to the MARC Cooperative purchasing no longer being available.
1025	**9′ Commercial Plow**	The cost of this item increased from $7,200 to $9,500 to reflect higher equipment costs.
1002	**8′ Salt Spreader (Elect.)**	The spreader will be transferred to truck 646 when truck 528 is replaced later this year. The replacement year on this spreader was updated from 2024 to 2028 to match the replacement year for truck 646.
1026	**Class 5 Truck (1 Ton) CC Cab & Chassis 60″**	The cost of this item increased from $53,000 to $75,000 to reflect replacing with a higher capacity, 1 1/2 ton truck and an increase in the cost of trucks due to the MARC Cooperative purchasing no longer being available.
1027	**Utility Bed**	The cost of this item increased from $17,200 to $40,780 due to purchasing a larger capacity truck.

1028	**Service Crane**	The cost of this item increased from $30,000 to $61,200 due to purchasing a larger capacity truck.
1020	**60 Inch Commercial Mower**	This item was purchased in 2023 per the adopted budget and has been added to the replacement schedule according to policy.
1021	**72 Inch Commercial Mower**	This item was purchased in 2023 per the adopted budget and has been added to the replacement schedule according to policy.

Fund Summary (Exhibit C)

This schedule shows the estimated revenues and expenditures for 2023-2028 based on the Recommended Budget and the Current Program.

Revenues During 5-Year Plan

- The Equipment Reserve Fund – General shows an annual funding of $125,000 from the General Fund occurring in each year of the plan. In 2024, a transfer from the construction inspection budget for 2nd Street was added to fund the truck for the Construction Inspector position. Also in 2024, a transfer from the LPKC Phase 1 PIF was added to cover 30% of the cost of the truck for the Facilities Maintenance Tech 1 position, which is the portion of the position that is related to operation of The Greenspace.
- The Equipment Reserve Fund – Water shows transfers from the Water Fund occurring in each year of the plan. They begin at $15,000 in 2024 and increase to $25,000 in 2025 then increase again to $30,000 in 2026. Years 2027 and 2028 are $50,000 and 2029 increases to $90,000 to provide for the replacement of equipment in the later years of the plan. These amounts have been included in the rate study.
- The Equipment Reserve Fund – Sewer shows a $15,000 transfer in 2024 – 2026 and then increases to $25,000 in years 2027-2029. These amounts have been included in the rate study.

Ending Fund Balances During the 5-Year Plan

- Equipment Reserve Fund – General
    - The balance at the end of the 5-year plan is positive, which will be used towards equipment replacement in years past the current 5-year plan.
- Equipment Reserve Fund – Water
    - The balance at the end of the 5-year plan in is positive, which will be used towards equipment replacement in years beyond the current 5-year plan.
- Equipment Reserve Fund – Sewer
    - The balance at the end of the 5-year plan is positive, which will be used towards equipment replacement in years beyond the current 5-year plan.

Unfunded Equipment (Exhibit D)

The items on the Unfunded Equipment List are new items that have been requested by staff or the item requested is a significant change from the item being replaced and is, therefore, being treated as a new request.

There are two parts to this list. The first part is the list of requests that staff recommend be funded. The second part of the list contains the requests that staff does not recommend funding at this time.

Attachment: Vehicle & Equipment Policy Adopted on June 9, 2022

Exhibit A

City of Edgerton
Vehicle Equipment Replacement
Recommended Budget 2024-2025

Line Number	Budgeted in 2024-2028 Plan	Asset Number	Equipment Description	Item Number	Department	Category	Purchase Date	Replace With	General Condition	Mileage	Hours	Usage Frequency	Approved Budget	Projected Replace Cost	Order Year	Payment Year	Fund 130 %	Fund 270 %	Fund 370 %
Purchase Approval - Council																			
1	Yes	1269	COMPACT TRACK/WHEEL LOADER (NEW REQUEST)		PUBLIC WORKS	NEW REQUEST			NEW REQ			DAILY	$ 85,000	$ 85,000	2024	2024	100		
2	Yes	1270	HYDRAULIC HAMMER ATTACHMENT (NEW REQUEST)		PUBLIC WORKS	NEW REQUEST			NEW REQ			DAILY	$ 17,000	$ 17,000	2024	2024	100		
3	Yes	1000	CLASS 5 TRUCK (1 TON) FLAT BED (RCLB)	528	PUBLIC WORKS	1 TON TRUCK	6/9/2014	SAME TYPE	1	45,361		DAILY	$ 57,000	$ 74,250	2024	2024	100		
4	Yes	1001	8' - 10' COMMERCIAL SNOW PLOW	P-528	PUBLIC WORKS	PLOW	10/26/2017	SAME TYPE	2			SEASONALLY	$ 9,500	$ 9,500	2024	2024	100		
5		1279	SPREADER (NEW REQUEST)		PUBLIC WORKS	NEW REQUEST			NEW REQ			SEASONALLY	$ -	$ 8,400	2024	2024	100		
6	Yes	1014	SKID STEER LOADER (WHEELED)	235	UTILITIES	HEAVY DUTY EQUIPMENT	1/1/2010	SAME TYPE	2		1,416	DAILY	$ 30,000	$ 30,000	2024	2024		50	50
7	Yes	1273	BOOSTER PUMP (BALDWIN PUMP STATION)		WATER	WATER SYSTEM COMPONENT	1/1/2002	SAME TYPE	2			DAILY	$ 15,400	$ 15,400	2024	2024		100	
8		1280	CLASS 3 TRUCK (1/2 TON) - CONSTRUCTION INSPECTOR (NEW REQUEST)		PUBLIC WORKS	NEW REQUEST			NEW REQ			DAILY	$ -	$ 55,000	2024	2024	100		
9		1092	CLASS 6 TRUCK W/STREET SWEEPER EQUIPMENT (1 1/2 TO 1 3/4	812	PUBLIC WORKS	1 1/2 - 1 3/4 TON TRUCK	8/4/2016	SAME TYPE	2	9,629		MONTHLY	$ 350,000	$ 350,000	2025	2025	100		
10		1286	CLASS 3 TRUCK (1/2 TON) - FACILITIES MAINTENANCE TECH (NEW REQUES		FACILITIES	NEW REQUEST			NEW REQ			DAILY	$ -	$ 55,000	2025	2025	100		
11		1287	PLOW (NEW REQUEST)		FACILITIES	NEW REQUEST			NEW REQ			SEASONALLY	$ -	$ 9,500	2025	2025	100		
12		1006	CLASS 4 TRUCK (3/4 TON) CCSB	530	PUBLIC WORKS	CLASS 4	6/9/2014	CLASS 5	2	78,400		DAILY	$ 57,000	$ 65,750	2025	2025	100		
13		1007	8' - 10' COMMERCIAL SNOW PLOW	P-530	PUBLIC WORKS	PLOW	10/24/2017	SAME TYPE	2			SEASONALLY	$ 9,500	$ 9,500	2025	2025	100		
14		1272	TRAILER MOUNTED GENERATOR (NEW REQUEST)		PUBLIC WORKS	NEW REQUEST			NEW REQ			DAILY	$ 37,000	$ 37,000	2025	2025	34	33	33
15		1141	OUTDOOR WARNING SIREN - BRAUN ST - 1100 W BRAUN ST		PUBLIC WORKS	STORM SIREN	1/1/1999	SAME TYPE	3			OCCASIONALLY	$ 29,500	$ 29,500	2025	2025	100		
16		1010	61" ZERO TURN MOWER	6EF	PARKS	MOWER	4/26/2018	72 INCH	3		734	SEASONALLY	$ 16,500	$ 16,500	2025	2025	34	33	33
Purchase Approval - City Administrator																			
17	Yes	1016	EDGERTON RD TANK BUTTERFLY VALVES		WATER	WATER SYSTEM COMPONENT	1/1/1982	SAME TYPE	2			DAILY	$ 10,230	$ 10,230	2024	2024		100	
18		1008	60" ZERO TURN MOWER	006	PARKS	MOWER	5/29/2015	48 INCH	2		611	SEASONALLY	$ 13,000	$ 14,500	2025	2025	100		

Contract Payments

None.

Other

None.

Changed since the 2024 Budget.

Exhibit B

City of Edgerton
Vehicle Equipment Replacement
Current Program 2026-2029

Line Number	Asset Number	Equipment Description	Item Number	Department	Category	Purchase Date	Replace With	General Condition	Mileage	Hours	Usage Frequency	Projected Replace Cost	Payment Year	Fund 130 %	Fund 270 %	Fund 370 %
1	1241	CLASS 3 TRUCK (1/2 TON) ECSB	819	COMMUNITY DEVELOPMENT	CLASS 3	9/9/2015	SAME TYPE	4	54,597		DAILY	$ 55,000	2026	100		
2	1009	83" X 16' UTILITY TRAILER	541	PARKS	TRAILER	1/1/1987	SAME TYPE	2			DAILY	$ 7,500	2026	70	15	15
3	1271	CONCRETE SAW (NEW REQUEST)		PUBLIC WORKS	NEW REQUEST			NEW REQ			DAILY	$ 30,000	2026	100		
4	1011	CLASS 5 TRUCK (1 TON) CCSB	312	PARKS	CLASS 5	5/30/2017	SAME TYPE	4	51,500		DAILY	$ 65,750	2027	100		
5	1012	8' COMMERCIAL PLOW	P-312	PARKS	PLOW	5/30/2017	SAME TYPE	4			SEASONALLY	$ 9,500	2027	100		
6	1013	WATER METERS GROUP A (1/4 of METERS)		WATER	WATER METER	10/1/2016	SAME TYPE	4			DAILY	$ 36,750	2027		100	
7	1022	WATER METERS GROUP B (1/4 of METERS)		WATER	WATER METER	10/1/2016	SAME TYPE	4			DAILY	$ 36,750	2028		100	
8	1023	CLASS 5 TRUCK (1 TON) CC CAB & CHASSIS 60"	646	PUBLIC WORKS	CLASS 5	2/28/2019	SAME TYPE	4	22,646		DAILY	$ 65,750	2028	100		
9	1024	FLAT BED	F-646	PUBLIC WORKS	CLASS 5	2/28/2019	SAME TYPE	4			DAILY	$ 9,000	2028	100		
10	1025	9' COMMERCIAL PLOW	P-646	PUBLIC WORKS	PLOW	2/28/2019	SAME TYPE	5			SEASONALLY	$ 9,500	2028	100		
11	1002	8' SALT SPREADER (ELECT.)	S-646	PUBLIC WORKS	SPREADER	1/1/2017	SAME TYPE	4			SEASONALLY	$ 8,400	2028	100		
12	1026	CLASS 5 TRUCK (1 TON) CC CAB & CHASSIS 60"	647	UTILITIES	CLASS 5	3/28/2018	CLASS 6 (1 1/2 TON)	4	44,789		DAILY	$ 75,000	2028		50	50
13	1027	UTILITY BED	UB-647	UTILITIES	CLASS 5	3/28/2019	FIT FOR CLASS 6	4			DAILY	$ 40,780	2028		50	50
14	1028	SERVICE CRANE	C-647	UTILITIES	CLASS 5	3/28/2019	SAME TYPE	4			DAILY	$ 61,200	2028		50	50
15	1003	CLASS 3 TRUCK (1/2 TON) ECSB	454	UTILITIES	CLASS 3	5/4/2015	SAME TYPE	4	31,317		DAILY	$ 51,000	2029		50	50
16	1020	60 INCH COMMERCIAL MOWER	425	PARKS	MOWER	4/14/2023	SAME TYPE	5		166	SEASONALLY	$ 17,000	2029	100		
17	1021	72 INCH COMMERCIAL MOWER	299	PARKS	MOWER	4/14/2023	SAME TYPE	5		156	SEASONALLY	$ 17,500	2029	100		
18	1029	WATER METERS GROUP C (1/4 of METERS)		WATER	WATER METER	10/1/2016	SAME TYPE	4			DAILY	$ 36,750	2029		100	
19	1030	COMPACT EXCAVATOR	368	PUBLIC WORKS	HEAVY DUTY EQUIPMENT	12/21/2017	SAME TYPE	5		607	DAILY	$ 70,000	2029	34	33	33
20	1265	12" BUCKET (CE)	368-A	PUBLIC WORKS	HEAVY DUTY EQUIPMENT	8/19/2016	INCL W/EXCAVATOR	4			DAILY	$ -	2029	34	33	33
21	1266	18" BUCKET (CE)	368-B	PUBLIC WORKS	HEAVY DUTY EQUIPMENT	8/19/2016	INCL W/EXCAVATOR	4			DAILY	$ -	2029	34	33	33
22	1274	TRAFFIC COUNTER - ARMADILLO TRACKER		PUBLIC WORKS	LIGHT DUTY EQUIPMENT	10/7/2022	SAME TYPE	5			SEASONALLY	$ 4,000	2029	100		
23	1275	TRAFFIC COUNTER - ARMADILLO TRACKER		PUBLIC WORKS	LIGHT DUTY EQUIPMENT	10/7/2022	SAME TYPE	5			SEASONALLY	$ 4,000	2029	100		
24	1276	TRAFFIC COUNTER - ARMADILLO TRACKER		PUBLIC WORKS	LIGHT DUTY EQUIPMENT	10/7/2022	SAME TYPE	5			SEASONALLY	$ 4,000	2029	100		
25	1277	TRAFFIC COUNTER - ARMADILLO TRACKER		PUBLIC WORKS	LIGHT DUTY EQUIPMENT	10/7/2022	SAME TYPE	5			SEASONALLY	$ 4,000	2029	100		
26	1278	TRAFFIC COUNTER - ARMADILLO TRACKER		PUBLIC WORKS	LIGHT DUTY EQUIPMENT	10/7/2022	SAME TYPE	5			SEASONALLY	$ 4,000	2029	100		

Changed since 2024 Budget.

Exhibit C

City of Edgerton
Vehicle & Equipment Replacement
Fund Summary 2023-2029

Fund 130 - General Equipment Reserve Fund

	2023	2024	2025	2026	2027	2028	2029
Beginning Balance, Jan 1	$ 343,719	$ 470,258	$ 417,608	$ 168	$ 25,418	$ 75,168	$ 107,518
Transfers in or Other Revenues	205,400	196,500	125,000	125,000	125,000	125,000	125,000
Vehicle/Equipment Purchases	(78,861)	(249,150)	(542,440)	(99,750)	(75,250)	(92,650)	(179,300)
Ending Balance, 12/31	$ 470,258	$ 417,608	$ 168	$ 25,418	$ 75,168	$ 107,518	$ 53,218

Fund 270 - Water Equipment Reserve Fund

	2023	2024	2025	2026	2027	2028	2029
Beginning Balance, Jan 1	$ 68,006	$ 79,406	$ 53,776	$ 61,121	$ 89,996	$ 103,246	$ 28,006
Transfers in or Other Revenues	18,900	15,000	25,000	30,000	50,000	50,000	90,000
Vehicle/Equipment Purchases	(7,500)	(40,630)	(17,655)	(1,125)	(36,750)	(125,240)	(85,350)
Ending Balance, 12/31	$ 79,406	$ 53,776	$ 61,121	$ 89,996	$ 103,246	$ 28,006	$ 32,656

Fund 370 - Sewer Equipment Reserve Fund

	2023	2024	2025	2026	2027	2028	2029
Beginning Balance, Jan 1	$ 178,845	$ 97,405	$ 97,405	$ 94,750	$ 108,625	$ 133,625	$ 70,135
Transfers in or Other Revenues	3,900	15,000	15,000	15,000	25,000	25,000	25,000
Vehicle/Equipment Purchases	(85,340)	(15,000)	(17,655)	(1,125)	-	(88,490)	(48,600)
Ending Balance, 12/31	$ 97,405	$ 97,405	$ 94,750	$ 108,625	$ 133,625	$ 70,135	$ 46,535

Exhibit D

City of Edgerton
Unfunded Equipment

Unfunded New Vehicle and Equipment Request - Recommended

Item #	Equipment Description	Dept.	Equip Type	Estimated Cost	Recommended Year	Alloc % Fund 13 General	Alloc % Fund 27 Water	Alloc % Fund 37 Sewer
16	BRINE MANUFACTURING SYSTEM	PW	Equipment	$ 65,000	2029	100%		
16a	BRINE STORAGE TANK (FIBERGLASS) 10,000 GAL. - C	PW	Equipment	$ 18,000	2029	100%		
16b	BRINE STORAGE TANK (FIBERGLASS) 10,000 GAL. - C	PW	Equipment	$ 18,000	2029	100%		

Unfunded New Vehicle and Equipment Request - Not Recommended

Item #	Equipment Description	Dept.	Equip Type	Estimated Cost	Recommended Year	Alloc % Fund 13 General	Alloc % Fund 27 Water	Alloc % Fund 37 Sewer
1	PTO Overseeder (tractor attachment) (ballfields)	PK	Equipment	$ 13,750	n/a	100%	0%	0%
2	Top Dresser - Material Handling Parks Maintenance	PK	Equipment	$ 10,000	n/a	100%	0%	0%
3	Concrete Crack Seal Machine (trailer mounted)	PW	Equipment	$ 90,000	n/a	100%	0%	0%
4	Diagnostic Scan Tool	PW	Equipment	$ 21,500	n/a	100%	0%	0%
5	CLASS 6 DUMP TRUCK W/HYDRAULIC HOIST	PW	Heavy Truck	$ 133,455	n/a	70%	15%	15%
5a	BRINE APPLICATION SYSTEM FOR DUMP TRUCK	PW	Equipment	$ 16,647	n/a	100%		
6	GPS Data Collection System	PW	Equipment	$ 15,000	n/a	100%	0%	0%
7	Snow Blower attachment for UTV (trail size)	PW	Equipment	$ 22,000	n/a	100%	0%	0%
8	Storm Siren	PW	Storm Siren	$ 29,500	n/a	100%	0%	0%
9	Generator for 8th Street Lift Station	UT	Equipment	$ 35,000	n/a	0%	0%	100%
10	Sewer Inspection Camera	UT	Equipment	$ 60,000	n/a	40%	0%	60%
11	Sewer Push Camera	UT	Equipment	$ 12,500	n/a	40%	0%	60%
12	Trench Box	UT	Equipment	$ 22,000	n/a	50%	25%	25%
13	Tractor - New Unit & Surplus Old	PW/PK	Equipment	$ 150,000	n/a	100%	0%	0%
14a	Boom Mower	PW/PK	Equipment	$ 120,000	n/a	100%	0%	0%
14b	Rotary Mower (Batwing)	PW/PK	Equipment	$ 35,500	n/a	100%	0%	0%
15	Combination Bucket Attachment for Skid Steer	PW/PK	Equipment	$ 5,500	n/a	100%	0%	0%
17	Wheel Loader Snow Plow - DDI Interchange	PW	Equipment	$ 50,000	n/a	100%	0%	0%
18	Combination Sewer Truck	UT	Heavy Truck	$ 450,000	n/a	33%	33%	33%