City of Edgerton
2027 Budget Work Session
July 9, 2026

Packet Items

General Fund Budget

Utility Funds Budget

Other Funds Budget

IT Equipment

Vehicles & Equipment

City of Edgerton
2027 Budget Work Session
July 9, 2026

General Fund Budget

EDGERTON
global routes. local roots.
404 East Nelson
Edgerton, KS 66021
P: 913.893.6231
EDGERTONKS.ORG

July 1, 2026

To: Mayor and City Council Members

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

Re: 2027 Recommended General Fund Budget

Please find enclosed with this memo the 2027 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 Appendix B containing the calculation of the recommended mill rate for the 2027 Budget per Council policy and Appendix C containing the General Fund Summary of Audits.

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 2026 BLS released the CPI-U for the twelve months ending December 2025 which was 2.7%. The table below shows the history of the CIP-U for the last five years.

December 31st	CPI-U
2020	1.4%
2021	7.0%
2022	6.5%
2023	3.4%
2024	2.9%
2025	2.7%

2026 Estimate

The 2026 estimated revenues and expenditures reflect staff's evaluation of the activity so far in 2026 compared to the budget approved for 2026. A line item with an estimate of more than 100% means that staff expect the 2026 activity to exceed the budget. A line item with an estimate that is less than 100% means that staff anticipate the 2026 activity to be less than the budget.

Revenues

Property Tax Revenue

Property tax revenue is the largest source of revenue for the General Fund. Property tax has two components: assessed valuation and tax rate. The sections below provide further details regarding these two parts of the property tax equation.

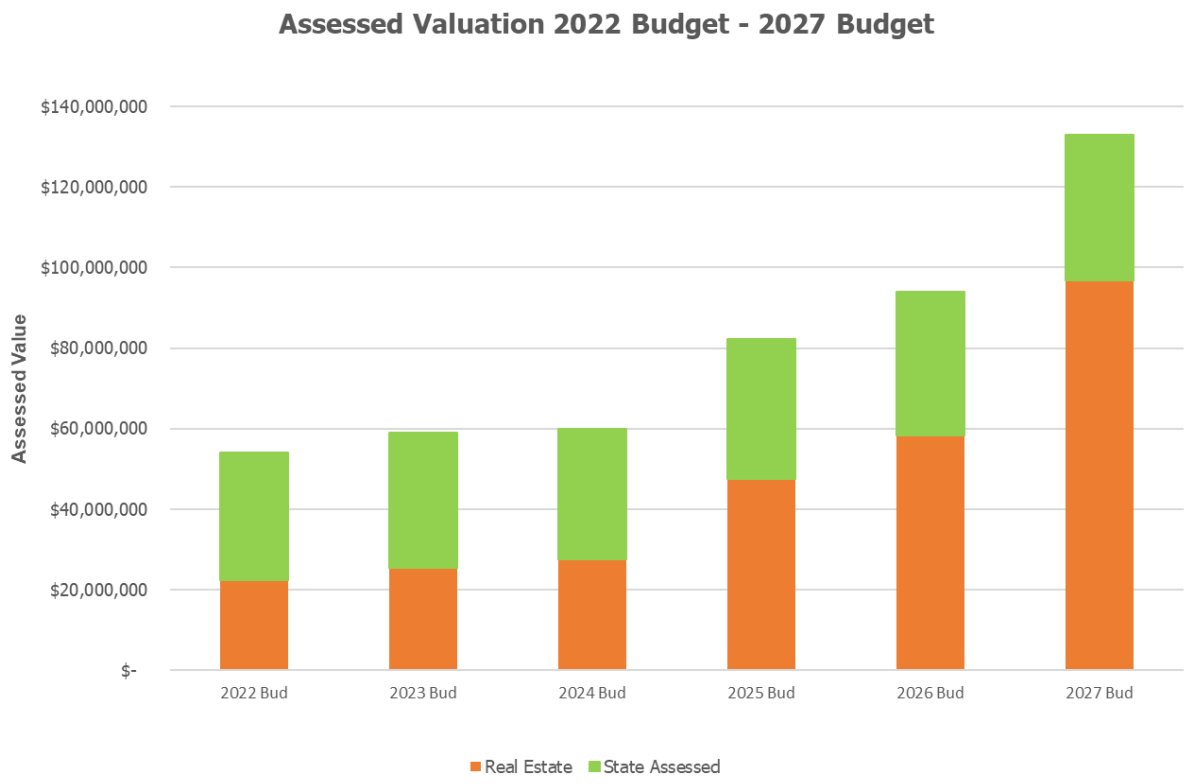
Assessed Value

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

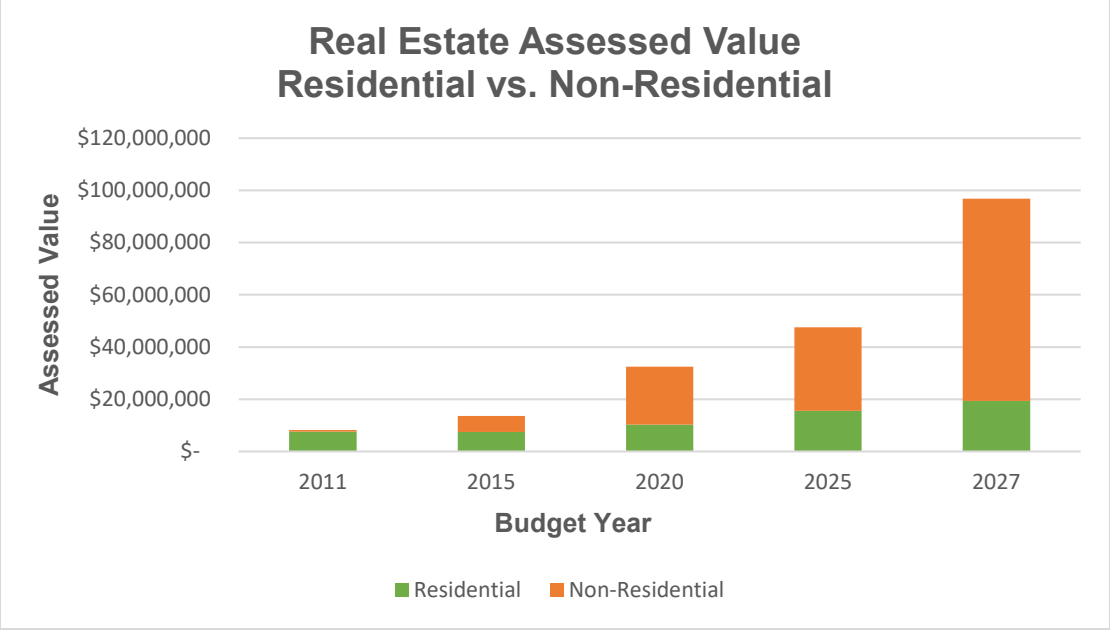
- Real Estate
- Personal Property
- State Assessed Utilities/Railroads

The Real Estate and State Assessed portions make up most of the City's assessed value. The Personal Property amount is small and continues to decrease each year due to legislation passed in 2006.

The diagram below shows the composition of the City's assessed value from the 2022 Budget through the 2027 Budget. Not only has the City's assessed value increased, but in the last couple of years, the Real Estate portion (shown below in orange) has become larger than the State Assessed portion (shown below in green). This is an important shift as the State Assessed portion can be inconsistent from year to year.



The composition of the Real Estate portion of the City's assessed value has also changed significantly in the last fifteen years. The figure below shows the growth in Real Estate assessed value as well as the breakdown between residential and non-residential property types. For 2027, non-residential real estate assessed valuation in 80%. This is a drastic change from earlier years when the City's value consisted almost entirely of residential property. In 2011, non-residential was 8% compared to residential at 92%.



The chart below provides additional detail related to the growth in residential assessed value for 2027. Growth in this category comes from both the appreciation of existing homes as well as construction of new homes. In 2027, reappraisal of existing houses in Edgerton accounted for 43% of the growth in residential assessed values. The exact percentage change in reappraisal differs for each house, and is set annually by the Johnson County Appraiser's Office. For Edgerton this ranges anywhere between -20%, to no change to +20%. This growth is distributed over approximately 635 homes in town. The other 57% ($1,618,007) in residential assessed valuation growth came from approximately 82 new homes constructed at Dwyer Farms.

Assessed Value Category	2026 for 2027 Budget	% of Total	Approx. # of Units
Existing Home Reappraisal	$1,243,542	43%	635
Dwyer Farms New Construction	$1,618,007	57%	82
Total Change in Residential Assessed Value	$2,861,549		

Expiration of Abatements

Another element that has a significant impact on the City's real estate assessed value is the expiration of abatements. The 2025 Budget was the first year that properties in LPKC returned to the tax roll after the ten-year abatement period. The assessed value for the 2027 Budget includes three LPKC property that are returning to the tax rolls. See the table below for valuation information.

Building	City Portion Of PILOT (2026 Budget)	Assessed Value	Est. City Property Tax (est. Mill Rate 29.415)
Smart Warehousing (ELHC 11)	$ 34,177	$ 11,648,750	$ 342,648
Walmart/Sam's (ELHC 12)	$29,346	$10,010,500	$294,459
Amazon (ELHC 14)	$36,739	$12,753,145	$375,134

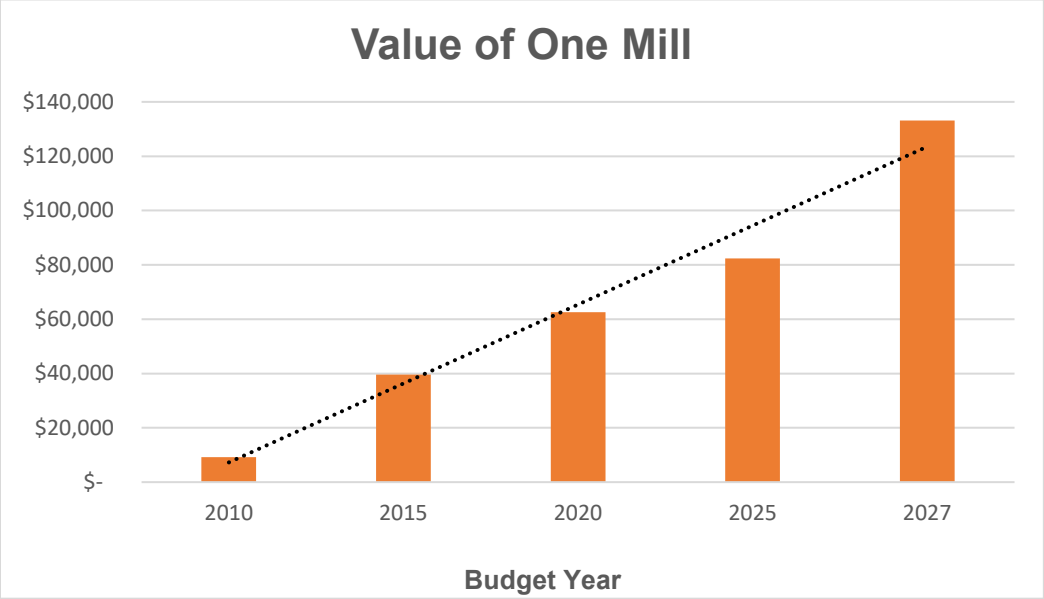
For 2028 through 2035, except for 2034, there is at least one property returning to the tax rolls.

Mill Rate

The mill rate is the amount of tax per $1,000 of assessed value. Since 2009, the City of Edgerton has lowered the mill rate by over 14 mills. The ability to lower the mill rate while maintaining or increasing property tax revenue collection is driven by the growth in the value of one mill. As noted in the Assessed Value Section above, the City's assessed value has grown considerably since 2009.

Value of One Mill

Growth in the value of one mill results from a citywide increase in assessed valuation. Since 2009, the value of one mill has grown by $123,569. The most significant factor in increasing the city's assessed valuation is the new construction at Logistics Park Kansas City and surrounding area. The value of one mill can fluctuate due to the timing of construction and the appraisal process, abatements expiring, market conditions, etc. 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. The value of one mill is $133,165 in 2027 compared to $9,259 in 2010.



Revenue Neutral Rate

In 2021, the legislature made significant changes to the tax lid law effective for the 2022 Budget. The tax lid law now focuses on the Revenue Neutral Rate (RNR). The RNR is the mill rate that would generate the same amount of property tax revenue in the current year as the previous year based on the current year's assessed valuation. K.S.A. 79-2988 establishes the process for Kansas taxing subdivisions to notify the public and hold a hearing if they plan to exceed their RNR for property taxes. K.S.A. 79-2988 does not 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 K.S.A. 79-2988. At that meeting, City Council provided the following policy direction regarding adjustments to the RNR. The RNR will be adjusted to include

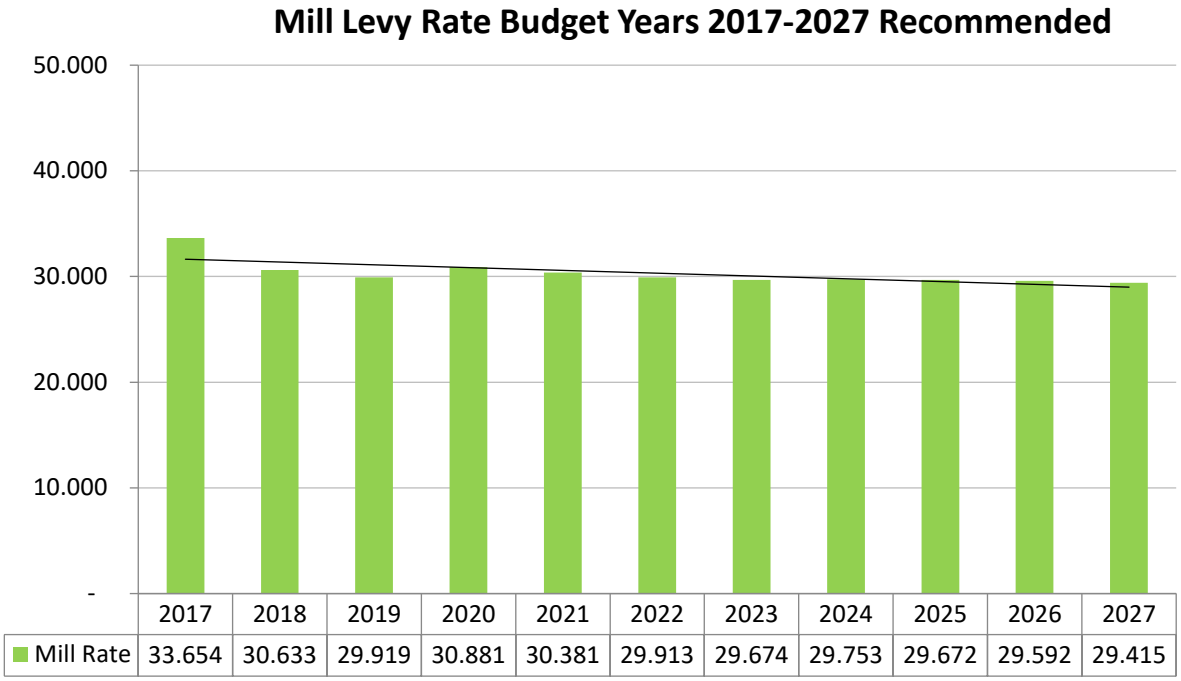
- Roll-off of all types of incentives (i.e., property tax abatements)
- New territory/annexations
- Growth in assessed value of non-residential property
- Growth in assessed value of residential property due to inflation based on the CPI-U (2.7% for 2027)
- Issuance of General Obligation (GO) debt
- Errors by Johnson County

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 2027 Budget. Details of this calculation are shown on Exhibit B. 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 27, 2026, 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, 2026.

	Revenue Neutral Rate (RNR)	Recommended Adjustments To the RNR	Recommended Mill Rate for the 2026 Budget
Property Tax Revenue	$2,787,420	$1,129,568	$3,916,988
Estimated Mill Rate	20.932	8.483	**29.415**

The 2025 mill rate for the 2026 Budget was 29.592. **The recommended 2026 mill rate for the 2027 Budget represents 0.177 mills or 0.2% DECREASE in the mill rate.**

The graph below shows the history of the City's mill rate since the 2017 Budget.



On June 25, 2026, Jeff White with Columbia Capital Management (the City's Financial Advisor) gave a presentation to City Council regarding recent happenings at the Kansas State Legislature and recommendations for City Council to consider during the 2027 Annual Budget process. Based on that presentation, Mayor Roberts asked staff to prepare an additional possible scenario to the fund schedule that would keep the mill rate flat for the 2027 Budget at 29.592.

Other Revenue

The chart below provides information about changes from the 2026 Budget to the 2027 Recommended Budget in the other sources of revenue for the General Fund.

Revenue Item	Change from 2026 Budget to 2027 Recommended
LPKC Pilot	The revenue from payments in lieu of taxes for abated properties at LPKC has decreased to reflect removing the properties coming off abatement and back on to the tax roll.
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 estimated pending receipt of the TIF budget information from the County Clerk on July 1st. It has increased since 2026 reflecting the increase in assessed value in the Homestead Lane Retail TIF District (Maverik, IHOP).
City RHID Increment	This number is the amount of City property tax that is deposited into the RHID Fund. It is subtracted from the amount of total property tax to be received since it will be deposited directly into the RHID fund when distributions are received from the County Treasurer. This number is estimated pending receipt of the RHID budget information from the County Clerk on July 1st. It has increased since 2026 reflecting the new homes built in Dwyer Farms in 2025.

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. Based on activity over the past four quarters, the County Treasurer decreased the estimate.
Use Tax	• Increase in Local Use Tax based on amount received in 2025 and collection trend in 2026. • The County Use Tax reflects an increase over the 2025 actual as well as an adjustment for the sunset of the County's Public Safety Sales Tax on March 31, 2027. The City will only receive a partial year of distributions in 2027.
Sales Tax	• Increases in Local Sales Tax is based on amount received in 2022-2025 and the collection trend in 2026. • The County Sales Tax reflects an increase over the 2025 actual per the County budget information as well as an adjustment for the sunset of the County's Public Safety Sales Tax on March 31, 2027. The City will only receive a partial year of distributions in 2027.
Franchise Tax	At the end of 2025, staff discovered an error in the reports received from one of the utilities that indicate how the money should be allocated between the General Fund and the LPKC Phase 1 Public Infrastructure Fund. The error resulted in more of the funds being allocated to the General Fund than should have been. As a result, the revenue allocated to the General Fund will be lower than in the past.
Licenses & Permits	The bulk of the revenue in this category comes from Building Permits and Plan Review Fees. It is a decrease from 2026 due to a reduction of the number of anticipated permits from Dwyer Farms based on staff's review of the activity in 2025. The 2027 Budget was calculated using the following building permit volumes: • 1 quick service restaurant • 72 single family homes (Dwyer Farms) • A few non-residential alterations/additions at LPKC (i.e. security, racking, tenant finish, etc.)
Fines & Forfeitures	For 2027, the estimate for this revenue has decreased based on the trend from 2024 through 2026 year-to-date. The number and type of tickets issued can have a significant impact on this revenue source.
Charges for Services	• Increase for new homes at Dwyer Farms receiving trash service. The City charges customers half of the trash service cost. • Staff increased revenue for The Greenspace memberships, based on membership data. • Staff increased Park & Rec Program revenue due to increased class offerings and participation.
Reimbursements/Miscellaneous	No change.
Investment Income	No change.

Expenditures

The budget 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.

The 2027 Recommended Budget includes two major changes outside the typical inflationary increases to cost or increases level of service cost: (1) Increase to Contracted Policing Services and (2) Inclusion of CIP Administration as New Department in the General Fund. Details of those changes are below.

Excluding these items (JCSO and CIP Admin), expenditures would have *decreased* by 0.2%, well below the 2.7% inflation rate. Appendix A includes information about the changes in each department's budget from year to year.

Multi-Year Contract with Johnson County Sheriff's Office for Policing Services

In March 2026, the Edgerton City Council did a work session with the Johnson County Sheriff's Office to discuss the contract to provide policing services for 2027. At that work session, City Council gave consensus for a 26.7% increase in cost for 2027, resulting in expenditure growth well exceeding the inflation rate. In addition, Council gave consensus for that multi-year contract to include an 8% increase in 2028 and 7% increase in 2029 to provide certainty for those coming years.

New Department in 2027

A new department, CIP Administration, has been added to the General Fund in 2027. This department will track salary, wage and other staff costs for positions responsible for managing the City's Capital Improvement Program (CIP). Those positions are: 100% CIP Project Manager, 100% Construction Inspector and 20% Public Works Director.

Previously, these personnel costs were budgeted in the Capital Projects Fund and supported by the LPKC Phase 1 Maintenance Fee and by project-based inspection budgets. As abated properties return to the tax rolls, the Maintenance Fee decreases each year and will eventually be eliminated. To ensure continued support for CIP projects, funding for these staff positions must shift to the General Fund.

Any remaining staffing funds in the Capital Projects Fund at the end of 2026 will be transferred to the General Fund to help offset CIP Administration costs. In addition, the LPKC Phase 1 Maintenance Fee will continue to be transferred to the General Fund annually until all abated properties in LPKC Phase 1 have returned to the tax rolls. The Maintenance Fee is projected to decline substantially in 2028 and end entirely 2032.

Moving these staff members to the General Fund also increases related expenditures in the Employee Benefits Department and the Information Technology Department.

Other Sources & Uses

Transfers from/to other funds are listed in this section of the fund schedule. These transactions are more of a one-time occurrence vs being routine. The tables below provide details about the transfers listed for 2027.

Transfer From	Amount	Description	Change 2026-2027
Capital Projects Fund	$199,013	Unspent funds returned when projects are closed.	The costs for the CIP Administration staff have been moved to the General Fund in 2027. The amount of this transfer is the estimated amount remaining in the projects at 12/31/2026 where those staff costs have been tracked through 2026.
TIF Funds	$2,507	Fee the City is allowed to collect for administering the TIF project plans. See Note 1 below for further details.	Increased from $1,486. Reflects the increase in assessed value in the Homestead Lane TIF District (Maverik, IHOP).
LPKC Ph 1 Public Infrastructure Fund	$628,903	LPKC Ph 1 Maintenance Fee used to fund operations of the Greenspace per Council direction provided at the June 13, 2024, Greenspace Work Session. LPKC Ph 1 Maintenance Fee used to offset CIP Administration staff costs that have been moved from the Capital Projects Fund to the General Fund starting in 2027.	The amount for the Greenspace operations decreased due to the reduction in operating hours as well as refining the budget now that the building has been open for a year. The amount for CIP Administration staff support is $342,115.

Note 1: 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 is an estimate and could change once the TIF fund budgets are calculated. The TIF fund budgets will be provided to Council at a later date.

The Transfers To table below includes funding for both residential property tax rebate programs included in 2026 Budget. The Senior Property Tax Rebate Program remains the same as years past, simply the location of the program is now housed within the Transfers To as it a program that gets considered for funding on an annual basis.

For the 2026 Budget, City Council approved the new Residential Property Tax Rebate Program. That program allows Edgerton property owners to apply for a 10% rebate of the city-portion of property taxes paid on owner-occupied single and two-family residential dwellings. **For 2027 Budget, Mayor Roberts requested staff increase that program to a 40% rebate of the city-portion of property taxes**.

Transfer To	Amount	Description	Change 2026-2027
Equipment Reserve Fund-General	$175,000	Fund vehicles/equipment replacements used in the general operations of the City per the 5-year Vehicle & Equipment Replacement Plan	Increased from $125,000 to ensure adequate funding for the current plan and future years.
IT Equipment Reserve Fund-General	$30,000	Fund IT equipment replacements used in the general operations of the City per the 3-year IT Equipment Replacement Plan	Decreased by $10,000 based on projected ending balance at the end of the current plan (2029) and the estimated cost of replacements outside the current planning period.
Capital Projects Fund	$681,799	Funding for general City projects as approved in the CIP.	Increased from $0. Includes funding for the stormwater projects at W 8th St & W Nelson St (A) and (B) approved by City Council in October 2025.
Senior Property Tax Rebate	$65,000	100% Rebate of City portion of the tax bill for residents 65 & Older who own and occupy their home.	No change in amount. Used to be housed in the Economic Development Department.
Residential Property Tax Rebate	$208,000	40% Rebate of City portion of the tax bill for residents under 65 who own and occupy their home.	Mayor proposed increase from the 10% rebate approved for 2026.

Ending Balance and Reserves

The carryforward balance from 2025 to 2026 was greater than estimated during the 2026 Budget process due to lower expenditures for 2025 than originally forecast as well as some revenue sources exceeding projections. The projected balance at the end of 2026 and 2027 exceeds the required reserves, leaving funding available for projects or other priorities.

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

General Government

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Increase in wages for implementation of 2024 Compensation and Benefits Study as previously explained in the 2025 Estimate Section. • Increase in contractual residential trash service for existing homes based on new contracted amount with Gardner Disposal and for new homes at Dwyer Farms receiving trash service. The City charges customers for half of the trash service cost. • Increase in support for Johnson County Utility Assistance Program • Increase audit costs based on new contract	• Increase in contractual residential trash service for new homes at Dwyer Farms receiving trash service. The City charges customers for half of the trash service cost. • Increase in support for Johnson County Utility Assistance Program • Increase in support for UCS Human Services Fund • Added support for the Edgerton Community Food Pantry • Added support for the Indigo Thrift Foundation • Increase in investment advisor fees to reflect trend as the portfolio has grown since the City began using these services.

Law Enforcement

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Increase in wages for implementation of the 2024 Compensation and Benefits Study • Includes 8.2% increase in policing contract with Johnson County Sheriff's Office. • Increase in prisoner board fees from $85/day to $100/day. • Reduced outside court hours for the prosecutor based on review of actual hours spent on tasks outside of court.	• Includes a 26.7% increase in policing contract with Johnson County Sheriff's Office per direction given at the work session on March 26, 2026. • Increase in prisoner board fees from $100/day to $112.50/day. • Reduced hours for the prosecutor based on review of actual hours spent both inside court and outside of court.

Public Works

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Increase in wages for implementation of the 2024 Compensation and Benefits Study as previously explained in the 2025 Estimate Section. • Increase in streetlight costs for the addition of electric service for lights in Dwyer Farms phases 1 and 2. • Reduction of traffic signal electric costs to reflect the trend in actual amount spent the last few years.	• Change in Allocation of the Public Works Director position from 50% Public Works to 30% Public Works and 20% CIP Administration. • Career progression for existing staff. • Increase in training costs to add concrete/asphalt classes for all staff.

• Reduction in cost for Homestead Ln mowing due to trend in bids for this work. • Increase in engineering services to align with actual spent the last few years for City Engineer services. • Increase in equipment to cover the cost of replacing one portable radio since the cost is less than the threshold for the Vehicles & Equipment Replacement Plan.	

CIP Administration

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended

• N/A – New department in 2027	• New department in 2027
	• Salaries/wages & other miscellaneous staff costs for:
	  ○ 100% of the CIP Project Manager position
	  ○ 100% of the Construction Inspector position
	  ○ 20% of the Public Works Director position

Parks

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Increase in wages for implementation of the 2024 Compensation and Benefits Study. • Increase in funding for new programs based on results of the Citizen Survey and the Greenspace Grand Opening Survey • Increase in costs for July 3rd event • Decrease in professional services for tree trimming	• Reduction in Movie Night cost. City purchased equipment in 2025. • Increase in program costs to be able to offer more creative-type and active-type programs. • Added funds for a bike safety rodeo event. • Removed the budget for Frontier Days per direction given at the May 28, 2026, Council meeting. • Changed the allocation for the Facilities Maintenance Tech I from 20% Parks and 80% Facilities to 100% Facilities. • Funding for new fall event approved in the 2026 Budget will be used for the new Monsters & Motors event. The funding for this new event remains unchanged in the 2027 Budget.

Facilities

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Increase in wages for implementation of the 2024 Compensation and Benefits Study and addition of an amount for career progression. • Decrease in insurance as the 2025 Budget included an estimated premium amount for The Greenspace which was higher than the actual amount from the 2025 renewal. • Decrease in professional services based on current contracts. • Increase in maintenance contracts for The Greenspace as the one-year warranty period for the various building components expires in 2026.	• Changed the allocation for the Facilities Maintenance Tech I from 20% Parks and 80% Facilities to 100% Facilities. • Increase in rent for office space at 312B E Nelson per the new lease agreement. • Reduction in cost for part-time Greenspace staff due to reduction in operating hours. • Reduction in cost of chemicals for the splash pad.

Fleet Maintenance

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Increase in insurance and fuel due to the addition of vehicles. • Increase in vehicle maintenance to reflect actuals the last couple of years. • Decrease in equipment based on the amount spent in recent years.	• Increase in insurance and fuel based on expenditures for the last few years as well as the increase in gas prices. • Increase in equipment maintenance to reflect actuals the last couple of years. • Decrease in equipment based on the amount spent in recent years.

Community Development

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Increase in wages for implementation of the 2024 Compensation and Benefits Study as previously explained in the 2025 Estimate Section. • Decrease in postage, printing and legal services based on the trend in actual amounts spent. • Decrease in professional services due to refining the estimated cost for third party inspections while the in-house inspector is on vacation, sick, etc.	• Decrease in Animal Control related expenditures per review of transactions the last few years. • Decrease in Planning Commission expenditures based on actuals.

Economic Development

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Increase in the BNSF increment.	• Increase in the BNSF increment. • Increase in the amount of utility sales tax transferred to the LPKC Phase 1 Public Infrastructure Fund. The same reports from the utilities used to allocate franchise tax are also used to identify utility sales tax that is required to be transferred to the LPKC Phase 1 Public Infrastructure Fund. The amount of utility sales tax to transfer will be more due to errors on past reports. • Moved Senior Property Tax Rebate Program to Other Sources & Uses (i.e. transfers)

Information Technology

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Decrease in costs for contracted IT support services based on the current contract. • Significant decrease in the cost of cyber insurance.	• Decrease in the cost of cell phones due to reduced plan prices from the carrier. • Increase in the cost of cyber insurance due to the increase in premium at the April 1, 2026, renewal. • Decrease in cost of viewer software. • Addition of IT related costs for the CIP Administration staff that were previously tracked in the Capital Projects Fund.

Employee Benefits

2025 Budget – 2026 Budget	2026 Budget -2027 Recommended
• Estimating a 6% increase in health insurance premiums and a 3% increase in premiums for dental and vision • Decrease in KPERS Rate from 10.71% to 10.59% • Increase in number of employees • Increase due to career progression and added positions	• Estimating a 6% increase in health insurance premiums and a 3% increase in premiums for dental and vision. • Decrease in KPERS Rate from 10.59% to 10.44% • Addition of the CIP Administration staff costs to the General Fund starting in 2027. These costs were previously tracked in the Capital Projects Fund.

City of Edgerton
Calculation of the Adjustment to the RNR
for the 2027 Budget
As of 6/15/2026

Real Property

Class	Description	Nov 2025	6/15/2026 Assessed Value: #'s Co Clerk	Corrections	Adj #'s	Change: Nov 2025-6/15/2026 Adj	Council Policy
R	Residential Including Apartments	$ 16,447,282	$ 19,308,831	$ -	$ 19,308,831	$ 2,861,549	capture revenue incr up to CIP-U
A	Agricultural Land Use & Improvements	$ 173,338	$ 166,696	$ -	$ 166,696	$ (6,642)	capture all revenue
C	Commercial & Industrial	$ 36,512,017	$ 71,790,425	$ -	$ 71,790,425	$ 35,278,408	capture all revenue
V	Vacant Lots	$ 5,071,639	$ 5,617,811	$ -	$ 5,617,811	$ 546,172	capture all revenue
N	Not for Profit	$ -	$ -	$ -	$ -	$ -	capture all revenue
O	All Other Real Property	$ 1,872	$ 1,872	$ -	$ 1,872	$ -	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	$ 58,206,148	$ 96,885,635	$ -	$ 96,885,635	$ 38,679,487	

Personal Property

Class	Description	Nov 2025	6/15/2026 Assessed Value: #'s Co Clerk	Adj	Adj #'s	Change: Nov 2025-6/15/2026 Adj	Council Policy
	Personal Property	$ 163,726	$ 132,841	$ -	$ 132,841	$ (30,885)	capture all revenue

State Assessed

Class	Description	Nov 2025	6/15/2026 Assessed Value: #'s Co Clerk	Adj	Adj #'s	Change: Nov 2025-6/15/2026 Adj	Council Policy
	State Assessed	$ 35,824,312	$ 36,146,580	$ -	$ 36,146,580	$ 322,268	capture all revenue
	Grand Totals	$ 94,194,186	$ 133,165,056	$ -	$ 133,165,056	$ 38,970,870	

Calculation of Adjustment to RNR

Total Allowable Change in <u>Assessed</u> Value Per Council Policy		$ 38,171,405
Nov 2025 Mill Rate for the 2026 Budget		29.592
Allowable increase in Property Tax **<u>Revenue</u>** per Council Policy		$ 1,129,568
Property Tax Levied 2025 for 2026 Budget		$ 2,787,420
Total Property Tax Revenue for the 2027 Budget		$ 3,916,988
Base Mill Rate Needed		29.415
Mill Rate Needed for GO Debt Service	$ -	-
Total Mill Rate Needed		**29.415**
RNR		20.932
Estimated Adjustment to the RNR		8.483
<u>Decrease</u> in Mill Rate from 2026 Budget to 2027 Budget		(0.177)

* Due to Council Policy of only allowing an increase in Residential Assessed Value equal to the rate of inflation, the City is removing $799,465 of assessed value out of the property tax calculation, resulting in forgone revenue of $23,658.

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

City of Edgerton
General Fund Summary of Audits

	2023 Actual	2024 Actual	2025 Actual
Balance 1/1	$ 2,368,806	$ 2,812,785	$ 2,669,938
Revenues:			
Ad Valorem Tax	2,356,031	1,773,269	2,390,896
City TIF Increment	(50,434)	(51,025)	(68,110)
LPKC PILOT	-	646,693	654,644
Delinquent Tax	3,787	16,929	14,129
Motor Vehicle Tax	47,821	48,548	49,967
Recreational Vehicle Tax	1,011	973	1,104
16/20M Vehicle Tax	311	209	141
Local Alcoholic Liquor Tax	6,048	7,864	7,431
City 1% Use Tax	425,015	334,632	370,043
County Use Tax	140,915	137,052	165,177
City 1% Sales Tax	674,555	609,230	672,712
County Sales Tax	408,065	393,706	462,976
Franchise Tax	238,816	240,995	230,284
Licenses & Permits	311,111	90,723	215,921
Charges for Services	121,730	113,011	162,174
Fines & Forfeitures	87,003	112,482	82,644
Reimbursements/Miscellaneous	17,952	17,173	32,276
Investment Income	57,757	161,824	135,675
Total Revenue	$ 4,847,494	$ 4,654,288	$ 5,580,084
Expenditures:			
General Government	1,089,842	1,093,090	1,107,882
Law Enforcement	561,313	628,843	642,761
Public Works	618,697	700,840	734,556
Parks	323,154	442,475	513,242
Facilities	109,860	121,276	408,240
Fleet Maintenance	60,568	62,749	79,063
Community Development	401,186	368,103	408,256
Economic Development	428,159	500,883	558,946
Information Technology	89,074	91,325	107,134
Employee Benefits	524,399	566,648	676,108
Total Expenditures	$ 4,206,252	$ 4,576,232	$ 5,236,188
Revenues Over(Under) Expenditures	**$ 641,242**	**$ 78,056**	**$ 343,896**
Other Financing Sources & Uses			
Transfers from Other funds:			
Transfer from Capital Projects Fund	$ 86,907	$ 17,882	$ 59,589
Transfer from LPKC Ph 1 PIF	$ -	$ -	$ 305,520
Transfer from TIF Funds-City TIF Fee	$ 5,321	$ 1,901	$ 1,426
Transfers to Other Funds:			
Transfer to Equipment Reserve Fund-General	(176,000)	(125,000)	(132,525)
Transfer to IT Equipment Reserve Fund-General	$ -	$ -	$ (40,000)
Transfer to Capital Projects Fund	(113,491)	(115,686)	(37,740)
Total Other Financing Sources & Uses	$ (197,263)	$ (220,903)	$ 156,270
Balance 12/31	**$ 2,812,785**	**$ 2,669,938**	**$ 3,170,104**

City of Edgerton
General Fund

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended	2027 Scenario Flat Mill Rate
Mill Rate:	29.672	29.592		29.415 calculated	29.592 Flat
Revenue from 1 Mill:	$82,385	$94,169		$133,165 est.	$133,165 est.
Balance 1/1	$ 2,288,368	$ 2,467,823	$ 3,170,104	$ 3,002,536	$ 3,002,536
Revenues:					
Ad Valorem Tax	2,444,546	2,787,420	100%	3,916,988	3,940,620
City TIF Increment	(69,531)	(68,110)	100%	(98,530)	(99,122)
City RHID Increment	-	(18,665)	100%	(83,542)	(84,044)
LPKC PILOT	604,876	615,029	103%	514,928	517,355
Delinquent Tax	-	-	-	-	-
Motor Vehicle Tax	50,377	51,689	100%	55,036	55,036
Recreational Vehicle Tax	729	730	100%	855	855
16/20M Vehicle Tax	141	141	182%	360	360
Local Alcoholic Liquor Tax	8,500	8,500	88%	7,500	7,500
City 1% Use Tax	308,000	340,000	113%	385,000	385,000
County Use Tax	157,000	150,000	110%	155,000	155,000
City 1% Sales Tax	616,100	625,000	112%	707,000	707,000
County Sales Tax	412,150	415,000	113%	429,000	429,000
Franchise Tax	235,000	235,000	57%	135,000	135,000
Licenses & Permits	383,976	182,528	100%	151,183	151,183
Charges for Services	143,830	172,876	108%	191,020	191,020
Fines & Forfeitures	120,000	100,000	85%	85,000	85,000
Reimbursements/Miscellaneous	-	15,000	145%	15,000	15,000
Investment Income	20,000	100,000	100%	100,000	100,000
Total Revenue	$ 5,435,694	$ 5,712,138	102%	$ 6,666,798	$ 6,691,763
Expenditures:					
General Government	1,125,955	1,225,182	97%	1,265,534	1,265,534
Law Enforcement	698,244	738,652	97%	885,323	885,323
Public Works	779,614	847,592	97%	850,114	850,114
CIP Administration	-	-	0%	200,341	200,341
Parks	544,653	609,828	97%	591,782	591,782
Facilities	506,786	506,088	97%	504,072	504,072
Fleet Maintenance	80,027	82,272	97%	84,262	84,262
Community Development	437,770	453,126	97%	447,872	447,872
Economic Development	593,147	610,291	99%	588,952	588,952
Information Technology	143,305	118,237	97%	119,001	119,001
Employee Benefits	703,668	757,378	97%	845,108	845,108
Total Expenditures	$ 5,613,169	$ 5,948,646	97%	$ 6,382,361	$ 6,382,361
Revenues Over(Under) Expenditures	**$ (177,475)**	**$ (236,508)**		**$ 284,437**	**$ 309,402**
Other Financing Sources & Uses					
Transfers from Other funds:					
Transfer from Capital Projects Fund	$ -	$ -	-	$ 199,013	$ 199,013
Transfer from LPKC Ph 1 PIF	$ 301,211	$ 302,152	100%	$ 628,903	$ 628,903
Transfer from TIF Funds-City TIF Fee	$ 1,459	$ 1,486	99%	$ 2,510	$ 2,510
Transfers to Other Funds:					$ -
Transfer to Equipment Reserve Fund-General	(125,000)	(125,000)	100%	(175,000)	$ (175,000)
Transfer to IT Equipment Reserve Fund-General	(40,000)	(40,000)	100%	(30,000)	$ (30,000)
Transfer to Capital Projects Fund	-	-	100%	(681,799)	$ (681,799)
Senior Property Tax Rebate	-	-	0%	(65,000)	$ (65,000)
Residential Property Tax Rebate	-	(45,000)	100%	(208,000)	$ (208,000)
America's Semi Quincentennial (one-time expd)	-	(15,000)	100%	-	-
Total Other Financing Sources & Uses	$ 137,670	$ 78,638		$ (329,373)	$ (329,373)
Balance 12/31	**$ 2,248,563**	**$ 2,309,953**	**$ 3,002,536**	**$ 2,957,600**	**$ 2,982,566**

Undesignated Reserve:	$ 961,270	$ 1,035,001	$ 1,035,001
Portion Designated for Self-Insured Losses:	$ 50,000	$ 50,000	$ 50,000
Reserve Per Policy - 17% of Budgeted Expenditures:	$ 1,011,270	$ 1,085,001	$ 1,085,001
Unencumbered Cash Over(Under) Requirement:	$ 1,991,267	$ 1,872,599	$ 1,897,564
Undesignated Reserve:	$ 1,437,162	$ 1,545,590	$ 1,545,590
Portion Designated for Self-Insured Losses:	$ 50,000	$ 50,000	$ 50,000
Reserve Per Policy - 25% of Budgeted Expenditures:	$ 1,487,162	$ 1,595,590	$ 1,595,590
Unencumbered Cash Over(Under) Requirement:	$ 1,515,375	$ 1,362,010	$ 1,386,976

City of Edgerton
2027 Budget Work Session
July 9, 2026

Utility Funds Budget

EDGERTON
global routes. local roots.
404 East Nelson
Edgerton, KS 66021
P: 913.893.6231
EDGERTONKS.ORG

July 1, 2026

To: Mayor and City Council Members

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

Re: 2027 Recommended Water Fund Budget

Attached please find the 2027 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). New for 2027, staff did additional research and discovered that the BLS also provides a more detailed CPI-U specific to Water and Sewerage Maintenance. Staff added a column to the chart below to include this measure.

In January 2026 BLS released the general CPI-U for the twelve months ending December 2025 which was 2.7%. The Water and Sewerage Maintenance CPI-U for this same time period was 4.6%. The table below shows the history of both the CPI-U and CPI-U Water/Sewer for the last five years.

December 31st	CPI-U	CPI-U Water/Sewer
2020	1.4%	3.3%
2021	7.0%	3.5%
2022	6.5%	4.5%
2023	3.4%	4.7%
2024	2.9%	5.6%
2025	2.7%	4.6%

When compared to the general CPI-U, the CPI-U for Water and Sewerage Maintenance illustrates that the inflation rate for providing water and sewer services is generally outpacing overall U.S. inflation, especially in recent years and historically over the long term. Contributing factors likely include aging infrastructure and surging operational costs specific to utilities (i.e. specialized labor, chemicals, equipment, etc.).

2026 Estimate

The 2026 estimated revenues and expenditures reflect staff's evaluation of the activity so far in 2026 compared to the budget approved for 2026. A line item with an estimate of more than 100% means that staff expect 2026 activity to exceed the budget. A line item with an estimate that is less than 100% means that staff anticipate the 2026 activity to be less than the budget.

2027 Revenues

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 2026 Rate Study Report prepared by Raftelis, which is included in this packet for reference.
- The majority of increase in charges for services revenue is driven by new home construction in the Dwyer Farms subdivision. In preparation of the 2027 Budget, Staff worked with Lennar on their projected build out of homes for both 2026 and 2027. Staff then verified that projection based on speed of construction seen to date. For all items directly impacted by new home construction from Dwyer Farms (across entire 2027 Budget), staff is using the following home construction estimates:
    - 2026: 154 homes constructed by end of 2026
    - 2027: 72 homes (average 6 per month) constructed throughout 2027
    - 2028: 53 homes (average 6 per month until reach full build out of 279 homes)
- New homes in Dwyer Farms directly impact two categories of charges for services – Sale of Water and New Installations.
    - Sale of Water (Dwyer): The 2026 rate study completed by Raftelis includes increased revenue from water sold based on projections for new homes anticipated to be constructed at Dwyer Farms.
    - New Installations (Dwyer): This category also includes an increase in revenue for one-time new installation fees charged for new homes connecting to the city's water system. These one-time fees cover the cost of purchasing/installing new meters. The revenue is based on 72 new installations in 2027 as referenced above.
- Water Rate Increase: The 2026 Rate Study Report recommends a small increase of $1.98 per month for the average customer for 2027. This increase is lower than projected rate increase in the previous rate study.
    - If there is consensus to adopt the recommendation in the 2026 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 2027 Budget remains the same as the 2025 and 2026 Budgets.

Investment Income

- The 2027 Budget remains the same as the 2026 Budget.

2027 Expenditures

Fleet Maintenance

- Decrease in insurance cost due to purchase of additional vehicles to support General Fund activities, lowering the allocation to the Water Fund.
- Decrease in fuel budget to be more in line with the trend from the last few years.

Information Technology

- Decrease in the cost of cell phones due to reduced plan prices from the carrier.
- Increase in the cost of cyber insurance due to the increase in premium at the April 1, 2026, renewal.
- Increase in cost for software maintenance contracts.

Production

- Includes significant increase in water purchase based on new homes constructed at Dwyer Farms (based on numbers previously noted). This increase is offset by estimated Charges for Services revenue. If build out is slower than expected or consumption less that projected, the City will purchase less water and collect less user charges for services.
- Reflects the final contract with Baldwin City which was approved on February 13, 2025.
- Includes an estimated increase in the transportation fee from Water 7. Staff are working with Water 7 on the contract renewal, and do not anticipate completing that process prior to our budget deadlines. The transportation fee from Water 7 has not increased since the contract was signed in 2006.
- **Staff are currently negotiating the renewal of the City's water supply contract with Miami RWD #2**. The City and RWD #2 have agreed to an interim water rate to be used while contract negotiations continue. Because we do not anticipate a finalized contract prior to the statutory deadlines for adoption of the 2027 Budget, staff have based the 2027 budget projections on this interim rate. Once a new contract is approved, staff will evaluate the impact of the final rate on the 2027 Budget. **Depending on the outcome, an amendment to the adopted budget may be necessary, along with a potential adjustment to water rates to account for the cost of the final contracted rate**.

Distribution

- The decrease in this department is due to allocating 50% of the cost of new meters to the Sewer Fund. These meters are used to measure water consumption for water billing and to determine volume for sewer billing, making it appropriate to share the cost between the two funds. The cost allocated includes an amount for meters at the new homes in Dwyer Farms as well as the amount in the meter replacement plan for 2027.
- Also included in the 2027 Budget is the cost to update the Lead & Copper Service Line Inventory.

Administrative-Water

- Increase in wages due to reallocation of the Public Works Director position. This position was previously allocated 50% to the General Fund and 50% to the Capital Projects

Fund. The new allocation is: 30% General Fund, 15% Water Fund, 35% Sewer Fund and 20% Capital Projects Fund. Staff evaluated the responsibilities of the Public Works Director position and determined that a significant portion of the workload is directly related to utility operations. Because the City owns and operates a sewer treatment plant and multiple lift stations, a greater share of the Director's time is dedicated to sewer operations resulting in a higher allocation to the Sewer Fund.

- Increase in the cost of some of the required lab tests.

Employee Benefits

- Increase in benefits tied to the Public Works Director as a result of the new allocation for this position.
- 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 in the last few years have been less than 6%.
- Includes a decrease in the KPERS employer rate. The rate will go from 10.59% to 10.44%.

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 Water Fund makes scheduled transfers to reserve funds to build the necessary savings for upcoming equipment purchases and long-term infrastructure needs. The transfers included in the 2027 Budget are itemized below.

Transfer To	Amount	Description	Change 2026-2027
Equipment Reserve Fund-Water	$30,000	Fund vehicles/equipment replacements used in the water utility operations per the 5-year Vehicle & Equipment Replacement Plan.	No change.
IT Equipment Reserve Fund-Water	$10,000	Fund IT equipment replacements used in the water utility operations per the 3-year IT Equipment Replacement Plan.	No change.
Infrastructure Fund-Water	$15,000	Fund major repairs/replacement of sewer system infrastructure components.	No change.

Ending Balance and Reserves

The projected balance at the end of 2027 meets the level required by Council policy.

Future Considerations

The financial plan presented in the 2026 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 continue to work on the inventory of the water system components to analyze and develop a replacement plan. Planned transfers to the Infrastructure Fund-Water 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.

The five-year Capital Improvement Plan includes a list of unfunded water projects. The five-year financial plan from the 2026 Rate Study only provides funding for the Water Master Plan in 2029 as approved by Council in the 2026-2030 CIP.

A final future consideration that might affect the financial plan is the renewal of the City's wholesale water contract with Miami County Rural Water District No. 2 and the City's transportation contract with Johnson County Water District No. 7. Negotiations are currently in progress.

City of Edgerton
Water Fund

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ 211,413	$ 242,199	$ 374,244	$ 346,284
Revenues:				
Charges for Services	533,440	785,369	93%	809,926
Fines & Forfeitures	8,000	8,000	100%	8,000
Reimbursements	-	-	-	-
Investment Income	2,500	8,500	100%	8,500
Total Revenue	$ 543,940	$ 801,869	93%	$ 826,426
Expenditures:				
Fleet Maintenance	8,763	8,277	95%	8,021
Information Technology	39,711	36,421	95%	37,215
Production	204,766	322,900	100%	311,120
Distribution	70,460	105,530	95%	88,905
Administrative - Water	178,269	201,119	95%	230,746
Employee Benefits	46,885	50,156	95%	57,738
Debt Service	14,956	14,959	100%	14,958
Total Expenditures	$ 563,810	$ 739,362	97%	$ 748,703
Revenues Over(Under) Expenditures	**$ (19,870)**	**$ 62,507**		**$ 77,723**
Other Financing Sources & Uses:				
Transfers from Other funds:				
Transfer from Capital Projects Fund	-	-	0%	-
Transfers to Other Funds:				
Transfer to Equipment Reserve Fund-Water	(25,000)	(30,000)	100%	(30,000)
Transfer to Infrastructure Fund-Water	(7,500)	(15,000)	100%	(15,000)
Transfer to IT Equipment Reserve-Water	(5,000)	(10,000)	0%	(10,000)
Transfer to Capital Projects Fund	-	-		-
Total Other Financing Sources & Uses	**$ (37,500)**	**$ (55,000)**	**100%**	**$ (55,000)**
Balance 12/31	**$ 154,043**	**$ 249,706**	**$ 346,284**	**$ 369,007**

Reserve Per Policy - 17% of Budgeted Expenditures:	$ 125,692	$ 127,280
Unencumbered Cash Over(Under) Requirement:	$ 220,592	$ 241,727
Reserve Per Policy - 25% of Budgeted Expenditures:	$ 184,841	$ 187,176
Unencumbered Cash Over(Under) Requirement:	$ 161,443	$ 181,831

EDGERTON
global routes. local roots.
404 East Nelson
Edgerton, KS 66021
P: 913.893.6231
EDGERTONKS.ORG

July 1, 2026

To: Mayor and City Council Members

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

Re: 2027 Recommended Sewer Fund Budget

Attached please find the 2027 Recommended Budget for the Sewer Fund. This fund contains the sewer 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). New for 2027, staff did additional research and discovered that the BLS also provides a more detailed CPI-U specific to Water and Sewerage Maintenance. Staff added a column to the chart below to include this measure.

In January 2026 BLS released the general CPI-U for the twelve months ending December 2025 which was 2.7%. The Water and Sewerage Maintenance CPI-U for this same time period was 4.6%. The table below shows the history of both the CPI-U and CPI-U Water/Sewer for the last five years.

December 31st	CPI-U	CPI-U Water/Sewer
2020	1.4%	3.3%
2021	7.0%	3.5%
2022	6.5%	4.5%
2023	3.4%	4.7%
2024	2.9%	5.6%
2025	2.7%	4.6%

When compared to the general CPI-U, the CPI-U for Water and Sewerage Maintenance illustrates that the inflation rate for providing water and sewer services is generally outpacing overall U.S. inflation, especially in recent years and historically over the long term. Contributing factors likely include aging infrastructure and surging operational costs specific to utilities (i.e. specialized labor, chemicals, equipment, etc.).

2026 Estimate

The 2026 estimated revenues and expenditures reflect staff's evaluation of the activity so far in 2026 compared to the budget approved for 2026. A line item with an estimate of more than 100% means that staff expect 2026 activity to exceed the budget. A line item with an estimate that is less than 100% means that staff anticipate the 2026 activity to be less than the budget.

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. Only one business remains on a holding tank, the same as in the 2026 Budget.

Charges for Services

- The revenues are from the 2026 Rate Study Report prepared by Raftelis, which is included in this packet for reference.
- The majority of increase in charges for services revenue is driven by new home construction in the Dwyer Farms subdivision. In preparation of the 2027 Budget, staff worked with Lennar on their projected build out of homes for both 2026 and 2027. Staff then verified that projection based on speed of construction seen to date. For all items directly impacted by new home construction from Dwyer Farms (across entire 2027 Budget), staff is using the following home construction estimates:
    - 2026: 154 homes constructed by end of 2026
    - 2027: 72 homes (average 6 per month) constructed throughout 2027
    - 2028: 53 homes (average 6 per month until full build out of 279 homes)
- New homes in Dwyer Farms directly impact two categories of charges for services – Charges for Sewer Treatment and New Installations.
    - Charges for Sewer Treatment (Dwyer): Raftelis included an increase in revenue from sewer treated based on projections for new homes anticipated to be constructed at Dwyer Farms.
    - New Installations (Dwyer): This category also includes an increase in revenue for one-time new installation fees charged for new homes connecting to the city's sewer system. These one-time fees cover the cost of purchasing and installing new water meters – which are used to collect water consumption data that is the basis for residential sewer charges. The revenue is based on 72 new installations in 2027 as referenced above.
- Sewer Rate Increase: The 2026 Rate Study Report recommends a small increase of $1.23 per month for the average customer for 2027. This increase is lower than projected rate increase in the previous rate study.
    - If there is consensus to adopt the recommendation in the 2026 Rate Study Report, staff would bring back the updated fee resolution for Council consideration at a meeting in September.

Fines & Forfeitures

- The 2027 Budget is unchanged from the 2026 Budget.

Investment Income

- The 2027 Budget remains the same as the 2026 Budget.

Expenditures

Fleet Maintenance

- Decrease in insurance cost due to purchase of additional vehicles to support General Fund activities, lowering the allocation to the Sewer Fund.
- Decrease in fuel budget to be more in line with the trend from the last few years.

Information Technology

- Decrease in the cost of cell phones due to reduced plan prices from the carrier.
- Increase in the cost of cyber insurance due to the increase in premium at the April 1, 2026 renewal.
- Increase in software maintenance contracts.

Treatment Plant

- Decrease in lab/testing fees for priority pollutant scan only conducted in even years.
- Decrease in maintenance contracts amount due to spreading cost of centrifuge maintenance contract to each year vs. the whole amount in the even years when the service is performed.

Sewer Line Maintenance

- Starting in 2027 the cost of new water meters will be allocated 50% to the Water Fund and 50% to the Sewer Fund. These meters are not only used to measure water consumption for water billing but to also determine the volume used for sewer billing, making it appropriate to share the cost between the two funds. The cost allocated includes an amount for meters at the new homes in Dwyer Farms as well as the amount in the meter replacement plan for 2027.

Lift Stations/Vaults

- Small increase in chemicals to align with the increase in costs over the last few years.

Administrative-Sewer

- Increase in wages due to reallocation of the Public Works Director position. This position was previously allocated 50% to the General Fund and 50% to the Capital Projects Fund. The new allocation is: 30% General Fund, 15% Water Fund, 35% Sewer Fund and 20% Capital Projects Fund. Staff evaluated the responsibilities of the Public Works Director position and determined that a significant portion of the workload is directly related to utility operations. Because the City owns and operates a sewer treatment plant and multiple lift stations, a greater share of the Director's time is dedicated to sewer operations resulting in a higher allocation to the Sewer Fund.

Employee Benefits

- 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 in the last few years have been less than 6%.
- Includes a decrease in the KPERS employer rate. The rate will go from 10.59% to 10.44%.

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

The Sewer Fund makes scheduled transfers to reserve funds to build the necessary savings for upcoming equipment purchases and long-term infrastructure needs. The Sewer Fund also transfers funding to the Capital Projects Fund per the approved CIP. The transfers included in the 2027 Budget are itemized below.

Transfer To	Amount	Description	Change 2026-2027
Equipment Reserve Fund - Sewer	$25,000	Fund vehicles/equipment replacements used in the sewer utility operations per the 5-year Vehicle & Equipment Replacement Plan	Increased from $15,000 to provide adequate funding for the current plan and in future years.
IT Equipment Reserve Fund - Sewer	$10,000	Fund IT equipment replacements used in the sewer utility operations per the 3-year IT Equipment Replacement Plan	No change.
Infrastructure Fund - Sewer	$20,000	Fund major repairs/replacement of sewer system infrastructure components.	No change.
Capital Projects Fund	$360,000	Funding for sewer system capital projects as approved in the CIP.	Increased from $50,000 to include funding for the first year of the H2S Manhole Lining project and the estimated local match associated with a potential grant opportunity.

Ending Balance and Reserves

The projected balance at the end of 2027 meets the level required by Council policy.

Future Considerations

The financial plan presented in the 2026 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 continues to work on the inventory of the sewer system components to analyze and develop a replacement plan. Planned transfers to the Infrastructure Fund-Sewer 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.

While the financial plan includes funding for a couple of capital projects – CDBG, the H2S Manhole Lining Project and a potential grant match – it does not include funding for any projects on the sewer unfunded project list included in the 2026-2030 CIP.

City of Edgerton
Sewer Fund

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ 750,791	$ 883,892	$ 1,181,486	$ 1,170,082
Revenues:				
Licenses & Permits	100	50	100%	50
Charges for Services	839,363	1,033,692	94%	1,046,329
Fines & Forfeitures	10,000	15,000	100%	15,000
Reimbursements	-	-	-	-
Bond Proceeds	-	-	-	-
Investment Income	3,500	25,000	100%	25,000
Total Revenue	$ 852,963	$ 1,073,742	94%	$ 1,086,379
Expenditures:				
Fleet Maintenance	9,978	8,929	95%	8,644
Information Technology	50,423	43,421	95%	43,715
Treatment Plant	207,980	227,296	95%	224,694
Sewer Line Maintenance	13,200	13,200	95%	35,675
Lift Stations/Vaults	38,950	34,764	95%	34,864
Administrative - Sewer	310,661	345,141	95%	408,397
Employee Benefits	95,368	102,988	95%	121,341
Debt Service	195,438	193,338	100%	196,238
Total Expenditures	$ 921,999	$ 969,077	96%	$ 1,073,568
Revenues Over(Under) Expenditures	**$ (69,036)**	**$ 104,665**		**$ 12,811**
Other Financing Sources & Uses:				
Transfers from Other funds:				
Transfer from LPKC Phase I Maintenance Fee	-	-	-	-
Transfer from Capital Projects Fund	-	-	-	-
Transfers to Other Funds:				
Transfer to Equipment Reserve Fund-Sewer	(15,000)	(15,000)	100%	(25,000)
Transfer to IT Equipment Reserve Fund-Sewer	(5,000)	(10,000)	100%	(10,000)
Transfer to Infrastructure Fund-Sewer	(20,000)	(20,000)	100%	(20,000)
Transfer to Capital Projects Fund	(50,000)	(50,000)	100%	(360,000)
Total Other Financing Sources & Uses	$ (90,000)	$ (95,000)	100%	$ (415,000)
Balance 12/31	**$ 591,755**	**$ 893,557**	**$ 1,170,082**	**$ 767,893**

Reserve Per Policy - 17% of Budgeted Expenditures:	$ 164,743	$ 182,507
Unencumbered Cash Over(Under) Requirement:	$ 1,005,339	$ 585,386
Reserve Per Policy - 25% of Budgeted Expenditures:	$ 242,269	$ 268,392
Unencumbered Cash Over(Under) Requirement:	$ 927,813	$ 499,501

Utility Rates FY 2027

2027 Proposed Average Monthly Water Charge

$51.05

an increase of

Water **$1.98**

2027 Proposed Average Monthly Sewer Charge

$41.31

an increase of

Sewer **$1.23**

2027 Proposed Trash and Recycling Charge

$11.00

an increase of

Trash **$0**

Average rates are based on 3,000 gallons per month usage

2027 Proposed Total Average Monthly Increase

$3.21

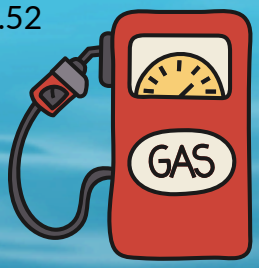
per month

This utility rate increase is less than a...

Box of cereal
$3.50

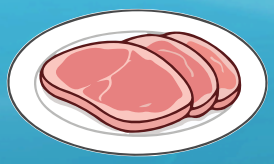
Iced Coffee
$5.47

One gallon of gas in KC Metro
$3.52



Bug spray
$4.00

One pound of pork chops
$4.87



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.

EDGERTON
global routes. local roots.
UTILITIES

RAFTELIS

CITY OF EDGERTON

Water and Sewer Rate Study

June 30, 2026

Contents

Executive Summary 1
Introduction 2
Water Utility 2
Revenue Forecast 2
Expense Forecast 4
Operating Expenses 4
Capital Expenses 5
Operating Fund Balance 6
Cash Flow Forecast 6
Proposed Water Rates 9
Sewer Utility 10
Revenue Forecast 10
Expense Forecast 11
Operating Expenses 11
Capital Expenses 12
Cash Flow Forecast 12
Proposed Sewer Rates 15
Customer Bill Impacts 15

Figures

Figure 1: Proposed Rate Increases 1
Figure 2: Water Demand Forecast 3
Figure 3: Water Revenue Forecast 4
Figure 4: Water Operating Expense Forecast 5
Figure 5: Water Transfers to Other Funds 5
Figure 6: Water Cash Flow Forecast 7
Figure 7: Water Financial Plan Graph 8
Figure 8: Water Operating Fund Balance 8
Figure 9: Proposed Water Rates 9
Figure 10: Sewer Demand Forecast 10
Figure 11: Sewer Revenue Forecast 11
Figure 12: Sewer Operating Expense Forecast 11
Figure 13: Sewer Transfers to Other Funds 12
Figure 14: Sewer Cash Flow Forecast 13
Figure 15: Sewer Financial Plan Graph 14
Figure 16: Sewer Operating Fund Balance 14
Figure 17: Proposed Sewer Rates 15
Figure 18: Customer Bill Impacts 15
Figure 19: Community Bill Comparison – 3,000 Gallons 16

Executive Summary

The City of Edgerton retained Raftelis in 2026 to update the City's utility financial plan. 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% and sewer rates by 3% in FY 2027.** The primary drivers of these increases are the need to meet debt service coverage requirements, the full implementation of a meter replacement program, and general cost inflation.

The forecast developed in this study assumes no changes to the costs the City incurs to purchase water from its providers beyond general cost inflation. However, the City is currently negotiating new water rates with Miami Co. RWD #2 that may result in a significant cost increase. The recommended rates do not reflect this potential change; the **City should be prepared to revisit the water rate forecast when negotiations conclude to determine if City water rates require any additional adjustments**.

Figure 1: Proposed Rate Increases

Description	2026	2027	2028	2029	2030	2031
Proposed Increases						
Water Rates		4.0%	4.0%	4.0%	4.0%	4.0%
Sewer Rates		3.0%	3.0%	5.0%	5.0%	5.0%
Customer Bill - 3,000 Gal.						
Water	$49.07	$51.05	$53.11	$55.26	$57.49	$59.81
Sewer	$40.08	$41.31	$42.58	$44.74	$46.98	$49.34
Combined	$89.15	$92.36	$95.69	$100.00	$104.47	$109.15
$ Change		*$3.21*	*$3.33*	*$4.31*	*$4.47*	*$4.68*

Introduction

The City of Edgerton retained Raftelis in 2026 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 2027 through FY 2031. 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.

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. Before 2025, the City 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 Dwyer Farms residential development has provided substantial growth to the City's customer base and helped to offset the need for rate increases for existing customers. Approximately 80 homes were built in 2025 and the City expects an additional 72 homes in 2026, 72 homes in 2027, and 53 homes in 2028. Each of these homes is expected to use 4,000 gallons of water per month. Figure 2 presents a forecast of water use through the study period.

Figure 2: Water Demand Forecast

Description	2025	2026	2027	2028	2029	2030	2031
Baseline							
Bills Issued	8,801	8,801	8,801	8,801	8,801	8,801	8,801
Water Use (1,000 Gal.)	32,356	32,356	32,356	32,356	32,356	32,356	32,356
Additional Dwyer Farms							
Bills Issued		468	1,332	2,156	2,156	2,156	2,156
Water Use (1,000 Gal.)		1,872	5,328	8,624	8,624	8,624	8,624
Total							
Bills Issued	8,801	9,269	10,133	10,957	10,957	10,957	10,957
Water Use (1,000 Gal.)	32,356	34,228	37,684	40,980	40,980	40,980	40,980

Figure 3 shows a forecast of rate revenue at current FY 2026 rates using the demand forecast presented above. Miscellaneous revenue includes charges associated with new installations, which is linked to the forecast of Dwyer farms development and is expected to decrease as construction is completed. Expenses will be compared to this revenue to determine the level of rate increases required.

Figure 3: Water Revenue Forecast

Description	2025	2026	2027	2028	2029	2030	2031
Fixed Charge		$255,917	$278,493	$300,024	$300,024	$300,024	$300,024
Volume Charge		$342,736	$373,028	$401,917	$401,917	$401,917	$401,917
Subtotal	$552,676	$598,653	$651,521	$701,941	$701,941	$701,941	$701,941
Misc. Revenue	$155,401	$147,671	$148,846	$126,385	$62,298	$61,852	$59,358
Total	**$708,078**	**$746,324**	**$800,366**	**$828,326**	**$764,240**	**$763,793**	**$761,299**

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 proposed FY 2027 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. Additionally, a 95% spend factor is applied to the total for FY 2026 and beyond to recognize that the City typically does not spend the full budgeted amount.

The cost to purchase water was also adjusted to account for additional sales at Dwyer Farms and inflationary increases to charges from Miami Co. RWD #2, Water District #7, Baldwin City, and the Hillsdale Area Water Cooperative. However, the **water purchase forecast does not include any adjustment to recognize potential changes resulting from the City's ongoing negotiations with Miami Co. RWD #2 regarding a new rate structure**. These changes could result in significant cost increases that may require the City to reevaluate the water rate increases proposed in this report.

Figure 4: Water Operating Expense Forecast

Description	2025	2026	2027	2028	2029	2030	2031
Department							
Information Technology	$32,209	$36,421	$37,215	$39,076	$41,030	$43,081	$45,235
Employee Benefits	$43,096	$50,156	$57,738	$60,624	$63,656	$66,838	$70,180
Production	$205,453	$322,900	$311,120	$343,276	$358,440	$375,612	$393,792
Distribution	$64,915	$105,530	$88,905	$93,293	$90,789	$94,883	$101,326
Administrative	$177,659	$201,119	$230,746	$242,296	$254,411	$267,131	$280,488
Fleet Maintenance	$5,923	$8,277	$8,021	$8,422	$8,843	$9,285	$9,750
Total	**$529,255**	**$724,403**	**$733,745**	**$786,987**	**$817,168**	**$856,831**	**$900,771**
Adjusted Total	$529,255	$704,328	$712,614	$764,801	$794,232	$832,770	$875,422

Capital Expenses

Capital expenses for the City's water utility include debt service payments for the 2016 PWSLF loan of approximately $15,000 per year and transfers to the Infrastructure Fund, Equipment Fund, IT Equipment Fund, and Capital Fund. The forecast includes a $90,000 transfer to the Capital Fund in 2030 to partially fund the development of a water master plan. Alternatively, the City may fully fund this project using revenues from the System Development Fund or any available outside grant funding. Figure 5 summarizes transfers from the Operating Fund.

Figure 5: Water Transfers to Other Funds

Description	2025	2026	2027	2028	2029	2030	2031
Fund							
Infrastructure Fund	$7,500	$15,000	$15,000	$20,000	$25,000	$30,000	$30,000
Equipment Fund	$25,000	$30,000	$30,000	$30,000	$30,000	$30,000	$50,000
IT Equipment Fund	$5,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Capital Fund	$3,800	$0	$0	$0	$0	$90,000	$0
Total	**$41,300**	**$55,000**	**$55,000**	**$60,000**	**$65,000**	**$160,000**	**$90,000**

Operating Fund Balance

In addition to the capital-related funds described above, the City maintains the Operating Fund balance 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 6 summarizes the water utility financial plan with the proposed rate increases. In order to ensure that the City is able to maintain debt service coverage of at least 1.1 times annual debt service and maintain fund balance targets in the future, we recommend a rate increase of 4% in FY 2027.

Figure 6: Water Cash Flow Forecast

Description	2025	2026	2027	2028	2029	2030	2031
Proposed Rate Increase			4.0%	4.0%	4.0%	4.0%	4.0%
Revenue	$708,078	$746,324	$826,427	$885,604	$851,887	$883,024	$913,377
Expenses							
Operating Expenses	$529,255	$704,328	$712,614	$764,801	$794,232	$832,770	$875,422
Debt Service	$14,955	$14,959	$14,958	$14,959	$14,960	$14,961	$14,962
Transfers	$41,300	$55,000	$55,000	$60,000	$65,000	$160,000	$90,000
Subtotal	$585,510	$774,287	$782,572	$839,760	$874,192	$1,007,731	$980,384
Surplus / (Deficit)	$122,567	-$27,963	$43,855	$45,844	-$22,305	-$124,707	-$67,008
Debt Service Coverage	11.96	2.81	7.61	8.08	3.85	3.36	2.54
Fund Balances							
Operating (25% Budget)	$146,378	$193,572	$195,643	$209,940	$218,548	$251,933	$245,096
Operating (Unencumbered)	$266,661	$191,503	$233,287	$264,834	$233,921	$75,830	$15,659
System Development	$404,727	$404,727	$404,727	$404,727	$404,727	$194,727	$194,727
Equipment	$42,869	$58,036	$60,536	$2,046	$5,380	$35,380	$85,380
IT Equipment	$1,529	$1,274	-$1,226	$5,324	$10,124	$20,124	$30,124
Total	$862,163	$849,111	$892,967	$886,871	$872,700	$577,993	$570,985

Figure 7 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 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 7: Water Financial Plan Graph

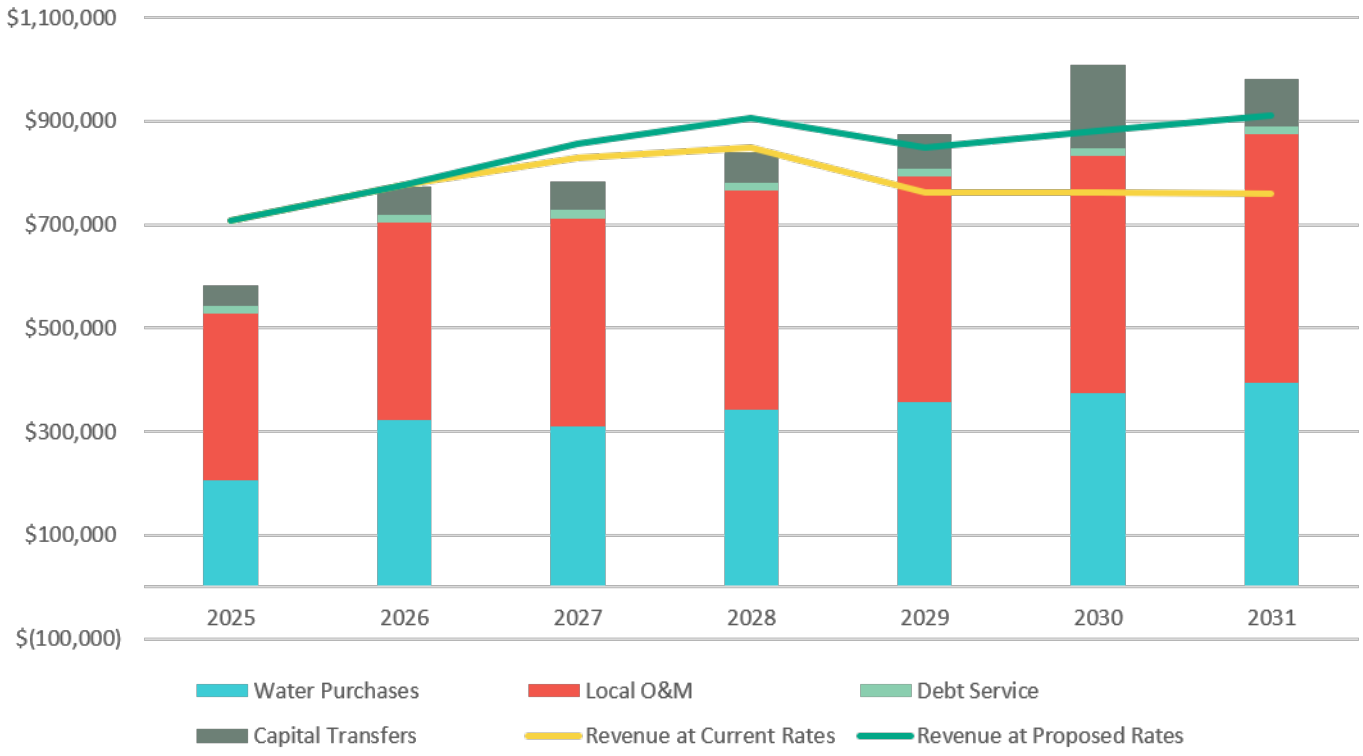
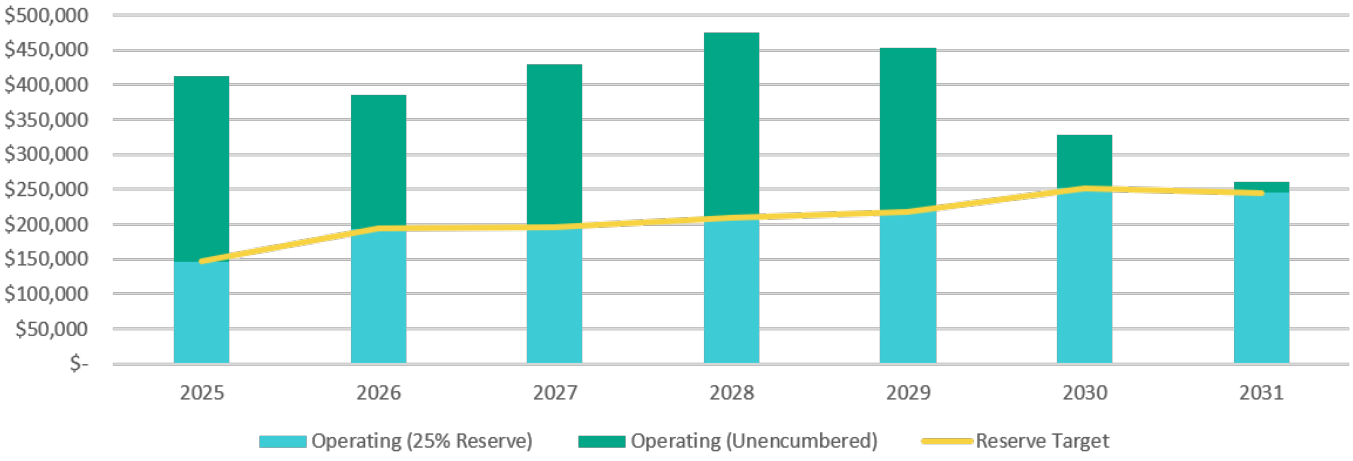


Figure 8 displays a forecast of the operating fund balance. The green bar represents the portion of the balance that is set aside to meet the 25% reserve target. The yellow bar shows the additional, unencumbered balance available for the utility to use as needed in the future. The proposed rates ensure that the utility is able to continue to maintain adequate reserves.

Figure 8: Water Operating Fund Balance



Proposed Water Rates

Figure 9 presents a forecast of the proposed inside city water rates.

Figure 9: Proposed Water Rates

Description	2025	2026	2027	2028	2029	2030	2031
Fixed Charge							
5/8"	$25.00	$26.13	$27.18	$28.27	$29.41	$30.59	$31.82
3/4"	$26.55	$27.75	$28.86	$30.02	$31.23	$32.48	$33.78
1"	$29.70	$31.04	$32.29	$33.59	$34.94	$36.34	$37.80
1 1/2"	$37.54	$39.23	$40.80	$42.44	$44.14	$45.91	$47.75
2"	$46.97	$49.09	$51.06	$53.11	$55.24	$57.45	$59.75
3"	$68.97	$72.08	$74.97	$77.97	$81.09	$84.34	$87.72
4"	$100.37	$104.89	$109.09	$113.46	$118.00	$122.72	$127.63
6"	$178.88	$186.93	$194.41	$202.19	$210.28	$218.70	$227.45
8"	$273.11	$285.40	$296.82	$308.70	$321.05	$333.90	$347.26
Volume Rate							
Below 2,000	$5.17	$5.41	$5.63	$5.86	$6.10	$6.35	$6.61
2,001 – 10,000	$11.59	$12.12	$12.61	$13.12	$13.65	$14.20	$14.77
Above 10,000	$15.97	$16.69	$17.36	$18.06	$18.79	$19.55	$20.34

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. Figure 10 presents the forecast of sewer demand.

Figure 10: Sewer Demand Forecast

Description	2025	2026	2027	2028	2029	2030	2031
Baseline							
Bills Issued	7,963	7,963	7,963	7,963	7,963	7,963	7,963
Sewer Use (1,000 Gal.)	86,660	79,537	79,537	79,537	79,537	79,537	79,537
Additional Dwyer Farms							
Bills Issued		468	1,332	2,156	2,156	2,156	2,156
Sewer Use (1,000 Gal.)		1,872	5,328	8,624	8,624	8,624	8,624
Total							
Bills Issued	7,963	8,431	9,295	10,119	10,119	10,119	10,119
Sewer Use (1,000 Gal.)	86,660	81,409	84,865	88,161	88,161	88,161	88,161

Figure 11 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 11: Sewer Revenue Forecast

Description	2025	2026	2027	2028	2029	2030	2031
Fixed Charge		$75,626	$83,376	$90,767	$90,767	$90,767	$90,767
Volume Charge		$844,211	$880,050	$914,230	$914,230	$914,230	$914,230
Subtotal	$917,026	$919,837	$963,426	$1,004,997	$1,004,997	$1,004,997	$1,004,997
Misc. Revenue	$145,326	$94,050	$94,050	$71,380	$30,255	$28,386	$26,589
Total	**$1,062,353**	**$1,013,887**	**$1,057,476**	**$1,076,377**	**$1,035,252**	**$1,033,383**	**$1,031,586**

Expense Forecast

Operating Expenses

The forecast of sewer operating expenses is conducted in a similar manner as the forecast of water expenses. The total budgeted O&M is then reduced using a 95% spend factor. Figure 12 presents the forecast.

Figure 12: Sewer Operating Expense Forecast

Description	2025	2026	2027	2028	2029	2030	2031
Department							
Information Technology	$38,516	$43,421	$43,715	$45,901	$48,196	$50,606	$53,136
Employee Benefits	$79,289	$102,988	$121,341	$127,408	$133,779	$140,468	$147,491
Treatment Plant	$188,775	$227,296	$224,694	$238,029	$252,198	$267,257	$283,266
Sewer Line Maintenance	$9,789	$13,200	$35,675	$37,140	$31,547	$32,374	$35,363
Lift Stations and Vaults	$24,881	$34,764	$34,864	$37,062	$39,406	$41,907	$44,575
Administrative	$250,283	$345,141	$408,397	$428,816	$450,257	$472,770	$496,409
Fleet Maintenance	$6,586	$8,929	$8,644	$9,076	$9,530	$10,007	$10,507
Total	**$598,118**	**$775,739**	**$877,330**	**$923,433**	**$964,913**	**$1,015,389**	**$1,070,746**
Adjusted Total	$598,118	$736,952	$833,464	$877,261	$916,668	$964,619	$1,017,209

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 Capital Fund, Infrastructure Fund, Equipment Fund, and IT Equipment Fund. In 2027, the City plans to make a one-time transfer of $280,000 to the Capital Fund in addition to the previously planned $80,000 in order to provide matching funding for a grant opportunity. Figure 13 summarizes transfers from the Operating Fund.

Figure 13: Sewer Transfers to Other Funds

Description	2025	2026	2027	2028	2029	2030	2031
Fund							
Capital Fund	$53,800	$50,000	$360,000	$80,000	$80,000	$80,000	$50,000
Infrastructure Fund	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000
Equipment Fund	$15,000	$15,000	$25,000	$25,000	$25,000	$25,000	$25,000
IT Equipment Fund	$5,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Total	**$93,800**	**$95,000**	**$415,000**	**$135,000**	**$135,000**	**$135,000**	**$105,000**

Cash Flow Forecast

Figure 14 summarizes the sewer utility financial plan including the impact of increasing rates. The proposed plan utilizes existing fund balance over the next several years to offset the need for higher rate increases. In order to ensure that the fund balance remains positive in future years, we recommend a rate increase of 3.0% in FY 2027.

Figure 14: Sewer Cash Flow Forecast

Description	2025	2026	2027	2028	2029	2030	2031
Proposed Rate Increase			3.0%	3.0%	5.0%	5.0%	5.0%
Revenue	$1,062,353	$1,013,887	$1,086,379	$1,137,581	$1,149,767	$1,203,873	$1,260,851
Expenses							
Operating Expenses	$598,118	$736,952	$833,464	$877,261	$916,668	$964,619	$1,017,209
Debt Service	$195,438	$193,338	$196,238	$194,038	$191,563	$194,088	$191,500
Transfers	$93,800	$95,000	$415,000	$135,000	$135,000	$135,000	$105,000
Subtotal	$887,356	$1,025,290	$1,444,701	$1,206,298	$1,243,230	$1,293,707	$1,313,709
Surplus / (Deficit)	$174,997	-$11,402	-$358,322	-$68,718	-$93,463	-$89,834	-$52,858
Debt Service Coverage	1.53	1.17	1.11	1.13	1.08	1.09	1.10
Fund Balances							
Operating (25% Budget)	$221,839	$256,322	$361,175	$301,575	$310,808	$323,427	$328,427
Operating (Unencumbered)	$976,867	$930,981	$467,806	$458,689	$355,992	$253,539	$195,681
System Development	$1,352,485	$1,352,485	$1,352,485	$1,352,485	$1,352,485	$1,352,485	$1,352,485
Equipment	$89,498	$89,665	$87,165	$23,675	$22,009	$47,009	$72,009
IT Equipment	$1,529	$1,274	-$1,226	$5,324	$10,124	$20,124	$30,124
Total	$2,642,218	$2,630,727	$2,267,405	$2,141,748	$2,051,418	$1,996,584	$1,978,726

Figures 15 and 16 present the same information in graphical format.

Figure 15: Sewer Financial Plan Graph

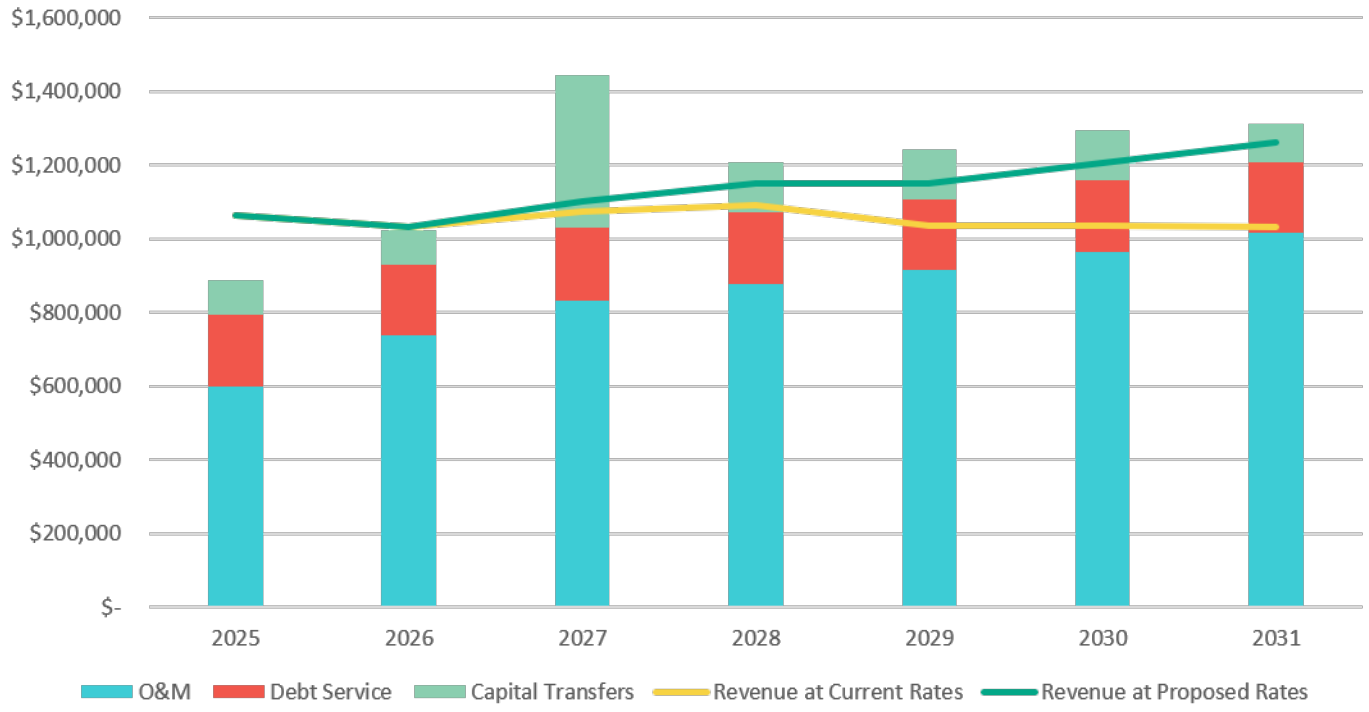
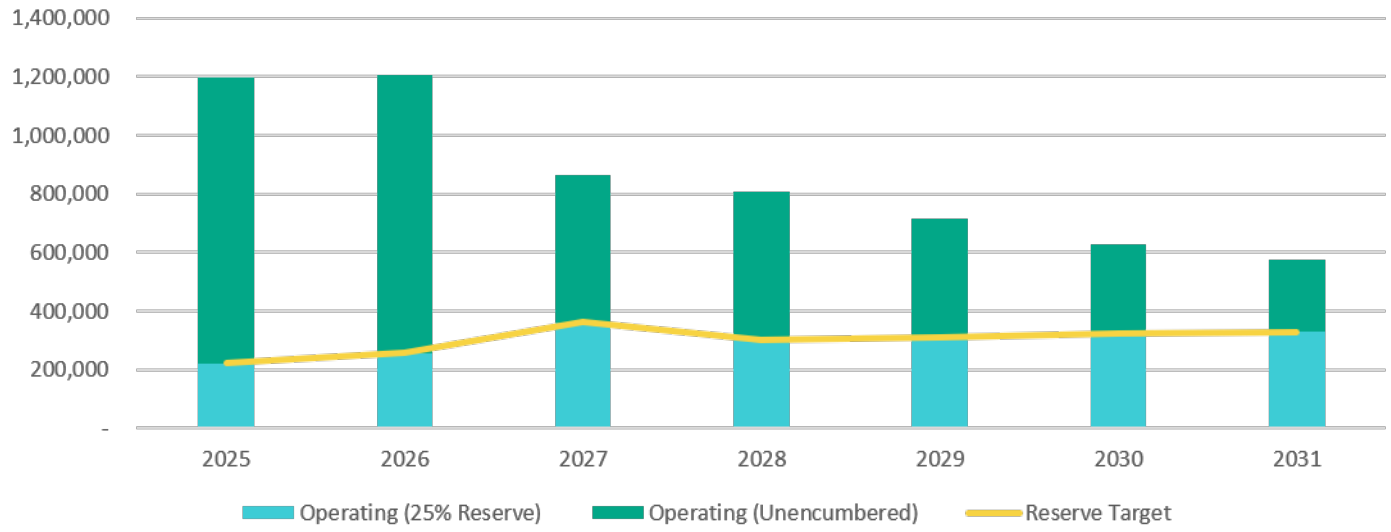


Figure 16: Sewer Operating Fund Balance



Proposed Sewer Rates

Figure 17 presents a forecast of the proposed sewer rates.

Figure 17: Proposed Sewer Rates

Description	2025	2026	2027	2028	2029	2030	2031
Fixed Charge	$8.62	$8.97	$9.24	$9.52	$10.00	$10.50	$11.03
Volume Charge	$9.97	$10.37	$10.69	$11.02	$11.58	$12.16	$12.77

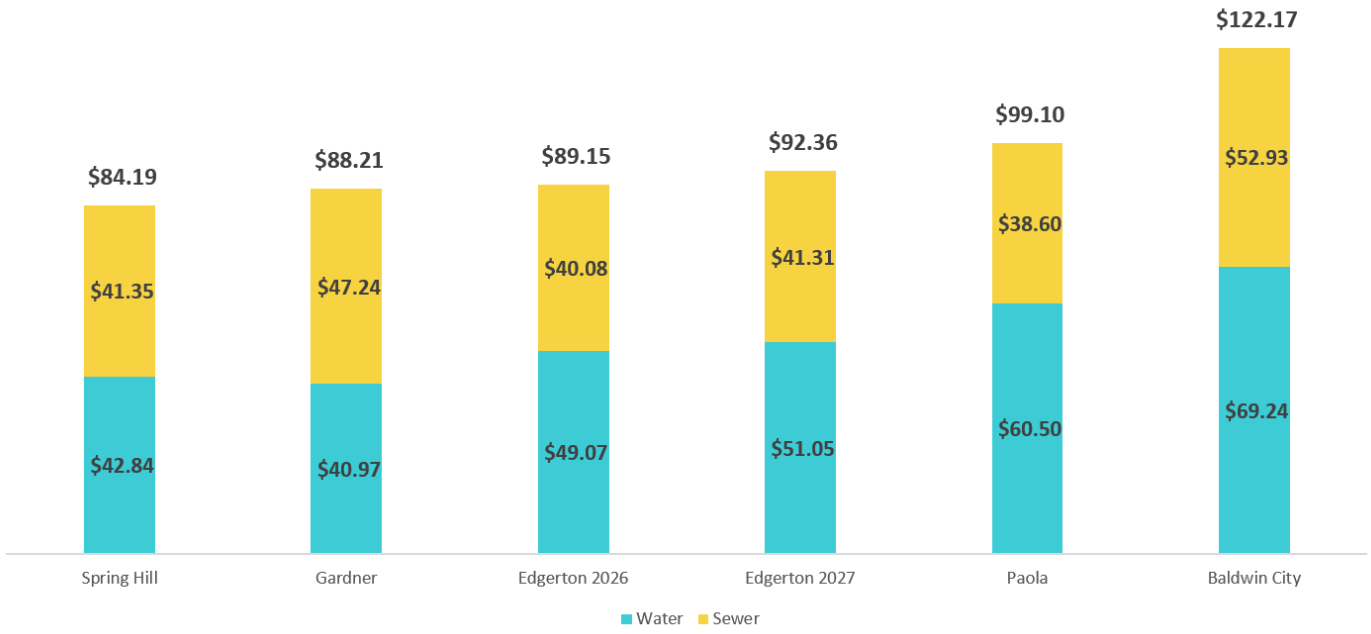
Customer Bill Impacts

Figure 18 presents a typical residential water, sewer, and combined bill for varying levels of water use. Figure 19 compares 2026 and proposed 2027 typical water and sewer bills in the City of Edgerton to bills in neighboring communities in 2026.

Figure 18: Customer Bill Impacts

Description	Use	2025	2026	2027	2028	2029	2030	2031
Water Bill								
Small	3	$46.93	$49.07	$51.05	$53.11	$55.26	$57.49	$59.81
Medium	8	$104.88	$109.67	$114.10	$118.71	$123.51	$128.49	$133.66
Large	15	$207.91	$217.36	$226.12	$235.25	$244.76	$254.64	$264.90
Sewer Bill								
Small	3	$38.53	$40.08	$41.31	$42.58	$44.74	$46.98	$49.34
Medium	8	$88.38	$91.93	$94.76	$97.68	$102.64	$107.78	$113.19
Large	15	$158.17	$164.52	$169.59	$174.82	$183.70	$192.90	$202.58
Combined Bill								
Small	3	$85.46	$89.15	$92.36	$95.69	$100.00	$104.47	$109.15
Medium	8	$193.26	$201.60	$208.86	$216.39	$226.15	$236.27	$246.85
Large	15	$366.08	$381.88	$395.71	$410.07	$428.46	$447.54	$467.48

Figure 19: Community Bill Comparison – 3,000 Gallons



Note: Other city rates based on 2026. Increases for 2027 unknow as of publication.

City of Edgerton
2027 Budget Work Session
July 9, 2026

Other Funds Budget

EDGERTON
global routes. local roots.
404 East Nelson
Edgerton, KS 66021
P: 913.893.6231
EDGERTONKS.ORG

July 1, 2026

To: Mayor and City Council Members

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

Re: Other Funds 2027 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 2027 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 a small decrease in 2026 estimated revenue and they show that same amount for the 2027 estimated revenue. The City's portion of the state gasoline tax revenue has stayed about the same over the last few years ranging from $46,000 to $47,000. The 2026 Estimate has been reduced from $47,000 to $46,000 and the 2027 Recommended is listed at $46,000 based on the estimates received from the League.

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 & 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 2026 to estimate the revenue to be received in 2027. This review resulted in reducing the revenue estimate for 2026 from $8,500 to $7,500 and setting the recommended amount for 2027 at $7,500.

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 has not designated funds from this source for any other programs or capital projects since 2023, so the balance has begun to accumulate again. The 2027 Recommended Budget includes a transfer to the Capital Projects fund should the Council decide later to utilize the balance in this fund.

Stormwater & Streets Special Sales Tax Fund

This fund tracks activity related to the special sales tax for stormwater and street projects approved by voters in March 2026. The start date for collection of the sales tax is October 1, 2026. The City will receive its first distribution in December 2026.

Revenues
Revenues come from the special 1% sales tax and related use tax approved by voters in March 2026. The amount is the same as the City's general 1% sales tax and related use tax in the General Fund.

Expenditures
Expenditures in this fund consist of transfers to the Capital Projects Fund to fund stormwater and streets projects approved by Council in the CIP.

Bond & Interest Fund

The Bond & Interest Fund contains the transactions related to some of the debt obligations of the City. Prior to 2026, this fund contained only the transactions related to the Series 2020A GO Bonds, which refunded the 2012A GO Bonds related to the Sunflower Benefit District. Beginning in 2026, the debt service for the Series 2023A GO Bonds is also included in this fund.

The Series 2023A GO Bonds were issued for the construction of The Greenspace. The debt service for these bonds will be paid first with any unspent proceeds remaining when the project is closed. Once the unspent proceeds are depleted, payments will be covered with the LPKC Phase 1 Maintenance & Admin Fee through 2027. Then, beginning in 2028, the debt service payments will be covered by transfer of property tax from the General Fund. Unspent proceeds covered 100% of the payments in 2025 and staff estimate that they will also cover 90% of the payments due in 2026.

The chart below shows the debt service and funding sources for the 2023A bonds through 2028. The bonds are scheduled to be paid off on August 1, 2045.

Year	Debt Service	Funding Source
2025	$452,213	100% Unspent Proceeds
2026	$622,213	90% Unspent Proceeds 10% Maintenance & Admin Fee
2027	$622,013	100% Maintenance & Admin Fee
2028	$626,213	100% Property Tax

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 2027. Collection history for the special assessments is shown in the table below. There are still two property tax distributions left in 2026.

Year	Collection %
2021	62%
2022	130%
2023	95%
2024	105%
2025	99%
2026	95%

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. In the final years of the debt schedule, the payments will be paid with the funds on hand in the Series 2020A Bond Reserve Fund. After redemption of outstanding bonds with the buy-in payment in 2025, the bonds are scheduled to be paid off one year earlier on August 1, 2029.

Expenditures

The expenditures in the Recommended Budget reflect the debt service due for both the Series 2020A and Series 2023A bonds. Bond payments have been made according to the debt schedules. The Series 2020A bonds are scheduled to be paid off in 2029 and the 2023A bonds are scheduled to be paid off in 2045.

Other Sources & Uses

Transfers to/from other funds are listed in this section of the fund schedule. The transfer from LPKC Phase 1 PIF/Unspent Proceeds contains the estimated amount of unspent proceeds available for 2026 and 2027 debt payments on the 2023A bonds plus any LPKC Phase 1 Maintenance & Admin Fee needed for the remainder of the 2023A debt service.

TIF – Edgerton Office

On August 22, 2019, the Governing Body approved Ordinance No. 2020 which established the Edgerton Office TIF covering Project Area A and Project Area B. Both project areas will contain a multi-story office building. To date, redevelopment project plans have not been adopted for either of the two project areas. At this time, all activity related to the Edgerton Office TIF District is accounted for in the TIF-Edgerton Office Fund.

Revenues
The majority of the revenues in this fund come from the incremental ad valorem property tax for properties included in the Project Areas. Other revenues can include reimbursements for legal fees and financial advisor services.

Expenditures
Expenditures can include payment for legal and financial services, city administrative fee and eligible expenditures per future Disposition and Development Agreements (DDA) adopted via resolution of the Governing Body.

At this time, the City does not expect to have eligible expenditures in 2027. Funds will accumulate until a project plan is adopted by the Governing Body; however, transfers to capital projects are listed so there is budget authority should a project plan be adopted after budget approval.

TIF – Homestead Lane Retail District

On August 22, 2019, the Governing Body approved Ordinance No. 2021 which established the Homestead Lane Retail District TIF covering two project areas, Project Area A and Project Area B. Activity related to the two project areas is accounted for as follows:

- Project Area A is accounted for in the TIF-Homestead Ln Redev Dist A Fund.
- Project Area B is accounted for in the TIF-Homestead Ln Redev Dist B Fund.

Once a project plan is approved by the Governing Body, a new fund is established to account for the activity related to that specific project plan.

The Governing Body has approved two project plans for the Homestead Lane Retail TIF District:

- On July 9, 2020, the Governing Body approved Ordinance No. 2041 adopting a redevelopment project plan for Project Plan A1, commonly known as the On-the-Go Travel Plaza. The activity related to this project plan is accounted for in the TIF-Proj Plan A1 Homestead Ln Fund.
- On November 18, 2021, the Governing Body approved Ordinance No. 2099 adopting a redevelopment project plan for Project Plan B1, commonly known as Edgerton Crossing. The activity related to this project plan is accounted for in the TIF-Proj Plan B1 Homestead Ln Fund.

Revenues
The majority of the revenues in the funds related to the Homestead Lane Retail TIF District come from the incremental ad valorem property tax for properties included in the Project Areas. Other revenues can include reimbursements for legal fees and financial advisor services.

Expenditures
Expenditures can include payment for legal fees and financial services as well as the City administrative fee and eligible expenditures per the DDAs adopted by the Governing Body. Current DDAs are:

- My Store III, Inc., adopted by Resolution No. 07-09-20A
- Woodstone Properties, LLC, adopted by Resolution No. 11-18-2021A

Expenditures for 2027 were calculated based on the current DDAs.

Dwyer Farms RHID

The Governing Body approved Ordinance No. 2137 on May 25, 2023, which established the Dwyer Farms Rural Housing Incentive District (RHID).

Revenues
The majority of the revenues in this fund come from the incremental ad valorem property tax for properties included in the district. Other revenues can include reimbursements for legal fees and financial advisor services.

The base year for the assessed value of the district is 2023 (for the 2024 Budget), so the first year of increment is 2024 (for the 2025 Budget). The assessed value of the district decreased in 2024 resulting in an incremental assessed value of zero and zero incremental revenues for the 2025 Budget. Assessed values are measured every January 1st. On January 1, 2025, the assessed value in the district increased beyond the base value, resulting in an increment for the 2026 Budget. The value in the district has continued to increase with the addition of more homes in 2025. As a result, on January 1, 2026, the increment grew substantially.

Expenditures
Expenditures include eligible infrastructure expenditures per the development agreement with Kansas LD, LLC approved by Council on January 26, 2023, legal fees, financial advisor fees and any other costs allowed by state law. Per the development agreement, the City is to construct several public infrastructure items using the RHID revenue as the funding source for those projects.

Expenditures for 2027 include debt service payments on the KDHE State Revolving Loan Fund loan (payments begin on March 1, 2027) and reimbursement to the City for expenditures related to the projects included in the development agreement.

The table below contains general information about the projects to be funded with the Dwyer RHID revenues.

Project	CIP Budget Approved	Status	Details
Dwyer Farms Sewer Main Extension	$5,000,000	Site 1: Complete Sites 2 & 3: Design	Initial funding is a loan from the KDHE revolving loan fund. Debt service on the loan will be paid from the Dwyer RHID revenues.
Dwyer Farms Water Connections Phase I	$291,500	Complete	The City will be reimbursed from the RHID revenues.
Dwyer Waterline Improvements	$620,300	Design	This project will be under design in 2026-2027 with construction estimated to be completed in 2028.
Dwyer Farms Water Connections Phase II	$121,500	Design	This project is estimated to be completed by the end of 2026.
W 8th St: W Braun – South City Limits	$3,500,000	Concept	This project will be under design in 2026-2027 with construction estimated to be completed in 2028.
Braun St: West City Limits – W 8th Street	n/a	Concept	The timing for this project is at the discretion of the City. No specific time frame has been determined.

City of Edgerton
Special Highway Fund

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ -	$ -	$ -	$ -
Revenues:				
Gasoline Tax	48,310	47,000	98%	46,000
Total Revenue	$ 48,310	$ 47,000	98%	$ 46,000
Expenditures:				
Public Works	-	-	-	-
Total Expenditures	$ -	$ -	$ -	$ -
Revenues Over(Under) Expenditures	**$ 48,310**	**$ 47,000**		**$ 46,000**
Other Financing Sources & Uses:				
Transfers to Other Funds:				
Transfer to Capital Projects Fund	48,310	47,000	98%	46,000
Total Other Financing Sources & Uses	$ (48,310)	$ (47,000)		$ (46,000)
Balance 12/31	**$ -**	**$ -**	**$ -**	**$ -**

Expenditure Detail:

Annual Street Preservation Program	$ 48,310	$ 47,000	98%	$ 46,000
	$ 48,310	$ 47,000	98%	$ 46,000

City of Edgerton
Special Parks & Recreation Fund

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ 20,963	$ 28,828	$ 31,734	$ 39,470
Revenues:				
Local Alcoholic Liquor Tax	8,500	8,500	88%	7,500
Investment Income	-	-	0%	-
Total Revenue	$ 8,500	$ 8,500	91%	$ 7,500
Expenditures:				
Parks	-	-	-	-
Total Expenditures	$ -	$ -	$ -	$ -
Revenues Over(Under) Expenditures	**$ 8,500**	**$ 8,500**		**$ 7,500**
Other Financing Sources & Uses:				
Transfers to Other Funds:				
Transfer to Capital Projects Fund	29,463	37,328	0%	46,970
Transfers to From Other Funds:				
Transfer from Capital Projects Fund				
Total Other Financing Sources & Uses	$ (29,463)	$ (37,328)		$ (46,970)
Balance 12/31	**$ -**	**$ -**	**$ 39,470**	**$ -**

Expenditure Detail:

Transfer to CIP	$ 46,970
	$ 46,970

City of Edgerton
Stormwater & Streets Special Sales Tax Fund

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ -	$ -	$ -	$ 70,000
Revenues:				
Streets & Stormwater Special Sales Tax	-	-	0%	707,000
Streets & Stormwater Special Use Tax	-	-	0%	385,000
Total Revenue	$ -	$ -		$ 1,092,000
Expenditures:				
Public Works	-	-	-	-
Total Expenditures	$ -	$ -	$ -	$ -
Revenues Over(Under) Expenditures	**$ -**	**$ -**		**$ 1,092,000**
Other Financing Sources & Uses:				
Transfers to Other Funds:				
Transfer to Capital Projects Fund	-	-	0%	1,162,000
Total Other Financing Sources & Uses	$ -	$ -		$ (1,162,000)
Balance 12/31	**$ -**	**$ -**	**$ 70,000**	**$ -**

Expenditure Detail:

Projects per the CIP	$ -	$ -	0%	$ 1,162,000
	$ -	$ -		$ 1,162,000

City of Edgerton
Bond & Interest Fund

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ 325,346	$ 264,537	$ 261,056	$ 158,026
Revenues:				
Special Assessments	600,873	194,874	100%	194,874
Investment Income	1,698	-	0%	-
Total Revenue	$ 602,571	$ 194,874	100%	$ 194,874
Expenditures:				
Debt Service	663,380	920,117	100%	920,298
Total Expenditures	$ 663,380	$ 920,117	100%	$ 920,298
Revenues Over(Under) Expenditures	**$ (60,809)**	**$ (725,243)**		**$ (725,424)**
Other Financing Sources & Uses:				
Transfers from Other funds:				
Transfer from LPKC Ph 1 PIF/Unspent Proceeds	-	622,213	-	622,014
Transfer from General Fund	-	-	-	-
Tramsfer from Bond Reserve Fund	-	-	-	-
Transfers to Other Funds:	-	-	-	-
Total Other Financing Sources & Uses	$ -	$ 622,213	$ -	$ 622,014
Balance 12/31	**$ 264,537**	**$ 161,507**	**$ 158,026**	**$ 54,616**

Bond Principal Outstanding at 12/31			
Series 2020A (Sunflower Benefit District)	$ 1,085,000	$ 805,000	$ 520,000
Series 2023A (The Greenspace)	$ 9,840,000	$ 9,670,000	$ 9,490,000

Funding Sources: Special assessments, LPKC Phase 1 Maintenance Fee and property tax

Expenditures: Debt service payments on the City's Series 2020A and 2023A outstanding GO bonds

Notes: The 2020A bonds pay off in 2029 and the 2023A bonds pay off in 2053.

City of Edgerton
TIF - Edgerton Office

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ 90	$ 120	$ 124	$ 152
Revenues:				
TIF Revenue	29	28	100%	178
Charges for Services	-	-	-	-
Reimbursements	-	-	-	-
Interest	-	-	-	-
Total Revenue	$ 29	$ 28	100%	$ 178
Expenditures:				
Administration	-			-
TIF Office Redevelopment	119	148	0%	330
Total Expenditures	$ 119	$ 148	0%	$ 330
Revenues Over(Under) Expenditures	**$ (90)**	**$ (120)**		**$ (152)**
Other Financing Sources & Uses:				
Transfers from Other Funds:				
Transfer from General Fund	-	-	-	-
Transfers to Other Funds:				
None				
Total Other Financing Sources & Uses	$ -	$ -		$ -
Balance 12/31	**$ -**	**$ -**	**$ 152**	**$ -**

City of Edgerton
TIF - Homestead Ln - Redevelopment District A

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ 107,477	$ 136,650	$ 134,592	$ 157,238
Revenues:				
TIF Revenue	25,276	18,563	99%	19,121
Charges for Services	-	-	-	-
Interest on Investments	-	-	-	-
Reimbursements	-	-	-	-
Total Revenue	$ 25,276	$ 18,563	122%	$ 19,121
Expenditures:				
Administration	-	-	-	-
TIF Project Plan A1	-	-	-	-
TIF Homestead Ln Redvelopment District A	-	-	-	-
Total Expenditures	$ -	$ -	$ -	$ -
Revenues Over(Under) Expenditures	**$ 25,276**	**$ 18,563**		**$ 19,121**
Other Financing Sources & Uses:				
Transfers to Other Funds:				
Transfer to the General Fund	-	-	0%	-
Transfer to Homestead Proj Plan A1	-	-	0%	-
Transfer to Capital Projects	(132,753)	(155,213)	0%	(176,359)
Total Other Financing Sources & Uses	$ (132,753)	$ (155,213)		$ (176,359)
Balance 12/31	**$ -**	**$ -**	**$ 157,238**	**$ -**

City of Edgerton
TIF - Homestead Ln Project Plan A1 (On-the-Go Travel Center)

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ -	$ -	$ -	$ -
Revenues:				
TIF Revenue	183,161	174,373	99%	191,317
Total Revenue	$ 183,161	$ 174,373	99%	$ 191,317
Expenditures:				
Administration	-			-
TIF Project Plan A1	91,123	86,751	99%	95,180
Total Expenditures	$ 91,123	$ 86,751	99%	$ 95,180
Revenues Over(Under) Expenditures	**$ 92,038**	**$ 87,622**		**$ 96,137**
Other Financing Sources & Uses:				
Transfers from Other Funds:				
Transfer from Homestead Ln Redev Dist A	-	-	-	-
Transfers to Other Funds:				
Transfer to General Fund - Admin Fee	(915)	(872)	99%	(957)
Transfer to Series 2024 TIF/CID Bond Fund	(91,123)	(86,750)	99%	(95,180)
Total Other Financing Sources & Uses	$ (92,038)	$ (87,622)		$ (96,137)
Balance 12/31	**$ -**	**$ -**	**$ -**	**$ -**

City of Edgerton
TIF - Homestead Ln - Redevelopment District B

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ 1,178	$ 2,136	$ 3,928	$ 4,892
Revenues:				
TIF Revenue	913	923	99%	1,150
Charges for Services	-	-	-	-
Interest on Investments	-	-	-	-
Reimbursements	-	-	-	-
Total Revenue	$ 913	$ 923	104%	$ 1,150
Expenditures:				
Administration	-	-	-	-
TIF Homestead Ln Redevelopment District B	-	-	-	-
Total Expenditures	$ -	$ -	$ -	$ -
Revenues Over(Under) Expenditures	**$ 913**	**$ 923**		**$ 1,150**
Other Financing Sources & Uses:				
Transfers to Other Funds:				
Transfer to Capital Projects	(2,091)	(3,059)	0%	(6,042)
Transfer to General Fund - Admin Fee	-	-	0%	-
Total Other Financing Sources & Uses	$ (2,091)	$ (3,059)		$ (6,042)
Balance 12/31	**$ -**	**$ -**	**$ 4,892**	**$ -**

City of Edgerton
TIF - Homestead Ln Project Plan B1 (Edgerton Crossing)

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ 36,587	$ 90,790	$ 90,171	$ 119,952
Revenues:				
TIF Revenue	53,754	61,394	100%	155,292
Charges for Services	-	-	-	-
Reimbursements	-	-	-	-
Total Revenue	$ 53,754	$ 61,394	-	$ 155,292
Expenditures:				
Administration	-	-	-	-
TIF Project Plan B1	63,195	121,180	-	196,821
Total Expenditures	$ 63,195	$ 121,180	-	$ 196,821
Revenues Over(Under) Expenditures	**$ (9,441)**	**$ (59,786)**		**$ (41,529)**
Other Financing Sources & Uses:				
Transfers from Other Funds:				
Transfers to Other Funds:				
Transfer to General Fund - Admin Fee	(538)	(614)	-	(1,553)
Transfer to Series 2024 TIF/CID Bond Fund	(26,608)	(30,390)	-	(76,870)
Total Other Financing Sources & Uses	$ (27,146)	$ (31,004)		$ (78,423)
Balance 12/31	**$ -**	**$ -**	**$ 119,952**	**$ -**

City of Edgerton
Dwyer Farms RHID

	2025 Budget	2026 Budget	2026 Estimate	2027 Recommended
Balance 1/1	$ -	$ -	$ -	$ 4,644
Revenues:				
RHID Revenue	-	69,717	107%	334,437
Interest on Investments	-	-	-	-
Total Revenue	$ -	$ 69,717	0%	$ 334,437
Expenditures:				
Administration	-	-	-	-
Debt Service	-	-	-	256,668
Total Expenditures	$ -	$ -	$ -	$ 256,668
Revenues Over(Under) Expenditures	**$ -**	**$ 69,717**		**$ 77,769**
Other Financing Sources & Uses:				
Transfer from Other Funds:				
Transfer from LPKC Ph 1 PIF	-	-	0%	-
Transfers to Other Funds:				
Transfer to Capital Projects	-	(69,717)	70%	(82,413)
Total Other Financing Sources & Uses	$ -	$ (69,717)		$ (82,413)
Balance 12/31	**$ -**	**$ -**	**$ 4,644**	**$ -**

City of Edgerton
2027 Budget Work Session
July 9, 2026

IT Equipment

EDGERTON
global routes. local roots.
404 East Nelson
Edgerton, KS 66021
P: 913.893.6231
EDGERTONKS.ORG

July 1, 2026

To: Mayor and City Council Members

From: Beth Linn, City Administrator
Karen Kindle, Finance Director
Kara Banks, Assistant to the City Administrator

Re: IT Equipment 2027-2029

Staff have reviewed and updated the IT Equipment Replacement Plan for the years 2027-2029.

IT Equipment Useful Life Table (Exhibit A)

The life cycle of IT Equipment is short, with most items being in the 4–5-year range. As a result, the years covered by the plan include 2027 – 2029. The table in Exhibit A contains information regarding useful lives for the various types of IT equipment. This table has been developed in consultation with the City's IT provider or other vendors for items not handled by the IT provider (metering system, audio equipment, etc.) and will be reviewed each year to ensure it is in line with industry standards. Staff updated the useful life for servers from 5 years to 10 years based on discussions with the IT provider. Expenditures in the plan are estimated amounts based on research with vendors and the timing of replacement is based on the useful life schedule.

Unlike vehicles and equipment, where usage and maintenance history can allow staff to delay replacement, keeping up with scheduled IT equipment replacements is crucial to maintain security and productivity. **Timely replacement of IT equipment will help the City manage exposure to security vulnerabilities, avoid compatibility issues and minimize downtime.** Therefore, it is not recommended by staff to deviate from the replacement schedule.

The IT equipment process includes the following steps:

- Review the plan at the Budget Work Session and obtain consensus on funding new requests, if any.
- Staff update the plan documents to reflect Governing Body direction given at the work session and bring back the plan for formal approval with the other 2027 Budget items. This approval sets the budget for the purchase of IT equipment items.
- After approval of the plan, purchase of the individual items will be made in 2026/2027 in accordance with the City's Purchasing Policy, including obtaining Governing Body approval if required by the Purchasing Policy.

Fund Summary (Exhibit B)
This schedule shows the estimated revenues and expenditures for 2027-2029 for IT Equipment based on the useful life standards contained in Exhibit A.

IT Equipment Reserve Fund – General

- **Revenues**
  The plan shows an annual transfer of $40,000 from the General Fund in 2026, decreasing to $30,000 per year thereafter. Staff recommend this change based on the anticipated year-end 2029 balance and the estimated cost of replacements outside the current planning period.
- **Expenditures**
  Expenditures reflect the replacement schedule for IT equipment as identified in Exhibit A.
- **Ending Fund Balance**
  The projected balance at the end of 2029 is positive and will be available to support equipment replacement needs beyond the current three-year planning period.

IT Equipment Reserve Fund – Water

- **Revenues**
  The plan shows a $10,000 transfer from the Water Fund in each year of the plan. This amount has been included in the 2026 Rate Study.
- **Expenditures**
  Expenditures incorporate updated timing and cost estimates for replacing automated meter reading system components, based on further staff analysis.
- **Ending Fund Balance**
  These refinements result in a positive projected fund balance at year-end 2029. Accordingly, staff recommend that the annual transfer remain at $10,000. The negative balance shown for the Water and Sewer Funds in the 2027 column of the Fund Summary schedule reflects the potential cost of replacing one of the AMI gateways. Because these gateways will only be replaced if they fail, it is likely that this expenditure will not be necessary in 2027.

IT Equipment Reserve Fund – Sewer

- **Revenues**
  The plan shows a $10,000 transfer from the Sewer Fund in each year of the plan. This amount has been included in the 2026 Rate Study.
- **Expenditures**
  Expenditures reflect updated timing and cost estimates for replacement of automated meter reading system components, consistent with staff's additional analysis.
- **Ending Fund Balance**
  These updates produce a positive projected fund balance at year-end 2029. Accordingly, staff recommend that the annual transfer remain at $10,000. The negative balance shown for the Water and Sewer Funds in the 2027 column of the Fund Summary schedule reflects the potential cost of replacing one of the AMI gateways. Because these gateways will only be replaced if they fail, it is likely that this expenditure will not be necessary in 2027.

Exhibit A

IT Equipment Useful Life Table

Equipment Type	Useful Life in Years
Audio Equipment	10
Barcode Scanner	5
Credit Card Machine	7
Desktop Computer	4
Docking Station	4
Firewall	5
IT Equipment Not Otherwise Classified	7
Laptop Computer	4
Metering System Component	10
Monitor	4
Phone	5
Printer	5
Projector	5
Receipt Printer	5
Server	10
Signature Pad	7
Switch - 24 Port	7
Switch - 48 Port	7
Tablet	5
TV	10
UPS	7
Wireless Access Point	7

City of Edgerton
IT Equipment Replacement
Fund Summary 2025-2029

Fund 131 - IT Equipment Reserve Fund-General

	2025 Actual	2026 Estimate	2027 Rec. Budget	2028 Forecast	2029 Forecast
Beginning Balance, Jan 1	$ -	$ 16,044	$ 44,196	$ 52,396	$ 63,896
Transfers in or Other Revenues	40,000	40,000	30,000	30,000	30,000
IT Equipment Purchases	(23,956)	(11,848)	(21,800)	(18,500)	(38,370)
Ending Balance, 12/31	$ 16,044	$ 44,196	$ 52,396	$ 63,896	$ 55,526

Fund 271 - IT Equipment Reserve Fund-Water

	2025 Actual	2026 Estimate	2027 Rec. Budget	2028 Forecast	2029 Forecast
Beginning Balance, Jan 1	$ -	$ 1,529	$ 1,273	$ (1,227)	$ 5,323
Transfers in or Other Revenues	5,000	10,000	10,000	10,000	10,000
IT Equipment Purchases	(3,471)	(10,256)	(12,500)	(3,450)	(6,200)
Ending Balance, 12/31	$ 1,529	$ 1,273	$ (1,227)	$ 5,323	$ 9,123

Fund 371 - IT Equipment Reserve Fund-Sewer

	2025 Actual	2026 Estimate	2027 Rec. Budget	2028 Forecast	2029 Forecast
Beginning Balance, Jan 1	$ -	$ 1,529	$ 1,274	$ (1,226)	$ 5,324
Transfers in or Other Revenues	5,000	10,000	10,000	10,000	10,000
IT Equipment Purchases	(3,471)	(10,255)	(12,500)	(3,450)	(6,200)
Ending Balance, 12/31	$ 1,529	$ 1,274	$ (1,226)	$ 5,324	$ 9,124

City of Edgerton
2027 Budget Work Session
July 9, 2026

Vehicles & Equipment

EDGERTON
global routes. local roots.
404 East Nelson
Edgerton, KS 66021
P: 913.893.6231
EDGERTONKS.ORG

July 1, 2026

To: Mayor and City Council Members

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

Re: Vehicles & Equipment 2027-2031

Staff have reviewed and updated the Vehicles & Equipment Plan for 2027-2031. The document is divided into the following sections:

- Recommended Budget – items scheduled for replacement in 2026 and 2027.
- Current Program – items scheduled for replacement in 2028-2031.
- Unfunded Equipment – items for which staff has a need, but the items have not been recommended by staff for funding nor 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 update the plan documents to reflect Governing Body direction given at the work session and bring back the plan for formal approval with the other 2027 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 2026/2027 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.
3	Fair	Unit has traditionally received only minor maintenance outside the traditional PM's.
4	Good	Unit has only received Standard PM's.
5	Excellent	Brand New Unit - No PM's to-date.

Recommended Budget 2026-2027 (Exhibit A1)
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 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 have evaluated the item based on actual condition and recommend 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.

Changes since Last Year
To better summarize the changes from the 2026-2030 Plan Recommended Budget, Staff have included **Exhibit A2**. This exhibit details the changes Staff made to the recommended budget by Line # since the approval of the plan last year. The types of changes include:

- Change in the allocation percentages among General/Water/Sewer Equipment Replacement Funds
- Increase/Decrease to the estimated replacement cost
- Change in the estimated replacement year
- Change in the payment year
- Change in scope of the replacement item (upsizing a truck, increasing the size of a piece of equipment, etc.)
- Removing the item from the Vehicle & Equipment Replacement Schedule.

New Request Recommended for Funding - Standing Aerator/Seeder
The Parks and Recreation Department has requested funding to purchase a standing aerator/seeder in 2027. This is a new equipment request. Parks and Recreation staff rented a unit in 2025 and rented again in 2026. Having access to this equipment has allowed staff to aerate and seed all parks throughout the City, rather than only the ballfields as was the case when the service was contracted in the past. Because rental costs are high, purchasing a unit will provide a quick return on investment while also increasing the level of service to our citizens. Staff removed the PTO Overseeder from the Unfunded Equipment list as the Aerator can also perform those tasks.

Current Program 2028-2031 (Exhibit B1)
This list contains the items to be replaced in the balance of the five-year 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 evaluate 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.

Changes since Last Year
To better summarize the changes from the 2026-2030 Current Program, Staff have included **Exhibit B2**. This exhibit details the changes made to the current program by Line # since the approval of the plan last year. The same types of changes can be made for the current program as previously listed for the recommended budget.

Water Meter Replacement
The replacement of the water meters installed as part of the implementation of the AMI system in 2016 had originally been included in the Vehicle & Equipment plan starting in 2028 at $36,750 per year for four years. Based on meter testing, manufacturer guidance, industry experience, and observed battery performance, staff proposed, and City Council gave consensus for, a Rolling Lifecycle Replacement Program as presented on June 25, 2026.

The Rolling Lifecyle Replacement Program would spread the costs out to prevent significant spikes in expenditures, and in Generation 2, move towards a replacement program that is smaller, more predicable and ideal for operating budgets. Because the meter replacements will now be funded through the operating budget, the previously included replacement cost has been removed from the 5-year plan. Raftelis has incorporated the cost of this updated meter replacement strategy into the 2026 rate study.

Christmas Tree – Large Outdoor
The tree, purchased in 2017, was not originally part of the equipment replacement inventory. Based on the anticipated cost to replace it, staff incorporated it into the plan this year, identifying 2029 as the estimated replacement year at a cost of $30,000.

Fund Summary (Exhibit C)
This schedule shows the estimated revenues and expenditures for 2026-2031 based on the Recommended Budget and the Current Program.

Equipment Reserve Fund General

- Revenues
  - Shows a transfer of $125,000 from the General Fund in 2026 and an increase in the annual transfer to $175,000 starting in 2027. After reviewing revenues, expenditures, and the projected fund balance, staff recommends an increase in funding to ensure adequate funding during the current plan as well as in future years. The transfer was last increased in 2020 from $79,250 to $325,000 to provide a one-time infusion of funding to cash-purchase the tandem dump truck and the wheel loader. It was reduced in 2021 to $125,000. Since 2021, vehicle and equipment prices have experienced significant inflation and the City has added to the fleet. Staff recommend the transfer amount be increased to $175,000.
- Expenditures
  - Shows the estimated cost each year for items included in the plan.
- Projected Ending Fund Balance

- The balance at the end of the 5-year plan is positive, which will be allocated to equipment replacement beyond the current planning period
- Possible Grant Funding for the Brine Manufacturing System & Storage Tanks
    - KDOT sponsors the Innovative Technology Program, a potential funding source for the City's new brine manufacturing system. This program provides grant funding for innovative, transportation-related projects that enhance safety, improve access and mobility, and introduce new technology not currently in use within the community. The program requires a minimum 25% non-state cash match, and non-cash contributions are not eligible. For this project, the City's 25% match would be $32,250. If the City is awarded funding through this program, the grant would reduce the City's direct cost for the project.

Equipment Reserve Fund – Water

- Revenues
    - The schedule shows transfers from the Water Fund occurring in each year of the plan. They begin at $30,000 in 2026 then are recommended to increase to $50,000 in 2030. These recommended amounts were included in the 2026 rate study.
- Expenditures
    - The schedule shows the estimated cost each year for items included in the plan.
- Projected Ending Fund Balance
    - The balance at the end of the 5-year plan is positive, which will be allocated to equipment replacement beyond the current planning period.

Equipment Reserve Fund – Sewer

- Revenues
    - The schedule shows transfers from the Sewer Fund occurring in each year of the plan. They begin at $15,000 in 2026 then are recommended to increase to $25,000 in the remaining years of the plan. These recommended amounts were included in the 2026 rate study.
- Expenditures
    - The schedule shows the estimated cost each year for items included in the plan.
- Projected Ending Fund Balance
    - The balance at the end of the 5-year plan is positive, which will be allocated to equipment replacement beyond the current planning period.

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 equipment requests for which staff have identified a need but are not recommending for funding at this time.

Staff are not recommending funding any items on the Unfunded Equipment List.

Staff made the following changes to the Unfunded List:

- The PTO Overseeder was removed since the recommended Standing Aerator/Seeder can handle all the tasks it was meant to perform.
- The combination bucket attachment for the skid steer has been removed because staff determined it is no longer necessary.
- Item # 7 Storm Siren – Increased the cost from $29,500 to $36,000 based on the quote received for the storm siren to be replaced in 2026.

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

1. Policy Objective

The objective of the Vehicle and Equipment Replacement Policy is to provide effective guidelines for administering and accounting for the City's vehicle and equipment replacement so that the City's fleet is ready to serve daily operations as well as emergency operations at any time; to act as a framework for decisions related to long-range vehicle and equipment replacement; and to act as a budgeting guide for the Governing Body and staff.

2. Vehicle and Equipment Replacement Schedule

Annually, as part of the budget process, the City Administrator and the Department Heads shall update the inventory schedule of all City vehicles and equipment. The schedule should include detailed information about the equipment, its condition, estimated replacement year, estimated replacement cost and how the vehicle or equipment should be allocated among general City operations, water operations and sewer operations. The schedule shall be the basis of budget discussions and decisions regarding vehicle and equipment replacement. The schedule shall be presented to the Governing Body along with other budget information and approved when the budget is adopted each year.

3. Replacement Considerations

The Schedule of Estimated Useful Lives in Appendix A should be used as a guide for replacing vehicles and equipment. In addition to the estimated useful life, the items listed below should also be considered when determining if a vehicle or piece of equipment should be replaced.

- Maintenance and repair costs
- Performance
- Resale value
- Dependability
- Major mechanical failures
- Technological changes
- Fuel consumption
- Physical appearance
- Safety issues
- Obsolescence
- Type of usage

4. Purchasing and Acquisition

Purchases of vehicles and equipment shall be made in accordance with the City's Purchasing Policy, City Code and other applicable ordinances, resolutions and state law.

5. Financing

As part of the annual budget process, the City Administrator shall submit to the Governing Body a recommendation for the financing of all proposed vehicles and equipment that are planned for that budget year.

The following financing methods may be considered by the City Administrator for all vehicles and equipment.

A. <u>Pay as You Go Financing (PAYG)</u>: Utilizes current year revenues or reserves. This is the preferred method of financing vehicles and equipment.

B. General Obligation Bonds: General obligation bonds will not be issued for vehicles or equipment where the acquisition cost is less than $250,000. The City will structure the general obligation bond debt for vehicles and equipment to mature over 10 – 15 years or the useful life of the vehicle or equipment, whichever is less with at least 60% of the debt service amortization in the first 10 years of the issue.
C. Lease and Lease Purchase: Lease obligations and other long-term agreements may be used as a flexible, financial alternative for acquiring vehicles and equipment. The City will plan issuance of lease obligations and other long-term financing agreements according to the following guidelines.
    a. The City Administrator, or designee, will determine and document the justification for each proposed lease transaction. The justification should include an explanation for not recommending PAYG financing or general obligation debt financing. An analysis of various financing strategies should be performed to allow for the lowest possible cost to the City.
    b. Each transaction will include lease payments and a cash flow statement over the life of the transaction.
    c. The scheduled maturity shall not exceed the anticipated useful life of the item, and in no case shall exceed 20 years.

6. Maintenance and Repair

The City staff will be responsible for all maintenance necessary for the continued operation for the City's vehicles and equipment. The City staff shall be responsible for determining what specific types of maintenance will be done in-house and what types will be sent to a mechanic. In making this determination, the following factors should be considered:

A. Cost of in-house maintenance
B. Time needed to completed maintenance task
C. Knowledge of Department with specific maintenance task
D. Experience of Department with specific maintenance task
E. Ability to attain necessary parts in a timely manner.

If maintenance is determined to be sent to a mechanic, staff shall be responsible for complying with the City's Purchasing Policy. City staff shall maintain documentation of all maintenance and repairs for vehicles and equipment.

7. Disposition of Vehicles and Equipment

When it is determined that a vehicle or equipment should be replaced, the City should dispose of the replaced item using the method that will produce the greatest amount of value for the City. The acceptable disposal methods are listed below. The City Council will approve assets for disposal and the disposal method at the time of purchase of the replacement item. Vehicles and equipment will not be sold to employees of the City.

A. Trade-in – the vehicle or equipment is traded in on the new vehicle or equipment and the price of the new vehicle or equipment is reduced.
B. Sold at Auction - The City should use a reputable auction service, including on-line auction services. The City should receive a detailed accounting of the sale price for each item sold.
C. Scrap – The vehicle or equipment is sold for scrap metal or it is kept on hand for parts.
D. Destroyed – The vehicle or equipment was destroyed.

Money received from the sale of vehicles and equipment shall be deposited into the Equipment Reserve Funds for general City operations, water operations and sewer operations. The sale proceeds should be allocated among the three funds according to the allocation percentages for each item as listed on the Vehicle and Equipment Replacement Schedule

8. Insurance

The City shall maintain at least the minimum state required insurance coverage on all vehicles and equipment. When new vehicles or equipment or purchased, the City Clerk shall notify the City's insurance agent to add the vehicle or equipment to the City's policy. When vehicles or equipment are sold/traded in/scrapped/destroyed, City staff shall notify the City Clerk who will notify the City's insurance agent that the items should be removed from the City's policy.

9. Responsibility for Enforcement

The City Administrator has overall responsibility for enforcement of this policy.

10. Effective Date

This policy shall take effect and be in force from and after its passage and approval.

Appendix A

Estimated Useful Life of Vehicles and Equipment

Vehicle Classification	Useful Life -Years	Units of Usage
Class 2 - Light Duty Truck	10	100,000 Miles
Class 3 - 1/2 Ton Truck	10	100,000 Miles
Class 4 - 3/4 Ton Truck	10	100,000 Miles
Class 5 - 1 Ton Truck	10	75,000 Miles
Class 6 - 1 1/2 - 1 3/4 Ton Truck	10	75,000 Miles
Class 7 - Single Axle	10	75,000 Miles
Class 8 - Tandem Axle	10	75,000 Miles
Aerial Lift/Bucket Truck	10	50,000 Miles
Class 6 - Street Sweeper	7	50000 / 2000 hrs.
Utility Trailer / Equipment Trailer	15	N/A

Equipment Classification	Useful Life -Years	Units of Usage
Mower	n/a	1000 hrs.
Excavator/Backhoe	10	1500 hrs.
Compact Loader	7	1500 - 2000 hrs.
Wheel Loader	10	2500 hrs.
Tractor	10	2500 hrs.
Sewer Jetter	15	2500 hrs.
Road Grader	15	1500 - 2000 hrs.
Roller	10	1000 hrs.
Crack Seal Machine	10	1000 hrs.
UTV	10	2000 hrs.
Storm Siren	25	N/A
Radio	10	N/A
Water Meter	10	N/A

Note: This schedule is a guide for replacing vehicles and equipment. In addition to the estimated useful life noted in the charts above, staff will consider other factors listed in Section 3 above including maintenance and repair costs; performance; resale value; dependability; major mechanical failures; technological changes; fuel consumption; physical appearance; safety issues; obsolescence; type of usage; etc.

Exhibit A1

City of Edgerton
Vehicles Equipment Replacement Plan 2027-2031
Recommended Budget 2026-2027

Line #	Budgeted in 2026-2030 Plan	Complete?	Asset #	Equipment Description	Tag #	Department	Category	Purchase Date	Replace With	General Condition	Usage Frequency	Approved Budget	Projected Replace Cost	Order Yr	Payment Year	Fund 130 %	Fund 270 %	Fund 370 %
Purchase Approval - Council																		
1	Yes	Yes	1272	TRAILER MOUNTED GENERATOR		PUBLIC WORKS	GENERATOR	2/5/2026	APPROVED NEW REQUEST	5	OCCASIONALLY	$ 40,000	$ 40,000	2025	2026	34	33	33
2	Yes		1141	OUTDOOR WARNING SIREN - BRAUN ST. - 1100 W BRAUN ST		PUBLIC WORKS	STORM SIREN	1/1/1999	SAME TYPE	3	OCCASIONALLY	$ 29,500	$ 36,000	2026	2026	100		
3	Yes		1271	CONCRETE SAW		PUBLIC WORKS	APPROVED NEW REQUEST	1/1/1900	APPROVED NEW REQUEST	APPRVD NEW REQ	DAILY	$ 17,500	$ 17,500	2026	2026	100		
4	Yes		1011	CLASS 3 TRUCK (1 TON) CCSB	312	PARKS	1 TON TRUCK	5/30/2017	SAME TYPE	3	DAILY	$ 65,750	$ 65,750	2027	2027	100		
5	Yes		1012	8" COMMERCIAL PLOW	312-P	PARKS	PLOW	5/30/2017	SAME TYPE	3	SEASONALLY	$ 9,500	$ 9,500	2027	2027	100		
6	Yes		1003	CLASS 2 TRUCK (1/2 TON) ECSB	454	UTILITIES	LIGHT DUTY VEHICLE	5/4/2015	SAME TYPE	3	DAILY	$ 55,000	$ 55,000	2027	2027		50	50
7	Yes		1241	CLASS 2 TRUCK (1/2 TON) ECSB	819	COMM DEV	LIGHT DUTY VEHICLE	9/9/2015	SAME TYPE	3	DAILY	$ 55,000	$ 55,000	2027	2027	100		
8			1415	STANDING AERATOR/SEEDER		PARKS	NEW REQUEST	1/1/2026		NEW REQUEST	SEASONALLY	NEW REQUEST	$ 15,000	2027	2027	100		
Purchase Approval - City Administrator																		
8	Yes		1009	83" X 16' UTILITY TRAILER	541	PARKS	TRAILER	1/1/1987	DUMP TRAILER	2	DAILY	$ 10,000	$ 10,000	2026	2026	70	15	15

Contract Payments

None.

Other

None.

Items in red have changed since the 2026-2030 Plan.

Exhibit A2

City of Edgerton
Vehicle Equipment Replacement Plan Recommended Budget
Summary of Changes from the 2026-2030 Plan

Line #	Asset #	Asset Description	Change Type	From	To	Comments
Recommended Budget						
2	1141	OUTDOOR WARNING SIREN - BRAUN ST. - 1100 W BRAUN ST	Replacement Year	2025	2026	Project delayed to 2026.
			Dollar Amount	$ 29,500	$ 36,000	Increase in vendor costs.
8	1415	STANDING AERATOR/SEEDER	New Request	$ -	$ 15,000	New Request - ability to provide higher level of service for the same cost as contracting with a third party.

City of Edgerton
Vehicles Equipment Replacement Plan 2027-2031
Current Program 2028-2031

Line #	Asset #	Equipment Description	Tag #	Department	Category	Purchase Date	Replace With	General Condition	Usage Frequency	Approved Budget	Projected Replace Cost	Order Yr	Payment Year	Fund 130 %	Fund 270 %	Fund 370 %
1	1026	CLASS 3 TRUCK (1 TON) CC CAB & CHASSIS 60"	647	UTILITIES	1 TON TRUCK	3/28/2019	CLASS 6 (1 1/2 TON)	3	DAILY	$ 75,000	$ 75,000	2028	2028		50	50
2	1028	SERVICE CRANE	647-C	UTILITIES	1 TON TRUCK	3/28/2019	FIT FOR F-550	3	DAILY	$ 61,200	$ 61,200	2028	2028		50	50
3	1027	UTILITY BED	647-UB	UTILITIES	1 TON TRUCK	3/28/2019	FIT FOR CLASS 6	3	DAILY	$ 40,780	$ 40,780	2028	2028		50	50
4	1021	72 INCH COMMERCIAL MOWER	299	PARKS	MOWER	4/14/2023	SAME TYPE	4	SEASONALLY	$ 17,500	$ 17,500	2028	2028	100		
5	1020	60 INCH COMMERCIAL MOWER	425	PARKS	MOWER	4/14/2023	SAME TYPE	4	SEASONALLY	$ 17,000	$ 17,000	2028	2028	100		
6	1023	CLASS 3 TRUCK (1 TON) CC CAB & CHASSIS 60"	646	PUBLIC WORKS	1 TON TRUCK	2/28/2019	SAME TYPE	4	DAILY	$ 69,500	$ 69,500	2029	2029	100		
7	1024	FLAT BED	646-F	PUBLIC WORKS	1 TON TRUCK	2/28/2019	SAME TYPE	4	DAILY	$ 9,000	$ 9,000	2029	2029	100		
8	1025	9' COMMERCIAL PLOW	646-P	PUBLIC WORKS	PLOW	2/28/2019	SAME TYPE	4	SEASONALLY	$ 9,500	$ 9,500	2029	2029	100		
9	1002	8' SALT SPREADER (ELECT.)	646-S	PUBLIC WORKS	SPREADER	1/1/2017	SAME TYPE	3	SEASONALLY	$ 9,000	$ 9,000	2029	2029	100		
10	1030	COMPACT EXCAVATOR	4368	PUBLIC WORKS	HEAVY DUTY EQUIPMENT	12/21/2017	SAME TYPE	4	DAILY	$ 70,000	$ 80,000	2029	2029	34	33	33
11	1265	12" TOOTH BUCKET (CE)	4368-A	PUBLIC WORKS	HEAVY DUTY EQUIPMENT	12/21/2017	INCL W/EXCAVATOR	4	DAILY	$ -	$ -	2029	2029	34	33	33
12	1266	18" TOOTH BUCKET (CE)	4368-B	PUBLIC WORKS	HEAVY DUTY EQUIPMENT	12/21/2017	INCL W/EXCAVATOR	4	DAILY	$ -	$ -	2029	2029	34	33	33
13	1075	36" SMOOTH BUCKET DITCH BUCKET (CE)	4368-C	PUBLIC WORKS	HEAVY DUTY EQUIPMENT	12/21/2017	INCL W/COMPACT EXCAVATOR	4	MONTHLY	$ -	$ -	2029	2029	100		
14	1282	BRINE MANUFACTURING SYSTEM		PUBLIC WORKS	APPROVED NEW REQUEST	1/1/2029		APPRVD NEW REQ	SEASONALLY	$ 65,000	$ 65,000	2029	2029	100		
15	1283	BRINE STORAGE TANK (FIBERGLASS) 10,000 GALLON		PUBLIC WORKS	APPROVED NEW REQUEST	1/1/2029		APPRVD NEW REQ	SEASONALLY	$ 18,000	$ 32,000	2029	2029	100		
16	1289	BRINE STORAGE TANK (FIBERGLASS) 10,000 GALLON		PUBLIC WORKS	APPROVED NEW REQUEST	1/1/2029		APPRVD NEW REQ	SEASONALLY	$ 18,000	$ 32,000	2029	2029	100		
17	1393	CHRISTMAS TREE - LARGE OUTDOOR		FACILITIES	FURNITURE	11/9/2017	LARGER TREE	3	SEASONALLY	$ -	$ 30,000	2029	2029	100		
18	1397	72" ZERO TURN MOWER	380	PARKS	MOWER	4/30/2025	SAME TYPE	5	SEASONALLY	$ 16,500	$ 16,500	2030	2030	100		
19	1032	UTILITY TASK VEHICLE	584	PARKS	LIGHT DUTY EQUIPMENT	10/2/2017	SAME TYPE	3	DAILY	$ 34,000	$ 34,000	2030	2030	100		
20	1268	LEAF VACUUM	584-A	PARKS	LIGHT DUTY EQUIPMENT	12/23/2021	SAME TYPE	4	DAILY	$ 5,000	$ 5,000	2030	2030	100		
21	1033	6' PLOW MEDIUM DUTY	584-P	PARKS	PLOW	10/2/2017	SAME TYPE	3	DAILY	$ 8,000	$ 8,000	2030	2030	100		
22	1034	CLASS 7 DUMP TRUCK (SINGLE AXLE)	728	PUBLIC WORKS	SINGLE AXLE	9/24/2017	SAME TYPE	3	WEEKLY	$ 213,500	$ 213,500	2030	2030	100		
23	1035	10' HIGHWAY PLOW	728-P	PUBLIC WORKS	PLOW	9/24/2017	SAME TYPE	3	SEASONALLY	$ 14,250	$ 14,250	2030	2030	100		
24	1036	TAIL GATE SPREADER	728-S	PUBLIC WORKS	SPREADER	9/24/2017	SAME TYPE	3	SEASONALLY	$ 17,500	$ 17,500	2030	2030	100		
25	1398	48" ZERO TURN MOWER	198	PARKS	MOWER	4/30/2025	SAME TYPE	5	SEASONALLY	$ 11,500	$ 11,500	2030	2030	100		
26	1047	INFIELD GROOMER	037	PARKS	MEDIUM DUTY EQUIPMENT	12/22/2021	SAME TYPE	4	SEASONALLY	$ 5,800	$ 5,800	2031	2031	100		
27	1292	COMPACT TRACK LOADER	229	PUBLIC WORKS	HEAVY DUTY EQUIPMENT	9/20/2024	SAME TYPE	5	DAILY	$ 120,000	$ 120,000	2031	2031	100		
28	1045	CLASS 3 TRUCK (1 TON) ECLB	520	PUBLIC WORKS	1 TON TRUCK	1/28/2021	SAME TYPE	4	DAILY	$ 57,000	$ 57,000	2031	2031	100		
29	1046	9' COMMERCIAL SNOW PLOW	520-P	PUBLIC WORKS	PLOW	1/28/2021	SAME TYPE	4	SEASONALLY	$ 8,000	$ 8,000	2031	2031	100		

Items in red have changed since the 2026-2030 Plan.

Exhibit B2

City of Edgerton
Vehicle Equipment Replacement Plan Current Program
Summary of Changes from the 2026-2030 Plan

Line #	Asset #	Asset Description	Change Type	From	To	Comments
Current Program						
4	1021	72 INCH COMMERCIAL MOWER	Replacement Year	2029	2028	Corrected replacement year to be consistent with other mowers.
5	1020	60 INCH COMMERCIAL MOWER	Replacement Year	2029	2028	Corrected replacement year to be consistent with other mowers.
6	1023	CLASS 3 TRUCK (1 TON) CC CAB & CHASSIS 60"	Replacement Year	2028	2029	Corrected replacement year to be consistent with policy.
7	1024	FLAT BED	Replacement Year	2028	2029	Corrected replacement year to be consistent with policy.
8	1025	9' COMMERCIAL PLOW	Replacement Year	2028	2029	Corrected replacement year to be consistent with policy.
9	1002	8' SALT SPREADER (ELECT.)	Replacement Year	2028	2029	Corrected replacement year to be consistent with policy.
10	1030	COMPACT EXCAVATOR	Dollar Amount	$ 70,000	$ 80,000	Update the cost to reflect current pricing.
13	1075	36" SMOOTH BUCKET DITCH BUCKET (CE)	Replacement Year	2036	2029	Changed year to match replacement year for the compact excavator.
15	1283	BRINE STORAGE TANK (FIBERGLASS) 10,000 GALLON	Dollar Amount	$ 18,000	$ 32,000	Updated the amount to include the cost for screening.
16	1289	BRINE STORAGE TANK (FIBERGLASS) 10,000 GALLON	Dollar Amount	$ 18,000	$ 32,000	Updated the amount to include the cost for screening.
17	1393	CHRISTMAS TREE - LARGE OUTDOOR	New to List	$ -	$ 30,000	The City has owned this tree since 2017 and staff have added to the list for estimated replacement in 2029.
			New to List	none	2029	
	1013	WATER METERS GROUP A (1/4 FO ALL METERS)	Removed from Schedule	$ 36,750	$ -	New life-cycle replacement program to be funded from operating budget.
	1022	WATER METERS GROUP B (1/4 FO ALL METERS)	Removed from Schedule	$ 36,750	$ -	New life-cycle replacement program to be funded from operating budget.
	1029	WATER METERS GROUP C (1/4 FO ALL METERS)	Removed from Schedule	$ 36,750	$ -	New life-cycle replacement program to be funded from operating budget.
	1031	WATER METERS GROUP D (1/4 FO ALL METERS)	Removed from Schedule	$ 36,750	$ -	New life-cycle replacement program to be funded from operating budget.

City of Edgerton
Vehicle & Equipment Replacement
Fund Summary 2025-2031

Fund 130 - General Equipment Reserve Fund

	2025 Actual	2026 Estimate	2027 Rec. Budget	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Beginning Balance, Jan 1	$ 487,448	$ 248,788	$ 299,954	$ 329,704	$ 470,204	$ 362,536	$ 217,286
Transfers in or Other Revenues	278,430	125,000	175,000	175,000	175,000	175,000	175,000
Vehicle/Equipment Purchases	(517,090)	(73,834)	(145,250)	(34,500)	(282,668)	(320,250)	(190,800)
Ending Balance, 12/31	$ 248,788	$ 299,954	$ 329,704	$ 470,204	$ 362,536	$ 217,286	$ 201,486

Fund 270 - Water Equipment Reserve Fund

	2025 Actual	2026 Estimate	2027 Rec. Budget	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Beginning Balance, Jan 1	$ 79,406	$ 42,869	$ 58,036	$ 60,536	$ 2,046	$ 5,380	$ 35,380
Transfers in or Other Revenues	32,450	30,000	30,000	30,000	30,000	30,000	50,000
Vehicle/Equipment Purchases	(68,987)	(14,833)	(27,500)	(88,490)	(26,666)	-	-
Ending Balance, 12/31	$ 42,869	$ 58,036	$ 60,536	$ 2,046	$ 5,380	$ 35,380	$ 85,380

Fund 370 - Sewer Equipment Reserve Fund

	2025 Actual	2026 Estimate	2027 Rec. Budget	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Beginning Balance, Jan 1	$ 97,405	$ 89,498	$ 89,665	$ 87,165	$ 23,675	$ 22,009	$ 47,009
Transfers in or Other Revenues	22,450	15,000	25,000	25,000	25,000	25,000	25,000
Vehicle/Equipment Purchases	(30,357)	(14,833)	(27,500)	(88,490)	(26,666)	-	-
Ending Balance, 12/31	$ 89,498	$ 89,665	$ 87,165	$ 23,675	$ 22,009	$ 47,009	$ 72,009

Exhibit D

City of Edgerton

Vehicle Equipment Replacement Plan 2027-2031

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

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	Top Dresser - Material Handling Parks Maintenance	PK	Equipment	$ 10,000	n/a	100%	0%	0%
2	Concrete Crack Seal Machine (trailer mounted)	PW	Equipment	$ 90,000	n/a	100%	0%	0%
3	Diagnostic Scan Tool	PW	Equipment	$ 21,500	n/a	100%	0%	0%
4	CLASS 6 DUMP TRUCK W/HYDRAULIC HOIST	PW	Heavy Truck	$ 133,455	n/a	70%	15%	15%
4a	BRINE APPLICATION SYSTEM FOR DUMP TRUCK	PW	Equipment	$ 16,647	n/a	100%	0%	0%
5	GPS Data Collection System	PW	Equipment	$ 15,000	n/a	100%	0%	0%
6	Snow Blower attachment for UTV (trail size)	PW	Equipment	$ 22,000	n/a	100%	0%	0%
7	Storm Siren	PW	Storm Siren	$ 36,000	n/a	100%	0%	0%
8	Generator for 8th Street Lift Station	UT	Equipment	$ 35,000	n/a	0%	0%	100%
9	Sewer Inspection Camera	UT	Equipment	$ 60,000	n/a	40%	0%	60%
10	Sewer Push Camera	UT	Equipment	$ 12,500	n/a	40%	0%	60%
11	Trench Box	UT	Equipment	$ 22,000	n/a	50%	25%	25%
12	Tractor - New Unit & Surplus Old	PW/PK	Equipment	$ 150,000	n/a	100%	0%	0%
12a	Boom Mower	PW/PK	Equipment	$ 120,000	n/a	100%	0%	0%
12b	Rotary Mower (Batwing)	PW/PK	Equipment	$ 35,500	n/a	100%	0%	0%
13	Wheel Loader Snow Plow - DDI Interchange	PW	Equipment	$ 50,000	n/a	100%	0%	0%
14	Combination Sewer Truck	UT	Heavy Truck	$ 450,000	n/a	33%	33%	33%