EDGERTON CITY COUNCIL WORK SESSION AGENDA CITY HALL 404 EAST NELSON STREET June 27, 2019

Work Session will begin following adjournment of regularly scheduled council meeting.

1.	Call to Order
2.	Roll Call Roberts Longanecker Brown Conus Lewis Smith
3.	Presentation of Recommended 2020 General Fund Budget
1.	Adjourn



404 East Nelson P: 913.893.6231

Edgerton, KS 66021 **EDGERTONKS.ORG**

June 24, 2019

To: Mayor and City Council Members

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

Re: 2020 Recommended General Fund Budget

Attached please find the 2020 Recommended Budget for the General Fund. The General Fund contains the general operations of the City which are funded by a mixture of general purpose revenues including property taxes, sales taxes, user fees and charges and payment in lieu of taxes for abated properties.

Revenues

Property Taxes

The recommended budget includes an increase in property taxes. The increase is due to the following:

- 1. The City is allowed to capture property tax revenue for new construction. Included in the City's assessed valuation is the partial value at January 1, 2019 for the Kubota buildings in LPKC South which will be abated for the 2021 Budget in accordance with the development agreements.
- 2. The City is allowed to increase the property tax revenue amount by the CPI calculation prescribed in State statutes. That percentage is 1.5% for the 2020 Budget.
- 3. The City is allowed to increase the property tax revenue amount for increases in law enforcement expenses in excess of the growth allowed by the CPI calculation.

Sales & Use Taxes

The recommended budget reflects the amount in the forecast, which includes a modest increase to reflect the trend in the actual revenues.

Charges for Services

There is a slight decrease for this revenue item. The 2019 Budget included an increase in the cost of trash service as the contract with Gardner Disposal was expiring and the bids had not yet been received. The contract awarded to Gardner Disposal kept rates the same. Revenue from the portion of the bill paid by residents has been reduced to remove the increase in revenue planned in the 2019 Budget.

Expenditures

Personnel Changes

- Staff is recommending the addition of an accountant position.
 - The workload in the Finance area continues to grow in the areas of tracking the various development funding mechanisms, forecasting and tracking CIP projects.

- This position would take over the day-to-day tasks from the Finance Director so that the Finance Director can dedicate more time to capital project tracking, revenue forecasting, development funding monitoring, etc.
- Staff is recommending reallocating funding for a part-time position to fund the addition of the accountant position.

General Government

- The 2019 Budget included an amount for the implementation of the compensation and benefit study. The results of the study have been implemented and are reflected in the salary and benefits in the various departments.
- Includes the addition of one full-time accountant position as noted in the Personnel Changes Section above.
- Reduced professional services to reflect less utilization of outside consultants.
- Added cost of biennial citizen survey.
- Adjusted the amounts budgeted for community assistance based on the direction of Council at the May 23rd Council Meeting.

Law Enforcement

• The recommended budget reflects the same level of service from the Sheriff's office and includes a 6.3% increase in costs.

Public Works

- Moved vehicle and equipment maintenance and fuel budgets to the new Fleet Maintenance Department.
- Added cost for major maintenance of the school crossing lights.
- Added electric cost for new street lights on 207th/Homestead and 207th/Waverly.

Parks

- Reduced professional services to reflect reduced usage of consultants.
- Moved vehicle and equipment maintenance and fuel budgets to the new Fleet Maintenance Department.

Facilities

- Reflects an estimated 10% increase in utility rates.
- Reflects increase in lease rate for Studio B.

Fleet Maintenance

- This is a new department. Staff is recommending that maintenance of the fleet be centralized under the Public Works Operations and that the costs for this operation be tracked in its own department. Budget authority was moved from Public Works, Parks and Community Development to this new department.
- The budget includes the cost for maintenance and repairs of vehicles and equipment as well as fuel costs.

Community Development

- The recommended budget includes a decrease in professional services to reflect less anticipated usage of outside consultants.
- Fuel and vehicle maintenance costs were moved to the new Fleet Maintenance Department.

Economic Development

- Includes a \$5,000 increase in the membership to EE! as well as a \$10,000 one-time payment to EE! for an LPKC targeted marketing campaign as directed by Council at the May 23rd Council Meeting.
- Includes \$4,000 for the Chamber for a membership and a contribution towards the cost of the magazine as directed by the Council at the May 23rd Council Meeting.
- The BNSF property tax increment to be transferred to the Public Infrastructure Fund increased approximately \$10,000.
- Includes an increase in the utility sales tax that is transferred to the Public Infrastructure Fund to reflect the trend in the actual amounts transferred.

Information Technology

• Includes a small increase in professional services for special projects outside of the routine monthly services.

Employee Benefits

- Includes a 20% increase in health insurance premiums and a 10% increase in dental and vision insurance premiums based on information provided by the City's provider, Midwest Public Risk.
- Includes the benefit costs for the recommended accountant position.
- Includes a full year of the match for the newly adopted 457 contribution match benefit.

Transfers to Other Funds

- The recommended budget includes a transfer of \$79,250 to the Equipment Reserve Fund, which is the same amount transferred the past several years.
- The 2019 estimate includes a transfer to the Capital Projects Fund for the projects funded in the CIP in 2019.
- The recommended 2020 Budget includes a transfer to the Capital Projects Fund for projects funded in the CIP for 2020.

Ending Balance and Reserves

The reserve calculations have been updated to reflect the new policy adopted at the June 13, 2019 Council Meeting. The projected balance at the end of 2020 exceeds the required reserves, leaving funding available for projects or other priorities.

Items for Further Consideration

Staff has prepared Scenario 1 for Council's consideration. This scenario includes two additional items, shown in blue:

- 1. \$200,000 in additional one-time funding allocation to the Equipment Reserve Fund to cover the deficit in that fund should the Council decide to cash purchase the tandem dump truck and wheel loader vs. lease-purchasing those items.
- 2. \$132,538 in additional funding for the Sheriff contract for an Edgerton Community Officer. This funding would need to be allocated annually to continue this service and would be subject to the increase in costs similar to the annual contract for policing services with the Sheriff's Office.

Staff would note that even if both items were to be approved, any additional funding City Council desired to be used from the General Fund for capital projects or for economic development purposes would need to be funded from unencumbered cash balance based on the reserve calculation.

City of Edgerton General Fund

Mill Rat Revenue from 1 Mil		33.654 \$40,102		30.633 \$40,664		29.919 \$46,317	28	.761 (estimate) \$62,562
	_	2017 Actual		2018 Actual		2019 Estimate	Re	2020 commended
Balance 1/1	\$	1,748,720	\$	1,582,616	\$	1,725,649	\$	1,617,667
Revenues:								
Ad Valorem Tax		1,509,058		1,585,109		1,385,761		1,799,322
LPKC PILOT		-		-		437,123		483,853
Delinquent Tax		-		4,414		-		-
Motor Vehicle Tax Recreational Vehicle Tax		47,301 957		51,599				52,969
16/20M Vehicle Tax		156		•				933 372
Local Alcoholic Liquor Tax		7,555		3,107				2,780
Compensating Use Tax		196,340		216,982		•		183,600
Local Sales Tax		652,959		735,096		750,000		765,000
Franchise Tax		129,260		141,856		110,000		110,000
Licenses & Permits		635,441		484,313		756,300		756,300
Charges for Services		111,723		154,008		118,000		118,000
Fines & Forfeitures		25,452		30,123		30,000		30,000
Reimbursements		-		31,059		-		
Miscellaneous		500,913		197,693		•		-
Investment Income		15,819		26,206		15,000		15,000
Total Revenue	\$	3,832,934	\$	3,663,158	\$	3,841,145	\$	4,318,129
Transfers from Other funds:								
Transfer from General Fund								
Transfer from Capital Projects Fund		14,644		706		-		-
Total	\$	14,644	\$	706	\$	-	\$	-
Total Sources	\$	3,847,578	\$	3,663,864	\$	3.841.145	\$	4,318,129
	т.	-,,	7	-,,	т.	-,,	,	-,,
Expenditures:								
General Government		651,513		838,102		934,950		939,571
Law Enforcement		285,540		313,263		•		370,330
Public Works		468,595		514,339		•		596,688
Parks		192,767		185,999				253,490
Facilities		863,550		144,774		•		115,450
Fleet Maintenance Community Development		- 295,050		- 290,404				51,200 356,153
Economic Development		356,474		311,840		•		507,200
Information Technology		31,193		58,607		•		57,631
Employee Benefits		218,024		269,844				487,818
		, 				,		,
Total Expenditures	\$ 	3,362,706	\$	2,927,172	\$	3,534,035	\$	3,735,531
Sources Over(Under) Expenditures	\$	484,872	\$	736,692	\$	307,110	\$	582,598
Transfers to Other Funds:								
Transfer to General Fund								
Transfer to Equipment Reserve Fund-General		79,250		79,250		79,250		79,250
Transfer to Equipment Reserve Fund-Water		26,796		-		-		-
Transfer to Mayor's Holiday Fund		-				225.042		150,000
Transfer to Capital Projects Fund	_	544,930	+	514,259	+		+	150,000
Total	<u>\$</u>	650,976	\$	593,659	\$	415,092	\$	229,250
Total Uses	\$	4,013,682	\$	3,520,831	\$	3,949,127	\$	3,964,781
Sources Over(Under) Uses	\$	(166,104)	\$	143,033	\$	(107,982)	\$	353,348
Prior Period Adjustment		-		-		-		-
Balance 12/31	¢	1 592 616	¢	1 725 640	¢	1 617 667	ė	1 071 015
	<u> </u>	1,582,616	.	1,725,649		1,017,007	Ψ.	1,971,015
		Un	ndesig	gnated Reserve:	\$	565,706	\$	635,040
		tion Designated fo				50,000	\$	50,000
		olicy - 17% of Bud			437,123 414 599 48,993 138 823 455 420 107 2,725 982 180,000 096 750,000 856 110,000 313 756,300 008 118,000 0059 693 6,000 123 30,000 059 693 6,000 15,000 158 \$ 3,841,145 \$ 4, 102 934,950 263 341,549 339 592,030 999 273,769 774 107,418 404 363,440 840 475,200 607 47,370 844 398,310 172 \$ 3,534,035 \$ 4, 102 \$ 3,534,035 \$ 5, 102 \$ 3,534,035 \$ 5, 103 \$ 415,092 \$ 335,842 107,982 \$ 335,842 107,982 \$ 335,842 107,982 \$ 335,842 107,982 \$ 333 \$ (107,982) \$ 333 \$ (107,982) \$ 333 \$ (107,982) \$ 333 \$ (107,982) \$ 333 \$ (107,982) \$ 341,549 3	685,040		
Un	encum	bered Cash Over(l	Unde	r) Kequirement:	\$	1,001,961	\$	1,285,975
		Un	ndesig	gnated Reserve:	<i>\$</i>	855,451	<i>\$</i>	933,883
	Por	tion Designated fo				50,000	\$	50,000
		olicy - 25% of Bud	_	•	\$			983,883
Un	encum	bered Cash Over(l	Unde	r) Requirement:	<i>\$</i>	712,217	\$	987,132

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

Expenditures: General operations of the City

City of Edgerton General Fund

Scenario 1: \$200,000 additional funding for Equipment Reserve to cash purchase large Items in 2020 and additional funding for the Sheriff Contract for an Edgerton Community Officer

	30.633 \$40,664		29.919 \$46,317	28.	761 (estimate) \$62,562
	2018 Actual		2019 Estimate	Re	2020 commended
'20 \$	1,582,616	\$	1,725,649	\$	1,617,667
)58	1,585,109		1,385,761		1,799,322
-	- 4,414		437,123		483,853 -
801	51,599		48,993		52,969
957	1,138		823		933
.56	455		420		372
555	3,107		2,725		2,780
340	216,982		180,000		183,600
959 260	735,096 141,856		750,000 110,000		765,000 110,000
141	484,313		756,300		756,300
'23	154,008		118,000		118,000
152	30,123		30,000		30,000
	31,059		-		
913	197,693		6,000		-
319	26,206		15,000		15,000
934 \$	3,663,158	\$	3,841,145	\$	4,318,129
544	706		-		-
544 \$	706	\$	-	\$	-
78 \$	\$ 3,663,864	\$	3,841,145	\$	4,318,129
513	838,102		934,950		939,571
540	313,263		341,549		502,868
95	514,339		592,030		596,688
67	185,999		273,769		253,490
550	144,774 -		107,418 -		115,450 51,200
)50	290,404		363,440		356,153
174	311,840		475,200		507,200
.93	58,607		47,370		57,631
)24	269,844		398,310		487,818
'06 \$	2,927,172	\$	3,534,035	\$	3,868,069
72 \$	736,692	\$	307,110	\$	450,060
250	79,250		79,250		279,250
'96	-		-		-
	150				
930 176 #	514,259	+	335,842	+	150,000
976 \$,	\$	415,092	<u>\$</u>	429,250
82 \$. , ,	\$	3,949,127	\$	4,297,319
04) \$	\$ 143,033	\$	(107,982)	\$	20,810
	-		-		-
16 \$	\$ 1,725,649	\$	1,617,667	\$	1,638,477
Undesid	signated Reserve:	\$	565,706		657,572
-	Self-Insured Losses:		50,000		50,000
ed for Sel	ted Expenditures:	<i>\$</i> \$	615,706 1 001 961		707,572 930,905
ed for Sel f Budgete	ici j nequil cillelli.	₽	1,001,901	P	330,303
ed for Sel f Budgete	-	<i>\$</i>	855,451	<i>\$</i>	967,017
ed for Sel f Budgete Over(Unde Undesi			50,000	<i>\$</i>	50,000
ed for Sel f Budgete ver(Unde Undesig ed for Sel					1,017,017 621,460
	Unde. ted for S	of Budgeted Expenditures:	Undesignated Reserve: \$ ted for Self-Insured Losses: \$	Over(Under) Requirement: \$ 1,001,961 Undesignated Reserve: \$ 855,451 ted for Self-Insured Losses: \$ 50,000 of Budgeted Expenditures: \$ 905,451	Over(Under) Requirement: \$ 1,001,961 \$ Undesignated Reserve: \$ 855,451 \$ ted for Self-Insured Losses: \$ 50,000 \$ of Budgeted Expenditures: \$ 905,451 \$

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

Expenditures: General operations of the City

City of Edgerton General Fund - Updated

Scenario 1: \$200,000 additional funding for Equipment Reserve to cash purchase large Items in 2020 and additional funding for the Sheriff Contract for an Edgerton Community Officer

Mill Rate: Revenue from 1 Mill:		22.654		30.633		29.919		20.970 (actimate)	
			33.654 \$40,102		30.633 \$40,664		\$46,317	30.879 (estimate) \$62,562	
		2017			2018		2019	2020	
			Actual		Actual		Estimate	Re	commended
Balance 1/1	\$		1,748,720	\$	1,582,616	\$	1,725,649	\$	1,617,667
Revenues:									
Ad Valorem Tax LPKC PILOT			1,509,058		1,585,109		1,385,761 437,123		1,931,860 483,853
Delinquent Tax			-		4,414				
Motor Vehicle Tax			47,301		51,599		48,993		52,969
Recreational Vehicle Tax			957		1,138		823		933
16/20M Vehicle Tax			156		455		420		372
Local Alcoholic Liquor Tax			7,555		3,107		2,725		2,780
Compensating Use Tax Local Sales Tax			196,340 652,959		216,982 735,096		180,000 750,000		183,600 765,000
Franchise Tax			129,260		141,856		110,000		110,000
Licenses & Permits			635,441		484,313		756,300		756,300
Charges for Services			111,723		154,008		118,000		118,000
Fines & Forfeitures			25,452		30,123		30,000		30,000
Reimbursements			-		31,059		-		
Miscellaneous			500,913		197,693		6,000		- 15 000
Investment Income			15,819		26,206		15,000		15,000
Total Revenue	\$		3,832,934	\$	3,663,158	\$	3,841,145	\$	4,450,667
Transfers from Other funds:									
Transfer from General Fund									
Transfer from Capital Projects Fund			14,644		706		_		-
Total	\$		14,644	\$	706	\$	-	\$	-
Total Sources	\$	•	3,847,578	\$	3,663,864	\$	3,841,145	\$	4,450,667
Expenditures:									
General Government			651,513		838,102		934,950		939,571
Law Enforcement			285,540		313,263		341,549		502,868
Public Works			468,595		514,339		592,030		596,688
Parks			192,767		185,999		273,769		253,490
Facilities			863,550		144,774		107,418		115,450
Fleet Maintenance Community Development			295,050		- 290,404		- 363,440		51,200 356,153
Economic Development			356,474		311,840		475,200		507,200
Information Technology			31,193		58,607		47,370		57,631
Employee Benefits			218,024		269,844		398,310		487,818
Total Expenditures			3,362,706	\$	2,927,172	\$	3,534,035	\$	3,868,069
Sources Over(Under) Expenditures	_		484,872	\$	736,692	\$	307,110	\$	582,598
T									
Transfers to Other Funds: Transfer to General Fund									
Transfer to General Fund Transfer to Equipment Reserve Fund-Gener	al:		79,250		79,250		79,250		279,250
Transfer to Equipment Reserve Fund-Water			26,796		-		-		-
Transfer to Mayor's Holiday Fund			, -		150				
Transfer to Capital Projects Fund			544,930		514,259		335,842		150,000
Total	_\$		650,976	\$	593,659	\$	415,092	\$	429,250
Total Uses	\$	•	4,013,682	\$	3,520,831	\$	3,949,127	\$	4,297,319
	_ \$	S	(166,104)	\$	143,033	\$	(107,982)	\$	153,348
Sources Over(Under) Uses									
Sources Over(Under) Uses Prior Period Adjustment			-		-		-		_
Prior Period Adjustment	4	5	1,582,616	\$	1.725 649	\$	1.617.667	\$	1.771.015
, ,		<u> </u>	- 1,582,616	\$	1,725,649	\$	1,617,667	\$	1,771,015
Prior Period Adjustment			Und	desig	anated Reserve:	\$	565,706	\$	657,572
Prior Period Adjustment Balance 12/31	Poi	rtic	Und On Designated for	desig Seli	nated Reserve: f-Insured Losses:	\$ \$	565,706 50,000	\$ \$	657,572 50,000
Prior Period Adjustment Balance 12/31	Poi Serve Per F	rtic	Und On Designated for Vicy - 17% of Bud	desig Seli gete	nnated Reserve: f-Insured Losses: d Expenditures:	\$ \$ \$	565,706 50,000 615,706	\$ \$ \$	657,572 50,000 707,572
Prior Period Adjustment Balance 12/31	Poi Serve Per F	rtic	Und On Designated for	desig Seli gete	nnated Reserve: f-Insured Losses: d Expenditures:	\$ \$	565,706 50,000	\$ \$	657,572 50,000 707,572
Prior Period Adjustment Balance 12/31	Poi serve Per F Unencum	rtic Poli	Und Designated for Sicy - 17% of Budgered Cash Over(U	desig Seli gete Indei desig	nnated Reserve: f-Insured Losses: d Expenditures: r) Requirement: nnated Reserve:	\$ \$ \$ \$	565,706 50,000 615,706 1,001,961 855,451	\$ \$ \$	657,572 50,000 707,572 1,063,443 967,017
Prior Period Adjustment Balance 12/31 Res	Poi Serve Per F Unencum Poi	rtio Poli nbe	Und Don Designated for Dicy - 17% of Bud Dered Cash Over(U Und Don Designated for	desig Seli gete Indei desig Seli	nnated Reserve: f-Insured Losses: d Expenditures: r) Requirement: anated Reserve: f-Insured Losses:	\$ \$ \$ \$ \$	565,706 50,000 615,706 1,001,961 855,451 50,000	\$ \$ \$ \$ \$	657,572 50,000 707,572 1,063,443 967,017 50,000
Prior Period Adjustment Balance 12/31 Res	Poi serve Per F Unencum Poi serve Per F	rtic Poli	Und Designated for Sicy - 17% of Budgered Cash Over(U	desig Seli gete Indei desig Seli gete	nnated Reserve: f-Insured Losses: d Expenditures: r) Requirement: anated Reserve: f-Insured Losses: d Expenditures:	\$ \$ \$ \$	565,706 50,000 615,706 1,001,961 855,451	\$ \$ \$ \$ \$ \$	657,572 50,000 707,572 1,063,443 967,017

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

Expenditures: General operations of the City