

City of Edgerton

2019 General Fund Budget Overview

This document contains an overview of the recommended 2019 General Fund Budget, as shown in the attached General Fund Budget Schedule.

Revenues

Overall, the General Fund Revenues are estimated to increase over the estimated 2018 revenues. Below are some highlights of the changes in revenues.

- Property Tax – Increased mainly due to the annexation of territory south of I-35. Under the tax lid, the City is allowed to capture property tax in newly annexed territory without having an election. In addition, the City is allowed to capture all of the increase in law enforcement expenditures, not just what would be allowed using the CPI.
- LPKC PILOT – Increased due to new buildings being completed. The City's share of the total PILOT on a building in LPKC is estimated to be 20% vs 22% in the 2018 Budget due to the roll back of the mill levy. The 2018 estimated PILOT revenue has been decreased from the amount in the 2018 budget to reflect this change in the City's portion.
- Sales Tax – Continues to increase. The increase from 2016 to 2018 is due to the passage of the special County sales tax for the new courthouse. The City receives a portion of all county sales tax revenue.
- Licenses & Permits – This category contains the building permit and plan review fees collected by the City. Staff estimates that construction activity in 2019 will be similar to 2017 and what is estimated for 2018.
- Charges for Services – The increase between 2018 and 2019 is due to the estimated increase in the residential trash contract. The contract with Gardner Disposal expires at the end of 2018, and staff is estimating that there might be an increase in the cost for this service.
- Fines & Forfeitures – The majority of this category is court fines. Fine revenue increased significantly between 2016 and 2017 and has stayed at that level. There has been increased activity in Edgerton's Municipal Court due to an increase in caseload.
- Miscellaneous – The amounts in 2016 -2018 represent insurance claim proceeds, almost all of which are related to the flood.
- Investment Income – Has increased due to utilizing the investment management services from Columbia Capital. This service started in the 4th quarter of 2016, which accounts for the growth in this category.

Expenditures

Expenditures have increased since 2016 as the City has paid for flood clean up, has added employees and has experienced general increases in costs for commodities and services. Below are some highlights of the changes in expenditures.

- General Government – Added two positions in 2018 (Customer Service Specialist, Marketing & Communications Coordinator), the costs of which are shared with the Water Fund and the Sewer Fund. Economic Development related expenditures have been moved to the Economic Development category. This category also includes funds in 2018 and 2019 to implement the findings in the compensation & benefits study that is in progress.
- Law Enforcement – The change in this department is due to an increase in the contract for police services with the Sheriff Department. The increase for the 2019 contract is 13.7%.
- Public Works – Added a Maintenance Tech I position. Also added the Public Works Director position which is split 50% Public Works and 50% Capital Projects. Inspection cost was increased by \$20,000, which is offset with revenue. Snow & ice control was increased by \$5,000 due to the addition of streets at LPKC. Streetlight electric was increased to reflect the addition of streetlights on 207th St/Homestead. Added \$5,000 for construction supplies for projects not related to streets, such as sidewalk repair, ADA repair, storm water repair, etc.

City of Edgerton 2019 General Fund Budget Overview

- Parks – Added a Maintenance Tech I position. In 2018, funds were added for maintenance of the equipment in the City's parks as well as maintenance of ball fields and athletic courts. Some increases were also made in event budgets for things like renting equipment, etc.
- Facilities – The large expenditures in 2017 were due to the flood. The cost for renting the space at 312 E. Nelson has been added in 2018 and 2019. Dollars for tenant finish of that space are included in 2018.
- Community Development – The change from 2017 to 2018 reflects the addition of the Planning & Zoning Coordinator position as well as having the director position staffed for the entire year.
- Economic Development – Expenditures for EE! and the chamber were moved from the General Government category. This category also includes the transfer of the BNSF property tax increment to the Public Infrastructure Fund (PIF), which was previously included in transfers to other funds.
- Information Technology – The 2018 estimate reflects the purchase of equipment for the new positions and related installation costs. The 2019 recommendation reflects an increase in the cost for the IT services contract as the staff and the number of locations grow.
- Employee Benefits – The change in these expenditures is due to the addition of the positions. Healthcare and KPERs costs have remained relatively level the last few years.

Transfers to Other Funds

The City continues the commitment to systematically funding equipment replacement with a transfer to the Equipment Reserve Fund. The City has also used fund balance in excess of reserves to fund capital projects, the amount of which varies from year to depending on the projects and the fund balance available.

Ending Fund Balance

At the end of 2019, the General Fund is projected to have adequate reserves to meet the requirements of the reserve policy. In addition, it is projected that there will be funding in excess of the most conservative reserve requirement that could be used for one-time expenditures, such as capital projects.

City of Edgerton General Fund

Mill Rate:	33.622	33.654	30.633	29.959
Revenue from 1 Mill:	\$43,906	\$40,102	\$40,634	\$46,255

	2016 Actual	2017 Actual	2018 Estimate	2019 Recommended
Balance 1/1	\$ 1,346,053	\$ 1,748,720	\$ 1,582,616	\$ 1,738,092
Revenues:				
Ad Valorem Tax	1,472,934	1,509,058	1,245,664	1,385,761
LPKC PILOT	-	-	345,936	437,123
Delinquent Tax	6,574	-	-	-
Motor Vehicle Tax	44,538	47,301	48,197	48,993
Recreational Vehicle Tax	993	957	823	775
16/20M Vehicle Tax	75	156	100	420
Local Alcoholic Liquor Tax	2,407	7,555	2,600	2,725
Compensating Use Tax	233,741	196,340	180,000	180,000
Local Sales Tax	549,668	652,959	736,000	750,000
Franchise Tax	103,245	129,260	110,000	110,000
Licenses & Permits	740,345	635,441	756,000	756,300
Charges for Services	113,442	111,723	108,744	123,000
Fines & Forfeitures	14,786	25,452	25,000	25,000
Miscellaneous	7,761	500,913	197,527	-
Investment Income	1,857	15,819	15,000	15,000
Total Revenue	\$ 3,292,366	\$ 3,832,934	\$ 3,771,591	\$ 3,835,097
Transfers from Other funds:				
Transfer from General Fund				
Transfer from Capital Projects Fund	-	14,644	-	-
Total	\$ -	\$ 14,644	\$ -	\$ -
Total Sources	\$ 3,292,366	\$ 3,847,578	\$ 3,771,591	\$ 3,835,097
Expenditures:				
General Government	604,915	651,513	929,158	915,232
Law Enforcement	288,340	285,540	317,807	372,525
Public Works	413,855	468,595	513,207	610,340
Parks	152,290	192,767	259,816	282,236
Facilities	24,331	863,550	127,338	110,740
Community Development	236,007	295,050	377,229	374,680
Economic Development	353,843	356,474	344,099	475,200
Information Technology	31,884	31,193	60,000	46,848
Employee Benefits	218,818	218,024	296,224	412,909
Total Expenditures	\$ 2,324,283	\$ 3,362,706	\$ 3,224,878	\$ 3,600,710
Sources Over(Under) Expenditures	\$ 968,083	\$ 484,872	\$ 546,713	\$ 234,387
Transfers to Other Funds:				
Transfer to Equipment Reserve Fund-General	126,177	79,250	79,250	79,250
Transfer to Equipment Reserve Fund-Water	-	26,796	-	-
Transfer to Capital Projects Fund	439,239	544,930	311,987	274,180
Total	\$ 565,416	\$ 650,976	\$ 391,237	\$ 353,430
Total Uses	\$ 2,889,699	\$ 4,013,682	\$ 3,616,115	\$ 3,954,140
Sources Over(Under) Uses	\$ 402,667	\$ (166,104)	\$ 155,476	\$ (119,043)
Prior Period Adjustment	-	-	-	-
Balance 12/31	\$ 1,748,720	\$ 1,582,616	\$ 1,738,092	\$ 1,619,049

<i>Reserve Per Policy - 17% of Budgeted Revenue:</i>	\$ 615,194	\$ 651,966
<i>Unencumbered Cash Over(Under) Requirement:</i>	\$ 1,122,898	\$ 967,082
<i>Reserve Per Policy - 25% of Budgeted Revenue:</i>	\$ 904,697	\$ 958,774
<i>Unencumbered Cash Over(Under) Requirement:</i>	\$ 833,395	\$ 660,275

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

Expenditures: General operations of the City