SPECIAL MEETING AGENDA

August 26, 2026

THE CITY COUNCIL SHALL HOLD ITS SPECIAL MEETING IN THE COUNCIL CHAMBER IN THE CITY HALL, LOCATED AT 121 S. MERIDIAN, BEGINNING AT 5:15 P.M.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **NEW BUSINESS**
   A. 2027 COMPREHENSIVE BUDGET PRESENTATION

15. **ADJOURN**

*This is an open meeting, open to the public, subject to the Kansas Open Meetings Act (KOMA). The City of Valley Center is committed to providing reasonable accommodations for persons with disabilities upon request of the individual. Individuals with disabilities requiring an accommodation to attend the meeting should contact the City Clerk in a timely manner, at **apark@valleycenterk.gov** or by phone at (316)755-7310.*

ADJOURN

August 26th, 2026
To: Honorable Mayor Jet Truman & City Council

RE: 2027 Budget – Department Updates/Requests, Financial Overview, and Opportunities/Challenges

Dear Mayor Truman and City Council Members,

It is the responsibility of the Finance Director, along with the City Administrator, to prepare and present an annual budget to the Valley Center City Council. The following letter recaps the SB13 budgeting process now in its fifth full year, department updates/requests, and current/future challenges facing the City.

The City received its estimated valuation information on June 15th. The City's overall estimated assessed valuation increased by 8.46% from $87,761,650 to an estimated $95,185,128. The value of each mill is estimated to be $95,185.

Revenue Neutral Rate

SB13 repealed the tax lid and implemented a new budgeting process for any entity that levies ad valorem property taxes. The new process establishes what is called the Revenue Neutral Rate (RNR). The RNR shows what the City would need to levy to generate the same number of ad valorem tax dollars as the previous year's budget. The City's RNR for the FY27 budget is calculated at 49.471. The RNR is calculated by taking the total property taxes billed for FY26 and dividing that by the City's estimated assessed valuation for the FY27 budget and multiplying by 1,000 to express the rate in mills:

$$\frac{\$4{,}708{,}932 \text{ (property taxes billed for FY26)}}{\$95{,}185{,}128 \text{ (estimated valuation for FY27 budget)}}$$

$$=$$

$$.049471 \times 1{,}000 \text{ or } 49.471 \text{ mills}$$

After establishing the revenue neutral rate, the City must put together its budget to determine if the RNR needs to be exceeded to maintain its high level of service offered to its residents. The City must notify Sedgwick County by July 20th if we plan on exceeding the RNR. As that date approached, discussions were still taking place on Valley Center keeping our Fire Department funded through the City or joining the Sedgwick County Fire department. We sent the County Clerk our "worst case" scenario model of a 67.118 mill rate on 7-13-26. That mill rate was based on the estimated cost of keeping our Fire Department in Valley Center and staffing up to a 24/7/365 model with additional employees and equipment. By notifying Sedgwick County of our intent to exceed the RNR, it allows the City more time to discuss items like critical personnel, equipment, and overall funding for the FY27 budget. This step in the process is like how we would set our maximum ad valorem tax dollar amount in budget years prior. The notification process to Sedgwick County essentially sets our "cap" in total maximum dollars we plan to levy.

The notification will also signal Sedgwick County to include this information on a notification that will be sent to every property owner in our taxing jurisdiction of when and where we plan on holding our RNR and budget hearings along with the financial information on how much ad valorem tax the individual will pay at the proposed mill rate of 67.118 mills compared to the current fiscal year.

Staff recommend having this hearing each year regardless of our decision to exceed the RNR or not. Conducting the tax rate hearing will ensure we are able to capture, at minimum, the same amount of taxes levied the year prior.

It will be the duty of the City Council to ultimately decide what the City's mill levy will be. If the revenue neutral rate <u>will not</u> be exceeded, the remaining budget calendar looks like:

- Publish the FY27 budget hearing notification on September 1st, informing residents of the public hearing for the FY27 budget on September 15th, 2026.
- Hold public hearing for the FY27 budget on September 15th and approve the FY27 budget.
- Send certified documentation and affidavit of public hearing notification to Sedgwick County on or before October 1st, for review and submission to the state.

If the revenue neutral rate <u>will be</u> exceeded, the remaining budget calendar looks like:

- Send notification of exceeding the revenue neutral rate along with the date, time, and location of the revenue neutral rate hearing to Sedgwick County by July 20th, 2026. The hearing will be held on September 15, 2026, at 7:00 p.m. located at City Hall, 121 S. Meridian Valley Center KS, 67147.
- Publish notification for the FY27 budget hearing and FY27 revenue neutral rate hearing on September 1st, 2026, and place notification on the City website with the details of the time, date, and location of said hearings.
- Hold FY27 budget public hearing and FY27 budget revenue neutral rate hearing on September 15th, 2026 (hearing must be held between Aug 20th and Sep 20th)
- Approve resolution to exceed the revenue neutral rate and certify the FY27 budget no later than Sept 19th, 2026, once the public hearing and tax rate hearings have concluded. **<u>The vote to exceed the RNR must be a Roll Call vote.</u>**
- Send certified documentation, copy of resolution exceeding the RNR, and affidavit of public hearing notifications to Sedgwick County by October 1st, 2026, for review and submission to the state.

Update: Council voted August 18th to put the expanded Fire Department expansion to a public vote in November of 2026. Therefore, the number sent to the County on July 13th of 67.118 will not be used for the 2027 budget. We will instead be using a FY2027 mill rate of 59.842 unless Council votes to increase or decrease that rate at our Comprehensive Budget discussion on August 26th.

Department Updates / Requests

Public Works

Over the past six years, Public Works has been aggressive in terms of equipment replacement and developing new ideas and procedures. Public Works staff should be commended for their forward thinking, as they continue to seek new strategies to improve efficiency in service through better project management and tackling some projects in-house.

Public Works functions play an integral role in the City, providing essential services for streets, water, wastewater, and stormwater.

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Public Works will be taking on the largest capital improvement project in Valley Center history with the upcoming Water Treatment Plant (WTP). The estimated completion date will be Q1 of 2027. Most of the WTP will be paid through a 30-year SRF low-interest rate loan. We have also been awarded a $1.5-million-dollar KDHE loan forgiveness grant, $1.9M from the water department to pay for Engineering expenses for the construction of the WTP and staff continue to search for any additional grants or funding sources that might help us reduce the overall cost of the project.

The 2027 budget includes $1.9M from water operating to pay off the engineering expenses for the Water Treatment Plant. Water operating will also make a $440K transfer to Bond and Interest to make the first loan payment toward the WTP in February of 2028.

Special Streets and Highway Fund

The Special Streets and Highway Fund is dedicated to maintenance and construction of roads in Valley Center. Funding is provided through gas taxes distributed by the State and Sedgwick County along with 50% of local sales tax distributions. The increase in inflation since FY21 has increased annual sales tax revenue projections through FY27.

Mirroring the General Fund in terms of sales tax revenue budgeting, county sales tax revenue was increased for FY27 to account for the increase realized over the past two years. County sales tax revenue is still budgeted conservatively to account for changes in the economy due to inflation and changes in interest rates.

Stormwater

The Stormwater Fund continues to transfer $200k to Bond and Interest to continue toward the 2016 Ford/Meridian project and other shortages inside Bond and Interest. In addition to debt service payments, $110,000 is budgeted for system improvements to the Stormwater system.

Solid Waste

The City recently partnered with Waste Connections in early 2021 and then renewed our contract with them for an additional ten years in late 2025. Waste Connections is now the sole source solid waste hauler for all residential properties in Valley Center. Waste Connections was chosen due to the pricing provided for our residents as well as their commitment to communication and service by providing multiple avenues to engage and interact with our residents. By partnering with Waste Connections, the time-consuming task of picking up, removing, and replacing carts has been removed from the duties of our public works employees, allowing more time and energy to be spent on other public works activities.

Sewer

A new lift station will be installed in Q4 of 2026. This will be through reserve funds. Sewer will continue to transfer $210,000 to Bond and Interest in FY27 for a 2007 bond through KWPLCRF. That debt is set to sunset in the FY28 budget.

Community Development

Multiple new housing developments are currently in the design or construction phases in Valley Center. They include Harvest Place, Prairie Lakes, Arbor Valley, Valepoint and Amber Ridge.

FY27 Budget requests include $20,000 for advertising and $15,000 for to be allocated for local business development decided by the City Council.

Parks and Public Buildings

The Parks and Public Buildings staff work hard to improve many amenities for the City. In 2019, a new master pedestrian/bike plan for the City was completed. This will allow interconnectivity throughout the City for residents who like to walk, run, and bike through Valley Center. This will aid in future CIP projects regarding City parks and outdoor spaces.

The Parks and Public Buildings Department has been an integral part of the new

Pool/Rec center that opened in February of 2025. Staff did a great job in presenting information throughout the Steering Committee's process of selecting the Construction Manager and Architect Firm for the project.

Like the Community Development Department, The Parks and Public Buildings department will be relied upon heavily as the City experiences growth and addition of a 62-acre park.

The Parks and Public Buildings budget requests for 2026 include $100,064 for contractual services such as mowing, cleaning and an allocation of $19,000 for turf maintenance.

Public Safety

The Public Safety Department is currently in a position of growth, adaptation, and change when it comes to infrastructure for the Department. Over the past five budget cycles the Department has secured funding to obtain new digital radios, new car and body cameras, a firetruck, new air packs and SCBA's, computers, new vehicles through a partnership with Enterprise Fleet, new evidence processing software, software to manage the Departments mission to receive accreditation through the States' recently adopted accreditation program, and most recently transitioning to a new records management system and computer aided dispatch system through a partnership with Sedgwick County.

$15,000 has been allocated for new Fire Department equipment in 2026.

Administration

The Administration Department plays a major supporting role for all other departments throughout the City. Administration handles all financial duties, payroll, accounts payable, treasury services, IT services, municipal court services, human resources, senior services, and serves as the secretary of the City Council. Each unit within the Administration Department continues to strive for efficiency by implementing and utilizing new technologies. Technology upgrades continue to contribute to the efficiency of the department. The City will be moving to a new ERP system in 2027 named Caselle. This software system will increase efficiency for all departments in the City by streamlining many time-consuming processes.
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FY24 and FY25 were high-cost years in terms of healthcare expenses for the City. We have had several employees that had higher than budgeted medical expenses and needed surgeries. We are increasing our mills allocated to Employee Benefits to stabilize expenses and build reserves back up.

In 2023, the City purchased a plan through Pareto which caps the maximum out of pocket medical expenses that would have to be paid for catastrophic illnesses or injuries for employees. After a certain threshold is met, Pareto covers the additional medical expenses past that threshold. This has allowed the city to better budget for medical expenses in the employee benefit fund, without having to worry about a large unexpected medical expense greatly changing a fiscal budgetary year. This Pareto plan was continued in FY26 and is also a budgeted item for FY27.

Emergency Equipment Fund

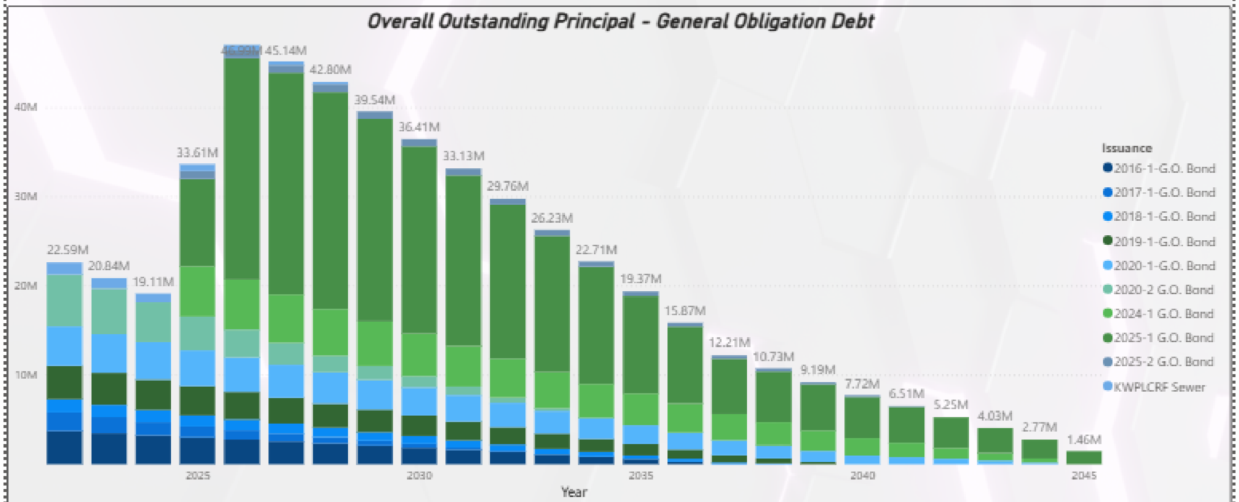
The Emergency Equipment fund is allocated at approximately one mill per year, for FY26 and FY27 it is at .962.

This fund is used to purchase emergency equipment for the Public Safety department. Historically, it has been used for purchasing a new police vehicle every year. In recent years this fund has expanded into equipment for Fire, upfitting police vehicles and additional funding to items such as flock cameras.

Bond and Interest Fund

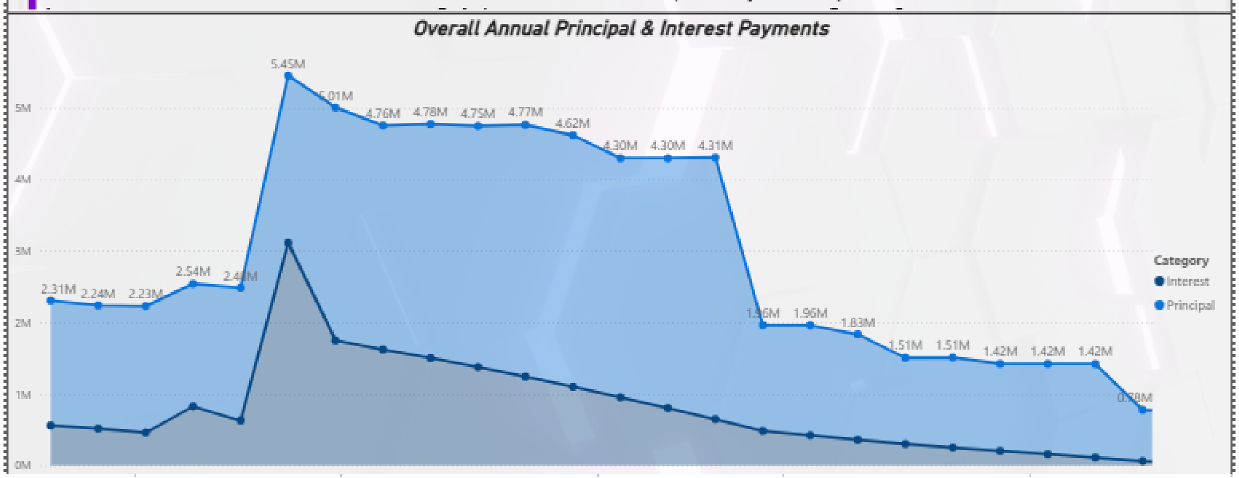
Long Term Debt

Overall debt through maturity and total principal and interest payments due per year



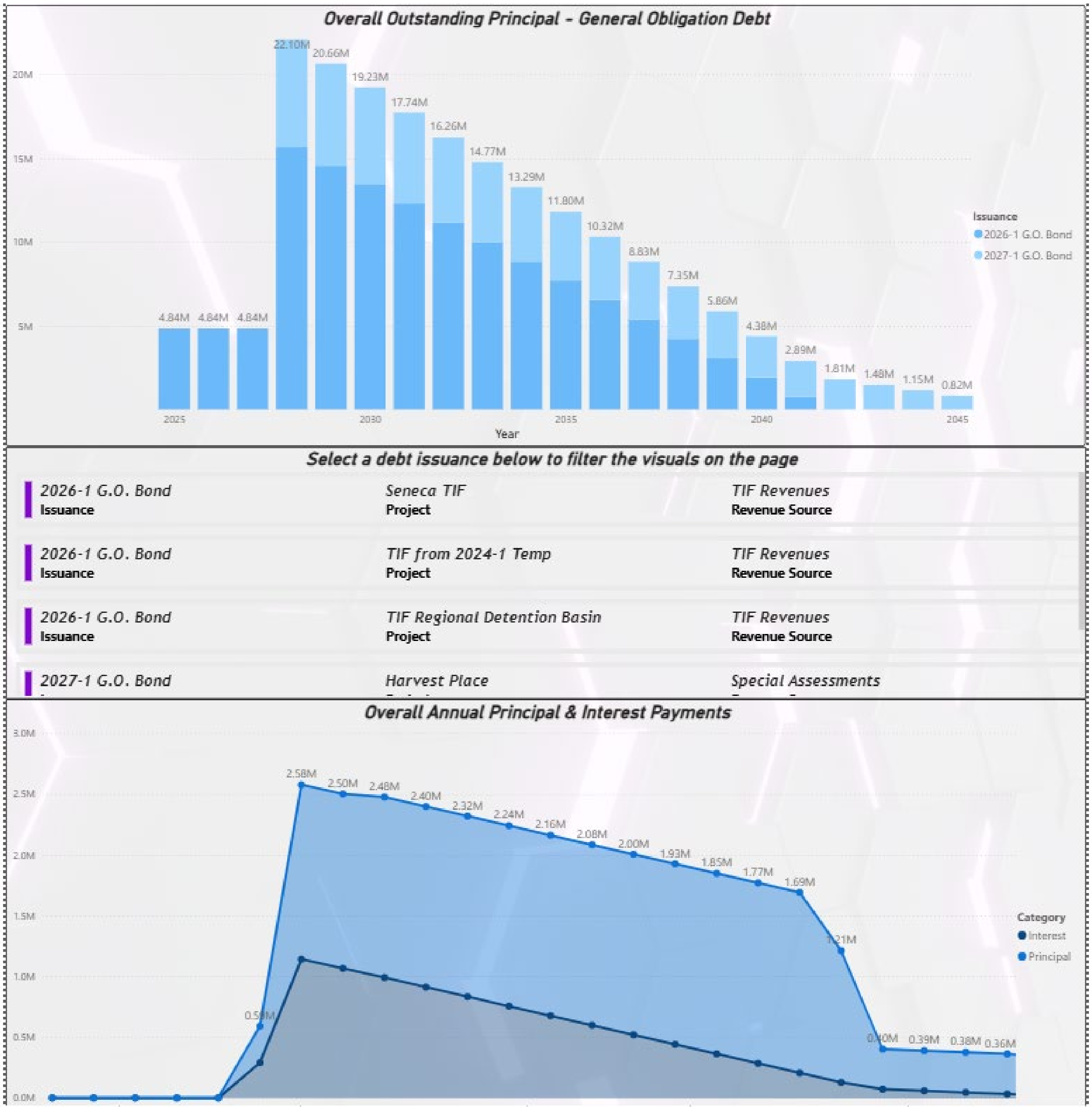
Select a debt issuance below to filter the visuals on the page

Issuance	Project	Revenue Source
2016-1-G.O. Bond	*Goff, Fieldstone, Clover, and Emporia sid...*	*Ad Valorem*
2016-1-G.O. Bond	*Valley Creek Estates 2nd Addition Paving,...*	*Special Assessments*
2017-1-G.O. Bond	*Meridian Storm Sewer Extension; Sanitary...*	*Ad Valorem*
2017-1-G.O. Bond	*Prairie Lakes Phase 2 Water, Sanitary Sew...*	*Special Assessments*



Long Term Debt - Future

Overall debt through maturity and total principal and interest payments due per year
****Note: 2026 GO Bonds are now completed. However, we still need to update the power BI to move that to current debt and it is listed as future debt currently in the model below.*



Valley Center has invested in their future the past six years. New roads, bridges, a new city recreation center, over ten new housing additions and a new water treatment plant. These investments were paid through bonds and loans, and those payments start ramping up in FY27. In FY26, the city had $2,291,550 in bond payments on their debt. These payments will increase to $5,713,876 in FY27.

The chart below is the estimated debt payments by year for all current and future Bonds and Loans. The only debt excluded from this chart is Temporary Notes for housing additions currently being constructed and not yet bonded.

Year	Total Debt + Future TIF
2026	$ 2,291,560
2027	$ 5,713,876
2028	$ 6,150,845
2029	$ 6,912,454
2030	$ 6,930,549
2031	$ 6,895,979
2032	$ 6,910,201
2033	$ 6,761,121
2034	$ 6,438,631
2035	$ 6,437,481
2036	$ 6,449,421
2037	$ 4,106,106
2038	$ 4,105,736
2039	$ 3,976,949
2040	$ 3,647,804
2041	$ 3,649,692
2042	$ 2,428,602
2043	$ 2,428,214
2044	$ 2,426,014
2045	$ 1,781,659
2046	$ 1,777,165

Five Year Forecast (Taxing Funds)

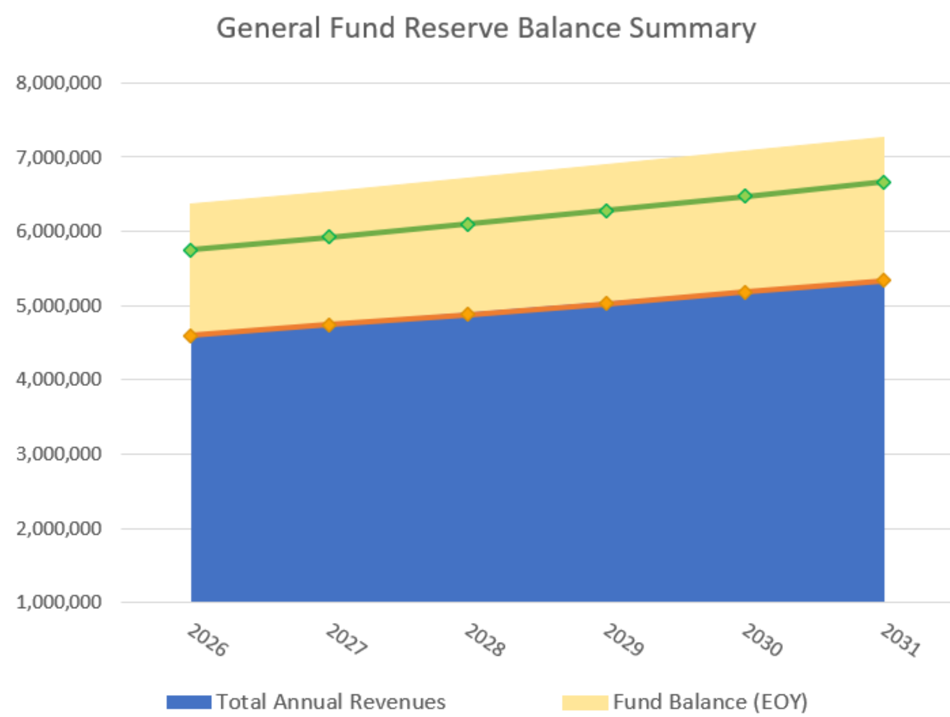
Financial Outlook 5-Year Forecast

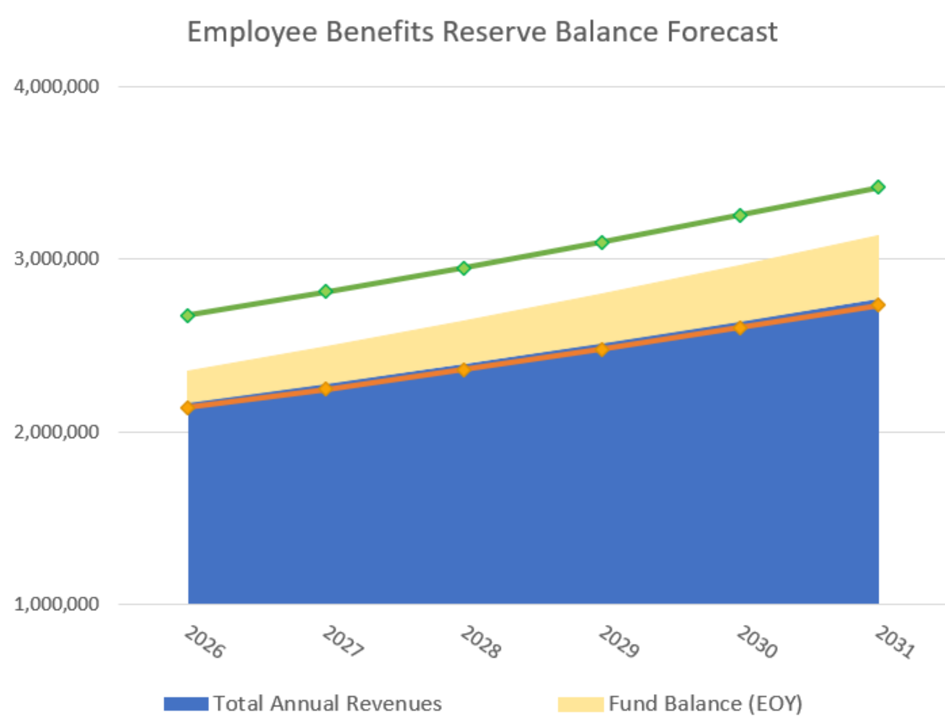
To aid finance staff and City Council in future decision making, staff have created a 5-year forecast for all taxing funds the City operates. The taxing funds include the General Fund, Employee Benefit Fund, Library Fund, Bond and Interest Fund, and the Emergency Equipment Fund. The 5-year forecast allows staff to stress test future budgetary requests against what staff projects and assumes will happen in terms of revenues and expenses. The 5-year table and chart are below:

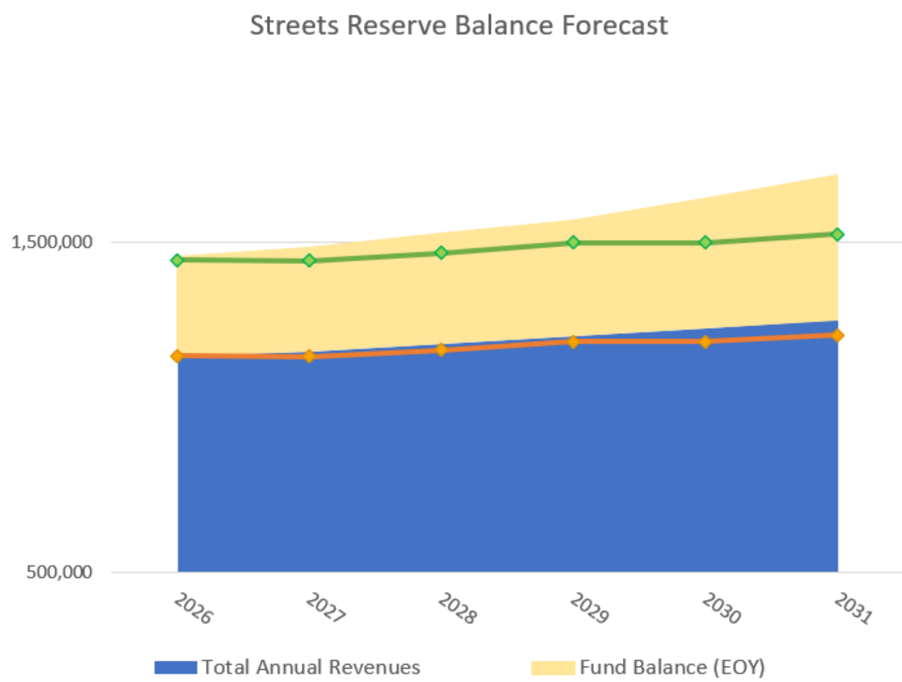
Revenues	2026 Budgeted	2027 Forecasted	2028 Forecasted	2029 Forecasted	2030 Forecasted	2031 Forecasted
General Fund	4,520,909	4,631,838	4,770,793	4,913,917	5,061,334	5,213,174
Employee Benefits Fund	2,173,501	2,282,176	2,396,285	2,516,099	2,641,904	2,773,999
Library Fund	402,622	404,008	416,128	428,612	441,470	454,715
Bond and Interest Fund	2,678,528	4,270,334	4,767,221	4,878,670	5,041,169	5,261,460
Emergency Equipment Fund	109,069	107,571	110,798	114,122	117,546	121,072
Total Annual Revenues	**9,884,629**	**11,695,927**	**12,461,225**	**12,851,420**	**13,303,424**	**13,824,420**
Expenditures	**2026 Budgeted**	**2027 Forecasted**	**2028 Forecasted**	**2029 Forecasted**	**2030 Forecasted**	**2031 Forecasted**
General Fund	4,587,882	4,601,031	4,739,062	4,881,234	5,027,671	5,178,501
Employee Benefits Fund	2,141,460	2,248,533	2,360,960	2,479,008	2,602,958	2,733,106
Library Fund	409,622	421,911	434,568	447,605	461,033	474,864
Bond and Interest Fund	2,342,410	4,306,313	4,102,095	4,859,779	4,877,374	4,845,804
Emergency Equipment Fund	76,000	76,000	79,040	82,202	85,490	88,909
Total Annual Expenditures	9,557,374	11,653,788	11,715,725	12,749,827	13,054,526	13,321,184
Expenditure +/- Revenue	327,255	42,139	745,501	101,593	248,898	503,236
Combined Fund Balance	2,516,462	2,575,797	3,240,814	3,259,814	3,423,609	3,839,265

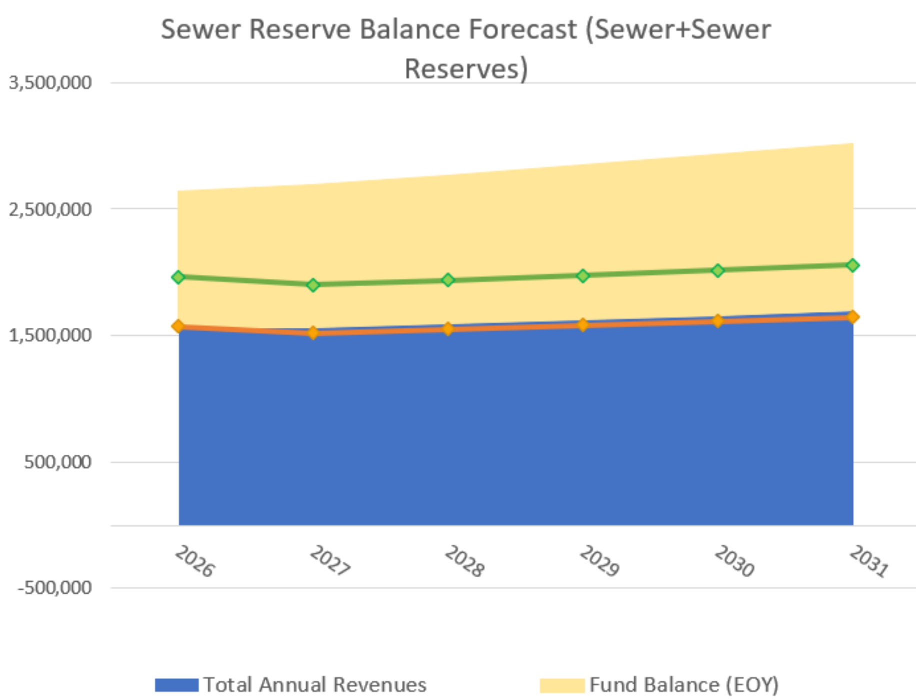
The table and chart visualizing the 5-year forecast includes revenue and expenditure assumptions. The revenue and expense assumptions will be reviewed annually to ensure the forecast stays up to date and can be used to stress test our taxing funds.

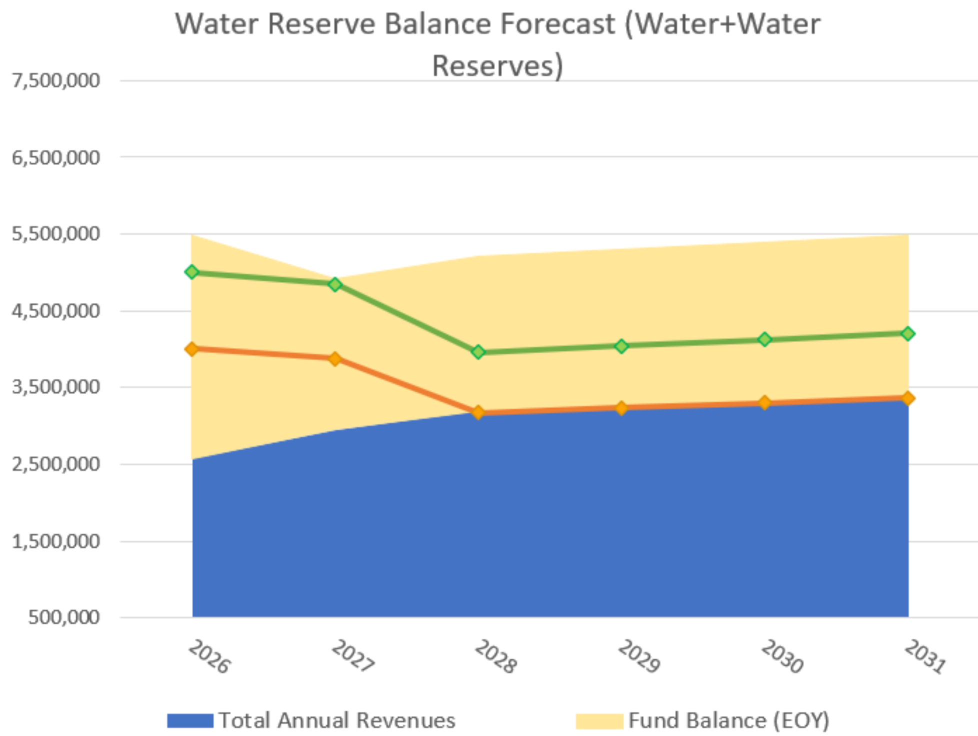
The City has also a reserve policy that lists five funds that must keep a reserve fund balance no less than 25% of the current year's expenditure appropriations. Those funds are: 010-General Fund, 110-Employee Benefit, 150-Steets & Highway, 610- Water Fund and 620-Sewer. Below are five graphs showing the revenue, expense and reserve fund forecasts for these five funds for the years 2026-2031.


General Fund Reserve Balance Summary
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
2026
2027
2028
2029
2030
2031
Total Annual Revenues
Fund Balance (EOY)


Employee Benefits Reserve Balance Forecast
4,000,000
3,000,000
2,000,000
1,000,000
2026
2027
2028
2029
2030
2031
Total Annual Revenues
Fund Balance (EOY)


Streets Reserve Balance Forecast
1,500,000
500,000
2026
2027
2028
2029
2030
2031
Total Annual Revenues
Fund Balance (EOY)


Sewer Reserve Balance Forecast (Sewer+Sewer Reserves)
3,500,000
2,500,000
1,500,000
500,000
-500,000
2026
2027
2028
2029
2030
2031
Total Annual Revenues
Fund Balance (EOY)



The Fund Balance Forecast charts show total revenues in blue and available fund balance in yellow. The orange line is our annual expenditure, and the green line shows how much fund balance we need to stay within our City policy limit of 25% fund balance of annual expenditures.

As shown, General Fund, Streets, Sewer and Water are all forecasted to be inside our city reserve policy through 2031. Employee Benefits are currently forecasted outside of our reserve requirements through 2031. The City had higher than projected medical claims in the past three years and had to make transfers from General Fund, Water and Sewer to stabilize this fund at the end of 2026. We have allocated additional Ad Valorem dollars toward this fund in FY26 and FY27 to bring reserves back up. Currently in FY26, claims have stabilized and we are trending toward being able to add additional funds beyond what was budgeted to the fund reserve balance at the of this fiscal year. We will continue to aggressively work to bring this account back into the city reserve policy in the years ahead.

Opportunities & Challenges

The City is ripe with opportunities that benefit the quality of life for residents while establishing sustained and managed growth over the next several years. The growth that the City is set to experience will need to be managed strategically utilizing our strategic plan to assist in guiding the City in the best direction possible.

Challenges

There continues to be discussion at the State level of capping property tax increases for cities to a fixed rate. The rate most often discussed is a 3% annual cap. Valley Center is about to experience a period of rapid growth and capping our property tax rate would put considerable strain on the City budget(s), especially with an increase in bond payments coming due in 2027.

Capital Improvement Plan - Projects

The City has made several announcements over the past 5 fiscal years regarding new developments occurring in the city. The expected growth is exciting and will add several new elements to our beloved city. Growth brings many opportunities, but it also presents several challenges as well. There are no current new CIP projects in development. We are currently completing the last two of the CIP projects that council had previously approved. The current CIP projects are shown in the table below:

Project Name	Previous	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget	Project Total
Seneca: Ford to 5th	$5,158,614	$1,000,000	$0	$0	$0	$0	$6,158,614
Water Treatment Plant	$8,000,000	$12,000,000	$0	$0	$0	$0	$20,000,000
Totals	$13,158,614	$13,000,000	$0	$0			$26,158,614

The current CIP plan is the largest capital investment in the City's history over a 5-year period. The importance of diversifying the revenue sources for all these projects cannot be overlooked. The challenge that presents itself with such a large capital investment is the City's statutory debt capacity. The City's debt capacity forces staff to plan and forecast projects based on the revenue source needed to fund the projects as well as what projects to include or exclude based upon the exempt or nonexempt status of the project in relation to debt capacity. Doing this results in the best possible mixture of infrastructure and quality of life projects to be planned and completed.

Through FY28, the City anticipates funding $71,219,519 in projects. $50,838,723 of this total is anticipated to be financed using long term debt. The current CIP projects are funded by various revenue sources including:

Property taxes -	$12,235,136
Tax Increment Financing -	$5,000,000
Local Option Sales Tax -	$20,767,208
General Fund -	$63,000
Streets Funding -	$696,144
Water Funding -	$6,544,305
Wastewater Funding -	$153,518
Stormwater -	$447,146
Federal/Grant Funding	$25,071,515
Land Proceeds -	$241,546

Conclusion

Over the past five budget cycles the City has taken tremendous strides in replacing equipment, maintaining what we currently have instead of waiting for items to fail, creating replacement programs to avoid the future burden of major one-time purchases, and sought out grant funding and alternative revenue sources. City Council should be commended for their forward thinking and their willingness to explore new ideas such as the public power project and the water treatment facility.

The FY27 budget will move the city from a stage of rapid CIP project growth to a new phase of slowing down and paying for the growth period that we just went through. The FY27 budget strengthens the City's foundation through capital planning and effective cash management while solidifying the City's commitment to our personnel. Uncertainty with the fire department will require additional planning and modeling later in FY26 for both the FY27 years and the additional years that will follow it.

It is a great time to be living and working in Valley Center. Excitement for what the next few years will bring is abundant, and now, more than ever, is the best time to discover what Valley Center has to offer.

Respectfully submitted,

Clint Miller
Finance Director

Valley Center 2027 Budget Overview & Comprehensive discussion

2026/2027 Mill Levy Comparison

2026 Mill Levy Actual		2027 Mill Levy Estimate	
General Fund	21.998	General Fund	20.900
Emp. Benefit	14.193	Emp. Benefit	15.400
Bond & Interest	12.299	Bond & Interest	18.700
Library	4.200	Library	3.880
Emergency Equip.	0.962	Emergency Equip.	0.962
Total Mills	53.652	Total Mills	59.842
Mill Levy Exceeded by	6.060	Mill Levy Exceeded by	10.371

New proposed FY27 Mill Levy

2027 Mill Levy Estimate		Ad Valorem Tax Revenue / Fund	
General Fund	20.900	General Fund	$1,989,369
Emp. Benefit	15.400	Emp. Benefit	$1,465,851
Bond & Interest	18.700	Bond & Interest	$1,779,962
Library	3.800	Library	$369,318
Emergency Equip.	0.962	Emergency Equip.	$91,568
Total Mills	59.842	Total Tax Revenue	$5,696,068

*City portion of Ad Valorem property taxes - $5,326,750

12 Year Mill Levy Comparison				
Levy Year	**Budget Year**	**Library**	**City**	**Total**
2015	2016	4.507	50.939	55.446
2016	2017	4.507	51.144	55.651
2017	2018	4.445	51.144	55.589
2018	2019	4.506	50.471	54.977
2019	2020	4.506	50.471	54.977
2020	2021	4.506	50.506	55.012
2021	2022	4.487	50.361	54.848
2022	2023	4.331	50.467	54.856
2023	2024	4.331	50.525	54.856
2024	2025	4.326	50.462	54.788
2025	2026	4.200	49.456	53.656
2026	2027	3.880	55.962	59.842

12 Year Valuation Comparison		
Budget Year	**Assessed Valuation**	**% Change**
2016	$45,729,797	0.01%
2017	$46,311,594	1.26%
2018	$48,269,842	4.26%
2019	$50,899,065	4.22%
2020	$53,746,894	5.60%
2021	$57,295,563	6.60%
2022	$59,371,877	3.31%
2023	$63,677,066	7.25%
2024	$69,926,337	9.82%
2025	$76,235,223	9.02%
2026	$87,761,650	15.17%
2027	$95,185,123	8.46%

General Fund Revenue

Revenues:	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 BUDGET	2027 PROJECTED
Taxes	2,418,195	2,577,744	2,811,518	2,957,241	3,057,313
Licenses & Permits	802,254	1,111,529	1,200,314	913,850	980,525
Charges for Services & Fees	24,243	24,288	32,735	23,600	26,600
Fines & Forfeitures	156,535	123,491	167,681	151,700	95,400
Interest Earnings	77,840	124,550	94,051	68,000	50,000
Other Revenues	329,119	188,157	220,609	235,018	250,000
Miscellaneous	236,451	147,011	324,056	171,500	172,000
TOTAL REVENUE	4,044,637	4,296,769	4,856,752	4,520,909	4,631,838

*2025 Misc. Income was inflated due to insurance money from the August 2025 hailstorm.

General Fund Expenditures

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 010

BUDGET DETAIL SUMMARY

Expenditures:	2024 ACTUALS	2025 ACTUALS	2026 BUDGETED	2027 REQUESTED
Administration Department	$ 1,015,877	$ 1,475,713	$ 1,143,079	$ 1,086,587
Community Development Department	$ 285,028	$ 332,081	$ 304,883	$ 298,744
Senior Services	$ -	$ 104,250	$ 110,808	$ 126,509
Park & Public Grounds Department	$ 623,820	$ 617,476	$ 678,508	$ 645,432
Police Department	$ 1,369,829	$ 1,507,557	$ 1,580,287	$ 1,654,129
Fire Department	$ 532,332	$ 567,152	$ 594,566	$ 595,025
Legal & Court Department	$ 163,330	$ 188,818	$ 175,751	$ 194,605
TOTAL EXPENDITURES	$ 3,990,215	$ 4,793,046	$ 4,587,882	$ 4,601,031
Budgeted Income (Gain/Loss)	$ 147,602	$ 63,706	$ (66,973)	$ 30,807
Fund Balance - January 1	$ 1,540,616	$ 1,581,625	$ 1,581,625	$ 1,645,331
Fund Balance - December 31	$ 1,688,218	$ 1,645,331	$ 1,514,652	$ 1,676,138

*The goal for the City was to budget the General Fund as flat as possible for 2027. Multiple departments will be running a 2027 budget below 2026 budgeted levels.

2027 General Fund Requests

- $25,000 – New business idea inside Admin.
- $15,000 – New Fire Fighting Gear.
- $70,000 – New RFP for custodial cleaning. Will be split among many departments.

$110,000 in total new requests - *Currently in the proposed FY27 General Fund Budget*

Library

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$409,622	$411,008
$(7,000) to Fund Balance	($0) to Fund Balance

- Expenditures intentionally over budgeted to ensure maximum dollars can be transferred.
- Budgeted flat to last year like other departments.

Library

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 140 — LIBRARY SUMMARY

BUDGETED DETAIL SUMMARY

	2023 ACTUALS	2024 ACTUALS	2025 BUDGETED	2025 ACTUALS	2026 BUDGETED	2026 REQUESTED
Revenues:						
Ad Valorem Tax	272,384	294,246	330,024	321,168	368,599	369,318
Delinquent Tax	4,164	5,783	1,551	5,773	1,551	9,000
In Lieu of Tax	-		-	-		-
Motor Vehicle Tax	31,822	31,291	30,862	25,858	30,699	31,000
Recreational Vehicle Tax	703	619	674	649	623	620
16/20M Trucks	162	116	111	6,606	105	100
Commercial Vehicle	741	668	778	678	662	650
Watercraft Tax	249	357	352	320	383	320
Total Property & Motor Vehicle Taxes	**310,225**	**333,080**	**364,352**	**361,051**	**402,622**	**411,008**
TOTAL REVENUE	**310,225**	**333,080**	**364,352**	**361,051**	**402,622**	**411,008**
Expenditures:						
City Transfer	310,225	333,080	372,000	361,051	409,622	411,008
Property Tax Rebate	37			-		-
Subtotal Other / Misc	**310,262**	**333,080**	**372,000**	**361,051**	**409,622**	**411,008**
TOTAL EXPENDITURES	**310,262**	**333,080**	**372,000**	**361,051**	**409,622**	**411,008**
Budgeted Income (Loss)	(37)	-	(7,648)	-	(7,000)	0
Fund Balance - January 1	894	857	858	858	858	(6,142)
Fund Balance - December 31	**857**	**858**	**(6,790)**	**858**	**(6,142)**	**(6,142)**

Employee Benefit Fund

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 110
BUDGET DETAIL SUMMARY

	2024 ACTUALS	2025 ACTUALS	2026 BUDGETED	2027 REQUESTED
Revenues:				
Total Property & Motor Vehicle Taxes	995,028	1,079,861	1,361,483	1,591,201
Total Interest Earnings	25,882	12,901	8,000	-
Total Intergovernmental	163,863	176,880	212,000	177,300
Transfers In & Reimbursements	13,403	405,704	298,000	405,000
TOTAL REVENUE	**1,198,176**	**1,675,345**	**1,879,483**	**2,173,501**
Expenditures:				
Total Personnel Ser. & Benef.	1,483,730	1,578,572	1,750,465	1,986,160
Total Contractuals	1,680	157,583	1,439	151,300
Total Other / Misc.	5,779	3,980	-	4,000
TOTAL EXPENDITURES	**1,491,189**	**1,740,135**	**1,751,904**	**2,141,460**
Budgeted Income (Gain/Loss)	(293,013)	(64,790)	127,579	32,041
Est Variance in Health ins				
Est Income (Gain/Loss)	(293,013)	(64,790)	127,579	32,041
Fund Balance - January 1	406,573	114,111	49,321	176,900
Fund Balance - December 31	114,111	49,321	176,900	208,940

Employee Benefit Fund

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$1,751,904	$2,141,460
$127,579 to Fund Balance	$32,041 to Fund Balance

- Employer KPERS Portion
- Medicaid
- FICA (Social Security)

- Health Insurance
- Workman's Comp
- Unemployment

- FY 2025 was a very difficult year for Employee Benefits. Transfers took place from General Fund, Water and Sewer at the end of the year to bring the account solvent.
- The goal in this fund is to rebuild reserves to a healthy reserve level again. Ideally, this account can be built back up to $400-500k in reserves again for a cushion for rough claim years.
- Current FY26 is trending much better and at this point it appears we will add more to our fund balance at the end of the year than the budgeted $127,579.
- Insurance rates are increasing 15% or higher per year. This continues to be the most challenging part of the City budget to predict and control.

Emergency Equipment Fund

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$76,000	$76,000
$33,069 to Fund Balance	$31,571 to Fund Balance

- No major new expenses planned in FY2027.
- Reserves at a healthy level with reserves above $100k for the first time in several years.

Emergency Equipment Fund

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 160 — EMERGENCY EQUIPMENT SUMMARY				
BUDGETED DETAIL SUMMARY				
	2024 ACTUALS	**2025 ACTUALS**	**2026 BUDGETED**	**2027 REQUESTED**
Revenues:				
Total Property & Motor Vehicle Taxes	**74,058**	**80,213**	**93,069**	**100,571**
Total Fines and Forfeitures	**7,648**	**6,899**	**7,000**	**7,000**
Total Interest Earnings		**2,392**	**-**	**-**
Total Other / Misc		**40,500**	**9,000**	**-**
TOTAL REVENUE	**87,742**	**130,005**	**109,069**	**107,571**
Expenditures:				
Total Capital Outlay	**99,505**	**120,357**	**28,000**	**28,000**
Total Transfers	**48,000**	**-**	**48,000**	**48,000**
TOTAL EXPENDITURES	**147,505**	**120,357**	**76,000**	**76,000**
Budgeted Income (Loss)	(59,763)	9,648	33,069	31,571
Fund Balance - January 1	94,516	62,951	72,599	105,668
Fund Balance - December 31	62,951	72,599	105,668	137,240

Special Streets and Highway

Gas Tax Distributions	2025 Actual	2026 Budgeted	2027 Estimated
State Distribution	$243,383	$200,000	$200,000
County Transfer	$44,746	$87,000	$80,000
Total	$288,129	$287,000	$280,000

- 2025 was booked in incorrectly between the state and county lines. The total is correct.
- County is revising formula down in 2027. Revised estimates down slightly.

Special Streets and Highway

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$1,313,000	$1,115,731
$(151,550) to Fund Balance	$14,269 to Fund Balance

- $36,000 annual transfer to fleet management continues.

Special Streets and Highway

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 150 **SPECIAL STREETS & HIGHWAY**

COMBINED SUMMARY / REVENUE DETAIL

	2025 BUDGETED	2025 ACTUALS	2026 BUDGETED	2027 REQUESTED
Revenues:				
Total Taxes	-	-	-	-
Total Intergovernmental	1,085,660	1,179,719	1,132,000	1,145,000
Total Permits	-	700	-	-
Total Interest Earnings	-	27,554	29,450	15,000
Total Other & Miscellaneous	-	583	-	-
TOTAL REVENUE	1,085,660	1,208,556	1,161,450	1,160,000
Expenditures:				
Total Salaries and Benefits	509,067	460,535	511,205	348,183
Total Contractuals	76,610	149,954	79,590	126,223
Total Commodities	72,800	102,245	84,305	98,825
Total Capital Outlay	521,000	567,601	501,900	546,500
Total Transfers / Misc	136,000	36,000	136,000	36,000
TOTAL EXPENDITURES	1,315,477	1,316,335	1,313,000	1,155,731
Budgeted Income (Gain/Loss)	(229,817)	(107,779)	(151,550)	4,269
Fund Balance - January 1	759,488	759,488	653,470	501,920
Fund Balance - December 31	529,671	653,470	501,920	506,189

Special Parks and Rec

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 020 — SPECIAL PARKS & RECREATION

BUDGET DETAIL SUMMARY

	2023 ACTUALS	2024 ACTUALS	2025 ACTUALS	2026 BUDGETED	2027 REQUESTED
Revenues:					
Total Taxes	-		-	-	-
Total Interest Earnings	1,280	1,509	1,455	-	-
Total Intergovernmental	6,280	8,362	6,311	9,769	7,889
Total Miscellaneous	-	-	-	-	-
TOTAL REVENUE	7,560	9,871	7,766	9,769	7,889
Expenditures:					
Total Contractual Services	-	-	4,843	-	-
Total Commodities	-	-	-	-	-
Capital Outlay	-	5,361	-	-	15,000
TOTAL EXPENDITURES	-	5,361	4,843	-	15,000
Budgeted Income (Gain/Loss)	7,560	4,510	2,923	9,769	(7,111)
Fund Balance - January 1	31,913	39,473	43,983	46,907	56,676
Fund Balance - December 31	39,473	43,983	46,907	56,676	49,564

- **No purchases are scheduled for FY2027 at this time in this fund.**
- **Fund balance at a historical high.**
- **Past discussions on possibly using these funds to replace aging playground equipment at some point.**
- **15k placeholder added if needed.**

Special Alcohol

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 030
BUDGET DETAIL SUMMARY

	2023 ACTUALS	2024 ACTUALS	2025 ACTUALS	2026 BUDGETED	2027 REQUESTED
Other Contractuals	-	128	-	-	-
Total Contractual Services	-	**128**	-	**1,000**	-
Supplies	50		-	-	-
Other Commodities	260		-	-	-
Total Commodities	**310**	-	-	-	-
Vehicle Replacement	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
Miscellaneous	-	-	-	-	15,000
Contingency	-	-	-	-	-
Total Other / Misc.	-	-	-	-	**15,000**
TOTAL EXPENDITURES	**310**	**128**	-	**1,000**	**15,000**
Budgeted Income (Gain/Loss)	6,260	8,121	6,452	8,769	(7,111)
Fund Balance - January 1	4,430	10,688	18,809	25,262	34,031
Fund Balance - December 31	10,690	18,809	25,262	34,031	26,920

*No expenses planned in 2027. 15k placeholder added if needed.
*This account gets part of the State Alcohol Distribution.
*Fund balance at a historical high.

Equipment Reserve

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET					
FUND 127 **EQUIPMENT RESERVE**					
COMBINED DETAIL SUMMARY					
	2023 ACTUALS	**2024 ACTUALS**	**2025 ACTUALS**	**2026 BUDGETED**	**2027 REQUESTED**
Revenues:					
Total Other Revenue	-	-	-	-	-
Total Interest Earnings	13,443	16,854	16,825	13,000	12,000
Transfers In & Reimbursements	37,600	38,000	80,000	38,000	38,000
TOTAL REVENUE	37,600	54,854	96,825	51,000	50,000
Expenditures:					
Total Contractual	-	-	47,000	-	-
Total Capital Outlay	14,540	41,438	49,831	25,000	20,000
TOTAL EXPENDITURES	14,540	41,438	96,831	25,000	20,000
Budgeted Income (Gain/Loss)	23,060	30,271	(6)	26,000	30,000
Fund Balance - January 1	367,887	390,947	417,087	417,082	443,082
Fund Balance - December 31	390,947	417,087	417,082	443,082	473,082

*Account is funded via annual transfers.
*Only budgeted expense is a $20,000 placeholder for any unexpected equipment needs in 2027.
*Reserves at a healthy level.

Bond and Interest Fund

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$2,342,410	$4,306,313
$336,118 to Fund Balance	$(35,979) to Fund Balance

- Bond & Interest payments jump sharply in 2027 as payments for multiple GO bonds begin.
- We previously had the GO Bond for the Rec Center in the Bond & Interest fund. We have moved that back to Pool/Rec and will book both the 1% revenue and the bond payments out of Pool/Rec starting in 2027. The Bond and Interest payment therefore decreased from the number previously shown to council.
- $125,000 budget for “Professional Services” in 2027 as we have multiple Temp Notes, GO bonds and a possible refinancing of a bond that will take place Q4 in 2027.

Bond and Interest Fund

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 410
BUDGETED DETAIL SUMMARY

	2023 ACTUALS	2024 ACTUAL	2025 BUDGETED	2025 ACTUAL	2026 BUDGETED	2027 REQUESTED
Revenues:						
Transfers In & Reimbursements	**622,000**	**732,550**	**732,550**	**732,550**	**757,550**	**1,324,411**
TOTAL REVENUE	**2,101,847**	**2,327,250**	**2,486,302**	**2,497,166**	**2,678,528**	**4,270,334**
Expenditures:						
Professional Service	-	-	140,000	199,464		125,000
Total Contractuals	**-**		**140,000**	**199,464**	**-**	**125,000**
Cash Basis Reserve	-		-	-	-	-
Property Tax Rebate	94	-	-	-		-
Contingency	-		-	-		-
Total Other	**94**	**-**	**-**	**-**	**-**	**-**
Principal Payments	1,495,000		1,731,490	1,525,000	1,660,000	**1,745,000**
Interest Payments	554,355	3,241,078	616,210	822,700	682,410	**2,436,313**
Total Debt Service	**2,049,355**	**3,241,078**	**2,347,700**	**2,347,700**	**2,342,410**	**4,181,313**
Equipment	-		-	-		-
Total Capital Outlay	**-**		**-**	**-**	**-**	**-**
TOTAL EXPENDITURES	**2,049,449**	**3,241,078**	**2,487,700**	**2,547,164**	**2,342,410**	**4,306,313**
Budgeted Income (Loss)	52,398	(913,828)	(1,397)	(49,998)	336,118	(35,979)
Fund Balance - January 1	1,099,684	1,148,884	213,014	213,014	163,016	499,135
Fund Balance - December 31	1,152,082	213,014	211,617	163,016	499,135	463,155

Pool/Rec – Sales Tax Collections

Collected $4,826,456.96 to date

Average monthly collection: $77,846.06/Month

Sales tax is scheduled to sunset on March 31, 2036

Sales tax revenue projections through sunset: $13,890,464.36
(Estimated 2.5% annual increase)

Pool/Rec – Sales Tax Collections

2025 Actual

Collected $1,009,934.69

Average monthly collection: $84,161.22/Month

Sales tax is scheduled to sunset on March 31, 2036

10.24% over FY24 Actual

2026 YTD

Collected $674,6732.39

(7 months)

Average monthly collection: $96,091.77/Month

Sales tax is scheduled to sunset on March 31, 2036

Trending 24.64% up over first six months of 2024.

Pool/Rec – Sales Tax Collections

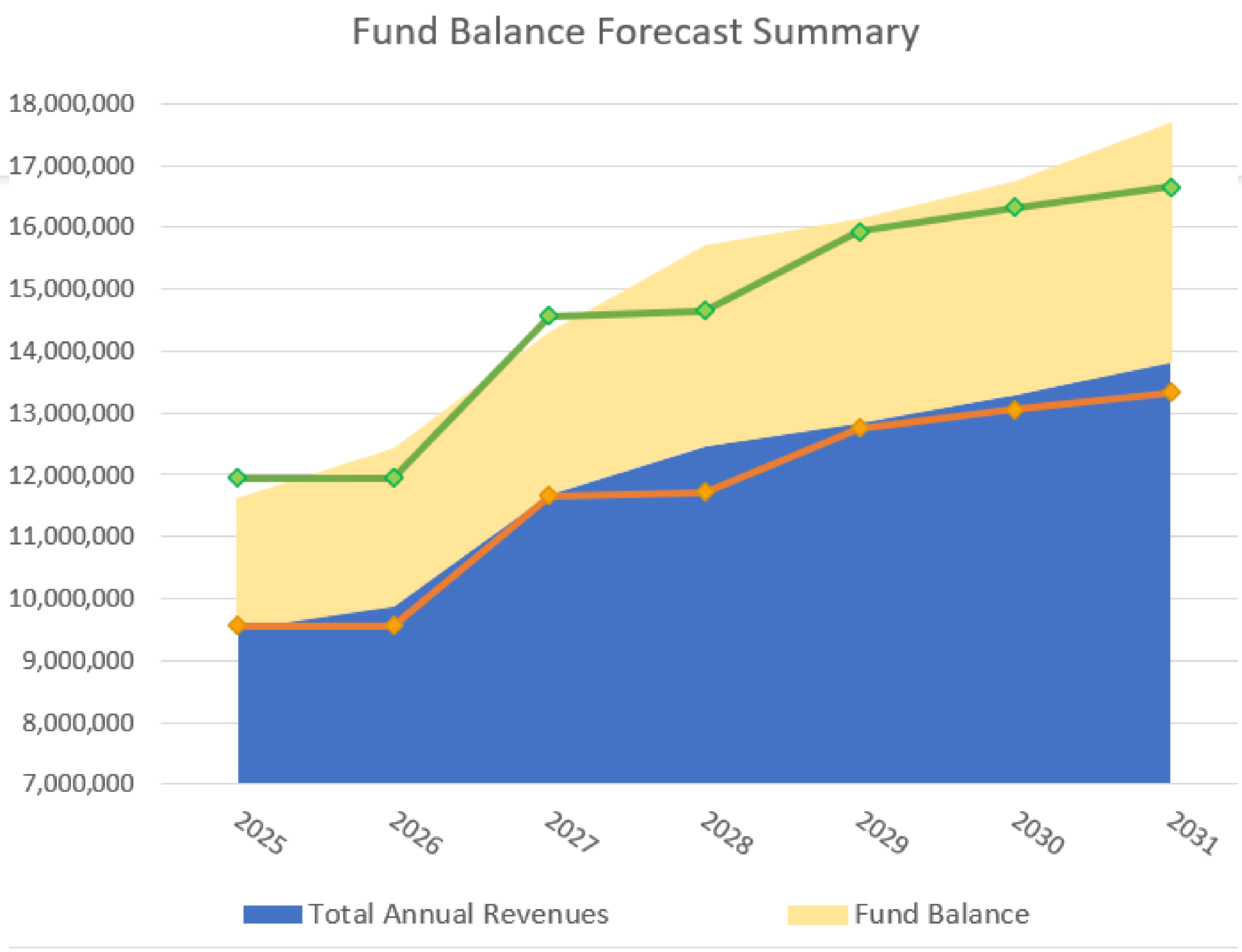
- 1% sales tax revenue has been higher than normal since November 2025. This increase is from the August 2025 hailstorm. Most roofing projects are now completed around the City. Revenues are slowing back down the last three months and should soon return to normal monthly numbers by the end of 2026.
- We are forecasting 2027 1% sales tax collections at $950,000 and have 2.5% annual increases budgeted per year after that.

All Taxing Funds

Revenues	2026 Budgeted	2027 Forecasted	2028 Forecasted	2029 Forecasted	2030 Forecasted	2031 Forecasted
General Fund	4,520,909	4,631,838	4,770,793	4,913,917	5,061,334	5,213,174
Employee Benefits Fund	2,173,501	2,282,176	2,396,285	2,516,099	2,641,904	2,773,999
Library Fund	402,622	404,008	416,128	428,612	441,470	454,715
Bond and Interest Fund	2,678,528	4,270,334	4,767,221	4,878,670	5,041,169	5,261,460
Emergency Equipment Fund	109,069	107,571	110,798	114,122	117,546	121,072
Total Annual Revenues	**9,884,629**	**11,695,927**	**12,461,225**	**12,851,420**	**13,303,424**	**13,824,420**
Expenditures	**2026 Budgeted**	**2027 Forecasted**	**2028 Forecasted**	**2029 Forecasted**	**2030 Forecasted**	**2031 Forecasted**
General Fund	4,587,882	4,601,031	4,739,062	4,881,234	5,027,671	5,178,501
Employee Benefits Fund	2,141,460	2,248,533	2,360,960	2,479,008	2,602,958	2,733,106
Library Fund	409,622	421,911	434,568	447,605	461,033	474,864
Bond and Interest Fund	2,342,410	4,306,313	4,102,095	4,859,779	4,877,374	4,845,804
Emergency Equipment Fund	76,000	76,000	79,040	82,202	85,490	88,909
Total Annual Expenditures	9,557,374	11,653,788	11,715,725	12,749,827	13,054,526	13,321,184
Expenditure +/- Revenue	327,255	42,139	745,501	101,593	248,898	503,236
Combined Fund Balance	2,516,462	2,575,797	3,240,814	3,259,814	3,423,609	3,839,265

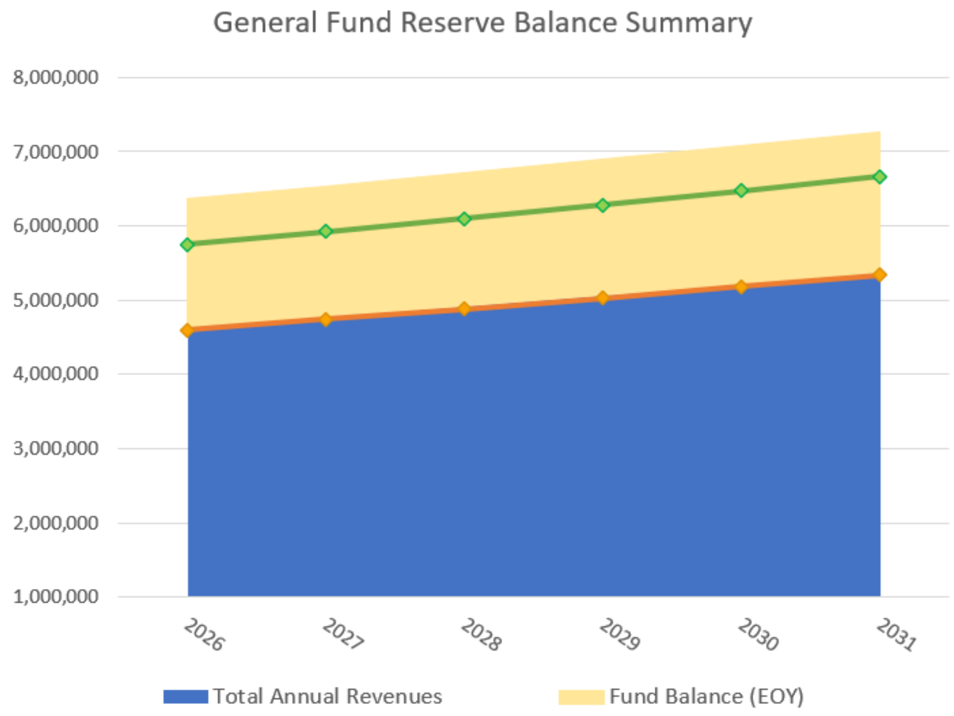
The table and chart visualizing the 5-year forecast includes revenue and expenditure assumptions. The revenue and expense assumptions will be reviewed annually to ensure the forecast stays up to date and can be used to stress test our taxing funds.

All Taxing Funds



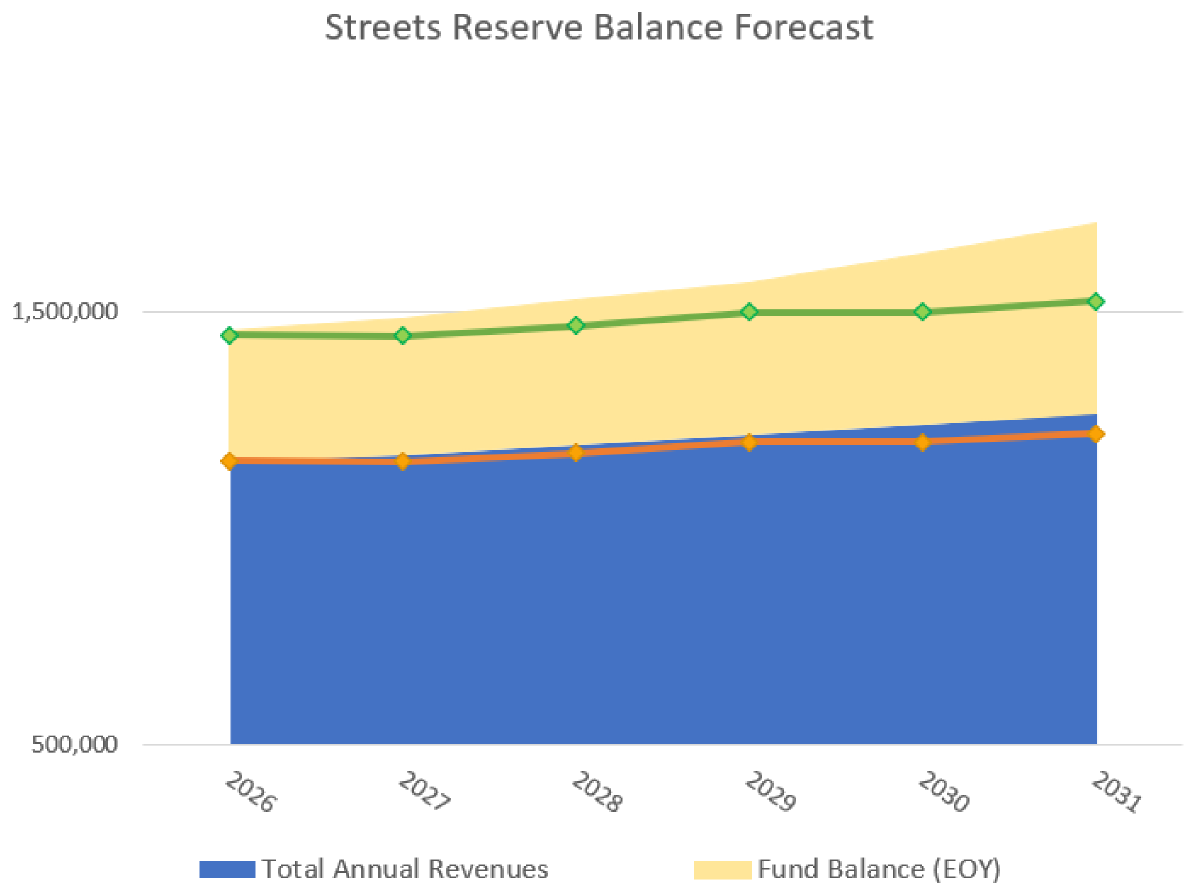
2026-2031 Reserve Policy

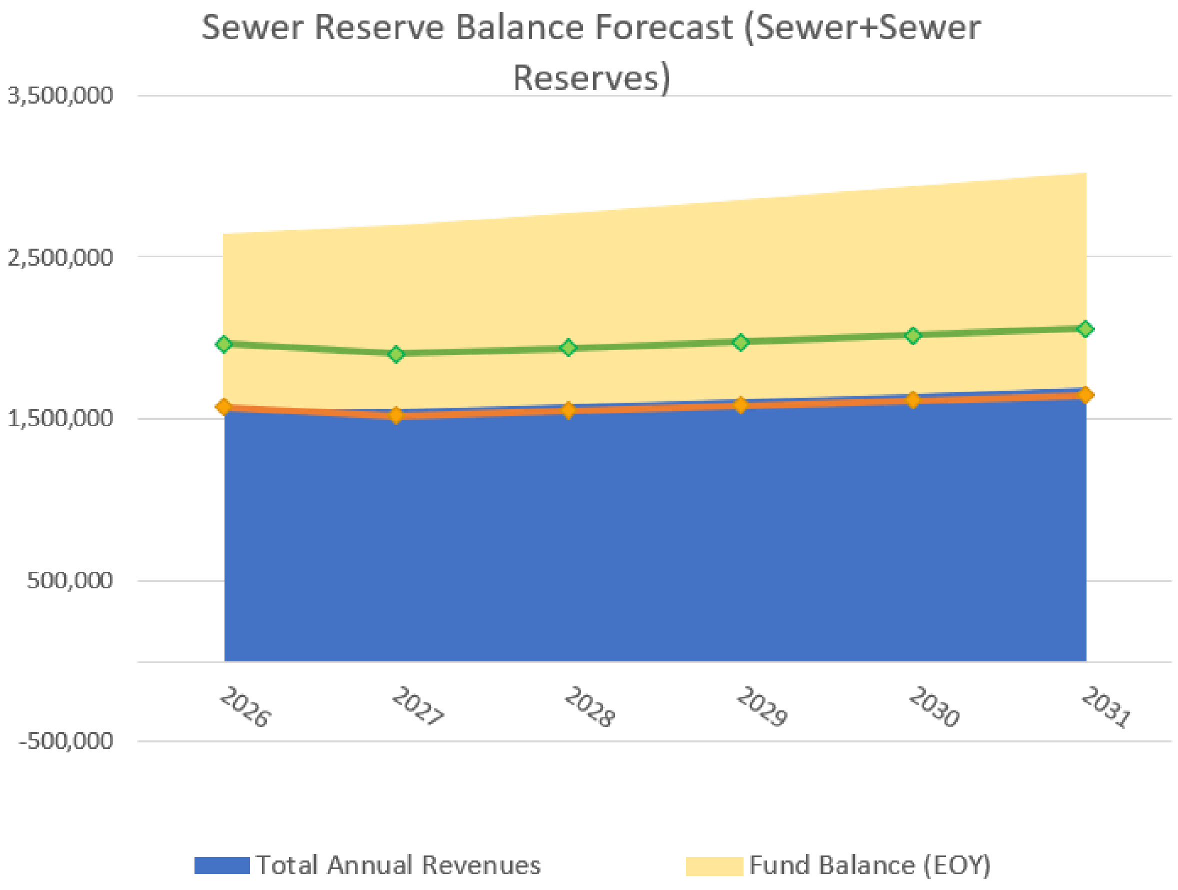
- The City has also a reserve policy that lists five funds that must keep a reserve fund balance no less than 25% of the current year's expenditure appropriations. Those funds are: 010-General Fund, 110-Employee Benefit, 150-Steets & Highway, 610- Water Fund and 620-Sewer. Below are five graphs showing the revenue, expense and reserve fund forecasts for these five funds for the years 2026-2031.



General fund has healthy reserve funds and is forecasted inside our reserve policy through 2031.

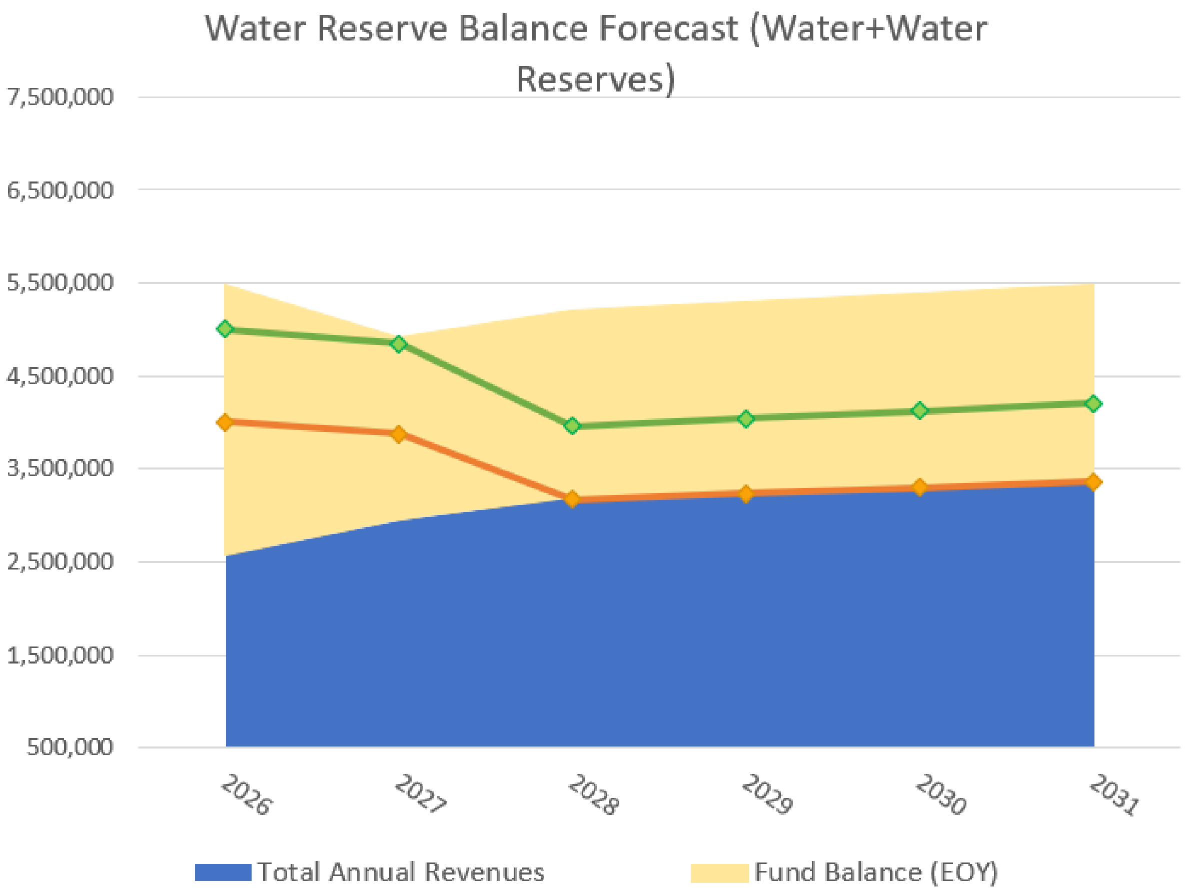
Reserve policy continued





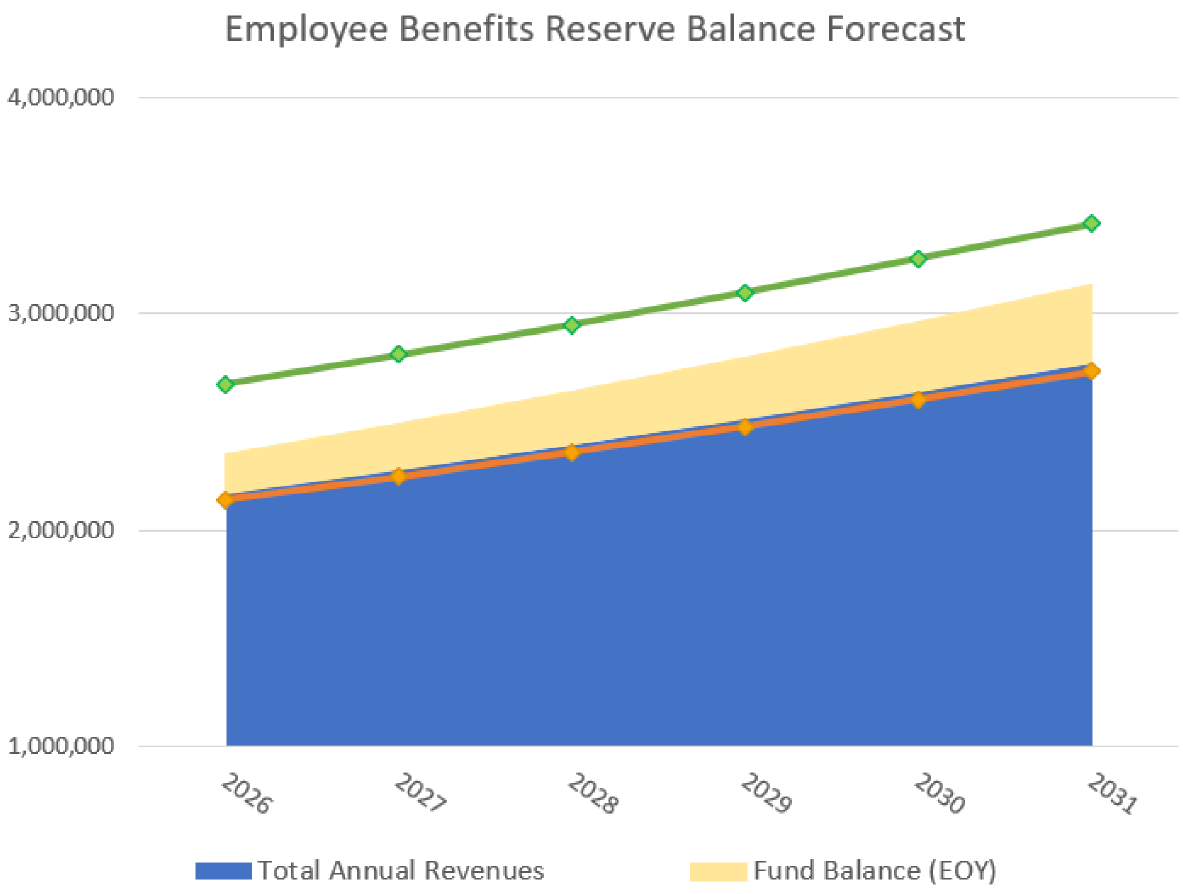
Streets and Sewer both have healthy reserves forecasted through 2031.

Reserve policy continued



- Water is forecasted to use $1.9 million in reserves in the FY27 budget.
- The WTP is ahead of schedule, and we may need to revise the FY26 budget and pull some of that budgeted $1.9M into our current budget year to pay these final WTP expenses.
- The Water (and Water reserve fund) are forecasted to have healthy reserve levels through 2031 even after these one-time WTP final expenses are used.

Reserve policy continued



- Employee Benefits are currently forecasted outside of our reserve requirements through 2031.
- The City had higher than projected medical claims in the past three years and had to make transfers from General Fund, Water and Sewer to stabilize this fund at the end of 2026.
- We have allocated additional Ad Valorem dollars toward this fund in FY26 and FY27 to bring reserves back up. Currently in FY26, claims have stabilized and we are trending toward being able to add additional funds beyond what was budgeted to the fund reserve balance at the of this fiscal year. We will continue to aggressively work to bring this account back into the city reserve policy in the years ahead.

Enterprise Funds

Fund	Revenue Source
Water	User Charges/Fees
Sewer	User Charges/Fees
Storm Water	User Charges/Flat monthly charge
Solid Waste	User Charges/Flat monthly charge

Water

- $1,900,000 budgeted for WTP Engineering costs and any WTP expense overruns.
- $440,000 budgeted for first WTP loan payment due February 2028.
- $148,706 budgeted for WTP chemicals to run the plant in 2027.
- Water will be using reserve funds in 2027 to finish the WTP. The Water fund will still end the FY2027 year with an estimated $1.15M in cash. In addition, the Water Reserve Fund is estimated to have an additional $1.081M in reserve funds.

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$3,005,751	$4,881,063
($426,451) to Fund balance	($1,927,835) to Fund balance

Water

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 610	WATER OPERATING				
BUDGETED DETAIL SUMMARY					
	2023 ACTUALS	**2024 ACTUAL**	**2025 ACTUAL**	**2026 BUDGETED**	**2027 REQUESTED**
Revenues:					
Taxes	-		-	-	-
Charges for Service	2,268,441	2,351,883	2,682,638	2,409,620	2,813,978
Interest Earnings	117,810	144,388	183,653	136,680	100,000
Other Revenues	8,673	9,876	1,250	-	1,250
Miscellaneous	33,803	30,544	39,369	33,000	38,000
TOTAL REVENUE	**2,428,727**	**2,536,692**	**2,906,909**	**2,579,300**	**2,953,228**
Expenditures:					
Salaries and Benefits	397,924	270,356	366,300	500,558	584,087
Contractuals	1,070,741	1,277,597	1,332,302	1,370,381	1,183,613
Commodities	43,924	44,293	81,755	52,740	215,906
Capital Outlay	117,382	116,733	173,127	284,071	194,457
Other / Misc	428,943	742,000	493,000	798,001	2,703,000
TOTAL EXPENDITURES	**2,058,914**	**2,450,979**	**2,446,484**	**3,005,751**	**4,881,063**
Budgeted Income (Loss)	369,813	85,713	460,425	(426,451)	(1,927,835)
Fund Balance - January 1	2,653,814	3,023,627	-	3,504,640	3,078,188
Fund Balance - December 31	3,023,627	-	3,504,640	3,078,188	1,150,353

Sewer

- $279,550 transfer to B&I
- $210,000 toward 2007 Sewer Loan
- $10,000 transfer to Equipment Reserves
- $35,000 transfer to Fleet Mgmt.
- 2026 budget will likely get reopened by end of 2026. We have the lift station expenses to pay for and will need to use some reserve funds for this.

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$1,571,200	$1,519,174
($8,409) to Fund Balance	$46,132 to Fund Balance

Sewer

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 620 — **SEWER OPERATING**

BUDGET DETAIL SUMMARY

	2024 ACTUALS	2025 BUDGETED	2025 ACTUALS	2026 BUDGETED	2027 REQUESTED
Revenues:					
Taxes		-	-	-	-
Charges for Service	1,461,619	1,464,579	1,518,417	1,501,256	1,545,306
Interest Earnings	79,563	12,360	92,114	61,535	20,000
Other Revenues	3,654	-	596	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUE	**1,544,837**	**1,476,939**	**1,611,127**	**1,562,791**	**1,565,306**
Expenditures:					
Salaries and Benefits	248,162	405,767	370,311	415,493	417,190
Contractuals	399,305	466,623	469,074	442,800	417,827
Commodities	25,143	19,800	37,316	32,600	33,650
Intergovernmental					
Capital Outlay	39,122	135,500	58,200	145,757	115,957
Other / Misc	743,197	534,550	623,197	534,550	534,550
TOTAL EXPENDITURES	**1,454,929**	**1,562,240**	**1,558,098**	**1,571,200**	**1,519,174**
Budgeted Income (Gain/Loss)	89,908	(85,301)	53,029	(8,409)	46,132
Fund Balance - January 1	1,432,201	1,522,109	1,522,109	1,514,926	1,506,517
Fund Balance - December 31	1,522,109	1,436,808	1,514,926	1,506,517	1,552,649

Storm Water

- $200,000 transfer to B&I
- $20,000 transfer to Equipment Reserves
- $110,000 for system improvement
- Operating capital and reserves at a healthy level.

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$365,200	$363,450
($30,200) to Fund balance	($13,450) to Fund balance

Storm Water

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 612 **STORMWATER OPERATING**

BUDGET DETAIL SUMMARY

	2023 ACTUALS	2024 ACTUALS	2025 ACTUAL	2026 BUDGETED	2027 REQUESTED
Revenues:					
Taxes	-	-	-	-	-
Interest Earnings	13,818	16,930	24,052	10,000	5,000
Other Revenues	325,651	332,372	341,228	325,000	345,000
Miscellaneous	-	1	-	-	-
TOTAL REVENUE	**339,469**	**349,303**	**365,279**	**335,000**	**350,000**
Expenditures:					
Salaries and Benefits	-		-		-
Contractuals	31,686	32,510	32,219	32,450	31,700
Commodities	2,241	1,853	1,692	2,750	1,750
Capital Outlay	85,874	70,163	116,054	110,000	110,000
Other / Misc	162,600	193,000	195,000	220,000	220,000
TOTAL EXPENDITURES	**282,401**	**297,525**	**344,965**	**365,200**	**363,450**
Budgeted Income (Gain/Loss)	57,068	51,778	20,314	(30,200)	(13,450)
Fund Balance - January 1	261,420	317,444	367,163	386,268	356,068
Fund Balance - December 31	318,488	367,163	386,268	356,068	342,618

Solid Waste

- City renewed their long-term contract with Waste Connections in 2025.
- Admin fee has remained flat at $15,300.
- $30,000 annual transfer to B&I will begin in 2027.
- $15,000 annual transfer to Fleet Management fund will begin 2027.
- Reserves at a healthy position.

2026 Budgeted Expenditures	2027 Budgeted Expenditures
$575,250	$622,700
$55,705 to Fund Balance	$20,885 to Fund Balance

Solid Waste

CITY OF VALLEY CENTER 2027 ANNUAL BUDGET

FUND 613	SOLID WASTE OPERATING				
BUDGET DETAIL SUMMARY					
	2023 ACTUALS	**2024 ACTUALS**	**2025 ACTUALS**	**2026 BUDGETED**	**2027 REQUESTED**
Revenues:					
Interest Earnings	9,621	37,869	10,405	12,349	6,000
Charges for Services	571,703	587,926	611,941	604,806	623,585
Miscellaneous	13,537	14,341	15,699	13,800	14,000
TOTAL REVENUE	**594,862**	**640,136**	**638,045**	**630,955**	**643,585**
Expenditures:					
Salaries and Benefits	-		-		-
Contractuals	573,196	579,210	602,149	575,250	577,700
Commodities	-	-	-	-	-
Capital Outlay	-	-	12,837	-	-
Other / Misc	-	-	-	-	45,000
TOTAL EXPENDITURES	**573,196**	**579,210**	**614,986**	**575,250**	**622,700**
Budgeted Income (Loss)	21,666	60,926	23,059	55,705	20,885
Fund Balance - January 1	155,380	112,243	170,520	190,563	246,268
Fund Balance - December 31	177,046	170,520	190,563	246,268	267,153

Enterprise Funds Requests

Water	Sewer	Solid Waste	Stormwater
• $1.9M for WTP Engineering and overage expenses. • $440k for the first WTP loan payment due February 2028.	• Normal transfers scheduled.	• $30k transfer to Bond and Interest. • $15k transfer to Fleet Management.	$110,000 for system improvements

Economic Development Fund

- A new fund will begin in 2027 called the “Economic Development Fund”.
- A $1 transfer from General Fund will initially fund it.
- Revenue generated from the new idea presented to council in July would be deposited here.
- Any additional revenue surpluses in General Fund might also be deposited into this fund at the end of the fiscal 2027 year.

Debt

- Budget will be constrained through 2036 which is when the Pool/Rec will be paid off.
- If the states caps valuation in 2027, existing GO Bond debt may or may not be excluded from that calculation. If existing bonds and debt are not excluded, it could pose large challenges for Valley Center financially and credit rating downgrades for our city and other cities across Kansas.

Challenges

- FY2027 will be the year that some type of legislative cap on property tax valuation increases will likely take place. It is too early to predict the impact on Valley Center, but we will monitor this closely in 2027 and bring the possible effects to council as information is obtained.
- FY2027 will be the year our Bond and Interest payments sharply increase. This will put strain on our budget until the Pool/Rec bond is paid off in 2036.
- FY2027 will bring the new Water Treatment Plant online. This will require additional Water staffing and a learning curve for the City as we slowly move away from large water purchases from the City of Wichita. The first bond payment for the WTP will begin February of 2028.
- The City will enter 2027 with clarity on our Fire Department staffing needs. However, at the time this presentation is being created there is uncertainty on how that direction will still look. The City will allow citizens to vote on expanding the Fire Department or joining the county fire department in the November 2026 elections. This issue will dramatically affect future year budgets based on the results of this vote. If citizens choose to keep the Fire district in Valley Center, cash reserves of up to a half million will have to be used to remodel the Fire building and purchase gear for the additional staff.

Next Steps

The remaining budget calendar looks like this:

- Publish notification for the FY27 revenue neutral rate hearing and FY27 budget hearing no later than September 1st, 2027, and place notification on the city website with the details of the time, date, and location of said hearings.
- Hold a revenue neutral hearing on September 15th, 2026. We will then pass a resolution to exceed the revenue neutral rate. The final steps are to hold a budget hearing and then adopt the FY27 budget. All of these steps will take place at September 15th, 2026 council meeting.
- Send certified documentation and affidavit of public hearing notifications to Sedgwick County by Oct 1st for review and submission to the state.

Questions?