EL DORADO CITY COMMISSION - WORK SESSION AGENDA
CITY HALL – 220 E. FIRST AVENUE
July 29, 2026 - 5:00 PM

Work Session Discussion Items:

a. Presentation of the 2025 Annual Comprehensive Financial Report

b. 2027 Budget Discussion

Regular Agenda Preview:

a. Items to be Placed on the Consent Agenda

   i. Meeting Minutes

b. Items to be Placed on the Regular Agenda

   i. Adoption of the 2026 Uniform Public Offense Code and Standard Traffic Ordinance

   ii. Consideration of Bid Approval for a Mill and Overlay project on Central Avenue from Haverhill Road to Boyer Road

Reports:

a. City Commission Reports

b. City Manager Report

EL DORADO
KANSAS

TO:	City Commission
FROM:	Tabitha Sharp, Assistant City Manager
SUBJ:	Presentation of the 2025 Annual Comprehensive Financial Report
DATE:	July 29, 2026

Background:
The auditor from Adams Brown CPA's will present the findings from the 2025 audit. The Annual Comprehensive Financial Report provides a comprehensive overview of the City's financial position and operating results for the fiscal year ended 2025. The report typically includes:

- Independent Auditor's Report
- Management's Discussion and Analysis (MD&A)
- Government-wide Financial Statements
- Governmental, Business-type, and Fiduciary Fund Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Statistical Section

Independent auditors conduct the audit in accordance with Generally Accepted Accounting Principals (GAAP) and applicable standards issued by the Governmental Accounting Standards Board (GASB). Their responsibility is to express an opinion regarding whether the financial statements fairly present the City's financial position in all material respects.

Attachments:

1. 2025 ACFR Letter from Auditors

Advisory Board Recommendation:
N/A

Policy Issue:
The Commission's role is to review the results of the independent audit, understand the City's financial condition, acknowledge any audit findings or recommendations, and determine whether any follow-up policy direction is warranted.

Acceptance of the ACFR demonstrates the City's commitment to financial transparency, accountability, and compliance with generally accepted accounting principles (GAAP) and applicable governmental auditing standards.

Fiscal Impact:
The city has a contract with the auditors for the annual services. Beyond those costs, if an audit were to be returned with significant deficiencies, there could be an effect on the city's bond rating.

Trade-Offs:

Unless significant audit findings or material weaknesses are identified, receiving and accepting the audited financial statements is generally considered a best practice for municipal governance.

Staff Recommendation:
Receive the auditors' presentation, accept the 2025 Annual Comprehensive Financial Report, and acknowledge the independent audit results.

If the auditors identify recommendations related to internal controls, financial reporting processes, or operational improvements, the Commission may direct staff to incorporate those recommendations into ongoing financial management practices and report back on implementation as appropriate.

Commission Action:
This item is for discussion purposes only. The item will be scheduled for consideration at a regular meeting pending direction to do so by the City Commission.

June 26, 2026

To the Mayor and City Commission
City of El Dorado, Kansas
El Dorado, Kansas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **City of El Dorado, Kansas** for the year ended December 31, 2025, and have issued our report thereon dated June 26, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 14, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **City of El Dorado, Kansas** are described in Note 1 to the financial statements. As described in Note 1, the City adopted GASB 102, *Certain Risk Disclosures*, in 2025. Accordingly, the accounting change has been applied as described in Note 1. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 26, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

There were no changes to our initial assessment of risks of material misstatements to the financial statements, which were communicated to you in our letter dated March 16, 2026.

Other Matters

We applied certain limited procedures to management's discussion and analysis, schedules of the City's and Library's proportionate share of the collective net pension liability - KPERS, schedules of the City's and Library's contributions - KPERS, schedule of changes in the City's net OPEB liability and related ratios – health insurance, schedule of the City's contributions – health insurance, schedule of investment returns – health insurance and schedules of changes in the City 's and Library's total OPEB liability and related ratios – disability benefits and life insurance, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balance – nonmajor governmental funds, and schedules of revenues, expenditures, and changes in fund balance – budget and actual, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Audit Recommendations

We wish to communicate to the governing body recommendations that we discussed with management to improve operational or administrative efficiencies and for improving internal control.

- The City should continue to clean up the depreciation schedule including removing assets that are no longer in use. Additionally, the City should track construction in progress accounts to ensure the balance is accurately stated.

- Any prospective vendors for covered transactions should be checked for suspension and debarment status.

We will review the status of these items during our next audit engagement. We have already discussed many of these items and suggestions with the appropriate personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

INTERNAL CONTROLS

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **City of El Dorado, Kansas** as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a significant deficiency:

- The financial statements are the responsibility of the City's management. Through the course of our audit, we identified variances that required the City to review and provide adjustments to the trial balance that were not initially identified by the City's internal control structure, specifically for deferred revenue, accounts receivable, debt, and capital assets. We recommend that the City continue to review its trial balance throughout the year, and closely at year-end, to ensure that all adjustments are recorded to present the City's financial statements on the modified accrual basis and the accrual basis of accounting.

Other Comments

As one of our key clients, our mission is to enhance the City's success by working together to achieve your goals. We wanted to provide a summary of additional potential solutions to issues that can face municipalities in these ever-changing times. We are here to help and look forward to being able to assist you in ways that reach beyond the City's annual audit.

1. **Key Finance Personnel Transition Assistance**: Like every other industry, the governmental world is no stranger to personnel turnover. If the City finds itself facing a change in key finance personnel, we could assist in the transition. Not only does the departing personnel have knowledge surrounding the day-to-day occurrences of the City, experience with the accounting software, etc., but that departing employee also has knowledge of what occurred during the past year. When audit time arrives, new personnel find themselves being asked questions they have no idea how to answer. Transition assistance will allow the time to obtain answers to standard audit questions from the departing employee while the employee is still around to provide answers. This can help alleviate stress on the new employee and provide accurate responses during the audit.

2. **New Accounting Standards Implementation:** In recent years, the Governmental Accounting Standards Board (GASB) has been very active in issuing new accounting standards. GASB has issued Statements 103 – 105, that will be applicable for years 2026 through 2027. We can assist you with implementation of these new standards, being proactive in said implementation so you are ready to hit the ground running during the year of applicability.

We would like to express our appreciation for the opportunity to perform the December 31, 2025 audit for **City of El Dorado, Kansas** and to the employees for the cooperation and assistance given to us during the audit.

Restriction on Use

This communication is intended solely for the information and use of management, the City Commission, others within the organization, State of Kansas, and applicable federal agencies, and is not intended to be, and should not be, used by anyone other than these specified parties.

AdamsBrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Wichita, Kansas

TO:	City Commission
FROM:	Tabitha Sharp, Assistant City Manager
SUBJ:	2027 Budget Discussion
DATE:	July 29, 2026

Background:

The annual budget serves as the City's primary financial and policy document, allocating resources to support municipal services, infrastructure, public safety, and strategic priorities. Budget development requires balancing projected revenues with operational needs while maintaining fiscal sustainability and compliance with applicable state budgeting requirements and local financial policies.

The Commission's discussion provides an opportunity to identify priorities, evaluate service-level impacts, and consider the long-term financial implications of various funding strategies before the budget is finalized.

A presentation will be uploaded to the agenda prior to the meeting.

Attachments:

1. 2027 Preliminary Budget Presentation 072926

Advisory Board Recommendation:

N/A

Policy Issue:

Staff are presenting proposed budget options to the City Commission for discussion and policy direction. The purpose of this discussion is to review available funding scenarios, evaluate trade-offs among competing priorities, and provide guidance to staff before preparation of the proposed budget for formal consideration.

Fiscal Impact:

Fiscal impacts will depend on the final revenue projections, expenditure assumptions, and policy choices. Considerations include:

- Projected General Fund revenues.
- Personnel costs, including wages and benefits.
- Inflationary impacts on goods and services.
- Capital improvement funding.
- Reserve levels and compliance with adopted financial policies.
- Potential adjustments to taxes, fees, or other revenue sources, if necessary.

Trade-Offs:

Alternative	Benefits	Considerations

Maintain Current Services	Predictable operations; stable service delivery	Limited capacity for new initiatives
Strategic Enhancements	Advances Commission priorities; addresses emerging needs	Higher ongoing operating costs; potential revenue implications
Fiscal Constraint	Improves long-term fiscal resilience; preserves reserves	Potential service reductions and deferred investments

Staff Recommendation:
No formal recommendation is provided at this discussion stage. Staff recommend that the City Commission review the proposed budget scenarios, discuss policy priorities, and provide direction regarding desired service levels, funding priorities, and any modifications before preparation of the recommended budget for formal adoption.

Commission Action:
This item is for discussion purposes only. The item will be scheduled for consideration at a regular meeting pending direction to do so by the City Commission.

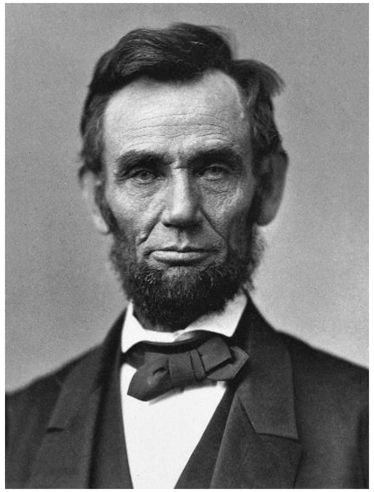
Preliminary Budget

Round 2 - July 29, 2026

2027

"The legitimate object of government is to do for the people what needs to be done, but which they cannot, by individual effort, do at all, or do so well, for themselves - in their separate and individual capacities. In all the people can individually do as well for themselves, government aught not to interfere."

- Abraham Lincoln (1854)



Mission and Purpose

Vision Statement

"The City of El Dorado strives to create a desirable place to call home."

Mission Statement

"Enhancing Quality of Life by Embracing Service Excellence"

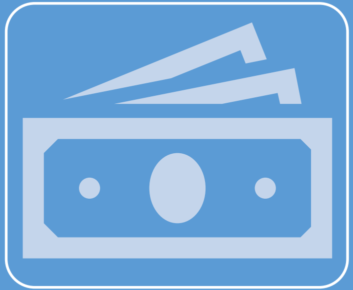
Budget Priorities

Maintain Service Delivery

- Focus on essential services
- Quality workforce

Focus on Maintaining Existing Assets

- Preservation of critical infrastructure
- Avoid unnecessary expansion of assets



Continue Fiscal Discipline

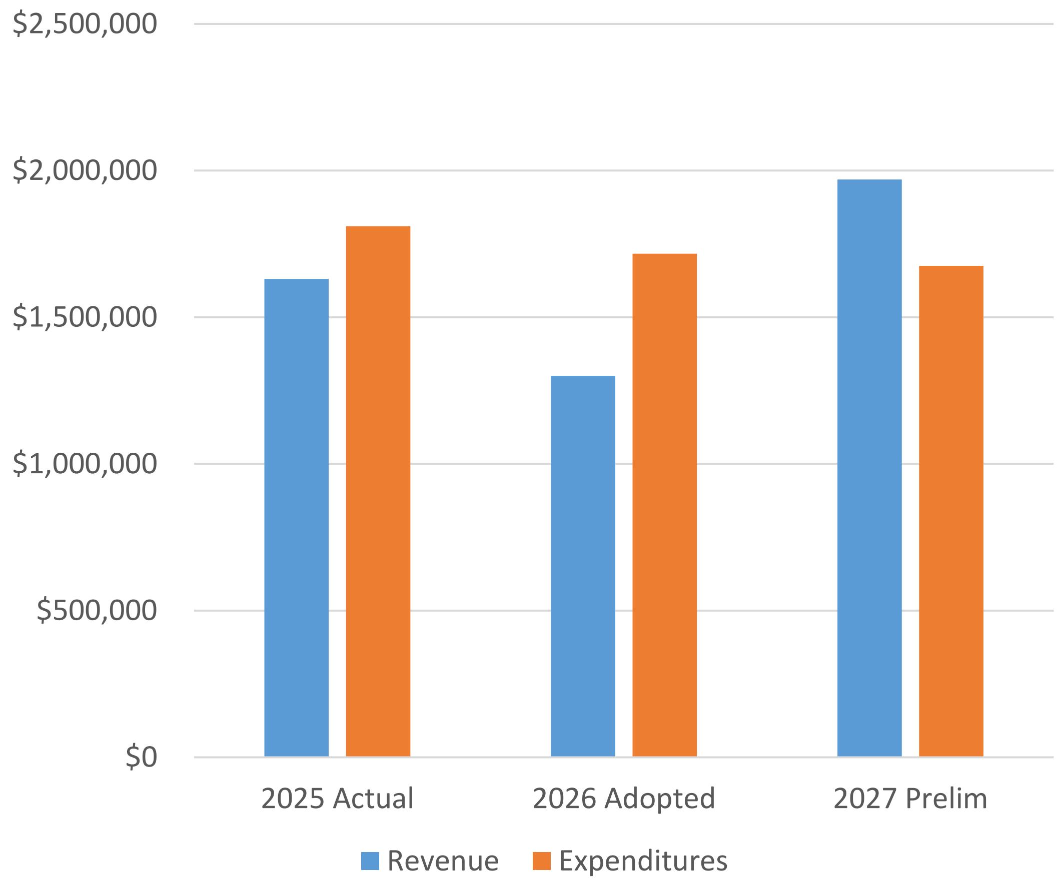
- Maintain strong financial position
- Spend less than operating revenues

Other Mill Levy Funds

2027 Preliminary Budget

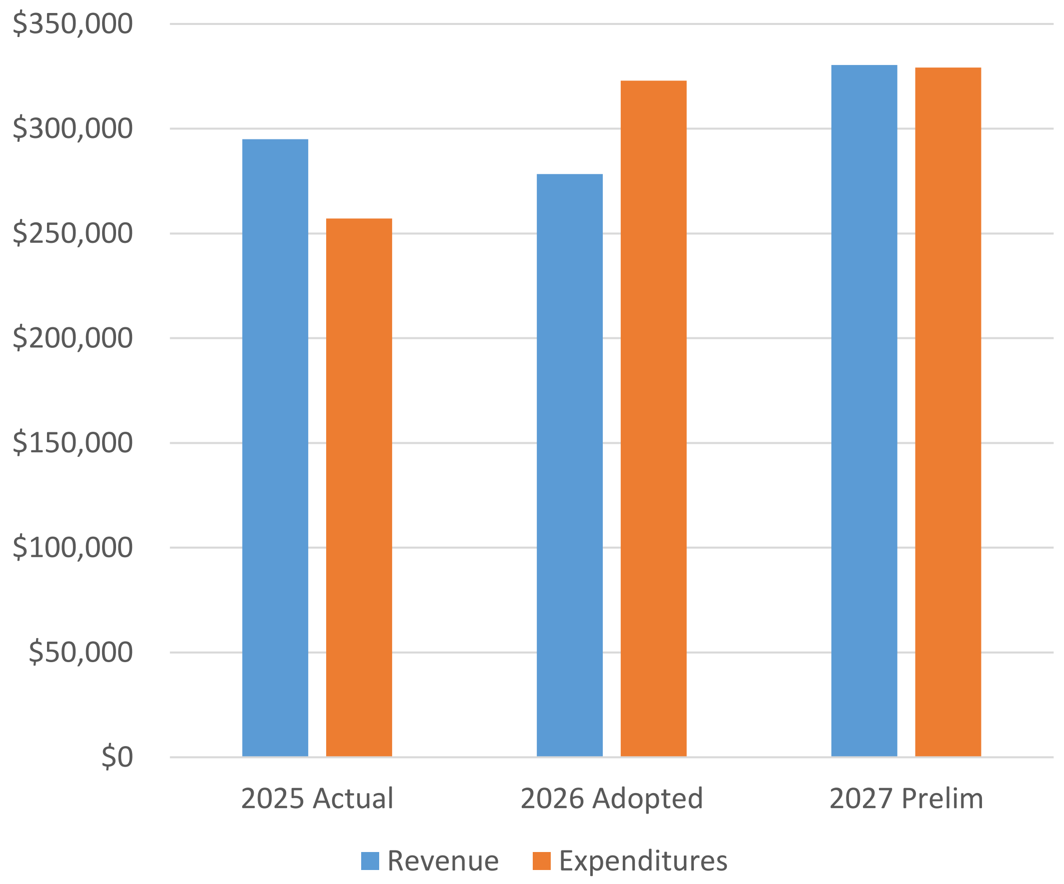
Debt Service Fund

- The Debt Service Fund will make an estimated payment of $1.65 million in 2027.
- Total outstanding obligations equal nearly $22.4 million.
- The City is using 19% of its statutory debt limit.
- Debt per Capita is about $1,290.
- 31% of outstanding G.O. debt is paid from special assessments.
- No bond issuances are planned in 2027.
- Expected fund balance of $900,000 at year-end.



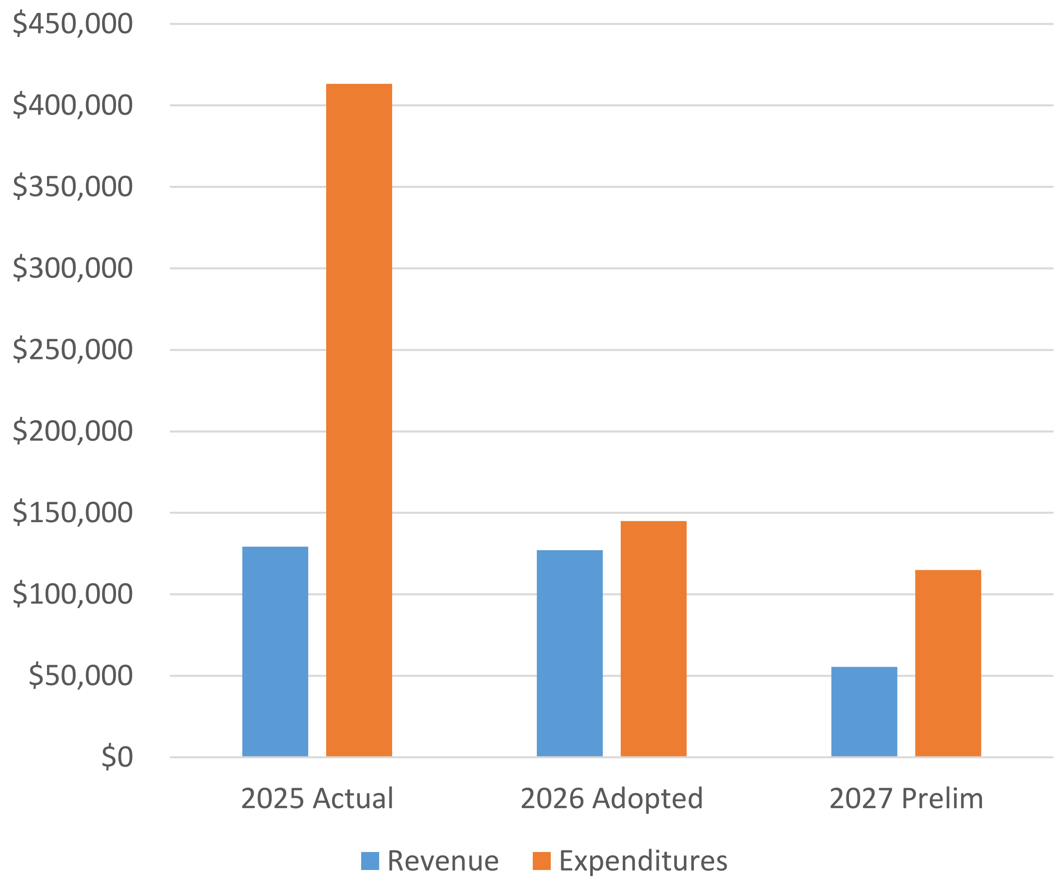
Airport Fund

- The Captain Jack Thomas Memorial Airport has 45 hangar spaces and a building that is rented to a local aviation business. Hangar revenue generates about $82,000 per year.
- Annual fuel sales generate approximately $100,000.
- The airport also has a hay lease that generates $9,000 per year.
- This year, the airport will finish debt payments associated with the last completed T-hangar expansion project.
- The City will budget to set aside $150,000 for future FAA-approved project and building maintenance.
- Expected fund balance of $150,000 at year-end.



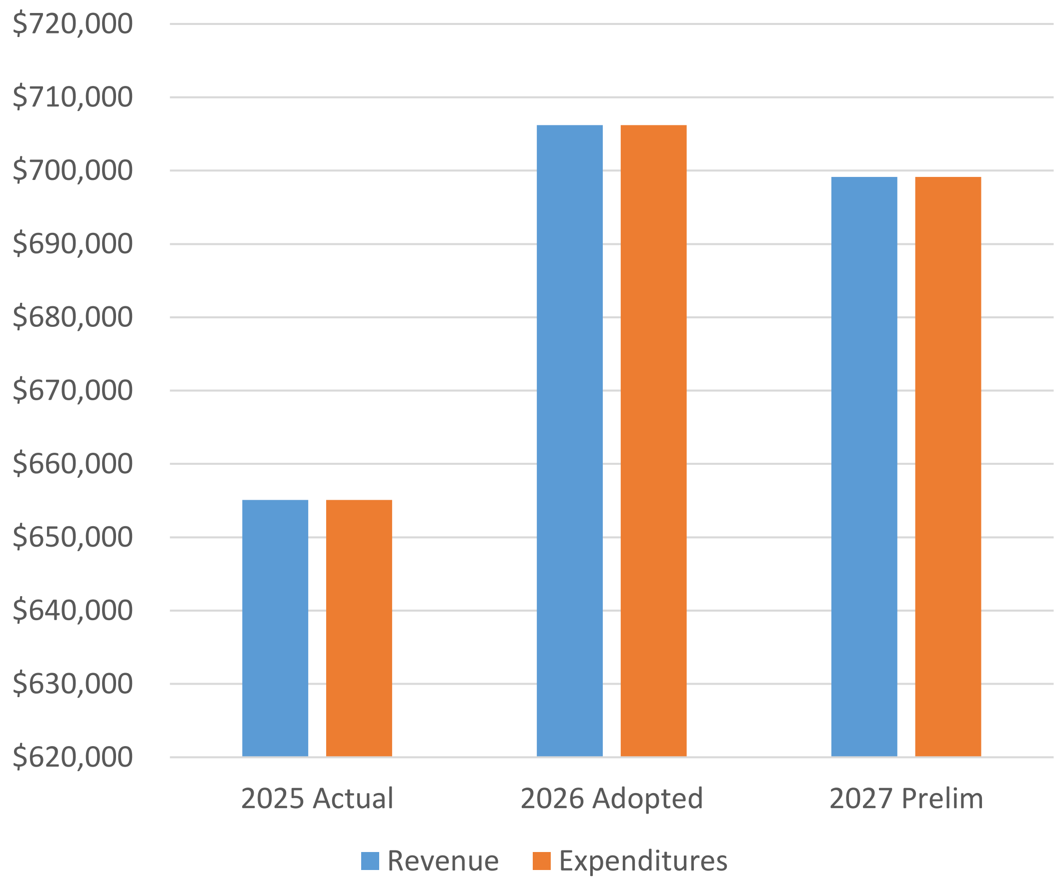
Industrial Mill Levy Fund

- The City pays El Dorado Inc. $68,500 per year for economic development services, as provided in a Memorandum of Understanding between the City and Inc.
- By ordinance, the City matches investor contributions up to a maximum of one mill (equal to about $140,000). Historically, the City has matched approximately $46,000.
- In 2027, the City plans to budget $115,000, which is the average payment over the last three years.
- Expected fund balance of $100,000 at year-end.
- RNR Scenario reduces amount to Inc. by $25,000, which reduces the fund balance to $75,000.



Library Fund

- The Library Mill Levy Fund exists solely for the purpose of bringing in property tax revenue to fund the Bradford Memorial Library.
- Funds are transferred directly to the Library's operating fund.
- The City does not have direct oversight of these funds; it merely serves as the taxing jurisdiction of authority.
- By charter ordinance, the Library Fund can request a mill levy of up to five mills to fund its operations.



Property Taxes

2027 Preliminary Budget

Budget Options – Revenue Neutral Scenario

Fund	Revenue Neutral	25% Valuation	50% Valuation	100% Valuation	Balanced Budget
General	38.223	39.327	40.430	43.803	44.663
Debt Service	8.005	8.005	8.005	8.005	8.005
Library	4.476	4.476	4.476	4.476	4.476
Airport	0.857	0.857	0.857	0.857	0.857
Industrial	0.314	0.314	0.314	0.314	0.314
TOTAL	**51.875**	**52.979**	**54.082**	**57.455**	**58.315**
Surplus/(Deficit)	**($465,614)**	**($265,939)**	**($66,264)**	**$333,086**	**$456,418**

Scenario Details:

- Mill levy estimated at 51.875.
- Minimum fund balance $2.0 million.
- Decreases fund balance to $1.75 million.
- Provides no adjustments to employee compensation.

Budget Options – Revenue Neutral Scenario

Revenue:

- Increase Stormwater Franchise Fee (+$5,000)
- Reductions could be offset with Excess Sales Tax funds; EST Committee did not recommend.

Expenditures:

- Prisoner Care (+$45,000)
- Reallocate 2 FTEs to Water (-$200,000)
- Reduce PTE from Parks & Rec (-$45,000)
  - Reduces Parks employees from 5 to 3
  - Reduces Recreation employees from 8 to 5
- Recreation Programming Reduction (-$10,000)
- Maintenance and Repair Reduction (-$30,000)
- Miscellaneous Expense Reduction (-$10,000) e.g. clothing, office and general supplies
- Lease Payoffs (-$64,000)
  - 3 vehicles at $12,000/year each for the next 2 years
  - 2 vehicles at $14,000/year each for the next 3 years
  - Total Payoff 12/31/26 $160,000 from Equipment Reserve (Fund Balance after payment would be $650,000)

Budget Options – 25% Valuation Scenario

Fund	Revenue Neutral	25% Valuation	50% Valuation	100% Valuation	Balanced Budget
General	38.223	39.327	40.430	43.803	44.663
Debt Service	8.005	8.005	8.005	8.005	8.005
Library	4.476	4.476	4.476	4.476	4.476
Airport	0.857	0.857	0.857	0.857	0.857
Industrial	0.314	0.314	0.314	0.314	0.314
TOTAL	**51.875**	**52.979**	**54.082**	**57.455**	**58.315**
Surplus/(Deficit)	**($465,614)**	**($265,939)**	**($66,264)**	**$333,086**	**$456,418**

Scenario Details:

- Mill levy estimated at 52.979.
- Minimum fund balance $2.0 million.
- Option decreases fund balance to $1.9 million.
- Provides no adjustments to employee compensation.

Budget Options – 25% Valuation Scenario

Revenue:

- Adds $199,675 in property tax revenue
- Increase Stormwater Franchise Fee (+$5,000)

- Reductions could be offset with Excess Sales Tax funds; EST Committee did not recommend.

Expenditures:

- Prisoner Care (+$45,000)
- Reallocate 2 FTEs to Water (-$200,000)
- Reduce PTE from Parks & Rec (-$45,000)
  - Reduces Parks employees from 5 to 3
  - Reduces Recreation employees from 8 to 5
- Recreation Programming Reduction (-$10,000)
- Maintenance and Repair Reduction (-$30,000)
- Miscellaneous Expense Reduction (-$10,000) e.g. clothing, office and general supplies
- Lease Payoffs (-$64,000)
  - 3 vehicles at $12,000/year each for the next 2 years
  - 2 vehicles at $14,000/year each for the next 3 years
  - Total Payoff 12/31/26 $160,000 from Equipment Reserve (Fund Balance after payment would be $650,000)

Budget Options – 50% Valuation Scenario

Fund	Revenue Neutral	25% Valuation	50% Valuation	100% Valuation	Balanced Budget
General	38.223	39.327	40.430	43.803	44.663
Debt Service	8.005	8.005	8.005	8.005	8.005
Library	4.476	4.476	4.476	4.476	4.476
Airport	0.857	0.857	0.857	0.857	0.857
Industrial	0.314	0.314	0.314	0.314	0.314
TOTAL	**51.875**	**52.979**	**54.082**	**57.455**	**58.315**
Surplus/(Deficit)	**($465,614)**	**($265,939)**	**($66,264)**	**$333,086**	**$456,418**

Scenario Details:

- Mill levy estimated at 54.082.
- Minimum fund balance $2.0 million.
- Option maintains fund balance at $2.0 million.

Budget Options – 50% Valuation Scenario

Revenue:

- Adds $399,350 in property tax revenue
- Increase Stormwater Franchise Fee (+$5,000)
- Reductions could be offset with Excess Sales Tax funds; EST Committee did not recommend.

Expenditures:

- Prisoner Care (+$45,000)
- Reallocate 2 FTEs to Water (-$200,000)
- Reduce PTE from Parks & Rec (-$45,000)
  - Reduces Parks employees from 5 to 3
  - Reduces Recreation employees from 8 to 5
- Recreation Programming Reduction (-$10,000)
- Maintenance and Repair Reduction (-$30,000)
- Miscellaneous Expense Reduction (-$10,000) e.g. clothing, office and general supplies
- Lease Payoffs (-$64,000)
  - 3 vehicles at $12,000/year each for the next 2 years
  - 2 vehicles at $14,000/year each for the next 3 years
  - Total Payoff 12/31/26 $160,000 from Equipment Reserve (Fund Balance after payment would be $650,000)
- 2% Employee Compensation Adjustment (+$223,141)

Budget Options – 100% Valuation Scenario

Fund	Revenue Neutral	25% Valuation	50% Valuation	100% Valuation	Balanced Budget
General	38.223	39.327	40.430	43.803	44.663
Debt Service	8.005	8.005	8.005	8.005	8.005
Library	4.476	4.476	4.476	4.476	4.476
Airport	0.857	0.857	0.857	0.857	0.857
Industrial	0.314	0.314	0.314	0.314	0.314
TOTAL	**51.875**	**52.979**	**54.082**	**57.455**	**58.315**
Surplus/(Deficit)	**($465,614)**	**($265,939)**	**($66,264)**	**$333,086**	**$456,418**

Scenario Details:

- Mill levy estimated at 57.455.
- Minimum fund balance $2.0 million.
- Option increases fund balance to $2.1 million.

Budget Options – 100% Valuation Scenario

Revenue:

- Adds $798,700 in property tax revenue
- Increase Stormwater Franchise Fee (+$5,000)
- Reductions could be offset with Excess Sales Tax funds; EST Committee did not recommend.

Expenditures:

- Prisoner Care (+$45,000)
- Reallocate 2 FTEs to Water (-$200,000)
- Lease Payoffs (-$64,000)
  - 3 vehicles at $12,000/year each for the next 2 years
  - 2 vehicles at $14,000/year each for the next 3 years
  - Total Payoff 12/31/26 $160,000 from Equipment Reserve (Fund Balance after payment would be $650,000)
- 2% Employee Compensation Adjustment (+$223,140)
- May include additional 1% Employee Compensation Adjustment (+$140,085)

Budget Options – Balanced Budget Scenario

Fund	Revenue Neutral	25% Valuation	50% Valuation	100% Valuation	Balanced Budget
General	38.223	39.327	40.430	43.803	44.663
Debt Service	8.005	8.005	8.005	8.005	8.005
Library	4.476	4.476	4.476	4.476	4.476
Airport	0.857	0.857	0.857	0.857	0.857
Industrial	0.314	0.314	0.314	0.314	0.314
TOTAL	**51.875**	**52.979**	**54.082**	**57.455**	**58.315**
Surplus/(Deficit)	**($465,614)**	**($265,939)**	**($66,264)**	**$333,086**	**$456,418**

Scenario Details:

- Mill levy estimated at 58.315.
- Minimum fund balance $2.0 million.
- Option increases fund balance to $2.1 million.

Budget Options – Balanced Budget Scenario

Revenue:

- Adds $922,032 in property tax revenue
- Increase Stormwater Franchise Fee (+$5,000)

- Increase to Property Taxes could be offset with Excess Sales Tax funds; EST Committee did not recommend.

Expenditures:

- Prisoner Care (+$45,000)
- Reallocate 2 FTEs to Water (-$200,000)
- Lease Payoffs (-$64,000)
  - 3 vehicles at $12,000/year each for the next 2 years
  - 2 vehicles at $14,000/year each for the next 3 years
  - Total Payoff of $160,000 from Equipment Reserve (Fund Balance after payment would be $650,000)
- 3% Employee Compensation Adjustment (+$363,225)
- Equipment Reserve Transfer (+$90,000)

Budget Scenarios – Financial Impact

	Revenue Neutral	25% Valuation	50% Valuation	100% Valuation	Balanced Budget
Residential ($85,000)	$507	$11	$22	$55	$63
Residential ($100,000)	$597	$13	$25	$64	$74
Residential ($250,000)	$1,491	$32	$63	$160	$185
Commercial ($275,000)	$3,566	$76	$152	$384	$443
Commercial ($1.5 m)	$19,453	$414	$828	$2,093	$2,415
Commercial ($9.5 m)	$123,203	$2,622	$5,242	$13,253	$15,295
Industrial ($4.3 m)	$55,766	$1,187	$2,373	$5,999	$6,923
Industrial ($29.2 m)	$378,688	$8,059	$16,111	$40,734	$47,012

Note:

- Valuation represents appraised valuation. Assessed valuation may be calculated by multiplying by assessed valuation factor, which is 11.5% for residential and 25% for commercial and industrial.
- Table shows estimated change to the City's share of property taxes at various valuations. It does not include changes arising from other taxing jurisdictions.

Conclusion

2027 Preliminary Budget

Budget Timeline

- ~~**Jul 6:** Authorization to submit *Intent to Exceed Revenue Neutral Rate* to County Clerk.~~
- **July 29:** Budget Work Session (Mill Levy)
- **Aug 12:** Budget Work Session (Enterprise Funds & Final Review)
- **Aug 14:** Submission of Public Hearing for RNR and Budget Hearing
- **Aug 25:** Publication of RNR and Budget Hearing Notice
- **Sep 8:** RNR and Budget Hearing
- **Sep 21:** Adoption of Proposed Budget
- **Sep 30:** Submit Adopted Budget to County Clerk

Decision Points

- **What mill levy does the City Commission want to proceed with for the 2027 Proposed Budget?**
  - Option A: Revenue Neutral
  - Option B: 25% Valuation
  - Option C: 50% Valuation
  - Option D: 100% Valuation
  - Option E: Balanced Budget