



**ABILENE CITY COMMISSION
AGENDA
ABILENE PUBLIC LIBRARY, 209 NW FOURTH STREET
MARCH 23, 2026 - 4:30 PM**

Following the adjournment of the regular meeting

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- 1. Call to Order – March 23, 2026 , City Commission Study Session**
- 2. March 23, 2026, City Commission Study Session Agenda**
 - a. Continued Discussion of the Sewer Utility Rate Study and Financial Recommendations — Beth Warren, Kansas Municipal Utilities
 - b. Discussion regarding repealing the current Industrial Land Policy. - Interim City Manager Quinday
- 3. Adjournment of the March 23, 2026, City Commission Study Session.**

Future Meeting Reminders



City Commission Meeting Date: Monday, March 23, 2026

Session: Regular Meeting

Topic: Presentation of Sewer Utility Rate Study and Financial Recommendations

Department: Administration

Staff Contact: Interim City Manager

City Commission

Brandon Rein
Mayor

Cy Taylor
Vice-Mayor

John Kollhoff
Commissioner

Debbie Lytle
Commissioner

Amy Meysenburg
Commissioner

CITY STAFF

Jon Quinday
Interim City Manager

Kelsey Briand
Finance Director

Shayla Mohr
City Clerk/HR Director

Kari Zook
*Deputy City Manager/
Community Development*

Kellee Timbrook
Recreation Director

Julie Roller Weeks
CVB Director

Jason Wilkins
Chief of Police

Kale Strunk
Fire Chief

Brad Anderson
Public Works Director

Background:

On June 1, 2025, the City entered into an agreement with Kansas Municipal Utilities (KMU) to conduct a rate review for the water, sewer, and stormwater utilities. Based on the need for a full cost-of-service and rate study for the water utility, staff contacted KMU and terminated the water portion of the agreement at no cost or penalty to the City. City staff then worked with KMU to proceed with the sewer and stormwater portions of the rate review, which KMU advised they would fund through a Technical Assistance Grant.

KMU completed the sewer rate analysis for the City. The purpose of the study was to evaluate the financial condition of the City’s sewer utility, assess revenue sufficiency, and analyze the impacts of potential rate adjustments in light of operating costs, reserve funding, and existing and anticipated debt obligations.

The analysis compares scenarios with no rate increases to scenarios with recommended rate adjustments and identifies the financial risks associated with maintaining current rates, including operating shortfalls, declining cash balances, and inadequate debt service coverage. The study also outlines recommended sewer rate increases designed to stabilize the utility fund, improve long-term financial sustainability, and support future system needs.

Beth Warren, Water Services Financial Specialist with Kansas Municipal Utilities, will present the results of the sewer rate study, including key findings and recommendations, to the City Commission for review and consideration.

City Attorney Review: N/A

Options:

1. Direct staff to move this item and a implementing ordinance to the March 23, 2026, regular meeting agenda under Unfinished Business to allow for further consideration
2. Direct staff to move this item to the March 23, 2026, study session agenda for further discussion and analysis – providing staff with the data or analysis the Commission requires for further analysis.

Recommendation: Direct staff to move this item to the March 23, 2026, study session agenda for further discussion and analysis – providing staff with the data or analysis the Commission requires for further analysis.

**Kansas Municipal Utilities
Utility Rate Review
Agreement for Services**

1. Agreement. This agreement is between Kansas Municipal Utilities, Inc. (KMU), with offices at 2090 East Avenue A, McPherson, Kansas 67460, and the City of Abilene (CITY), with offices at 419 N. Broadway, Abilene, Kansas 67410. This agreement contains the entire agreement between the parties with respect to the services described herein and supersedes prior documentary or oral understanding between the parties and may not be amended except by a document signed by both parties and referring specifically to this agreement.

2. Services. KMU agrees to independently review the CITY's existing water and sewer utility rates and provide a report on the revenue sufficiency of the CITY's rate structure. The study will take place over an approximate ninety-day period, commencing June 1, 2025. KMU shall provide the following:

- a) An electronic copy of the full reviews, along with a summary reports of each.
- b) One planned trip to the CITY to attend a special work session or regular council meeting for final presentation.

3. Consideration. In consideration for the services to be provided by KMU, the CITY agrees to pay a member rate of \$4,800 to be billed at completion of the study.

4. Confidentiality. All reports, documents and material developed or acquired by KMU, as a direct requirement of this agreement, shall remain property of the CITY. KMU agrees and understands that all discussions with the CITY and all information gained by KMU as a result of KMU's performance under this agreement shall be

confidential and that no reports, documentation, or material prepared as required for the review shall be released to the public without prior written consent of the CITY. KMU acknowledges that it is aware of the fact that the CITY is subject to the Kansas Open Meetings Act.

5. Force Majeure. KMU shall be excused from performance under this agreement if it cannot complete the services provided above because of acts of God, strikes, lockouts, or other conditions beyond its control.

6. Indemnity. The CITY understands and saves harmless KMU and its employees, officers, directors, shareholders, affiliates, agents, representatives, successors and assigns (collectively the RELEASEES) from and against any and all liability incurred by any or all of them arising as a result of or in any way connected to participation in the rate review.


7. Agreement Binding on Successors. This agreement shall be binding upon and shall inure to the benefit of each party and its successors and assigns.

8. Termination. This agreement shall terminate upon completion of rate review. Termination at any other time must be upon the mutual written consent of KMU and the CITY.

9. Disclosure. This rate review does not cover or include municipal advisory activities as defined by 17 CFR § 240.15Ba1-1(e). If municipal advisory activities become necessary as part of this rate review, then a firm of the CITY's choosing will be contacted to provide those activities, as needed.

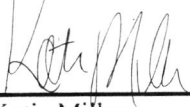
City of Abilene, Kansas

Kansas Municipal Utilities, Inc.



Ron Marsh
City Manager
CITY

5/13/25
Date



Katie Miller
Director of Water Services
Kansas Municipal Utilities

5/14/25
Date

Table 1

**City of Abilene
Sewer Rate Analysis
Summary of Results and Financial Statistics**

	<u>A</u>	<u>B</u>
Proposed Rate Increase for year 2026	0.00%	46.25%
Proposed Rate Increases for years 2027 - 2030	0.00%	3.75%
Estimated Surplus (Shortfall)		
Revenues Over (Under) Expenditures for 2026	(\$713,030)	\$3,256
Revenues Over (Under) Expenditures for 2030	(\$1,017,828)	\$77,871
Debt service coverage ratio (1)		
Debt service coverage ratio for 2026	0.0317	1.3311
Debt service coverage ratio for 2030	(0.4819)	1.5285
Estimated Ending Cash Balance (2)		
Estimated unencumbered cash for 2025	\$78,896	\$78,896
Days of cash on hand	N/A	N/A
Estimated unencumbered cash for 2026	(\$522,240)	\$195,936
Days of cash on hand	(81)	30
Estimated unencumbered cash for 2030	(\$3,690,235)	\$830,551
Days of cash on hand	(502)	110
Summary of other Fund Balances		
Equipment Reserve - Sewer		
Estimated unencumbered cash for 2025	\$5	\$5
Estimated unencumbered cash for 2026	\$55,005	\$55,005
Estimated unencumbered cash for 2030	\$368,005	\$368,005

(1) Recommendation for cities is to have a coverage ratio of 1.0000

(2) Recommendation is to have a minimum of 180 days of operating cash on hand

Notes:

All Versions include \$100,000 annual budget transfer to Equipment Reserve - Sewer
 New Debt Service related to 2026 KDHE Sewer Loan was incorporated in 2027
 2026 KDHE Sewer Loan was amortized over 20 years at 3% (not finalized)
 New Debt Service related to General System Improvements was incorporated in 2029

Table 2

**City of Abilene
Sewer Rate Analysis
Summary of Estimated Charges and Bill Amounts for Inside City Limit Users**

	<u>A</u>	<u>B</u>
Proposed Rate Increase for year 2026	0.00%	46.25%
Proposed Rate Increases for years 2027 - 2030	0.00%	3.75%
Monthly minimum (1)		
For 2025	\$15.30	\$15.30
For 2026	\$15.30	\$22.38
For 2030	\$15.30	\$25.93
Usage charge(s) (2)		
For 2025	\$0.64	\$0.64
For 2026	\$0.64	\$0.94
For 2030	\$0.64	\$1.09
Summary of Charges for 5,000 gallon bill (3)		
For 2025	\$47.50	\$47.50
For 2026	\$47.50	\$69.47
For 2030	\$47.50	\$80.49
Summary of Charges for 10,000 gallon bill		
For 2025	\$79.70	\$79.70
For 2026	\$79.70	\$116.56
For 2030	\$79.70	\$135.05

(1) Minimum charge does not include any usage

(2) Billed per 100 gallons

(3) Average residential sewer bill for 5,000 gallons across the State of Kansas was \$35.00

Notes:

All Versions include \$100,000 annual budget transfer to Equipment Reserve - Sewer

New Debt Service related to 2026 KDHE Sewer Loan was incorporated in 2027

2026 KDHE Sewer Loan was amortized over 20 years at 3% (not finalized)

New Debt Service related to General System Improvements was incorporated in 2029

Table 2

**City of Abilene
Sewer Rate Analysis
Summary of Estimated Charges and Bill Amounts for Outside City Limit Users**

	<u>A</u>	<u>B</u>
Proposed Rate Increase for year 2026	0.00%	46.25%
Proposed Rate Increases for years 2027 - 2030	0.00%	3.75%
Monthly minimum (1)		
For 2025	\$22.94	\$22.94
For 2026	\$22.94	\$33.55
For 2030	\$22.94	\$38.87
Usage charge(s) (2)		
For 2025	\$0.97	\$0.97
For 2026	\$0.97	\$1.41
For 2030	\$0.97	\$1.64
Summary of Charges for 5,000 gallon bill		
For 2025	\$71.24	\$71.24
For 2026	\$71.24	\$104.19
For 2030	\$71.24	\$120.72
Summary of Charges for 10,000 gallon bill		
For 2025	\$119.54	\$119.54
For 2026	\$119.54	\$174.83
For 2030	\$119.54	\$202.56

(1) Minimum charge does not include any usage

(2) Billed per 100 gallons

Notes:

All Versions include \$100,000 annual budget transfer to Equipment Reserve - Sewer
 New Debt Service related to 2026 KDHE Sewer Loan was incorporated in 2027
 2026 KDHE Sewer Loan was amortized over 20 years at 3% (not finalized)
 New Debt Service related to General System Improvements was incorporated in 2029

Table 1

City of Abilene
Sewer Rate Analysis
Income Statement Summary
Historical Years ending December 31, 2021 through 2024

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Receipts				
Charges for services	\$ 1,632,583	\$ 1,568,850	\$ 1,625,678	\$ 1,631,860
Interest income	300	321	4,127	9,739
Reimbursed expenses	1,448	9,704	2,529	3,199
Miscellaneous	-	-	-	-
Refunds	9,082	1,356	14,698	7,125
Total receipts	\$ 1,643,413	\$ 1,580,231	\$ 1,647,032	\$ 1,651,923
Expenditures				
Collection				
Salaries and benefits	\$111,915	\$107,722	\$110,977	\$137,731
Services and supplies	56,127	42,606	44,752	54,327
Capital outlay	8	7,425	1,407	56,452
Wastewater treatment plant				
Salaries and benefits	179,784	218,554	231,917	251,647
Services and supplies	269,619	361,266	401,314	336,195
Capital outlay	-	36,171	50,000	-
Commercial				
Salaries and benefits	140,001	148,161	170,068	178,937
Contractual services	4,968	4,700	4,917	4,917
Services and supplies	117,225	126,625	177,863	165,857
Capital outlay	443	-	3,738	(33)
Debt Service				
Principal payments	400,000	425,000	446,500	462,500
Interest payments	141,175	124,875	107,064	88,555
Transfer to				
General Fund	-	82,500	181,000	81,000
Equipment Reserve - Sewer	-	50,000	-	100,000
Total expenditures	\$1,421,265	\$1,735,605	\$1,931,517	\$1,918,085
Receipts over (under) expenditures	\$222,148	(\$155,374)	(\$284,485)	(\$266,162)
Unencumbered cash, beginning	\$790,026	\$1,012,174	\$856,800	\$572,315
Unencumbered cash, ending	\$1,012,174	\$856,800	\$572,315	\$306,153
Days of cash on hand	260	180	108	58

Table 2

**City of Abilene
Sewer Rate Analysis
Income Statement Summary (Equipment Reserve Sewer Fund)
Historical Years ending December 31, 2021 through 2024**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Receipts				
Transfers in:				
Sewer utility fund	\$0	\$50,000	\$0	\$100,000
Interest Income	33	58	14	42
Miscellaneous	-	149,600	-	
Total receipts	\$ 33	\$ 149,658	\$ 14	\$ 42
Expenditures				
Capital outlay	\$0	\$521,897	\$0	\$10,800
Total expenditures	\$0	\$521,897	\$0	\$10,800
Receipts over (under) expenditures	\$33	(\$372,239)	\$14	(\$10,758)
Unencumbered cash, beginning	\$335,140	\$335,173	(\$37,066)	(\$37,052)
Unencumbered cash, ending	\$335,173	(\$37,066)	(\$37,052)	(\$47,810)

Table 3

**City of Abilene
Sewer Rate Analysis
Summary of Rate Charges
Historical Years ending December 31, 2021 through 2024**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Monthly minimum (1)				
Residential - In City	\$15.30	\$15.30	\$15.30	\$15.30
Commercial - In City	15.30	15.30	15.30	15.30
Residential - Outside	22.94	22.94	22.94	22.94
Commercial - Outside	22.94	22.94	22.94	22.94
Usage charge(s) (2)				
Residential - In City	\$0.644	\$0.644	\$0.644	\$0.644
Commercial - In City	0.644	0.644	0.644	0.644
Residential - Outside	0.966	0.966	0.966	0.966
Commercial - Outside	0.966	0.966	0.966	0.966

(1) Monthly minimum includes 0 gallons

(2) Per 100 gallons

Table 4

**City of Abilene
Sewer Rate Analysis
Summary of Historical Number of Customers
Historical Years ending December 31, 2021 through 2024**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Customer group				
Residential - In City	2,485	2,506	2,519	2,523
Commercial - In City	311	310	317	322
Residential - Outside	91	93	93	95
Commercial - Outside	10	10	10	10
Total number of customers	2,897	2,919	2,940	2,950
<i>% Growth (Decline)</i>				
<i>Residential - In City</i>		0.83%	0.54%	0.16%
<i>Commercial - In City</i>		-0.21%	2.23%	1.47%
<i>Residential - Outside</i>		2.21%	0.81%	1.52%
<i>Commercial - Outside</i>		0.00%	0.00%	0.00%

Table 5

**City of Abilene
Sewer Rate Analysis
Summary of Historical Customer Usage
Historical Years ending December 31, 2021 through 2024**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Customer group				
Residential - In City	96,627,719	92,953,592	93,635,131	93,888,839
Commercial - In City	54,159,893	49,484,276	49,695,089	50,137,762
Residential - Outside	3,066,260	2,740,133	3,103,010	2,843,402
Commercial - Outside	1,560,424	1,200,600	1,200,600	1,200,600
Total gallons billed	155,414,296	146,378,601	147,633,830	148,070,603
<i>Average usage per customer group</i>				
<i>Residential - In City</i>	<i>3,240</i>	<i>3,092</i>	<i>3,097</i>	<i>3,101</i>
<i>Commercial - In City</i>	<i>14,508</i>	<i>13,284</i>	<i>13,050</i>	<i>12,976</i>
<i>Residential - Outside</i>	<i>2,821</i>	<i>2,466</i>	<i>2,771</i>	<i>2,501</i>
<i>Commercial - Outside</i>	<i>13,004</i>	<i>10,005</i>	<i>10,005</i>	<i>10,005</i>

Table 6

**City of Abilene
Sewer Rate Analysis
Revenue Comparison
Historical Years ending December 31, 2021 through 2024**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenue from monthly minimum				
Residential - In City	\$456,231	\$460,025	\$462,519	\$463,238
Residential - Outside	57,115	56,993	58,262	59,119
Commercial - In City	16,631	16,998	17,136	17,396
Commercial - Outside	1,836	1,836	1,836	1,836
Calculated revenue	<hr/> \$531,813	<hr/> \$535,852	<hr/> \$539,753	<hr/> \$541,589
Revenue from usage charge(s)				
Residential - In City	\$622,283	\$598,621	\$603,010	\$604,644
Residential - Outside	348,790	318,679	320,036	322,887
Commercial - In City	29,620	26,470	29,975	27,467
Commercial - Outside	15,074	11,598	11,598	11,598
Calculated revenue	<hr/> \$1,015,766	<hr/> \$955,367	<hr/> \$964,619	<hr/> \$966,596
Total revenue calculated	\$1,547,579	\$1,491,219	\$1,504,373	\$1,508,186
Revenue reported within audit	\$1,632,583	\$1,568,850	\$1,625,678	\$1,631,860
Variance	(\$85,004)	(\$77,631)	(\$121,305)	(\$123,674)
% Difference (Model error)	-5.49%	-5.21%	-8.06%	-8.20%

Table 7

**City of Abilene
Sewer Rate Analysis
Forecasted Number of Customers**

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Customer group									
Residential - In City	2,523	2,508	2,512	2,523	2,531	2,535	2,539	2,543	2,547
Commercial - In City	322	315	314	322	330	333	337	341	345
Residential - Outside	95	93	93	95	98	99	101	102	104
Commercial - Outside	10	10	10	10	10	10	10	10	10
Total number of customers	2,950				2,968	2,977	2,987	2,996	3,005
<i>% Growth (Decline)</i>									
<i>Residential - In City</i>	<i>0.16%</i>	<i>0.51%</i>	<i>0.54%</i>	<i>0.16%</i>	<i>0.16%</i>	<i>0.16%</i>	<i>0.16%</i>	<i>0.16%</i>	<i>0.16%</i>
<i>Commercial - In City</i>	<i>1.47%</i>	<i>1.16%</i>	<i>1.47%</i>	<i>1.16%</i>	<i>1.16%</i>	<i>1.16%</i>	<i>1.16%</i>	<i>1.16%</i>	<i>1.16%</i>
<i>Residential - Outside</i>	<i>1.52%</i>	<i>1.51%</i>	<i>1.52%</i>	<i>1.51%</i>	<i>1.51%</i>	<i>1.51%</i>	<i>1.51%</i>	<i>1.51%</i>	<i>1.51%</i>
<i>Commercial - Outside</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

Assumptions

Base number of customers = 2024 customer data

Base growth (decline) is minimum between mean, median, and rate for year 2024

Information in bold is based on input from city staff

Table 8

City of Abilene
Sewer Rate Analysis
Forecasted Annual Demand

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Customer group									
Residential - In City	93,888,839	94,276,320	93,761,985	93,888,839	94,126,780	94,273,123	94,419,694	94,566,493	94,713,520
Commercial - In City	50,137,762	50,869,255	49,916,426	50,137,762	51,309,217	51,905,168	52,508,042	53,117,918	53,734,877
Residential - Outside	2,843,402	2,938,201	2,954,831	2,843,402	2,930,034	2,974,334	3,019,305	3,064,955	3,111,296
Commercial - Outside	1,200,600	1,290,556	1,200,600	1,200,600	1,200,600	1,200,600	1,200,600	1,200,600	1,200,600
Total gallons billed	148,070,603				149,566,630	150,353,226	151,147,641	151,949,966	152,760,293
<i>Average usage per customer group</i>									
<i>Residential - In City</i>	<i>3,101</i>	<i>3,133</i>	<i>3,099</i>	<i>3,099</i>	<i>3,099</i>	<i>3,099</i>	<i>3,099</i>	<i>3,099</i>	<i>3,099</i>
<i>Residential - Outside</i>	<i>12,976</i>	<i>13,455</i>	<i>13,167</i>	<i>12,976</i>	<i>12,976</i>	<i>12,976</i>	<i>12,976</i>	<i>12,976</i>	<i>12,976</i>
<i>Commercial - In City</i>	<i>2,501</i>	<i>2,640</i>	<i>2,636</i>	<i>2,501</i>	<i>2,501</i>	<i>2,501</i>	<i>2,501</i>	<i>2,501</i>	<i>2,501</i>
<i>Residential - Outside</i>	<i>10,005</i>	<i>10,755</i>	<i>10,005</i>	<i>10,005</i>	<i>10,005</i>	<i>10,005</i>	<i>10,005</i>	<i>10,005</i>	<i>10,005</i>

Assumptions

Base average usage is minimum between mean, median, and average for year 2024

Information in bold is based on input from city staff

Table 9
City of Abilene
Sewer Rate Analysis
Forecasted Expenditures
Version A - No Proposed Changes

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Expenditures									
Collection									
Salaries and benefits	\$137,731	\$117,086	\$111,446	\$137,731	\$156,178	\$163,987	\$172,186	\$180,796	\$189,835
Services and supplies	54,327	49,453	49,540	54,327	22,550	23,678	24,861	26,104	27,410
Capital outlay	56,452	16,323	4,416	56,452	65,950	69,248	72,710	76,345	80,163
Wastewater treatment plant									
Salaries and benefits	251,647	220,476	225,236	251,647	299,438	314,410	330,130	346,637	363,969
Commodities	N/A	N/A	N/A	N/A	265,450	278,723	292,659	307,292	322,656
Services and supplies	336,195	342,099	348,731	348,731	239,750	251,738	264,324	277,541	291,418
Capital outlay	0	21,543	18,086	21,543	0	0	0	0	0
Commercial									
Salaries and benefits	178,937	159,292	159,115	178,937	244,413	256,634	269,465	282,939	297,086
Contractual services	4,917	4,876	4,917	4,917	167,213	175,574	184,352	193,570	203,248
Services and supplies	165,857	146,893	146,241	165,857	42,550	44,678	46,911	49,257	51,720
Capital outlay	(33)	1,037	222	1,037	0	0	0	0	0
Debt Service									
Principal payments	462,500	433,500	435,750	N/A	N/A	N/A	N/A	N/A	N/A
Interest payments	88,555	115,417	115,970	N/A	N/A	N/A	N/A	N/A	N/A
Series 2019 Bonds	N/A	N/A	N/A	N/A	20,555	20,905	20,205	19,645	19,585
Series 2019-B Bonds	N/A	N/A	N/A	N/A	532,125	532,125	535,963	0	0
Transfer to									
General Fund	81,000	86,125	81,750	N/A	81,727	82,103	82,482	82,865	83,252
Equipment Reserve - Sewer	100,000	37,500	25,000	100,000	100,000	100,000	100,000	100,000	100,000
New Debt Service									
General System Improvements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	500,000	500,000
2026 KDHE Loan	N/A	N/A	N/A	N/A	N/A	26,886	26,886	26,886	26,886
Total expenditures	\$1,918,085				\$2,237,899	\$2,340,686	\$2,423,136	\$2,469,876	\$2,557,227
Margin				5.00%	\$111,895	\$117,034	\$121,157	\$123,494	\$127,861
Total expenditures and margin					\$2,349,794	\$2,457,720	\$2,544,293	\$2,593,370	\$2,685,088

Base expense amount for 2026 is based on City's 2026 Budget.
Operating expenses were inflated at 5% per year.
Debt service related to Series 2019 Bonds does not mature until September 1, 2039
Debt service related to Series 2019-B Bonds does not mature until March 1, 2028
Transfers to General Fund are based on 5% of forecasted charges for services
Transfers Equipment Reserve were based on initial forecast amount and were forecasted to remain flat.
New Debt Service related to General System Improvements was based on annual budget of \$500,000
Total issue size is estimated to be 400,000 for the issue related to 2026 KDHE Loan
Information in bold is based on input from city staff.

Table 10

City of Abilene
Sewer Rate Analysis
Forecasted Cash Receipts
Version A - No Proposed Changes

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Receipts									
Charges for services	\$1,631,860	\$1,614,743	\$1,628,769		\$1,634,540	\$1,642,054	\$1,649,641	\$1,657,301	\$1,665,036
Interest income	9,739	3,622	2,224	2,224	2,224	2,224	2,224	2,224	2,224
Reimbursed expenses	3,199	4,220	2,864	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0
Refunds	7,125	8,065	8,104	0	0	0	0	0	0
Total receipts	\$1,651,923				\$1,636,764	\$1,644,278	\$1,651,865	\$1,659,525	\$1,667,260

Assumptions

Charges for services are based on calculations found on Table 12

Base receipt amount is minimum between mean, median, and amount expensed in year 2024.

Cash receipts were forecasted to remain flat over the forecast period.

Information in bold is based on input from city staff.

Table 11

**City of Abilene
Sewer Rate Analysis
Pro Forma Analysis
Version A - No Proposed Changes**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Receipts					
Charges for services	\$1,634,540	\$1,642,054	\$1,649,641	\$1,657,301	\$1,665,036
Interest income	2,224	2,224	2,224	2,224	2,224
Reimbursed expenses	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Refunds	0	0	0	0	0
Total receipts	\$1,636,764	\$1,644,278	\$1,651,865	\$1,659,525	\$1,667,260
Expenditures					
Collection					
Salaries and benefits	\$156,178	\$163,987	\$172,186	\$180,796	\$189,835
Services and supplies	22,550	23,678	24,861	26,104	27,410
Capital outlay	65,950	69,248	72,710	76,345	80,163
Wastewater treatment plant					
Salaries and benefits	299,438	314,410	330,130	346,637	363,969
Commodities	265,450	278,723	292,659	307,292	322,656
Services and supplies	239,750	251,738	264,324	277,541	291,418
Capital outlay	0	0	0	0	0
Commercial					
Salaries and benefits	244,413	256,634	269,465	282,939	297,086
Contractual services	167,213	175,574	184,352	193,570	203,248
Services and supplies	42,550	44,678	46,911	49,257	51,720
Capital outlay	0	0	0	0	0
Debt Service					
Principal payments	N/A	N/A	N/A	N/A	N/A
Interest payments	N/A	N/A	N/A	N/A	N/A
Series 2019 Bonds	20,555	20,905	20,205	19,645	19,585
Series 2019-B Bonds	532,125	532,125	535,963	0	0
Transfer to					
General Fund	81,727	82,103	82,482	82,865	83,252
Equipment Reserve - Sewer	100,000	100,000	100,000	100,000	100,000
New Debt Service					
General System Improvements	N/A	N/A	N/A	500,000	500,000
2026 KDHE Loan	N/A	26,886	26,886	26,886	26,886
Margin	111,895	117,034	121,157	123,494	127,861
Total expenditures	\$2,349,794	\$2,457,720	\$2,544,293	\$2,593,370	\$2,685,088
Revenue over (under) expenditures	(\$713,030)	(\$813,442)	(\$892,427)	(\$933,845)	(\$1,017,828)

Assumptions

Charges for services are based on calculations found on Table 12
 Base receipt amount is minimum between mean, median, and amount expensed in year 2024.
 Cash receipts were forecasted to remain flat over the forecast period.
 Base expense amount for 2026 is based on City's 2026 Budget.
 Operating expenses were inflated at 5% per year.
 Debt service related to Series 2019 Bonds does not mature until September 1, 2039
 Debt service related to Series 2019-B Bonds does not mature until March 1, 2028
 Transfers to General Fund are based on 5% of forecasted charges for services
 Transfers Equipment Reserve were based on initial forecast amount and were forecasted to remain flat.
 New Debt Service related to General System Improvements was based on annual budget of \$500,000
 Total issue size is estimated to be 400,000 for the issue related to 2026 KDHE Loan
 Information in bold is based on input from city staff.

Table 12

**City of Abilene
Sewer Rate Analysis
Summary of Proposed Changes
Version A - No Proposed Changes**

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
PROPOSED RATE INCREASE	N/A	0.00%	0.00%	0.00%	0.00%	0.00%

Monthly minimum ⁽¹⁾						
Residential - In City	\$15.30	\$15.30	\$15.30	\$15.30	\$15.30	\$15.30
Commercial - In City	\$15.30	\$15.30	\$15.30	\$15.30	\$15.30	\$15.30
Residential - Outside	\$22.94	\$22.94	\$22.94	\$22.94	\$22.94	\$22.94
Commercial - Outside	\$22.94	\$22.94	\$22.94	\$22.94	\$22.94	\$22.94
Usage charge(s) ⁽²⁾						
Residential - In City	\$0.644	\$0.644	\$0.644	\$0.644	\$0.644	\$0.644
Commercial - In City	\$0.644	\$0.644	\$0.644	\$0.644	\$0.644	\$0.644
Residential - Outside	\$0.966	\$0.966	\$0.966	\$0.966	\$0.966	\$0.966
Commercial - Outside	\$0.966	\$0.966	\$0.966	\$0.966	\$0.966	\$0.966

⁽¹⁾ Monthly minimum includes 0 gallons

⁽²⁾ Per 100 gallons

Most recent average residential bill for 5,000 gallons across the State of Kanas was \$35.00 for cities

Sample bill amounts for	5,000	gallons for customer group(s):				
Residential - In City	\$47.50	\$47.50	\$47.50	\$47.50	\$47.50	\$47.50

Table 13

**City of Abilene
Sewer Rate Analysis
Cash on Hand Analysis
Version A - No Proposed Changes**

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
SUMMARY OF CASH ON HAND						
Sewer utility fund						
Unencumbered cash, beginning		\$78,896	(\$522,240)	(\$1,218,647)	(\$1,989,917)	(\$2,800,268)
Estimated net cash gain		(601,135)	(696,407)	(771,271)	(810,351)	(889,967)
Estimated unencumbered cash, ending	\$78,896	(\$522,240)	(\$1,218,647)	(\$1,989,917)	(\$2,800,268)	(\$3,690,235)
Days of cash on hand	N/A	-81	-181	-285	-394	-502

Recommendation is to have a minimum of 180 days of operating cash on hand
Days of cash on hand can be as low as 90 days if there are other adequately funded reserve/replacement funds

SUMMARY OF OTHER FUNDS AVAILABLE

Equipment Reserve - Sewer						
Unencumbered cash, beginning		\$5	\$55,005	\$128,005	\$228,005	\$268,005
Estimated net cash gain		100,000	100,000	100,000	100,000	100,000
Less equipment purchases		(45,000)	(27,000)	0	(60,000)	0
Estimated unencumbered cash, ending	\$5	\$55,005	\$128,005	\$228,005	\$268,005	\$368,005

TOTAL FUNDS AVAILABLE TO WASTEWATER UTILITY

Estimated unencumbered cash, ending	\$78,901	(\$467,234)	(\$1,090,642)	(\$1,761,912)	(\$2,532,263)	(\$3,322,230)
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Table 14

**City of Abilene
Sewer Rate Analysis
Debt Service Coverage Ratio Analysis
Version A - No Proposed Changes**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
DEBT SERVICE COVERAGE RATIO SUMMARY					
Revenues available for debt service					
Revenue over (under) expenditures	(\$713,030)	(\$813,442)	(\$892,427)	(\$933,845)	(\$1,017,828)
Capital outlay	65,950	69,248	72,710	76,345	80,163
Debt Service					
Principal payments	N/A	N/A	N/A	N/A	N/A
Interest payments	N/A	N/A	N/A	N/A	N/A
Series 2019 Bonds	20,555	20,905	20,205	19,645	19,585
Series 2019-B Bonds	532,125	532,125	535,963	0	0
New Debt Service					
General System Improvements	N/A	N/A	N/A	500,000	500,000
2026 KDHE Loan	N/A	26,886	26,886	26,886	26,886
Margin	111,895	117,034	121,157	123,494	127,861
Total revenues available for debt service	\$17,495	(\$47,244)	(\$115,507)	(\$187,474)	(\$263,333)
Total debt service	\$552,680	\$579,916	\$583,054	\$546,531	\$546,471
Debt service coverage ratio	0.0317	-0.0815	-0.1981	-0.3430	-0.4819

It is recommended for cities to maintain a debt service coverage ratio of 100% on outstanding general obligation debt

Table 15

**City of Abilene
Sewer Rate Analysis
Summary Change in Utility Bill
Version A - No Proposed Changes**

			<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
PROPOSED RATE INCREASE			N/A	0.00%	0.00%	0.00%	0.00%	0.00%
Residential - In City ⁽¹⁾								
Bill for	1,000	gallons	\$21.74	\$21.74	\$21.74	\$21.74	\$21.74	\$21.74
Bill for	2,500	gallons	\$31.40	\$31.40	\$31.40	\$31.40	\$31.40	\$31.40
Bill for	5,000	gallons	\$47.50	\$47.50	\$47.50	\$47.50	\$47.50	\$47.50
Bill for	10,000	gallons	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70
Bill for	25,000	gallons	\$176.30	\$176.30	\$176.30	\$176.30	\$176.30	\$176.30
Bill for	50,000	gallons	\$337.30	\$337.30	\$337.30	\$337.30	\$337.30	\$337.30
Bill for	100,000	gallons	\$659.30	\$659.30	\$659.30	\$659.30	\$659.30	\$659.30
Bill for	250,000	gallons	\$1,625.30	\$1,625.30	\$1,625.30	\$1,625.30	\$1,625.30	\$1,625.30
Bill for	500,000	gallons	\$3,235.30	\$3,235.30	\$3,235.30	\$3,235.30	\$3,235.30	\$3,235.30
Commercial - In City ⁽¹⁾								
Bill for	1,000	gallons	\$21.74	\$21.74	\$21.74	\$21.74	\$21.74	\$21.74
Bill for	2,500	gallons	\$31.40	\$31.40	\$31.40	\$31.40	\$31.40	\$31.40
Bill for	5,000	gallons	\$47.50	\$47.50	\$47.50	\$47.50	\$47.50	\$47.50
Bill for	10,000	gallons	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70
Bill for	25,000	gallons	\$176.30	\$176.30	\$176.30	\$176.30	\$176.30	\$176.30
Bill for	50,000	gallons	\$337.30	\$337.30	\$337.30	\$337.30	\$337.30	\$337.30
Bill for	100,000	gallons	\$659.30	\$659.30	\$659.30	\$659.30	\$659.30	\$659.30
Bill for	250,000	gallons	\$1,625.30	\$1,625.30	\$1,625.30	\$1,625.30	\$1,625.30	\$1,625.30
Bill for	500,000	gallons	\$3,235.30	\$3,235.30	\$3,235.30	\$3,235.30	\$3,235.30	\$3,235.30
Residential - Outside ⁽¹⁾								
Bill for	1,000	gallons	\$32.60	\$32.60	\$32.60	\$32.60	\$32.60	\$32.60
Bill for	2,500	gallons	\$47.09	\$47.09	\$47.09	\$47.09	\$47.09	\$47.09
Bill for	5,000	gallons	\$71.24	\$71.24	\$71.24	\$71.24	\$71.24	\$71.24
Bill for	10,000	gallons	\$119.54	\$119.54	\$119.54	\$119.54	\$119.54	\$119.54
Bill for	25,000	gallons	\$264.44	\$264.44	\$264.44	\$264.44	\$264.44	\$264.44
Bill for	50,000	gallons	\$505.94	\$505.94	\$505.94	\$505.94	\$505.94	\$505.94
Bill for	100,000	gallons	\$988.94	\$988.94	\$988.94	\$988.94	\$988.94	\$988.94
Bill for	250,000	gallons	\$2,437.94	\$2,437.94	\$2,437.94	\$2,437.94	\$2,437.94	\$2,437.94
Bill for	500,000	gallons	\$4,852.94	\$4,852.94	\$4,852.94	\$4,852.94	\$4,852.94	\$4,852.94
Commercial - Outside ⁽¹⁾								
Bill for	1,000	gallons	\$32.60	\$32.60	\$32.60	\$32.60	\$32.60	\$32.60
Bill for	2,500	gallons	\$47.09	\$47.09	\$47.09	\$47.09	\$47.09	\$47.09
Bill for	5,000	gallons	\$71.24	\$71.24	\$71.24	\$71.24	\$71.24	\$71.24
Bill for	10,000	gallons	\$119.54	\$119.54	\$119.54	\$119.54	\$119.54	\$119.54
Bill for	25,000	gallons	\$264.44	\$264.44	\$264.44	\$264.44	\$264.44	\$264.44
Bill for	50,000	gallons	\$505.94	\$505.94	\$505.94	\$505.94	\$505.94	\$505.94
Bill for	100,000	gallons	\$988.94	\$988.94	\$988.94	\$988.94	\$988.94	\$988.94
Bill for	250,000	gallons	\$2,437.94	\$2,437.94	\$2,437.94	\$2,437.94	\$2,437.94	\$2,437.94
Bill for	500,000	gallons	\$4,852.94	\$4,852.94	\$4,852.94	\$4,852.94	\$4,852.94	\$4,852.94

⁽¹⁾ Monthly minimum includes 0 gallons

Table 16

**City of Abilene
Sewer Rate Analysis
Forecasted Expenditures
Version B - Proposed Rate Increase to Breakeven**

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Expenditures									
Collection									
Salaries and benefits	\$137,731	\$117,086	\$111,446	\$137,731	\$156,178	\$163,987	\$172,186	\$180,796	\$189,835
Services and supplies	54,327	49,453	49,540	54,327	22,550	23,678	24,861	26,104	27,410
Capital outlay	56,452	16,323	4,416	56,452	65,950	69,248	72,710	76,345	80,163
Wastewater treatment plant									
Salaries and benefits	251,647	220,476	225,236	251,647	299,438	314,410	330,130	346,637	363,969
Commodities	N/A	N/A	N/A	N/A	265,450	278,723	292,659	307,292	322,656
Services and supplies	336,195	342,099	348,731	348,731	239,750	251,738	264,324	277,541	291,418
Capital outlay	0	21,543	18,086	21,543	0	0	0	0	0
Commercial									
Salaries and benefits	178,937	159,292	159,115	178,937	244,413	256,634	269,465	282,939	297,086
Contractual services	4,917	4,876	4,917	4,917	167,213	175,574	184,352	193,570	203,248
Services and supplies	165,857	146,893	146,241	165,857	42,550	44,678	46,911	49,257	51,720
Capital outlay	(33)	1,037	222	1,037	0	0	0	0	0
Debt Service									
Principal payments	462,500	433,500	435,750	N/A	N/A	N/A	N/A	N/A	N/A
Interest payments	88,555	115,417	115,970	N/A	N/A	N/A	N/A	N/A	N/A
Series 2019 Bonds	N/A	N/A	N/A	N/A	20,555	20,905	20,205	19,645	19,585
Series 2019-B Bonds	N/A	N/A	N/A	N/A	532,125	532,125	535,963	0	0
Transfer to									
General Fund	81,000	86,125	81,750	N/A	119,526	124,578	129,847	135,342	141,072
Equipment Reserve - Sewer	100,000	37,500	25,000	100,000	100,000	100,000	100,000	100,000	100,000
New Debt Service									
General System Improvements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	500,000	500,000
2026 KDHE Loan	N/A	N/A	N/A	N/A	N/A	26,886	26,886	26,886	26,886
Total expenditures	\$1,918,085				\$2,275,698	\$2,383,161	\$2,470,501	\$2,522,353	\$2,615,048
Margin				5.00%	\$113,785	\$119,158	\$123,525	\$126,118	\$130,752
Total expenditures and margin					\$2,389,483	\$2,502,319	\$2,594,026	\$2,648,471	\$2,745,800

Base expense amount for 2026 is based on City's 2026 Budget.
 Operating expenses were inflated at 5% per year.
 Debt service related to Series 2019 Bonds does not mature until September 1, 2039
 Debt service related to Series 2019-B Bonds does not mature until March 1, 2028
 Transfers to General Fund are based on 5% of forecasted charges for services
 Transfers Equipment Reserve were based on initial forecast amount and were forecasted to remain flat.
 New Debt Service related to General System Improvements was based on annual budget of \$500,000
 Total issue size is estimated to be 400,000 for the issue related to 2026 KDHE Loan
 Information in bold is based on input from city staff.

Table 17

**City of Abilene
Sewer Rate Analysis
Forecasted Cash Receipts
Version B - Proposed Rate Increase to Breakeven**

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Receipts									
Charges for services	\$1,631,860	\$1,614,743	\$1,628,769		\$2,390,515	\$2,491,561	\$2,596,938	\$2,706,835	\$2,821,447
Interest income	9,739	3,622	2,224	2,224	2,224	2,224	2,224	2,224	2,224
Reimbursed expenses	3,199	4,220	2,864	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0
Refunds	7,125	8,065	8,104	0	0	0	0	0	0
Total receipts	\$1,651,923				\$2,392,739	\$2,493,785	\$2,599,162	\$2,709,059	\$2,823,671

Assumptions

Charges for services are based on calculations found on Table 19

Base receipt amount is minimum between mean, median, and amount expensed in year 2024.

Cash receipts were forecasted to remain flat over the forecast period.

Information in bold is based on input from city staff.

Table 18

**City of Abilene
Sewer Rate Analysis
Pro Forma Analysis
Version B - Proposed Rate Increase to Breakeven**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Receipts					
Charges for services	\$2,390,515	\$2,491,561	\$2,596,938	\$2,706,835	\$2,821,447
Interest income	2,224	2,224	2,224	2,224	2,224
Reimbursed expenses	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Refunds	0	0	0	0	0
Total receipts	\$2,392,739	\$2,493,785	\$2,599,162	\$2,709,059	\$2,823,671
Expenditures					
Collection					
Salaries and benefits	\$156,178	\$163,987	\$172,186	\$180,796	\$189,835
Services and supplies	22,550	23,678	24,861	26,104	27,410
Capital outlay	65,950	69,248	72,710	76,345	80,163
Wastewater treatment plant					
Salaries and benefits	299,438	314,410	330,130	346,637	363,969
Commodities	265,450	278,723	292,659	307,292	322,656
Services and supplies	239,750	251,738	264,324	277,541	291,418
Capital outlay	0	0	0	0	0
Commercial					
Salaries and benefits	244,413	256,634	269,465	282,939	297,086
Contractual services	167,213	175,574	184,352	193,570	203,248
Services and supplies	42,550	44,678	46,911	49,257	51,720
Capital outlay	0	0	0	0	0
Debt Service					
Principal payments	N/A	N/A	N/A	N/A	N/A
Interest payments	N/A	N/A	N/A	N/A	N/A
Series 2019 Bonds	20,555	20,905	20,205	19,645	19,585
Series 2019-B Bonds	532,125	532,125	535,963	0	0
Transfer to					
General Fund	119,526	124,578	129,847	135,342	141,072
Equipment Reserve - Sewer	100,000	100,000	100,000	100,000	100,000
New Debt Service					
General System Improvements	N/A	N/A	N/A	500,000	500,000
2026 KDHE Loan	N/A	26,886	26,886	26,886	26,886
Margin	113,785	119,158	123,525	126,118	130,752
Total expenditures	\$2,389,483	\$2,502,319	\$2,594,026	\$2,648,471	\$2,745,800
Revenue over (under) expenditures	\$3,256	(\$8,534)	\$5,136	\$60,588	\$77,871

Assumptions

Charges for services are based on calculations found on Table 19
 Base receipt amount is minimum between mean, median, and amount expensed in year 2024.
 Cash receipts were forecasted to remain flat over the forecast period.
 Base expense amount for 2026 is based on City's 2026 Budget.
 Operating expenses were inflated at 5% per year.
 Debt service related to Series 2019 Bonds does not mature until September 1, 2039
 Debt service related to Series 2019-B Bonds does not mature until March 1, 2028
 Transfers to General Fund are based on 5% of forecasted charges for services
 Transfers Equipment Reserve were based on initial forecast amount and were forecasted to remain flat.
 New Debt Service related to General System Improvements was based on annual budget of \$500,000
 Total issue size is estimated to be 400,000 for the issue related to 2026 KDHE Loan
 Information in bold is based on input from city staff.

Table 19

**City of Abilene
Sewer Rate Analysis
Summary of Proposed Changes
Version B - Proposed Rate Increase to Breakeven**

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
PROPOSED RATE INCREASE	N/A	46.25%	3.75%	3.75%	3.75%	3.75%

Monthly minimum	⁽¹⁾						
Residential - In City		\$15.30	\$22.38	\$23.22	\$24.09	\$24.99	\$25.93
Commercial - In City		\$15.30	\$22.38	\$23.22	\$24.09	\$24.99	\$25.93
Residential - Outside		\$22.94	\$33.55	\$34.81	\$36.11	\$37.47	\$38.87
Commercial - Outside		\$22.94	\$33.55	\$34.81	\$36.11	\$37.47	\$38.87
Usage charge(s)	⁽²⁾						
Residential - In City		\$0.644	\$0.942	\$0.977	\$1.014	\$1.052	\$1.091
Commercial - In City		\$0.644	\$0.942	\$0.977	\$1.014	\$1.052	\$1.091
Residential - Outside		\$0.966	\$1.413	\$1.466	\$1.521	\$1.578	\$1.637
Commercial - Outside		\$0.966	\$1.413	\$1.466	\$1.521	\$1.578	\$1.637

⁽¹⁾ Monthly minimum includes 0 gallons

⁽²⁾ Per 100 gallons

Most recent average residential bill for 5,000 gallons across the State of Kanas was \$35.00 for cities

Sample bill amounts for	5,000	gallons for customer group(s):				
Residential - In City	\$47.50	\$69.47	\$72.07	\$74.78	\$77.58	\$80.49

Table 20

**City of Abilene
Sewer Rate Analysis
Cash on Hand Analysis
Version B - Proposed Rate Increase to Breakeven**

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
SUMMARY OF CASH ON HAND						
Sewer utility fund						
Unencumbered cash, beginning		\$78,896	\$195,936	\$306,560	\$435,222	\$621,927
Estimated net cash gain		117,041	110,624	128,661	186,706	208,624
Estimated unencumbered cash, ending	\$78,896	\$195,936	\$306,560	\$435,222	\$621,927	\$830,551
Days of cash on hand	N/A	30	45	61	86	110

Recommendation is to have a minimum of 180 days of operating cash on hand
Days of cash on hand can be as low as 90 days if there are other adequately funded reserve/replacement funds

SUMMARY OF OTHER FUNDS AVAILABLE

Equipment Reserve - Sewer						
Unencumbered cash, beginning		\$5	\$55,005	\$128,005	\$228,005	\$268,005
Estimated net cash gain		100,000	100,000	100,000	100,000	100,000
Less equipment purchases		(45,000)	(27,000)	0	(60,000)	0
Estimated unencumbered cash, ending	\$5	\$55,005	\$128,005	\$228,005	\$268,005	\$368,005

TOTAL FUNDS AVAILABLE TO WASTEWATER UTILITY

Estimated unencumbered cash, ending	\$78,901	\$250,942	\$434,566	\$663,227	\$889,933	\$1,198,556
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Table 21

**City of Abilene
Sewer Rate Analysis
Debt Service Coverage Ratio Analysis
Version B - Proposed Rate Increase to Breakeven**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
DEBT SERVICE COVERAGE RATIO SUMMARY					
Revenues available for debt service					
Revenue over (under) expenditures	\$3,256	(\$8,534)	\$5,136	\$60,588	\$77,871
Capital outlay	65,950	69,248	72,710	76,345	80,163
Debt Service					
Principal payments	N/A	N/A	N/A	N/A	N/A
Interest payments	N/A	N/A	N/A	N/A	N/A
Series 2019 Bonds	20,555	20,905	20,205	19,645	19,585
Series 2019-B Bonds	532,125	532,125	535,963	0	0
New Debt Service					
General System Improvements	N/A	N/A	N/A	500,000	500,000
2026 KDHE Loan	N/A	26,886	26,886	26,886	26,886
Margin	113,785	119,158	123,525	126,118	130,752
Total revenues available for debt service	<u>\$735,671</u>	<u>\$759,788</u>	<u>\$784,425</u>	<u>\$809,582</u>	<u>\$835,258</u>
Total debt service	\$552,680	\$579,916	\$583,054	\$546,531	\$546,471
Debt service coverage ratio	1.3311	1.3102	1.3454	1.4813	1.5285

It is recommended for cities to maintain a debt service coverage ratio of 100% on outstanding general obligation debt

Table 22

**City of Abilene
Sewer Rate Analysis
Summary Change in Utility Bill
Version B - Proposed Rate Increase to Breakeven**

			<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
PROPOSED RATE INCREASE			N/A	46.25%	3.75%	3.75%	3.75%	3.75%
Residential - In City ⁽¹⁾								
Bill for	1,000	gallons	\$21.74	\$31.79	\$32.99	\$34.22	\$35.51	\$36.84
Bill for	2,500	gallons	\$31.40	\$45.92	\$47.64	\$49.43	\$51.28	\$53.21
Bill for	5,000	gallons	\$47.50	\$69.47	\$72.07	\$74.78	\$77.58	\$80.49
Bill for	10,000	gallons	\$79.70	\$116.56	\$120.93	\$125.47	\$130.17	\$135.05
Bill for	25,000	gallons	\$176.30	\$257.84	\$267.51	\$277.54	\$287.95	\$298.74
Bill for	50,000	gallons	\$337.30	\$493.30	\$511.80	\$530.99	\$550.90	\$571.56
Bill for	100,000	gallons	\$659.30	\$964.23	\$1,000.38	\$1,037.90	\$1,076.82	\$1,117.20
Bill for	250,000	gallons	\$1,625.30	\$2,377.00	\$2,466.14	\$2,558.62	\$2,654.57	\$2,754.11
Bill for	500,000	gallons	\$3,235.30	\$4,731.63	\$4,909.06	\$5,093.15	\$5,284.15	\$5,482.30
Commercial - In City ⁽¹⁾								
Bill for	1,000	gallons	\$21.74	\$31.79	\$32.99	\$34.22	\$35.51	\$36.84
Bill for	2,500	gallons	\$31.40	\$45.92	\$47.64	\$49.43	\$51.28	\$53.21
Bill for	5,000	gallons	\$47.50	\$69.47	\$72.07	\$74.78	\$77.58	\$80.49
Bill for	10,000	gallons	\$79.70	\$116.56	\$120.93	\$125.47	\$130.17	\$135.05
Bill for	25,000	gallons	\$176.30	\$257.84	\$267.51	\$277.54	\$287.95	\$298.74
Bill for	50,000	gallons	\$337.30	\$493.30	\$511.80	\$530.99	\$550.90	\$571.56
Bill for	100,000	gallons	\$659.30	\$964.23	\$1,000.38	\$1,037.90	\$1,076.82	\$1,117.20
Bill for	250,000	gallons	\$1,625.30	\$2,377.00	\$2,466.14	\$2,558.62	\$2,654.57	\$2,754.11
Bill for	500,000	gallons	\$3,235.30	\$4,731.63	\$4,909.06	\$5,093.15	\$5,284.15	\$5,482.30
Residential - Outside ⁽¹⁾								
Bill for	1,000	gallons	\$32.60	\$47.68	\$49.47	\$51.32	\$53.24	\$55.24
Bill for	2,500	gallons	\$47.09	\$68.87	\$71.45	\$74.13	\$76.91	\$79.80
Bill for	5,000	gallons	\$71.24	\$104.19	\$108.10	\$112.15	\$116.35	\$120.72
Bill for	10,000	gallons	\$119.54	\$174.83	\$181.38	\$188.19	\$195.24	\$202.56
Bill for	25,000	gallons	\$264.44	\$386.74	\$401.25	\$416.29	\$431.90	\$448.10
Bill for	50,000	gallons	\$505.94	\$739.94	\$767.68	\$796.47	\$826.34	\$857.33
Bill for	100,000	gallons	\$988.94	\$1,446.32	\$1,500.56	\$1,556.83	\$1,615.21	\$1,675.78
Bill for	250,000	gallons	\$2,437.94	\$3,565.49	\$3,699.19	\$3,837.91	\$3,981.83	\$4,131.15
Bill for	500,000	gallons	\$4,852.94	\$7,097.42	\$7,363.58	\$7,639.71	\$7,926.20	\$8,223.43
Commercial - Outside ⁽¹⁾								
Bill for	1,000	gallons	\$32.60	\$47.68	\$49.47	\$51.32	\$53.24	\$55.24
Bill for	2,500	gallons	\$47.09	\$68.87	\$71.45	\$74.13	\$76.91	\$79.80
Bill for	5,000	gallons	\$71.24	\$104.19	\$108.10	\$112.15	\$116.35	\$120.72
Bill for	10,000	gallons	\$119.54	\$174.83	\$181.38	\$188.19	\$195.24	\$202.56
Bill for	25,000	gallons	\$264.44	\$386.74	\$401.25	\$416.29	\$431.90	\$448.10
Bill for	50,000	gallons	\$505.94	\$739.94	\$767.68	\$796.47	\$826.34	\$857.33
Bill for	100,000	gallons	\$988.94	\$1,446.32	\$1,500.56	\$1,556.83	\$1,615.21	\$1,675.78
Bill for	250,000	gallons	\$2,437.94	\$3,565.49	\$3,699.19	\$3,837.91	\$3,981.83	\$4,131.15
Bill for	500,000	gallons	\$4,852.94	\$7,097.42	\$7,363.58	\$7,639.71	\$7,926.20	\$8,223.43

⁽¹⁾ Monthly minimum includes 0 gallons



City Commission Meeting Date: Monday, March 23, 2026

Session: Regular Meeting

Topic: Consideration of Industrial Land Policy in Relation to Industrial Park Improvements

Department: Administration

Staff Contact: Interim City Manager

City Commission

Brandon Rein
Mayor

Cy Taylor
Vice-Mayor

John Kollhoff
Commissioner

Debbie Lytle
Commissioner

Amy Meysenburg
Commissioner

CITY STAFF

Jon Quinday
Interim City Manager

Kelsey Briand
Finance Director

Shayla Mohr
City Clerk/HR Director

Kari Zook
*Deputy City Manager/
Community Development*

Kellee Timbrook
Recreation Director

Julie Roller Weeks
CVB Director

Jason Wilkins
Chief of Police

Kale Strunk
Fire Chief

Brad Anderson
Public Works Director

Background:

To improve the competitiveness and development readiness of City-owned industrial property, the City is investing in water and sewer extensions and roadway construction to create shovel-ready sites and pursue Certified Site designation through the Kansas Department of Commerce. The project is estimated to cost \$3.5 million, with \$2.5 million anticipated from a Commerce grant and \$1 million or more funded by the City, representing a significant local investment in infrastructure and site readiness.

The City’s current Industrial Land Policy, adopted in April 2020, allows City-owned industrial land to be conveyed at no cost to qualifying projects that meet specified investment, job creation, and wage requirements. While intended to encourage industrial development, the policy results in the transfer of land without direct cost recovery, even when substantial public funds are being invested to prepare the property for development.

Given the City’s level of financial investment in the industrial park, staff requests that the City Commission review and consider repealing the April 2020 Industrial Land Policy. Repeal would allow the City, upon completion of the project, to establish an objective, market-informed sales price for industrial lots that reflects the City’s investment and prevailing market conditions while continuing to support economic development.

For context, shovel-ready industrial land in Wamego has sold for approximately \$30,000 per acre, while similar property in East Manhattan sold for approximately \$50,000 per acre between 2007 and 2013. Market values vary based on infrastructure, site readiness, and proximity to major transportation corridors such as I-70 and K-15. Staff believes reevaluating the existing policy will better align economic development efforts with prudent fiscal management and protection of public investment.

City Attorney Review: N/A

Options:

1. Repeal the Industrial Land Policy dated April 2020.
2. Direct staff to move this item to the March 23, 2026, regular meeting under Unfinished Business to allow additional time for consideration.
3. Direct staff to move this item to the March 23, 2026, study session agenda for further discussion and analysis – providing staff with the data or analysis the Commission requires for further analysis.

Recommendation: Direct staff to move this item to the March 23, 2026, regular meeting under Unfinished Business to allow additional time for consideration.

City of Abilene, Kansas

Industrial Land Funding Policy

Section 1. Intent – The city of Abilene considers the growth of employment and investment in industries that manufacture or add value to products that are sold outside of the community as a primary benefit to the health and vitality of the Abilene. In order to foster industrial growth, the City has invested public resources into land acquisitions that accommodate new, expanded, and relocating industrial activities.

Section 2. Eligible Property – The benefits of the policy may be applied toward the approximate 20 acres of land that the city owns. This property is located along 14th Ave. and the future Industrial Park Ave. The legal description of these lots are:

1. LOT 1 BLOCK 1, INDUSTRIAL PARK ADDITION NO. 1, S07, T13, R02, BLOCK 1, Lot 1, 129050 SQUARE FEET, 3.0 ACRES
2. LOT 2 BLOCK 1, INDUSTRIAL PARK ADDITION NO. 1, S07, T13, R02, BLOCK 1, Lot 2, 218471 SQUARE FEET, 4.9 ACRES
3. LOT 3 BLOCK 1, INDUSTRIAL PARK ADDITION NO. 1, S07, T13, R02, BLOCK 1, Lot 3, 217725 SQUARE FEET, 4.9 ACRES
4. LOT 4 BLOCK 1 INDUSTRIAL PARK ADDITION NO. 1, S07, T13, R02, BLOCK 1, Lot 4, 217804 SQUARE FEET, 5.0 ACRES

All or part of the property is eligible contingent on meeting the criteria set forth in these guidelines.

Section 3. Minimum Project Requirements – An individual Industrial growth project must meet the following minimum requirements:

- \$500,00.00 of private capital investment in buildings, equipment and/or site improvements.
- A minimum of 4 new FTE employees; and
- A base wage of \$20.00 for each created position.

Section 4. Benefit Request – A request for the industrial land may be filed with the Planning and Zoning Department and must include a detailed description of the project to include:

- Company Description and contact information;
- Specific site information;

- Building improvement information, including anticipated construction costs;
- Description of the industrial process, materials, and products produced;
- Anticipated employment by position and base wage rates; and
- Description of other public incentives being sought from either City, State, or other resources.

Requests will be reviewed by the Dickinson County Economic Development Corporation for a recommendation, which will be forwarded to the Abilene City Commission for consideration.

Section 5. Assurances – The eligible industry shall maintain the employment requirement set fourth for a minimum of five years with base wage of at least \$20.00 for the four FTE. If this standard is not met, the company will be required to pay for the given land at fair market rate.

Section 6. Compliance Documentation – Annually the company must provide the following data to the Planning and Zoning Department prior to the 2nd and subsequent anniversary dates of the closing of the property acquired from the City under this policy.

- Monthly employment data for the previous year including FTE positions and wage rates for each position;
- Statement of capital assets to include, building, land, site improvements, and equipment;
- Any significant changes in products or materials produced or used in production activities.

This information will be reviewed by the Dickinson County Economic Development Corporation and a finding of compliance forwarded to the Abilene City Commission for consideration. If the criteria is not met the City Commission has the right to revoke the free land agreement, and charge the industry the fair market rate of acquired property. After the 5th anniversary of the transfer of land the requirements stated in this policy will be automatically fully released.

Section 6. City Commission Discretion – The Abilene City Commission reserves the right to exempt any project from the limitations set forth in this policy. Exemptions may include the eligibility and benefit standards. Also, if projects do not meet the criteria, the land may be purchased for the going market rate. The Commission may also terminate, suspend or amend this policy when deemed necessary by a majority of the Commission.

Section 8. Effective – This policy shall be effective upon the adoption by the Abilene City Commission and will remain so until such times as the City Commission revokes or amends the provisions herein.

Approved this 13th day of April 2020.

ATTEST:



Chris Ostermann
Chris Ostermann, Mayor

Penny L. Soukup, CMC
Penny L. Soukup, CMC
City Clerk