



**ABILENE CITY COMMISSION
REGULAR MEETING AGENDA
ABILENE PUBLIC LIBRARY, 209 NW FOURTH STREET
SEPTEMBER 14, 2026 - 4:00 PM**

VIEW THIS CITY COMMISSION MEETING VIRTUALLY AT

www.abilenecityhall.com/watchlive

- 1. Call to Order the September 14, 2026, City Commission Meeting**
- 2. Roll Call: Mayor Rein, Commissioners Taylor, Kollhoff, Lytle and Meysenburg**
- 3. Pledge of Allegiance**
- 4. Approval of the Agenda for the September 14, 2026, City Commission Meeting**

5. Consent Agenda

Consent Agenda items are considered routine business items. The consent agenda can be acted upon by one motion unless a majority of the City Commission votes to remove an item for discussion and separate action.

- a. Meeting Minutes for August 24, 2026
- b. Appropriation Ordinance A-090826-26
- c. AP Payment Register

6. Public Comments and Communications

- a. Public Forum: Persons who wish to address the City Commission regarding items outside the agenda may do so when called upon by the Mayor. Speakers will be allowed a three-minute time limit.
- b. DKEDC Presentation on the Kansas Department of Commerce BLOCK Grant Opportunity

7. Unfinished Business

- a. Public Hearing for the purpose of hearing and answering objections of taxpayers relating to the Revenue Neutral Rate and proposed tax rate, as required by 2021 Kansas Senate Bill 13.

- b. Consider approval of Resolution 091426-1, A RESOLUTION OF THE CITY OF ABILENE, KANSAS, APPROVING THE LEVY OF A PROPERTY TAX RATE EXCEEDING THE REVENUE NEUTRAL RATE.
- c. Public Hearing for the purpose of hearing and answering objections of taxpayers related to the proposed use of funds and the amount of Ad Valorem Tax for the proposed 2027 Budget.
- d. Approval of Ordinance No. 26-3488, AN ORDINANCE ADOPTING AND APPROPRIATING THE 2027 ANNUAL BUDGET OF THE CITY OF ABILENE, KANSAS.
- e. Final Update – Kollhoff v. City of Abilene Litigation
- f. Wholesale Water Agreement with Dickinson County Rural Water District No. 2 – Review and Direction

8. New Business

- a. Consider approval of Ordinance 26-3489, AN ORDINANCE AMENDING CHAPTER 5, SECTION 5-401 OF THE CITY CODE OF THE CITY OF ABILENE, KANSAS, BY ADOPTING AND INCORPORATING BY REFERENCE THE *STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES*, 53RD EDITION (2026); AND REPEALING EXISTING SECTION 5-401.
- b. Consider approval of Ordinance No. 26-3490, AN ORDINANCE AMENDING CHAPTER 5, SECTION 5-101 OF THE CITY CODE OF THE CITY OF ABILENE, KANSAS, BY ADOPTING AND INCORPORATING BY REFERENCE THE *UNIFORM PUBLIC OFFENSE ORDINANCE CODE FOR KANSAS CITIES*, 42ND EDITION (2026). WITH CERTAIN OMISSIONS AND AMENDMENTS THERETO; AND REPEALING EXISTING SECTION 5-101.
- c. Consider Approval of a USDA Rural Business Development Grant Subrecipient Agreement with Dickinson County Economic Development Corporation
- d. Consideration by the Governing Body to direct the City Attorney to prepare a written legal opinion concerning denial of the Abilene Library Board's HVAC repair reimbursement.
- e. Consider Revision to Personnel Policy Section 8-13 – Nepotism

9. Executive Session

a. Request for Executive Session – Attorney/Client Privilege

I move the city commission recess into executive session for ____ minutes to review and discuss with legal counsel the terms and conditions of a new lease agreement between the City of Abilene and the Abilene Library Board of Directors, based upon the need for consultation with an attorney for the public body which would be deemed privileged in the attorney-client relationship pursuant to K.S.A. 75-4319(b)(2). The open meeting will resume in this room at _____ p.m.

b. Request for Executive Session – Attorney/Client Privilege

I move the city commission recess into executive session for ____ minutes to discuss with legal counsel legal considerations related to the City of Abilene's contractual arrangement with Rural Water District No. 2 for the supply and sale of water, based upon the need for consultation with an attorney for the public body which would be deemed privileged in the attorney-client relationship pursuant to K.S.A. 75-4319(b)(2). The open meeting will resume in this room at _____ p.m.

10. Adjournment of Regular Meeting

a. Consider a motion to adjourn the September 14, 2026, City Commission Meeting.



**ABILENE CITY COMMISSION MEETING MINUTES
ABILENE PUBLIC LIBRARY, 209 NW FOURTH STREET
AUGUST 24, 2026, 4:00 PM
ABILENE, KANSAS**

1. Call to Order: August 24, 2026, City Commission Meeting

2. Roll Call: Mayor Rein, Commissioners Taylor, Kollhoff, Lytle and Meysenburg

City Commission Present: Mayor Brandon Rein, City Commissioner Cy Taylor, City Commissioner Amy Meysenburg, City Commissioner Debbie Lytle. City Commissioner John Kollhoff arrived after the Pledge of Allegiance.

Staff Present: Interim City Manager Quinday, Deputy City Manager/Community Development Director Zook, City Clerk/Human Resources Director Mohr, Finance Director Briand, City Attorney Martin, Parks and Recreation Director Timbrook, Fire Chief Strunk, Police Chief Wilkins, Public Works Director Anderson, Convention and Visitors Bureau Director Roller-Weeks, and Administrative/Communications Manager Olson.

3. Pledge of Allegiance

4. Approval of the Agenda for the August 24, 2026, City Commission Meeting

Motion by Mayor Rein, seconded by Commissioner Meysenburg, to amend the agenda by moving item 9b, Update regarding 2028 and 2029 KDOT CCLIP grant applications, to New Business, item 8d. Roll call vote: Taylor YES, Kollhoff YES, Lytle YES, Meysenburg YES, Rein YES. The motion carried 5-0.

5. Consent Agenda

Consent Agenda items are considered routine business items. The consent agenda can be acted upon by one motion unless a majority of the City Commission votes to remove an item for discussion and separate action.

- a. Meeting Minutes for the August 10, 2026, City Commission Meeting.
- b. Appropriation Ordinance A-082426-26
- c. AP Payment Register

Motion by City Commissioner Taylor, seconded by City Commissioner Lytle, to approve the Consent Agenda as presented. Roll call vote: Kollhoff NO, Lytle YES, Meysenburg YES, Taylor YES, Rein YES. The motion carried 4-1.

6. Public Comments and Communications

- a. Public Forum: Persons who wish to address the City Commission regarding items outside the agenda may do so when called upon by the Mayor. Speakers will be allowed a three-minute time limit.

Bruce Johnson, 524 Ridge Rd, thanked the Commission for the work done around the City on a limited budget. He also spoke about projects that need to be completed, including the gable ends on the library and the drainage on NW 17th Street.

Wendy Moulton, Library Director, announced an event at the library on Wednesday, August 26, at noon. The conversation will be about accessibility at the library and in Abilene.

7. Unfinished Business

- a. Consider Agreement with Clear Career Professionals for City Manager Executive Recruitment Services

Motion by City Commissioner Kollhoff, seconded by City Commissioner Taylor, to approve the agreement with Clear Career Professionals for the City Manager Executive Recruitment Services. Roll call vote: Lytle YES, Meysenburg YES, Taylor YES, Kollhoff YES, Rein YES. The motion carried 5-0.

- b. Consider Sale Process for City-Owned Property on North Vine

Rob Stillwagon, of 1014 N. Cedar Street, expressed interest in buying this property.

Wally and City Peterson, 709 NW 11th Street, spoke about their frustration that Mr. Stillwagon came forward with his interest in buying the property only after the Petersons presented their request to buy the property and their plans for it to the City Commission.

The City Commission requested that this item be put on a future study session for further discussion.

- c. Consider Award of Contract – Abilene Industrial Park Addition #1 Infrastructure Project

Motion by City Commissioner Kollhoff, seconded by City Commissioner Taylor, to approve the contract with Vogts-Parga Construction, LLC for the Abilene Industrial Park Addition #1 Infrastructure Project in the amount of \$2,084,132.71. Roll call vote:

Meysenburg YES, Taylor YES, Kollhoff YES, Lytle YES, Rein YES. The motion carried 5-0.

d. 2027 Proposed Budget and Financial Plan

Interim City Manager Quinday presented the proposed 2027 Budget and Financial Plan.

8. New Business

- a. Consider approval of Ordinance No. 26-3486, AN ORDINANCE AUTHORIZING THE SALE, CONSUMPTION, AND POSSESSION OF ALCOHOLIC LIQUOR AT SPECIFIED LOCATIONS ON THE PUBLIC RIGHT-OF-WAY, AND APPROVING THE CLOSURE OF CERTAIN STREETS FOR THE ABILENE OKTOBERFEST.

Motion by City Commissioner Taylor, seconded by City Commissioner Kollhoff, to approve Ordinance No. 26-3486, AN ORDINANCE AUTHORIZING THE SALE, CONSUMPTION, AND POSSESSION OF ALCOHOLIC LIQUOR AT SPECIFIED LOCATIONS ON THE PUBLIC RIGHT-OF-WAY, AND APPROVING THE CLOSURE OF CERTAIN STREETS FOR THE ABILENE OKTOBERFEST. Roll call vote: Taylor YES, Kollhoff YES, Lytle YES, Meysenburg YES, Rein YES. The motion carried 5-0.

- b. Consider approval of Ordinance No. 26-3487, AN ORDINANCE AUTHORIZING THE CONSUMPTION OF ALCOHOLIC LIQUOR IN A SPECIFIED PORTION OF THE PUBLIC ALLEY BETWEEN N. BROADWAY STREET AND N. SPRUCE STREET IN ABILENE, KANSAS, AND APPROVING THE TEMPORARY CLOSURE OF THE ALLEY IN CONNECTION WITH CERTAIN SPECIAL EVENTS HOSTED BY RACKETS TAP HOUSE, INC.

Motion by City Commissioner Kollhoff, seconded by City Commissioner Taylor, to approve Ordinance No. 26-3487, AN ORDINANCE AUTHORIZING THE CONSUMPTION OF ALCOHOLIC LIQUOR IN A SPECIFIED PORTION OF THE PUBLIC ALLEY BETWEEN N. BROADWAY STREET AND N. SPRUCE STREET IN ABILENE, KANSAS, AND APPROVING THE TEMPORARY CLOSURE OF THE ALLEY IN CONNECTION WITH CERTAIN SPECIAL EVENTS HOSTED BY RACKETS TAP HOUSE, INC. Roll call vote: Kollhoff YES, Lytle YES, Meysenburg YES, Taylor YES, Rein YES. The motion carried 5-0.

- c. Consider approval of Resolution No. 082426-1, A RESOLUTION AUTHORIZING THE PREPARATION AND SUBMITTAL OF AN APPLICATION TO THE KANSAS HOUSING RESOURCES CORPORATION (KHRC) FOR THE KANSAS HOUSING INVESTOR TAX CREDIT (HITC) PROGRAM.

Motion by City Commissioner Kollhoff, seconded by City Commissioner Taylor, to approve Resolution No. 082426-1, A RESOLUTION AUTHORIZING THE PREPARATION AND SUBMITTAL OF AN APPLICATION TO THE KANSAS HOUSING RESOURCES CORPORATION (KHRC) FOR THE KANSAS HOUSING

INVESTOR TAX CREDIT (HITC) PROGRAM. Roll call vote: Lytle YES, Meysenburg YES, Taylor YES, Kollhoff YES, Rein YES. The motion carried 5-0.

- d. Update regarding 2028 and 2029 KDOT CCLIP grant applications — Brad Anderson, Public Works Director

Public Works Director Anderson presented information regarding a grant received from the Kansas Department of Transportation for the 2029 CCLIP Project, Buckeye Ave., from 2400 Ave. to the South end of the I-70 overpass.

Motion by Commissioner Kollhoff, seconded by Commissioner Taylor, to approve the Project Programming Request for the Kansas Department of Transportation for the 2029 CCLIP Project and authorize the Mayor and City Staff to execute the documents. Roll call vote: Meysenburg YES, Taylor YES, Kollhoff YES, Lytle YES, Rein YES. The motion carried 5-0.

9. Department Reports

- a. City Projects & Updates Website Feature - Kellie Olson, Communications Manager

Administrative/Communications Manager Olson presented the updates being made to the City's website

- b. Community Development Code Violation Report — June/July 2026
- c. Community Development Permit Summary Report — June/July 2026
- d. Fire Department Report - July 2026
- e. Parks and Recreation — 2nd Quarter Report
- f. Police Department Report — July 2026
- g. Public Works Report — July 2026

10. Adjournment of Regular Meeting

- a. Consider a motion to adjourn the August 24, 2026, City Commission Meeting.

Motion by Mayor Rein, seconded by City Commissioner Taylor, to adjourn at 5:19 pm. The study session will begin at 5:30 at City Hall. Roll call vote: Taylor YES, Kollhoff YES, Lytle YES, Meysenburg YES, Rein YES. The motion carried 5-0.

{SIGNATURE PAGE FOLLOWS}

ATTEST:

Brandon Rein Mayor

Shayla L. Mohr, CMC, City Clerk

UNAPPROVED

CITY OF ABILENE ACCOUNTS PAYABLE

APPROPRIATION ORDINANCE A-091426-26

08/18/2026 - 09/08/2026

Fund #	Fund Name	Amount
01	GENERAL FUND	\$ 73,759.19
02	WATER FUND	\$ 40,318.94
03	RECYCLING FUND	\$ 693.83
04	SEWER FUND	\$ 15,913.97
05	AIRPORT FUND	\$ 8,866.61
06	BOND & INTEREST	\$ -
07	FIRE APPARATUS FUND	\$ -
08	SPECIAL PARKS & RECREATION	\$ 90.09
09	SPECIAL ALCOHOL & DRUG FUND	\$ -
10	SELF-INSURED HEALTH ACCOUNT	\$ -
11	LIBRARY FUND	\$ -
13	TOURISM & CONVENTION FUND	\$ 7,579.11
14	SPECIAL STREET FUND	\$ 5,154.00
15	RECREATION COMMISSION	\$ 8,913.10
18	CAPITAL IMPROVEMENT PLAN	\$ -
20	EQUIPMENT RESERVE FUND	\$ -
23	REC CENTER HVAC	\$ -
24	FRIENDS OF THE PARK	\$ -
27	STORM DRAINAGE	\$ 3,380.00
28	EQUIPMENT RESERVE - WATER	\$ 23,258.87
29	EQUIPMENT RESERVE - SEWER	\$ -
32	PUBLIC BUILDING COMMISSION	\$ -
35	SALES TAX - RECREATION FACILITIES	\$ 201.37
36	SPECIAL REVENUE - LIB/POOL	\$ -
37	SALES TAX - STREET MAINTENANCE	\$ -
38	CID SALES TAX FUND	\$ 23,513.05
39	RURAL HOUSING INCENTIVE DISTRICT	\$ -
40	INDUSTRIAL PARK EXPANSION	\$ -
41	CCLIP - BUCKEYE PROJECT	\$ -
42	CAPITALIZED INTEREST - TEMP NOTES	\$ -
44	KS FIGHTS ADDICTION FUND	\$ -
46	LAND BANK FUND	\$ 1,008.00
47	SISTER CITY SCHOLARSHIP FUND	\$ -
48	TREE BOARD PROGRAM	\$ -
50	MUNICIPAL COURT BONDS	\$ -
TOTALS		\$ 212,650.13



Abilene, KS

Payment Register

APPKT01004 - BILLS 082426 KE

01 - Vendor Set 01

Bank: AP Checking - Gen - AP Checking - General

Vendor Number	Vendor Name					Total Vendor Amount
<u>19396</u>	APAC, INC - SHEARS					1,515.05
Payment Type	Payment Number	Remittance Address			Payment Date	Payment Amount
Check		PO BOX 1605			08/21/2026	1,515.05
		HUTCHINSON, Kansas 67504-1605				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>8001877460</u>	ASPHALT	08/14/2026	08/24/2026	0.00	774.80	
<u>8001877529</u>	ASHPHALT	08/19/2026	08/24/2026	0.00	740.25	

Vendor Number	Vendor Name					Total Vendor Amount
2014	BAYER CONSTRUCTION CO, INC					405.86
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		PO BOX 889 MANHATTAN, Kansas 66505-0889		08/21/2026	405.86	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
SMS709520	ROCKS FOR DURAPATCHING	08/13/2026	08/24/2026	0.00	405.86	

Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01294</u>	BRUCKNER TRUCK SALES, INC					90.00
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		CORPORATE BILLING DEPT 100 PO BOX 830604 BIRMINGHAM, Alabama 35283		08/21/2026	90.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>XA138007910 01</u>	BRAKE CLEANER	08/19/2026	08/24/2026	0.00	90.00	

Vendor Number	Vendor Name					Total Vendor Amount
<u>1000699</u>	CATLETT AUTOMOTIVE INC					318.28
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		PO BOX 1045		08/21/2026	318.28	
		ULYSSES, Kansas 67880				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>248143</u>	DOOR HINGE	08/13/2026	08/24/2026	0.00	59.09 ✓	
<u>248412</u>	INTERIOR DOOR HANDLE	08/17/2026	08/24/2026	0.00	99.55 ✓	
<u>248727</u>	BATTERY	08/20/2026	08/24/2026	0.00	159.64 ✓	

Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01397</u>	CHRISTAL HALL					94.00 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		2314 OAT RD ENTERPRISE, Kansas 67441		08/21/2026	94.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>STM 081926</u>	TURKEYS FOR FAREWELL DINNER SISTER CITY DELEGATES	08/19/2026	08/24/2026	0.00	94.00	

Vendor Number	Vendor Name					Total Vendor Amount
<u>1001069</u>	CIVIC PLUS LLC					5,040.00✓
Payment Type	Payment Number	Remittance Address			Payment Date	Payment Amount
Check		PO BOX 737311			08/21/2026	5,040.00
		DALLAS, Texas 75373-7311				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>INV0008029</u>	AMM Select- Pro Annual Fee (Agenda Mgmt Software)	08/24/2026	08/24/2026	0.00	5,040.00	

Payment Register

APPKT01004 - BILLS 082426 KE

Vendor Number	Vendor Name					Total Vendor Amount
<u>8145</u>	CORE & MAIN LP					17,377.31 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		PO BOX 28330		08/21/2026	17,377.31	
		ST LOUIS, Missouri 63146				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>INV0008013</u>	Water Meters Annual Software Fees	08/24/2026	08/24/2026	0.00	17,377.31	
Vendor Number	Vendor Name					Total Vendor Amount
<u>4370</u>	DON'S TIRE & SUPPLY					30.47 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		PO BOX 397		08/21/2026	30.47	
		ABILENE, Kansas 67410				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>341611</u>	FLAT REPAIR	08/14/2026	08/24/2026	0.00	30.47	
Vendor Number	Vendor Name					Total Vendor Amount
<u>8360</u>	HOFF'S MACHINE & WELDING, INC					2,368.41 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		925 E NORTH ST		08/21/2026	2,368.41	
		SALINA, Kansas 67401				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>11818</u>	CHANGE OUT U-JOINTS & CARRIER BEARING	08/13/2026	08/24/2026	0.00	2,368.41	
Vendor Number	Vendor Name					Total Vendor Amount
<u>13200</u>	HOSPITAL DISTRICT #1 OF DICKINSON COUNTY KANSAS					140.74
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		PO BOX 69		08/21/2026	140.74	
		ABILENE, Kansas 67410				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>STM 070526</u>	PRISONER CARE	07/05/2026	08/24/2026	0.00	100.26 ✓	
<u>STM 081026</u>	PRISONER CARE	08/10/2026	08/24/2026	0.00	40.48 ✓	
Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01153</u>	INFOSEND, INC					2,506.77 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		4240 EAST LA PALMA AVENUE		08/21/2026	2,506.77	
		ANAHEIM, California 92807-1816				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>315050</u>	JULY 2026 UB MAILING	07/31/2026	08/24/2026	0.00	2,506.77	
Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01305</u>	KM HOLDINGS III, LLC					150.50 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		1912 OLD US 40		08/21/2026	150.50	
		JUNCTION CITY, Kansas 66441				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>24</u>	CAR WASHES	08/12/2026	08/24/2026	0.00	150.50	
Vendor Number	Vendor Name					Total Vendor Amount
<u>23110</u>	LUMBER HOUSE TRUE VALUE					651.32
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		1903 N BUCKEYE		08/21/2026	651.32	
		ABILENE, Kansas 67410				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>2608-129181</u>	PAINT & DAWN	08/04/2026	08/24/2026	0.00	19.87 ✓	
<u>2608-131088</u>	KNOT CUP BRUSH/RIVET/MTL C/O WHL	08/11/2026	08/24/2026	0.00	29.75 ✓	
<u>2608-131566</u>	BLEACH	08/13/2026	08/24/2026	0.00	14.78 ✓	
<u>2608-131754</u>	BLADES	08/14/2026	08/24/2026	0.00	338.28 ✓	
<u>2608-131800</u>	WHEEL BEARING	08/14/2026	08/24/2026	0.00	248.64 ✓	

Payment Register

APPKT01004 - BILLS 082426 KE

Vendor Number	Vendor Name					Total Vendor Amount
999623	METRO COURIER, INC					101.04 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 175 WICHITA, Kansas 67201	08/21/2026	101.04		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
89295	KDHE POSTAGE	08/15/2026	08/24/2026	0.00	101.04	
Vendor Number	Vendor Name					Total Vendor Amount
VEN01396	MICHAEL J. MORTON					500.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		217 NE 13TH ABILENE, Kansas 67410	08/21/2026	500.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
STM 081426	SIDEWALK COST SHARE PROGRAM	08/14/2026	08/24/2026	0.00	500.00	
Vendor Number	Vendor Name					Total Vendor Amount
16021	PACE ANALYTICAL SERVICES, INC					388.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 684056 CHICAGO, Illinois 60695-4056	08/21/2026	388.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
2660251423	BI-MONTHLY EFFLUENT	08/12/2026	08/24/2026	0.00	388.00	
Vendor Number	Vendor Name					Total Vendor Amount
16195	PIONEER FARM & RANCH SUPPLY, INC					118.53
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 309 ABILENE, Kansas 67410	08/21/2026	118.53		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
17326	NIPPLE & CAP	08/07/2026	08/24/2026	0.00	25.98 ✓	
17385	MARKING PAINT	08/10/2026	08/24/2026	0.00	19.98 ✓	
17567	WEED EATER REPAIR	08/17/2026	08/24/2026	0.00	45.00 ✓	
17692	ELECTRICAL TAPE/KNOT CUP	08/20/2026	08/24/2026	0.00	27.57 ✓	
Vendor Number	Vendor Name					Total Vendor Amount
1000267	RAINBOW FIREWORKS INC					15,000.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		STEVE & PEGGY SHOWALTER 75 PLUM AVE INMAN, Kansas 67546	08/21/2026	15,000.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
INV0008016	2027 Fireworks Show	08/24/2026	08/24/2026	0.00	15,000.00	
Vendor Number	Vendor Name					Total Vendor Amount
18320	ROBSON OIL CO, INC					144.54 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 694 ABILENE, Kansas 67410	08/21/2026	144.54		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
68299	DEF	08/13/2026	08/24/2026	0.00	144.54	
Vendor Number	Vendor Name					Total Vendor Amount
19180	SALINA SUPPLY CO					1,846.43 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 5100 SALINA, Kansas 67402-5100	08/21/2026	1,846.43		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
S100307190.001	REVERSE OSMOSIS CONTROL VALVE	08/10/2026	08/24/2026	0.00	1,846.43	

Payment Register
APPKT01004 - BILLS 082426 KE

Vendor Number	Vendor Name						Total Vendor Amount
<u>999901</u>	SECURE SHRED, LLC						110.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		2215 SW ARVONIA PLACE TOPEKA, Kansas 66614	08/21/2026	110.00			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>2847</u>	ADMIN/APD SHREDDING	08/20/2026	08/24/2026	0.00	110.00		
<u>VEN01391</u>	STRAIGHT-LINE STRIPING INC						5,154.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		3543 FARMSTEAD RD GRAND ISLAND, Nebraska 68801	08/21/2026	5,154.00			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>INV0008039</u>	Street Striping	08/24/2026	08/24/2026	0.00	5,154.00		
<u>19892</u>	SUPERIOR SANITATION SERVICE, INC						444.00
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		2091 NW 14TH ABILENE, Kansas 67410	08/21/2026	444.00			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>STM 082026</u>	JUNE 2026 TRASH SERVICE PARKS	08/20/2026	08/24/2026	0.00	184.00 ✓		
<u>STM 082026 RECY/CVB/WW</u>	TRASH SERVICE @ CVB, RECYCLE & WWTP	08/20/2026	08/24/2026	0.00	260.00 ✓		
<u>11221</u>	VERIZON WIRELESS SERVICE LLC						1,608.92 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		PO BOX 16810 NEWARK, New Jersey 07101-6810	08/21/2026	1,608.92			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>6150472893</u>	CELL PHONE BILL	08/07/2026	08/24/2026	0.00	1,608.92		
<u>22016</u>	VISA - UMB CVB						6,895.57 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		CARD SERVICES PO BOX 875852 KANSAS CITY, Missouri 64187-5852	08/21/2026	6,895.57			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>STM 080226 CVB</u>	JULY 2026 CC CHARGES	08/02/2026	08/24/2026	0.00	6,895.57		
<u>22011</u>	VISA - UMB POLICE DEPT						1,494.73 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		CARD CENTER PO BOX 875852 KANSAS CITY, Missouri 64187-5852	08/21/2026	1,494.73			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>STM 080226 APD</u>	JULY 2026 CC CHARGES	08/02/2026	08/24/2026	0.00	1,494.73		
<u>1000835</u>	WUTHNOW HEATING & AIR. LLC						201.14 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		3406 HAWK RD ABILENE, Kansas 67410	08/21/2026	201.14			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>10379</u>	BANDSHELL HVAC	08/19/2026	08/24/2026	0.00	201.14		

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
AP Checking - Gen	Check	39	27	0.00	64,695.61
Packet Totals:		39	27	0.00	64,695.61

KB
08/24/2026

08/24/2026

Cash Fund Summary

Fund	Name	Amount
099	POOLED CASH	-64,695.61
Packet Totals:		-64,695.61



Abilene, KS

Payment Register

APPKT01013 - BILLS 090126 KE

01 - Vendor Set 01

Bank: AP Checking - Gen - AP Checking - General

Vendor Number	Vendor Name			Total Vendor Amount
<u>VEN01403</u>	ALTER EGO ENGINE, INC			625.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount
Check		23110 STATE ROAD 54 STE 293 LUTZ, Florida 33549	08/31/2026	625.00
Payable Number	Description	Payable Date	Due Date	Discount Amount Payable Amount
<u>26254</u>	2026 MODERN COWBOY SUMMER MARKETING PACKAGE	05/25/2026	09/01/2026	0.00 625.00

Vendor Number	Vendor Name			Total Vendor Amount
<u>VEN01398</u>	ANALISA BLACK			50.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount
Check		1605 HICKOK DR ABILENE, Kansas 67410	08/31/2026	50.00
Payable Number	Description	Payable Date	Due Date	Discount Amount Payable Amount
<u>113499663</u>	REFUND VOLLEYBALL	08/21/2026	09/01/2026	0.00 50.00

Vendor Number	Vendor Name			Total Vendor Amount
<u>19396</u>	APAC, INC - SHEARS			755.71 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount
Check		PO BOX 1605 HUTCHINSON, Kansas 67504-1605	08/31/2026	755.71
Payable Number	Description	Payable Date	Due Date	Discount Amount Payable Amount
<u>8001877622</u>	ASPHALT	08/24/2026	09/01/2026	0.00 755.71

Vendor Number	Vendor Name			Total Vendor Amount
<u>10100</u>	B & J SERVICE INC			85.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount
Check		425 N BUCKEYE ABILENE, Kansas 67410	08/31/2026	85.00
Payable Number	Description	Payable Date	Due Date	Discount Amount Payable Amount
<u>1402</u>	TOW BILL FOR CAR 8	08/14/2026	09/01/2026	0.00 85.00

Vendor Number	Vendor Name			Total Vendor Amount
<u>1000564</u>	BIZ SWAG			144.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount
Check		308 N BROADWAY ABILENE, Kansas 67410	08/31/2026	144.00
Payable Number	Description	Payable Date	Due Date	Discount Amount Payable Amount
<u>3940</u>	EMBROIDERY ON UNIFORMS	08/24/2026	09/01/2026	0.00 144.00

Vendor Number	Vendor Name			Total Vendor Amount
<u>1000699</u>	CATLETT AUTOMOTIVE INC			24.49 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount
Check		PO BOX 1045 ULYSSES, Kansas 67880	08/31/2026	24.49
Payable Number	Description	Payable Date	Due Date	Discount Amount Payable Amount
<u>249303</u>	SCREWS/NUTS/BOLTS/AIR FRESHNERS	08/27/2026	09/01/2026	0.00 24.49

Payment Register

APPKT01013 - BILLS 090126 KE

Vendor Number 3300	Vendor Name CLARK, MIZE & LINVILLE CHARTERED				Total Vendor Amount 2,646.20 ✓	
Payment Type Check	Payment Number	Remittance Address PO BOX 380 SALINA, Kansas 67402-0380	Payment Date 08/31/2026	Payment Amount 2,646.20		
Payable Number STM 073126	Description MISCELLANEOUS & GENERAL RETAINER	Payable Date 07/31/2026	Due Date 09/01/2026	Discount Amount 0.00	Payable Amount 2,646.20	
Vendor Number 2475	Vendor Name CLIFFORD M. BURT				Total Vendor Amount 700.00 ✓	
Payment Type Check	Payment Number	Remittance Address DBA BURT'S TREE SERVICE 1720 N WASHINGTON ABILENE, Kansas 67410	Payment Date 08/31/2026	Payment Amount 700.00		
Payable Number 108	Description CUT DOWN DEAD TREE & CLEAN UP	Payable Date 07/20/2026	Due Date 09/01/2026	Discount Amount 0.00	Payable Amount 700.00	
Vendor Number 4130	Vendor Name DENNY'S PLUMBING & HEATING				Total Vendor Amount 65.00 ✓	
Payment Type Check	Payment Number	Remittance Address 1618 NW 4TH ABILENE, Kansas 67410	Payment Date 08/31/2026	Payment Amount 65.00		
Payable Number 5630	Description UNCLOG KITCHEN DISPOSAL	Payable Date 07/27/2026	Due Date 09/01/2026	Discount Amount 0.00	Payable Amount 65.00	
Vendor Number 6138	Vendor Name ED M. FELD EQUIPMENT CO, INC				Total Vendor Amount 125.00 ✓	
Payment Type Check	Payment Number	Remittance Address PO BOX 625 CARROLL, Iowa 51401	Payment Date 08/31/2026	Payment Amount 125.00		
Payable Number INV34067	Description REPLACE O-RINGS ON AIR PATH NOZZLE & LOCKING PINS	Payable Date 08/24/2026	Due Date 09/01/2026	Discount Amount 0.00	Payable Amount 125.00	
Vendor Number 6290	Vendor Name FOUR SEASONS INC				Total Vendor Amount 315.00 ✓	
Payment Type Check	Payment Number	Remittance Address PO BOX 576 ABILENE, Kansas 67410	Payment Date 08/31/2026	Payment Amount 315.00		
Payable Number 72482	Description A/C MAINT	Payable Date 08/07/2026	Due Date 09/01/2026	Discount Amount 0.00	Payable Amount 315.00	
Vendor Number 6350	Vendor Name FRY & ASSOCIATES, INC				Total Vendor Amount 1,620.00 ✓	
Payment Type Check	Payment Number	Remittance Address 101 E 15TH AVE N. KANSAS CITY, Missouri 64116	Payment Date 08/31/2026	Payment Amount 1,620.00		
Payable Number 34631	Description PORTABLE SQUARE TABLE	Payable Date 07/10/2026	Due Date 09/01/2026	Discount Amount 0.00	Payable Amount 1,620.00	
Vendor Number 1000912	Vendor Name GUFFEY PROPERTIES, LLC				Total Vendor Amount 2,108.34 ✓	
Payment Type Check	Payment Number	Remittance Address PO BOX 39 BELLE, Missouri 65013	Payment Date 08/31/2026	Payment Amount 2,108.34		
Payable Number STM 083126	Description AUG 2026 CID	Payable Date 08/31/2026	Due Date 09/01/2026	Discount Amount 0.00	Payable Amount 2,108.34	

Payment Register
APPKT01013 - BILLS 090126 KE

Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01402</u>	HALEY GOODWIN					50.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		1209 N KUNEY ABILENE, Kansas 67410	08/31/2026	50.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>113500353</u>	REFUND VOLLEYBALL	08/21/2026	09/01/2026	0.00	50.00	
Vendor Number	Vendor Name					Total Vendor Amount
<u>2383</u>	HOMMAN ELECTRONICS					1,636.82 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		DBA HOMMAN ELECTRONICS 200 N PINE ST SOLOMON, Kansas 67480	08/31/2026	1,636.82		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>10675</u>	NEW STATION ALERT AMP & SPEAKERS	08/17/2026	09/01/2026	0.00	1,636.82	
Vendor Number	Vendor Name					Total Vendor Amount
<u>999082</u>	HUSBOW, LLC					934.25 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		1650 INDY RD ABILENE, Kansas 67410	08/31/2026	934.25		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>STM 083126</u>	AUG 2026 CID	08/31/2026	09/01/2026	0.00	934.25	
Vendor Number	Vendor Name					Total Vendor Amount
<u>999303</u>	KOFFMAN ELECTRIC					24.90 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 742 ABILENE, Kansas 67410	08/31/2026	24.90		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>11582</u>	QOB 120 BREAKER	08/18/2026	09/01/2026	0.00	24.90	
Vendor Number	Vendor Name					Total Vendor Amount
<u>1001045</u>	LEGACY KANSAS, LLC					490.55 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		105 E LAFAYETTE ABILENE, Kansas 67410	08/31/2026	490.55		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>STM 083126</u>	AUG 2026 CID	08/31/2026	09/01/2026	0.00	490.55	
Vendor Number	Vendor Name					Total Vendor Amount
<u>1000450</u>	LongBINE, ANGELA					50.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		811 N VINE ABILENE, Kansas 67410	08/31/2026	50.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>113500218</u>	REFUND VOLLEYBALL	08/21/2026	09/01/2026	0.00	25.00	
<u>113500247</u>	REFUND VOLLEYBALL	08/21/2026	09/01/2026	0.00	25.00	
Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01401</u>	MARK NEEDHAM					50.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		1403 NW 4TH ABILENE, Kansas 67410	08/31/2026	50.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>113522260</u>	REFUND VOLLEYBALL	08/21/2026	09/01/2026	0.00	50.00	

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APPKT01013 - BILLS 090126 KE

Vendor Number	Vendor Name					Total Vendor Amount
<u>1000277</u>	MICHELLE WRIGHT					12,065.71 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		REAL ESTATE DEPARTMENT LOVE'S CORPORATE OFFICE 10601 N PENNSYLVANIA AVE OKLAHOMA CITY, Oklahoma 73120	08/31/2026	12,065.71		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>STM 083126</u>	AUG 2026 CID	08/31/2026	09/01/2026	0.00	12,065.71	
Vendor Number	Vendor Name					Total Vendor Amount
<u>16021</u>	PACE ANALYTICAL SERVICES, INC					300.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 684056 CHICAGO, Illinois 60695-4056	08/31/2026	300.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>2660252012</u>	QUARTERLY POND SAMPLE	08/24/2026	09/01/2026	0.00	300.00	
Vendor Number	Vendor Name					Total Vendor Amount
<u>16195</u>	PIONEER FARM & RANCH SUPPLY, INC					106.95
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 309 ABILENE, Kansas 67410	08/31/2026	106.95		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>17712</u>	SAWZALL BLADES & CLEVIS HOOKS	08/21/2026	09/01/2026	0.00	52.97 ✓	
<u>17834</u>	THREDDDED RODS	08/26/2026	09/01/2026	0.00	53.98 ✓	
Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01366</u>	PUR-O-ZONE, INC					5,460.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 727 LAWRENCE, Kansas 66044	08/31/2026	5,460.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>INV0008104</u>	CC GYM FLOOR REFINISHING	09/01/2026	09/01/2026	0.00	5,460.00	
Vendor Number	Vendor Name					Total Vendor Amount
<u>4394</u>	PVS DX, INC					6,870.85 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		PO BOX 674938 DALLAS, Texas 75267-4938	08/31/2026	6,870.85		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>INV0008062</u>	Caustic Soda	09/01/2026	09/01/2026	0.00	6,870.85	
Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01399</u>	SARAH CROWLEY					50.00 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		9737 E WATER WELL RD GYPSUM, Kansas 67448	08/31/2026	50.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>113499789</u>	REFUND VOLLEYBALL	08/21/2026	09/01/2026	0.00	50.00	
Vendor Number	Vendor Name					Total Vendor Amount
<u>1000203</u>	TRIPLETT, INC					7,914.20 ✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount		
Check		429 N OHIO SALINA, Kansas 67401	08/31/2026	7,914.20		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>STM 083126</u>	AUG 2026 CID	08/31/2026	09/01/2026	0.00	7,914.20	

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Vendor Number	Vendor Name						Total Vendor Amount
999984	UNITED RADIOLOGY BILLING, LLC						60.00
Payment Type	Payment Number	Remittance Address			Payment Date	Payment Amount	
Check		PO BOX 2327			08/31/2026	60.00	
		SALINA, Kansas 67402-2327					
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
STM 081826	PRISONER CARE	08/18/2026	09/01/2026	0.00	60.00		

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
AP Checking - Gen	Check	30	28	0.00	45,327.97
Packet Totals:		30	28	0.00	45,327.97

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08/31/26

[Signature]
08/31/2026

Cash Fund Summary

Fund	Name	Amount
099	POOLED CASH	-45,327.97
Packet Totals:		-45,327.97



Abilene, KS

Payment Register

APPKT01022 - BILLS 090826 KE

01 - Vendor Set 01

Bank: AP Checking - Gen - AP Checking - General

Vendor Number	Vendor Name					Total Vendor Amount
19396	APAC, INC - SHEARS					1,514.15
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		PO BOX 1605 HUTCHINSON, Kansas 67504-1605		09/04/2026	1,514.15	
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
8001877594	ASPHALT		08/21/2026	09/08/2026	0.00	753.89 ✓
8001877644	ASPHALT		08/25/2026	09/08/2026	0.00	760.26 ✓

Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01325</u>	BACKGROUND INVESTIGATION BUREAU, LLC					325.75
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		9713 NORTHCROSS CENTER CT STE 201 HUNTERSVILLE, North Carolina 28078		09/04/2026	325.75	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>INV-104519</u>	STND-P01 & ACCESS FEES	08/31/2026	09/08/2026	0.00	325.75	

Vendor Number	Vendor Name					Total Vendor Amount
<u>2014</u>	BAYER CONSTRUCTION CO, INC					418.60 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		PO BOX 889 MANHATTAN, Kansas 66505-0889		09/04/2026	418.60	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>SMS710263</u>	ROCK FOR DURAPATCH	08/26/2026	09/08/2026	0.00	418.60	

Vendor Number	Vendor Name					Total Vendor Amount
<u>1000699</u>	CATLETT AUTOMOTIVE INC					563.69
Payment Type	Payment Number	Remittance Address			Payment Date	Payment Amount
Check		PO BOX 1045			09/04/2026	563.69
		ULYSSES, Kansas 67880				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>249270</u>	LOCKNUTS/SCREWS	08/27/2026	09/08/2026	0.00	15.92	✓
<u>249569</u>	ANTIFREEZE	08/31/2026	09/08/2026	0.00	155.88	✓
<u>249714</u>	BOLTS & FITTINGS	09/02/2026	09/08/2026	0.00	227.25	✓
<u>249764</u>	BATTERY	09/02/2026	09/08/2026	0.00	147.65	✓
<u>249956</u>	TOGGLE LED	09/04/2026	09/08/2026	0.00	16.99	✓

Vendor Number	Vendor Name					Total Vendor Amount
<u>VEN01406</u>	CLEAR CAREER PROFESSIONALS, LLC					15,000.00 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		5700 TENNYSON PKWY STE 300 PLANO, Texas 75024		09/04/2026	15,000.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>INV0008165</u>	CM Recruitment - Payment #1	09/08/2026	09/08/2026	0.00	15,000.00	

Vendor Number	Vendor Name					Total Vendor Amount
<u>1000061</u>	DK CTY ROAD & BRIDGE DEPT					20,613.28
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount	
Check		408 SE 2ND		09/04/2026	20,613.28	
		ABILENE, Kansas 67410-2800				
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>26-067</u>	FUEL	09/01/2026	09/08/2026	0.00	2,825.56 ✓	
<u>26-068</u>	FUEL	09/01/2026	09/08/2026	0.00	6,896.28 ✓	
<u>26-069</u>	FUEL JULY-AUGUST	09/01/2026	09/08/2026	0.00	6,228.68 ✓	

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<u>26-070</u>	FUEL	09/01/2026	09/08/2026	0.00	64.20 ✓
<u>26-072</u>	FUEL	09/01/2026	09/08/2026	0.00	107.54 ✓
<u>26-073</u>	FUEL	09/01/2026	09/08/2026	0.00	579.10 ✓
<u>26-074</u>	FUEL	09/01/2026	09/08/2026	0.00	1,112.54 ✓
<u>26-075</u>	FUEL	09/01/2026	09/08/2026	0.00	2,047.68 ✓
<u>26-076</u>	FUEL	09/01/2026	09/08/2026	0.00	542.09 ✓
<u>26-077</u>	FUEL	09/01/2026	09/08/2026	0.00	209.61 ✓

Vendor Number <u>4370</u>	Vendor Name DON'S TIRE & SUPPLY					Total Vendor Amount 55.47 ✓
Payment Type Check	Payment Number	Remittance Address	Payment Date	Payment Amount		
		PO BOX 397 ABILENE, Kansas 67410	09/04/2026	55.47		
Payable Number <u>342329</u>	Description FLAT REPAIR	Payable Date 08/26/2026	Due Date 09/08/2026	Discount Amount 0.00	Payable Amount 55.47	

Vendor Number <u>1000329</u>	Vendor Name HOLT MOTORS, LLC					Total Vendor Amount 1,524.69 ✓
Payment Type Check	Payment Number	Remittance Address	Payment Date	Payment Amount		
		321 N SPRUCE ABILENE, Kansas 67410	09/04/2026	1,524.69		
Payable Number <u>47660</u>	Description WHEEL BEARING WORK	Payable Date 08/25/2026	Due Date 09/08/2026	Discount Amount 0.00	Payable Amount 1,524.69	

Vendor Number <u>2383</u>	Vendor Name HOMMAN ELECTRONICS					Total Vendor Amount 840.00
Payment Type Check	Payment Number	Remittance Address	Payment Date	Payment Amount		
		DBA HOMMAN ELECTRONICS 200 N PINE ST SOLOMON, Kansas 67480	09/04/2026	840.00		
Payable Number <u>10680</u>	Description SERVICE CALL CHARGES	Payable Date 08/25/2026	Due Date 09/08/2026	Discount Amount 0.00	Payable Amount 134.00 ✓	
<u>10681</u>	DEKA DEEP CYCLE BATTERY	08/27/2026	09/08/2026	0.00	706.00 ✓	

Vendor Number <u>VEN01153</u>	Vendor Name INFOSEND, INC					Total Vendor Amount 2,510.44 ✓
Payment Type Check	Payment Number	Remittance Address	Payment Date	Payment Amount		
		4240 EAST LA PALMA AVENUE ANAHEIM, California 92807-1816	09/04/2026	2,510.44		
Payable Number <u>316905</u>	Description AUG 2026 MAILINGS	Payable Date 08/31/2026	Due Date 09/08/2026	Discount Amount 0.00	Payable Amount 2,510.44	

Vendor Number <u>VEN01220</u>	Vendor Name JON QUINDAY					Total Vendor Amount 7,000.00 ✓
Payment Type Check	Payment Number	Remittance Address	Payment Date	Payment Amount		
		515 W 5TH ST RUSSELL, Kansas 67665	09/04/2026	7,000.00		
Payable Number <u>STM 082426</u>	Description INTERIM CITY MANAGER WEEKS AUG 24 TO AUG 31ST	Payable Date 08/24/2026	Due Date 09/08/2026	Discount Amount 0.00	Payable Amount 7,000.00	

Vendor Number <u>VEN01340</u>	Vendor Name JULIE A. EFFENBECK					Total Vendor Amount 2,000.00 ✓
Payment Type Check	Payment Number	Remittance Address	Payment Date	Payment Amount		
		277 HWY 81 CHESTER, Nebraska 68327	09/04/2026	2,000.00		
Payable Number <u>STM 090126</u>	Description MUNICIPAL JUDGE SERVICES	Payable Date 09/01/2026	Due Date 09/08/2026	Discount Amount 0.00	Payable Amount 2,000.00	

Payment Register

APPKT01022 - BILLS 090826 KE

Vendor Number	Vendor Name					Total Vendor Amount	
<u>999650</u>	KANSAS GAS SERVICE					972.09	✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		PO BOX 219046 KANSAS CITY, Missouri 64121-9046	09/04/2026	972.09			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>STM 082426</u>	KANSAS GAS	08/24/2026	09/08/2026	0.00	972.09		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>23110</u>	LUMBER HOUSE TRUE VALUE					139.53	
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		1903 N BUCKEYE ABILENE, Kansas 67410	09/04/2026	139.53			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>2608-131902</u>	MEMORIAL TREE FOR PLANTING DEMO	08/14/2026	09/08/2026	0.00	90.09	✓	
<u>2608-134699</u>	ROLLER FRAME/COVER/BRACE CORNER	08/26/2026	09/08/2026	0.00	36.45	✓	
<u>2608-136049</u>	MASONRY DRILL BIT	08/31/2026	09/08/2026	0.00	12.99	✓	

Vendor Number	Vendor Name					Total Vendor Amount	
<u>14860</u>	OLSSON					10,808.00	
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		601 P ST STE 200 PO BOX 84608 LINCOLN, Nebraska 68501-4608	09/04/2026	10,808.00			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>590930</u>	HOURLY GENERAL ENGINEERING	08/25/2026	09/08/2026	0.00	2,372.00	✓	
<u>INV0008162</u>	Olsson Airport Displaced Threshold AGIS Survey	09/08/2026	09/08/2026	0.00	8,436.00	✓	

Vendor Number	Vendor Name					Total Vendor Amount	
<u>16021</u>	PACE ANALYTICAL SERVICES, INC					959.00	
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		PO BOX 684056 CHICAGO, Illinois 60695-4056	09/04/2026	959.00			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>2660252109</u>	EFFLUENT-COMP	08/26/2026	09/08/2026	0.00	571.00	✓	
<u>2660252269</u>	BI-MONTHLY EFFLUENT	08/28/2026	09/08/2026	0.00	388.00	✓	

Vendor Number	Vendor Name					Total Vendor Amount	
<u>16195</u>	PIONEER FARM & RANCH SUPPLY, INC					167.91	
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		PO BOX 309 ABILENE, Kansas 67410	09/04/2026	167.91			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>17802</u>	MARKING FLAGS	08/25/2026	09/08/2026	0.00	64.95	✓	
<u>17835</u>	MARKING PAINT	08/26/2026	09/08/2026	0.00	19.98	✓	
<u>18067</u>	FUEL PUMP HOSE/FUEL FILTER	09/04/2026	09/08/2026	0.00	82.98	✓	

Vendor Number	Vendor Name					Total Vendor Amount	
<u>1000998</u>	PIONEER MFG					1,209.95	✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		4529 INDUSTRIAL PARKWAY CLEVELAND, Ohio 44135	09/04/2026	1,209.95			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>INV-312563</u>	QUIK STRIPE	08/28/2026	09/08/2026	0.00	1,209.95		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>999690</u>	RHV DO IT BEST HARDWARE					36.00	✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		305 N BUCKEYE ABILENE, Kansas 67410	09/04/2026	36.00			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>480905</u>	BROOMS	08/20/2026	09/08/2026	0.00	36.00		

Payment Register

APPKT01022 - BILLS 090826 KE

Vendor Number	Vendor Name						Total Vendor Amount
<u>12012</u>	ROASTER JOES, INC						68.19 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount		
Check		8225 W IRVING ST WICHITA, Kansas 67209		09/04/2026	68.19		
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount	
<u>2064 3627039</u>	COFFEE		08/26/2026	09/08/2026	0.00	68.19	
Vendor Number	Vendor Name						Total Vendor Amount
<u>18320</u>	ROBSON OIL CO, INC						975.56 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount		
Check		PO BOX 694 ABILENE, Kansas 67410		09/04/2026	975.56		
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount	
<u>CFSI-4461</u>	FUEL		08/25/2026	09/08/2026	0.00	975.56	
Vendor Number	Vendor Name						Total Vendor Amount
<u>999974</u>	RYAN & MULLIN, PA						3,250.00 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount		
Check		610 5TH ST CLAY CENTER, Kansas 67432		09/04/2026	3,250.00		
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount	
<u>STM 090126</u>	CITY PROSECUTOR		09/01/2026	09/08/2026	0.00	3,250.00	
Vendor Number	Vendor Name						Total Vendor Amount
<u>19310</u>	SCHULTE SUPPLY, INC						23,258.87 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount		
Check		PO BOX 388 EDWARDSVILLE, Illinois 62025		09/04/2026	23,258.87		
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount	
<u>INV0008135</u>	SmartShore Shield		09/08/2026	09/08/2026	0.00	23,258.87	
Vendor Number	Vendor Name						Total Vendor Amount
<u>999925</u>	THE WHITE CORPORATION, INC						139.00 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount		
Check		C/O WHITE CORPORATION PO BOX DRAWER C EMPORIA, Kansas 66801		09/04/2026	139.00		
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount	
<u>300923902</u>	NOTICE OF BUDGET/REV		08/06/2026	09/08/2026	0.00	69.00 ✓	
<u>STM 083126</u>	ORD 26-3486 & 26-3487		08/27/2026	09/08/2026	0.00	70.00	
Vendor Number	Vendor Name						Total Vendor Amount
<u>1000851</u>	TRANSUNION RISK & ALTERNATIVE						144.50 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount		
Check		DATA SOLUTIONS, INC PO BOX 209047 DALLAS, Texas 75320-9047		09/04/2026	144.50		
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount	
<u>6199432-202608-1</u>	BACKGROUND CHECKS		09/01/2026	09/08/2026	0.00	144.50	
Vendor Number	Vendor Name						Total Vendor Amount
<u>1000371</u>	TYLER TECHNOLOGIES, INC						250.00 ✓
Payment Type	Payment Number	Remittance Address		Payment Date	Payment Amount		
Check		PO BOX 203556 DALLAS, Texas 75320-3556		09/04/2026	250.00		
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount	
<u>025-563746</u>	CUSTOMER RELATIONSHIP MANAGEMENT		08/25/2026	09/08/2026	0.00	250.00	

Payment Register

APPKT01022 - BILLS 090826 KE

Vendor Number	Vendor Name					Total Vendor Amount	
<u>23210</u>	UNIFIRST CORPORATION					343.11	✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		PO BOX 650481 DALLAS, Texas 75265-0481	09/04/2026	343.11			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>STM 083126</u>	UNIFORM SERVICE	08/31/2026	09/08/2026	0.00	343.11		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>VEN01405</u>	VICTOR RODRIGUEZ					100.00	✓
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		510 BIG SKY LOOP BUFFALO GAP, Texas 79508	09/04/2026	100.00			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>113977791</u>	REFUND VOLLEYBALL	08/31/2026	09/08/2026	0.00	100.00		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>5046</u>	VYVE BROADBAND					7,438.77	
Payment Type	Payment Number	Remittance Address	Payment Date	Payment Amount			
Check		PO BOX 268951 OKLAHOMA CITY, Oklahoma 73126-8951	09/04/2026	7,438.77			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>STM 090126 207-521339</u>	INTERNET	09/01/2026	09/08/2026	0.00	362.62	✓	
<u>STM 090126 301-513217</u>	INTERNET	09/01/2026	09/08/2026	0.00	113.95	✓	
<u>STM 090126 301-521155</u>	CITY BUILDING INTERNET	09/01/2026	09/08/2026	0.00	4,542.30	✓	
<u>STM 090126 301-521248</u>	INTERNET	09/01/2026	09/08/2026	0.00	113.95	✓	
<u>STM 090126 301-521260</u>	INTERNET	09/01/2026	09/08/2026	0.00	157.95	✓	
<u>STM 090126 301-541718</u>	INTERNET	09/01/2026	09/08/2026	0.00	2,148.00	✓	

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
AP Checking - Gen	Check	56	29	0.00	102,626.55
Packet Totals:		56	29	0.00	102,626.55

LB
090826
09/08/2026

Cash Fund Summary

Fund	Name	Amount
099	POOLED CASH	-102,626.55
Packet Totals:		-102,626.55



Detail Register

Payroll Summary

Packet: PYPKT00365 - 08/28/2026 PAYROLL
Payroll Set: 01 - Abilene, KS

Pay Period: 08/09/2026 - 08/22/2026

Males Paid: 64
Females Paid: 40
Unknown Paid: 0
Total Employees: 104

Total Direct Deposits: 107,984.35
Total Check Amounts: 0.00

EARNINGS

Pay Code	Units	Pay Amount
CALL OUT	93.00	1,995.73
CALL OUT VOLUNTEER	26.00	780.00
CELL ALLOWANCE	0.00	323.07
COMMISSION	0.00	1,050.00
COMP TIME USED	53.50	1,528.51
FITNESS ALLOW	0.00	7.50
HOURLY	3,621.25	90,879.52
NIGHT SHIFT	322.00	10,338.76
OT	269.75	9,638.65
PART-TIME	384.50	7,585.48
SALARY	588.00	29,557.02
SICK LEAVE	174.00	4,099.70
SPEC. EVENT	4.00	0.00
TRAINING	15.00	304.38
VACATION LEAVE	146.00	2,758.95
Total:	5,697.00	160,847.27

BENEFITS

Pay Code	Units	Pay Amount
COMP EARNED 1.0	2.00	0.00
COMP EARNED 1.5	10.50	0.00
FTC 457	0.00	320.00
IMPACT SPORTS	0.00	135.00
Total:	12.50	455.00

TAXES

Code	Subject To	Employee	Employer
FEDERAL W/H	139,147.56	11,084.15	0.00
MEDICARE	150,413.73	2,181.01	2,181.01
SOCIAL SECURITY	150,413.73	9,325.65	9,325.65
STATE TAXES	148,982.73	6,852.30	0.00
UNEMPLOYMENT	159,797.27	0.00	159.84
Total:		29,443.11	11,666.50

DEDUCTIONS

Code	Subject To	Employee	Employer
AFLAC PRE-TAX	0.00	722.51	0.00
AFLAC-AFTER TAX	0.00	273.45	0.00
CHILD SUPPORT	0.00	558.92	0.00
DENTAL INSURANCE	0.00	28.14	84.40
EMPOWER KPERS 457 PT	0.00	396.00	120.00
EMPOWER KPERS ROTH	0.00	135.00	60.00
FLEX DEPENDENT CARE	0.00	20.83	0.00
FLEX SPEND MEDICAL	0.00	1,417.48	0.00
FTC 457	0.00	715.00	320.00
GARNISHMENT-RHODES	0.00	0.00	0.00
GARNISHMENT-SROUFE	0.00	0.00	0.00
HEALTH INS	0.00	8,063.72	27,811.18
HEALTH SAVINGS ACCT	0.00	280.00	125.00
IMPACT SPORTS	0.00	204.93	135.00
KP&F	65,412.96	4,677.01	15,699.12
KP&F OGLI	0.00	95.86	0.00
KPERS 1	30,301.20	1,818.07	3,208.90
KPERS OGLI	0.00	166.10	0.00
KPERS TIER 2	11,925.48	715.52	1,262.91
KPERS TIER 3	43,743.04	2,624.57	4,632.37
LEGAL SHIELD	0.00	29.92	0.00
LPL FIN. OPEN/ROTH	0.00	50.00	0.00
LPL FINANCIAL 529	0.00	50.00	0.00
POLICE & FIRE INS	0.00	20.92	0.00
VISION CARE DIRECT	0.00	355.86	0.00
Total:		23,419.81	53,458.88

RECAP 01 - Abilene, KS

Earnings:	160,847.27	Benefits:	455.00	Deductions:	23,419.81	Taxes:	29,443.11	Net Pay:	107,984.35
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Abilene, KS

Detail Register

Payroll Summary

Packet: PYPKT00368 - 09/11/2026 PAYROLL
Payroll Set: 01 - Abilene, KS

Pay Period: 08/23/2026 - 09/05/2026

Total Direct Deposits: 101,861.03
Total Check Amounts: 129.52

Males Paid: 55
Females Paid: 25
Unknown Paid: 0
Total Employees: 80

EARNINGS

Pay Code	Units	Pay Amount
CALL OUT	75.00	1,762.44
CALL OUT VOLUNTEER	23.00	690.00
CELL ALLOWANCE	0.00	323.07
COMP TIME USED	18.76	388.89
FITNESS ALLOW	0.00	7.50
HOURLY	3,779.50	94,554.42
NIGHT SHIFT	312.00	10,042.56
OT	6.00	325.05
PART-TIME	258.50	4,248.78
PO VAC NO KPERS	30.82	588.35
SALARY	572.00	29,557.02
SICK LEAVE	195.75	4,616.52
VACATION LEAVE	275.75	5,735.32
Total:	5,547.08	152,839.92

BENEFITS

Pay Code	Units	Pay Amount
COMP EARNED 1.5	18.75	0.00
FTC 457	0.00	320.00
IMPACT SPORTS	0.00	135.00
Total:	18.75	455.00

TAXES

Code	Subject To	Employee	Employer
FEDERAL W/H	131,581.58	10,354.90	0.00
MEDICARE	142,551.71	2,066.97	2,066.97
SOCIAL SECURITY	142,551.71	8,838.21	8,838.21
STATE TAXES	141,120.71	6,610.72	0.00
UNEMPLOYMENT	152,839.92	0.00	152.88
Total:		27,870.80	11,058.06

DEDUCTIONS

Code	Subject To	Employee	Employer
AFLAC PRE-TAX	0.00	722.51	0.00
AFLAC-AFTER TAX	0.00	273.45	0.00
CHILD SUPPORT	0.00	558.92	0.00
DENTAL INSURANCE	0.00	10.60	31.80
EMPOWER KPERS 457 PT	0.00	396.00	120.00
EMPOWER KPERS ROTH	0.00	135.00	60.00
FLEX DEPENDENT CARE	0.00	20.83	0.00
FLEX SPEND MEDICAL	0.00	1,417.48	0.00
FTC 457	0.00	715.00	320.00
GARNISHMENT-RHODES	0.00	0.00	0.00
GARNISHMENT-SROUFE	0.00	0.00	0.00
HEALTH INS	0.00	7,941.71	27,388.64
HEALTH SAVINGS ACCT	0.00	280.00	125.00
IMPACT SPORTS	0.00	205.02	135.00
KP&F	60,904.08	4,354.63	14,616.99
KP&F OGLI	0.00	95.87	0.00
KPERS 1	30,398.38	1,823.90	3,219.19
KPERS OGLI	0.00	166.12	0.00
KPERS TIER 2	11,925.48	715.52	1,262.91
KPERS TIER 3	44,084.85	2,645.08	4,668.57
LEGAL SHIELD	0.00	29.93	0.00
LPL FIN. OPEN/ROTH	0.00	50.00	0.00
LPL FINANCIAL 529	0.00	50.00	0.00
POLICE & FIRE INS	0.00	20.92	0.00
VISION CARE DIRECT	0.00	350.08	0.00
Total:		22,978.57	51,948.10

RECAP 01 - Abilene, KS

Earnings:	152,839.92	Benefits:	455.00	Deductions:	22,978.57	Taxes:	27,870.80	Net Pay:	101,990.55
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City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: DKEDC Presentation on the Kansas Department of Commerce BLOCK Grant Opportunity

Department: Administration

Staff Contact: Julie Roller-Weeks, Convention & Visitors Bureau Director

Background: Dickinson County Economic Development Corporation (DKEDC), dba Driving Dickinson County, intends to apply for the Kansas Department of Commerce Building Local Opportunity through Coordinated Kansas Investment (BLOCK) Program.

BLOCK is a new competitive placemaking program that will award up to \$500,000 to one Kansas community to create a dramatic transformation of a downtown block through coordinated public and private investment. The application period is September 11–30, 2026. The selected project must be completed before December 15, with construction and rehabilitation activities expected to occur within a 14-day window.

DKEDC and City staff propose focusing the application on NW 3rd Street between Spruce Street and Buckeye Avenue. The block was selected because of its visibility, concentration of businesses and properties, recent investment, and potential for a coordinated transformation. Potential projects include façade improvements, windows, awnings, tuckpointing, painting, signage, lighting, sidewalks, and other public improvements.

BLOCK requires a 1:1 match. For a \$500,000 request, the application must document at least \$500,000 in eligible matching investment. At least \$375,000 must be cash or grant funds, while up to \$125,000 may consist of documented in-kind contributions.

Importantly, the match does not have to consist entirely of new spending. Eligible public and private investments made within the proposed block after July 1, 2024, may count toward the match. For example, buildings on the south half of the proposed block have all received new roofs during the eligible match period. Other recent private building improvements, public investments, grants, and committed improvements also may qualify.

The program also rewards projects that demonstrate investment beyond the required 1:1 match and strong coordination of public and private investment.

DKEDC and City staff are working with property and business owners to identify projects,

obtain estimates, document eligible match, and coordinate contractors. Because readiness is the largest component of the BLOCK scoring rubric, applicants are expected to have contractors, vendors, property owners, materials, and project logistics substantially committed and be prepared to begin immediately following an award.

DKEDC will serve as the grant applicant and will continue developing the application ahead of the September 30 deadline. If awarded, the project would build upon investments already being made downtown and coordinate additional improvements to create a highly visible transformation of the block.

The BLOCK Program presents an opportunity to make transformational, collaborative improvements in downtown Abilene by bringing property owners, businesses, and community partners together to make a noticeable impact in a short amount of time.

This item is informational only, and no City funding is requested as part of the BLOCK grant application.

Funding Source: Kansas Department of Commerce BLOCK Grant

City Attorney Review: N/A

Options: This item is informational only, and no City funding is requested as part of the BLOCK grant application.

Recommendation: This item is informational only, and no City funding is requested as part of the BLOCK grant application.



City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Public Hearing for the purpose of hearing and answering objections of taxpayers relating to the Revenue Neutral Rate and proposed tax rate, as required by 2021 Kansas Senate Bill 13.

Department: Administration

Staff Contact: Jon Quinday, Interim City Manager, Kelsey Briand, Finance Director

Background: Local governments, including cities, counties, and school districts, must follow a specific process if they intend to collect more property tax revenue than the Revenue Neutral Rate (RNR). The RNR is the tax rate that would generate the same property tax revenue as the previous year. This requirement is in addition to the required public budget hearing, so local governments proposing to exceed the RNR must hold two distinct public hearings. The RNR requirement does not prohibit a property tax increase; rather, it establishes a public hearing and approval process that must be completed before a taxing subdivision may adopt a levy exceeding the RNR.

The proposed 2027 budget has been developed and reviewed with the City Commission over several months through a series of public budget discussions and presentations addressing individual funds, departmental operations, personnel costs, capital and equipment needs, property tax requirements, and the City's ongoing financial recovery. The complete proposed 2027 budget was presented at the August 24, 2026, regular City Commission meeting. During the Commission's recent budget discussions and presentations, including the presentation of the complete proposed budget on August 24, no changes to the proposed budget were requested or directed by the City Commission. The attached 2027 Proposed Annual Budget & Financial Plan provides additional context regarding the proposed levy, the City's financial condition, the services supported by the budget, and the financial considerations underlying the proposal to exceed the Revenue Neutral Rate.

The proposed 2027 budget estimates a property tax levy of 50.271 mills, compared with the City's 2027 Revenue Neutral Rate of 46.463 mills. The proposed levy is 2.232 mills higher than the 48.039-mill levy adopted for 2026, and the entire increase is attributable to the twenty-seventh bi-weekly payroll in calendar year 2027. The twenty-seventh payroll does not add employees, increase employee pay rates, or expand City services; it funds the existing workforce for the additional bi-weekly payroll resulting from the calendar. Excluding the twenty-seventh payroll, the proposed budget maintains the same 48.039-mill total levy adopted for 2026.

Of the proposed 50.271-mill levy, 8.220 mills are dedicated to the Abilene Public Library and are not available for other City purposes. The remaining 42.051 mills support City operations and other City obligations.

This agenda item is for hearing taxpayer objections regarding the Revenue Neutral Rate and the proposed tax rate. The City Commission will open the public hearing, receive comments and objections from taxpayers, and then close the public hearing. Following the close of the hearing, the City Commission will separately consider Resolution No. 091426-1, authorizing the City to exceed the Revenue Neutral Rate.

Funding Source: Ad Valorem Tax, Sales Tax, User Fees

City Attorney Review: N/A

Options: Open the public hearing, receive comments and objections from taxpayers regarding the Revenue Neutral Rate and proposed tax rate, and close the public hearing.

Recommendation: Open the public hearing, receive comments and objections from taxpayers regarding the Revenue Neutral Rate and proposed tax rate, and close the public hearing.

NOTICE OF HEARING TO EXCEED REVENUE NEUTRAL RATE AND BUDGET HEARING

2027

The governing body of

City of Abilene

will meet on September 14, 2026 at 4:00 PM at Abilene Public Library 209 NW 4th Abilene, KS 67410 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds, the amount of ad valorem tax and the Revenue Neutral Rate.

Detailed budget information is available at City Hall 419 N Broadway Abilene, KS 67410 and will be available at this hearing.

SUPPORTING COUNTIES
Dickinson County (home county)

BUDGET SUMMARY

Proposed Budget 2027 Expenditures and Amount of 2026 Ad Valorem Tax establish the maximum limits of the 2027 budget.
Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2025		Current Year Estimate for 2026		Proposed Budget for 2027		
	Expenditures	Actual Tax Rate *	Expenditures	Actual Tax Rate *	Budget Authority for Expenditures	Amount of 2026 Ad Valorem Tax	Proposed Estimated Tax Rate*
General	6,190,398	31.438	6,112,570	34.544	5,378,609	1,137,732	15.792
Debt Service	455,294	4.336	419,780	2.749	430,880	158,037	2.194
Library	590,274	8.219	639,950	8.307	656,837	592,218	8.220
Airport	361,574		873,209		1,721,842	54,288	0.754
Fire Apparatus	71,075	1.655	251,629	2.439	238,554	173,333	2.406
Capital Improvement			38,000		18,918		
Personnel Benefits Fund					2,178,073	1,506,147	20.905
Special Highway	47,368		125,000		726,154		
Street Sales Tax	395,268		440,000		575,550		
Recycle	130,209		170,661		144,959		
Storm Water	24,584		231,534		560,823		
Special Parks & Recreation	8,838		21,500		88,023		
Special Alcohol & Drug	13,199		15,000		30,353		
Library Pool Renovation			16,419				
CID Sales Tax	280,561		259,557		366,958		
Rec Sales Tax	39,570		4,367,209		651,241		
Water	2,302,464		2,590,107		3,120,024		
Sewer	1,916,236		2,252,431		2,548,434		
Recreation Commission	621,861		735,231		908,481		
Convention & Visitors Bureau	268,937		286,707		294,775		
Non-Budgeted Funds-A	1,216,258						
Non-Budgeted Funds-B	158,723						
Non-Budgeted Funds-C	41,266						
Totals	15,133,957	45.648	19,846,494	48.039	20,639,488	3,621,755	50.271
<i>Revenue Neutral Rate**</i>							46.463
Less: Transfers	707,855		1,106,009		2,044,611		
Net Expenditure	14,426,102		18,740,485		18,594,877		
Total Tax Levied	3,057,478		3,353,941		xxxxxxxxxxxxxxxxx		
Assessed							
Valuation	67,251,781		69,819,107		72,046,428		
Outstanding Indebtedness,							
January 1,	2024		2025		2026		
G.O. Bonds	8,050,000		7,225,000		6,730,000		
Revenue Bonds	15,905,000		13,920,000		12,910,000		
Other	0		0		0		
Lease Purchase Principal	25,409,134		1,347,167		928,929		
Total	49,364,134		22,492,167		20,568,929		

*Tax rates are expressed in mills

** Revenue Neutral Rate as defined by KSA 79-2988

Kelsey Briand

City Official Title: Finance Director

Page No.

CITY OF ABILENE, KANSAS

PROPOSED 2027 ANNUAL BUDGET & FINANCIAL PLAN

Presented to the Abilene City Commission
August 24, 2026

PROPOSED BUDGET - SUBJECT TO CITY COMMISSION REVISION AND FINAL ADOPTION



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Online Resources

QR codes and clickable links are provided in the property-tax, capital/infrastructure, and closing financial-outlook sections for readers who want current information beyond this printed Annual Budget & Financial Plan.

To the Mayor, City Commissioners, and Citizens of Abilene

City staff is pleased to present the City of Abilene's proposed 2027 Annual Budget. This Annual Budget & Financial Plan is intended to complement the State of Kansas budget workbook by providing greater context regarding the City's finances, the services supported by the budget, the investments planned for the coming year, and the financial challenges that remain.

The proposed 2027 budget represents the second full budget year of a multi-year effort to restore the City's financial condition. That effort began in mid-2025, when declining General Fund reserves and a growing imbalance between recurring revenues and expenditures required immediate action. The financial challenges facing the City developed over several years and will similarly require several years of disciplined financial management to fully address.

Financial Recovery Began in 2025

Beginning in July 2025, the City implemented immediate cost-control measures intended to slow the depletion of reserves and stabilize its financial position. These measures included a citywide hiring freeze, limiting expenditures to those necessary to maintain essential services, reducing departmental operating expenditures, suspending capital and equipment purchases that were not already obligated, and eliminating positions.

Among those actions, one Public Works position was eliminated in 2025 after the position became vacant and was not authorized to be refilled. The position was not budgeted in 2026 and is not restored in the proposed 2027 budget. One Police Officer position was removed as part of the 2026 budget and is also not restored in the proposed 2027 budget.

The City also deferred substantial capital projects and equipment purchases that had previously been planned. Those deferrals continued during development of the 2026 budget and again as the proposed 2027 budget was prepared. While deferring these expenditures reduced the immediate financial requirements of each budget, it did not eliminate the underlying need to maintain and eventually replace the City's facilities, infrastructure, vehicles, and equipment.

The financial restraint that began in 2025 therefore did not represent a one-time reduction followed by a return to previous spending levels. Many of those reductions became the starting point for the 2026 budget and remain reflected in the proposed 2027 budget.

Those efforts have produced meaningful progress. Current projections indicate the General Fund will carry significantly more fund balance into 2027 than anticipated when the 2026 budget was adopted. That improvement reflects the continued efforts of department directors and employees to carefully manage expenditures and operate within limited resources.

In 2026, the City Commission also adopted multi-year water and sewer rate schedules, including fixed and usage-based charges. These adjustments were intended to better align utility revenues with the ongoing cost of operating, maintaining, and investing in the City's water and wastewater systems.

However, improvement should not be confused with recovery. The City continues to operate with reserves substantially below the level established by City policy, and significant capital, equipment, maintenance, and infrastructure needs remain deferred.

Maintaining Services at a Reduced Baseline

The proposed 2027 budget continues the City's financial recovery strategy. It does not restore the positions eliminated or removed as part of the financial recovery or broadly restore the capital, equipment, and operating expenditures deferred during the past two budget cycles.

Instead, much of the proposed budget is devoted to maintaining existing municipal services while absorbing increases in the cost of providing those services. The proposed budget provides a 3 percent cost-of-living adjustment (COLA) for City employees following a year in which employees did not receive a COLA in 2026. Personnel costs, employee health insurance, utilities, property and liability insurance, contractual services, supplies, equipment, and other operating expenses continue to increase.

As a result, the 2027 budget provides for only a limited number of the City's identified capital and equipment needs. Projects and purchases previously included in the City Commission-approved Capital Improvement and Equipment Reserve Plans have again been deferred because the City does not currently have the financial capacity to make the planned transfers to, or provide the property tax support for, those funds at the levels originally contemplated.

Deferring an expenditure does not mean the underlying need has disappeared. It means the City will continue using an existing facility, vehicle, piece of equipment, or infrastructure asset longer and will need to address that need in a future budget.

Understanding the Proposed Property Tax Levy

The proposed 2027 budget is based on a total property tax levy of 50.271 mills. Understanding that number requires recognizing that not all 50.271 mills are available to fund City operations.

Of the total levy, 8.220 mills are levied for the Abilene Public Library. Under Kansas law, the City levies property tax for library operations based upon the amount determined by the Library Board within applicable legal limitations. In 2021, the City Commission adopted Ordinance No. 21-3405 establishing a maximum annual levy of 8.220 mills for library maintenance. The Library receives the revenue generated by that levy; those dollars are not available to fund other City services.

The remaining 42.051 mills support the City's other tax-supported funds and obligations.

The proposed 50.271-mill levy is 2.232 mills higher than the 48.039-mill levy adopted for the 2026 budget. The entire 2.232-mill difference is attributable to a calendar event that occurs approximately once every eleven years.

City employees are paid every two weeks. Most years therefore contain 26 payroll periods. Calendar year 2027 contains 27.

The additional payroll does not represent additional employees, an increase in employee pay rates, or an expansion of City services. It represents one additional bi-weekly payroll for the existing

workforce providing the existing level of service. Excluding the 2.232 mills necessary to fund the twenty-seventh payroll, the proposed budget maintains the same 48.039-mill total levy adopted for 2026.

Revenue Neutrality and the Library Levy

The City's 2027 Revenue Neutral Rate is 46.463 mills. The Revenue Neutral Rate is intended to identify the mill levy that would generate approximately the same property tax revenue as the prior year using the current year's assessed valuation.

The inclusion of the Library within the City's total levy is important when considering revenue neutrality.

Because the Library receives a fixed 8.220-mill levy, increasing assessed valuation causes those 8.220 mills to generate additional property tax revenue for library operations. Those additional dollars are dedicated to the Library and are not available for other municipal purposes.

When the City's combined levy is reduced to the Revenue Neutral Rate, the City levies must absorb the reduction necessary to offset growth in the Library's property tax revenue. As a result, revenue neutrality for the combined City and Library levy does not necessarily result in revenue neutrality for City operations.

This distinction is important to understanding the City's financial history and will be addressed in greater detail later in this Annual Budget & Financial Plan.

Operating Today and Maintaining Tomorrow

The City must do more than balance its annual operating budget. Responsible long-term financial management also requires adequate reserves, regular maintenance of public assets, planned replacement of vehicles and equipment, investment in infrastructure, and sufficient financial capacity to respond when unexpected needs arise.

The City is not yet financially positioned to consistently accomplish all of those objectives.

City policy calls for an undesignated General Fund balance of at least 15 percent of revenues, currently approximately \$804,000. The proposed 2027 budget provides a General Fund cash reserve of approximately \$239,900. City policy also contemplates a General Fund contingency of between \$100,000 and \$200,000 for unforeseen operating expenditures or revenue shortfalls. That contingency is not funded in the proposed 2027 budget.

At the same time, much of the City's physical infrastructure is aging. In portions of the community, some underground infrastructure is more than 100 years old. Streets, storm sewers, water and wastewater systems, public buildings, vehicles, equipment, and technology all require continued maintenance and eventual replacement.

The choice is not whether these assets will require investment. The question is whether the City develops the financial capacity to maintain and replace them systematically or increasingly responds to failures as they occur.

The City Commission's adopted Capital Improvement and Equipment Reserve Plans are intended to provide that long-term framework. Current financial constraints have required many of those planned investments to be postponed. Restoring the City's ability to regularly fund those plans remains an important part of its long-term financial recovery.

Transparency in How Public Dollars Are Used

This Annual Budget & Financial Plan is also intended to provide greater transparency regarding expenditures that can otherwise be difficult to identify within the statutory budget.

Beginning with the 2027 budget, the City established a separate Personnel Benefits Fund. Previously, salaries and employee benefits were combined within departmental personnel expenditures. Separating these costs allows the City Commission and public to more clearly see the cost of salaries and benefits while improving the City's ability to track, forecast, and budget health insurance, retirement contributions, payroll taxes, workers' compensation, and other benefit expenses.

The budget also identifies funding provided for community partnerships and organizations separately from the cost of operating City departments. The proposed 2027 budget includes \$10,000 for the Sister City program, \$10,000 for the City Band, and \$15,000 for Dickinson County Economic Development Corporation. Identifying these expenditures separately provides a clearer picture of the policy choices contained within the budget and distinguishes them from the direct cost of providing municipal services.

The same principle applies to the Library levy, capital investment, debt, utilities, and other restricted or dedicated revenues. Although these expenditures are all reflected within the City's overall budget, they do not represent a single pool of money that can be freely redirected among purposes.

Looking Beyond 2027

The City's financial challenges did not develop during a single budget year, and they will not be resolved during one.

Since mid-2025, the City has reduced operating expenditures, eliminated positions, deferred capital projects and equipment purchases, limited spending, and maintained those reductions through subsequent budgets. Those actions have improved the City's financial position, but they have also resulted in needs being postponed rather than eliminated.

The proposed 2027 budget continues that recovery. It maintains essential services at a constrained operating level, absorbs increasing costs, continues many of the reductions implemented during the previous two years, provides for the unusual twenty-seventh payroll, and makes selected investments where resources allow.

At the same time, reserves remain below policy, the General Fund contingency remains unfunded, and significant infrastructure, facility, vehicle, equipment, and technology needs remain ahead.

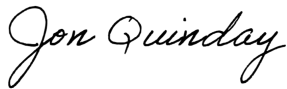
For that reason, the measure of success cannot simply be whether the City balances the 2027 budget. Long-term financial stability will require the City to rebuild reserves, restore its capacity to systematically maintain and replace public assets, plan for infrastructure needs before failures occur, and ensure recurring revenues are sufficient to support the recurring cost of providing municipal services.

This Annual Budget & Financial Plan is intended to make that work more visible. The State of Kansas budget workbook remains the City's official statutory budget document. The pages that follow provide the context behind those numbers—what services are provided, where the money comes from, where it goes, what has already been reduced, what investments are being made, what has been deferred, and what challenges remain.

The proposed 2027 budget represents another step in that process. Meaningful progress has been made, but the City's financial recovery is not complete. Continued discipline, long-term planning, and thoughtful investment will be necessary to ensure Abilene can provide reliable public services today while maintaining the community's assets for the future.

I appreciate the City Commission's continued attention to these difficult financial decisions and the work of the City's department directors and employees who have carefully managed public resources while continuing to serve the citizens of Abilene.

Respectfully submitted,



Jon Quinday, ICMA-CM
Interim City Manager

2027 Budget at a Glance

The proposed 2027 budget continues the City of Abilene's multi-year financial recovery while maintaining essential municipal services. Many of the spending reductions, staffing reductions, and capital and equipment deferrals implemented beginning in 2025 remain in place. The budget primarily addresses the increasing cost of providing existing services and the one-time occurrence of a twenty-seventh payroll rather than expanding City operations.

2027 by the Numbers

	Proposed 2027
Total Budget Authority	\$20,639,488
Property Tax Requirement	\$3,621,755
Proposed Property Tax Levy	50.271 mills
2026 Property Tax Levy	48.039 mills
2027 Revenue Neutral Rate	46.463 mills
27th Payroll	2.232 mills
Library Levy	8.220 mills
General Fund Reserve	\$239,900
General Fund Policy Minimum	≈ \$804,000

Budget authority represents the maximum expenditure authority established through the statutory budget process and does not necessarily represent the amount the City expects to spend during 2027.

Understanding the 50.271-Mill Levy

Not all property taxes included within the City of Abilene's levy are available to fund City operations. The proposed 50.271-mill levy includes 8.220 mills dedicated to the Abilene Public Library.

Proposed 2027 Levy

Purpose	Mills
Remaining City purposes	42.051
Abilene Public Library	8.220
Total Proposed Levy	50.271

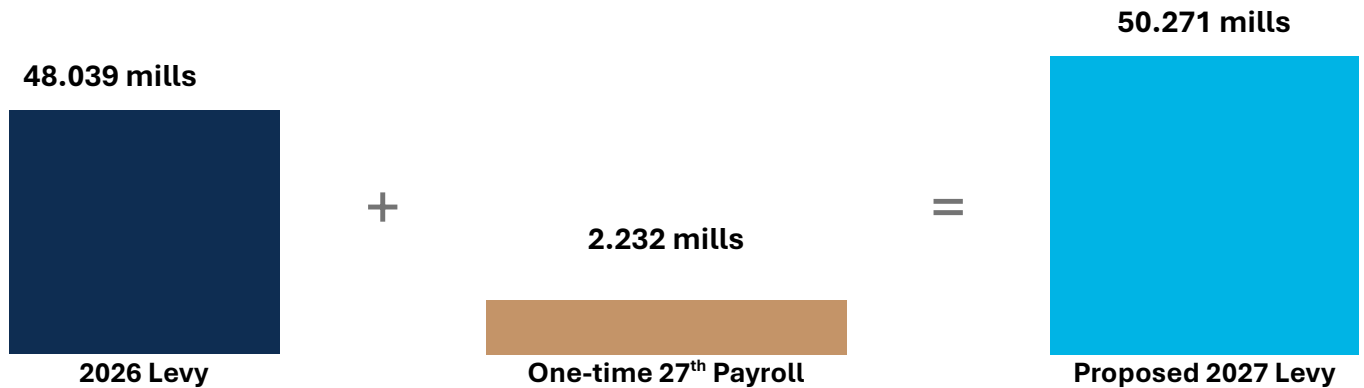
The 8.220-mill Library levy is included within the City's total property tax levy but is dedicated to library operations and is not available to fund other City services. The remaining 42.051 mills support the City's other property-tax-funded operations and obligations, including general operations, personnel benefits, debt service, fire apparatus, and other authorized purposes.

Where the Proposed 50.271-Mill Levy Goes



Why Is the Levy Increasing?

The proposed 2027 levy is 2.232 mills higher than the 48.039-mill levy adopted for 2026. The entire increase is attributable to the twenty-seventh bi-weekly payroll occurring in calendar year 2027.



City employees are paid every two weeks. Most calendar years contain 26 payroll periods; approximately once every eleven years, the calendar results in 27. Calendar year 2027 is one of those years.

The additional 2.232 mills does not fund additional positions, increased employee compensation, or expanded City services. It funds one additional payroll for the existing workforce providing the existing level of service.

Excluding the one-time twenty-seventh payroll, the proposed 2027 budget maintains the same 48.039-mill total property tax levy adopted for 2026.

Understanding the Revenue Neutral Rate

The City's Revenue Neutral Rate for 2027 is 46.463 mills. The Revenue Neutral Rate represents the estimated mill levy that would generate approximately the same total property tax revenue as the previous year using the current year's assessed valuation.

For Abilene, however, the total levy includes 8.220 mills dedicated to the Public Library. As assessed valuation increases, the same 8.220 mills generate additional property tax revenue for library operations.

If the City's combined levy is reduced to the Revenue Neutral Rate, the City's remaining levies must absorb the reduction necessary to offset that additional Library revenue.

Revenue neutral for the combined levy does not necessarily mean revenue neutral for City operations.

The Property Taxes and Revenue Neutral Rate section later in this Annual Budget & Financial Plan will provide additional information regarding the Library levy, assessed valuation, and the effect of revenue neutrality on the property tax dollars available for City operations.

Financial Recovery at a Glance

2025 - Immediate Action

Financial recovery measures began mid-year as declining reserves required immediate spending controls.

- Citywide hiring restrictions
- Departmental operating reductions
- Capital and equipment purchases curtailed
- One Public Works position eliminated and not refilled
- Planned expenditures and projects deferred
- Planned transfers to equipment and reserve funds reduced or suspended

2026 - Reduced Baseline Continued

The City did not simply restore the reductions made in 2025.

- Public Works position remained eliminated
- One Police Officer position removed from the 2026 budget
- Operating expenditures remained constrained
- Capital and equipment deferrals continued
- Multi-year water and sewer rate schedules adopted to better align utility revenues with operating, maintenance, and capital needs
- Certain planned transfers delayed to protect the cash position of affected funds

2027 - Recovery Continues

The proposed budget continues many of those actions.

- Public Works and Police positions are not restored
- Operating expenditures remain constrained
- Significant capital and equipment needs remain deferred
- Budget primarily maintains existing services
- Higher operating costs continue to be absorbed
- Provides a 3 percent employee COLA following no COLA in 2026
- Twenty-seventh payroll creates a one-time additional requirement
- General Fund reserves remain below policy

\$395,000 - Identified Operating Expenditure Reductions

Since financial recovery efforts began, the City has reduced identified operating expenditures by approximately \$395,000 across building and equipment maintenance, streets, parks and recreation, demolition, Land Bank, water distribution, and other operating accounts.

2 Positions - Removed From the Operating Baseline

One Public Works position eliminated in 2025, and one Police Officer position removed from the 2026 budget remain out of the proposed 2027 budget.

\$1.348 Million - Identified Capital & Equipment Needs Deferred

Financial constraints have required the City to postpone approximately \$795,000 in identified capital projects and \$553,000 in equipment needs. These needs have not disappeared; they have been moved into future years.

What the Budget Supports

Public Safety

Police, fire, emergency response, municipal court, code enforcement and related services.

Infrastructure & Public Works

Streets, stormwater, public facilities, maintenance, fleet and other public infrastructure.

Water & Wastewater

Drinking water production and distribution and wastewater collection and treatment through enterprise funds.

Parks, Recreation & Community Facilities

Parks, recreation facilities and programs, community facilities and public spaces.

Administration & Governance

Financial management, City Clerk functions, human resources, information technology, legal services and organizational support.

Community & Economic Development

Planning, development, inspections, economic development and related community investment.

Library

8.220 mills levied for the Abilene Public Library and dedicated to library operations.

Tourism & Community Promotion

Convention and Visitors Bureau activities and other community programs supported through designated revenues.

Community Partnerships

The proposed 2027 budget includes:

Community Funding	2027
Sister City Program	\$10,000
City Band	\$10,000
Dickinson County Economic Development Corporation	\$15,000
Total	\$35,000

These expenditures represent community partnership and policy choices included within the proposed budget and are identified separately from the direct cost of operating City departments.

People Providing City Services

Two positions removed from the City's operating baseline as part of the financial recovery remain out of the proposed 2027 budget:

- 1 Public Works Employee
- Eliminated in 2025 — Not Restored
- 1 Police Officer
- Removed from 2026 Budget — Not Restored

Personnel Benefit	2027 Budget
Health Insurance / HSA	\$912,929
KPERS / KP&F / 457	\$787,407
FICA	\$378,131
Workers' Compensation	\$90,100
Unemployment	\$9,506
Total	\$2,178,073

Beginning with the 2027 budget, employee benefits are accounted for separately from salaries through the Personnel Benefits Fund, improving transparency, tracking, and long-term forecasting.

General Fund Capital & Equipment: Funded vs. Deferred

\$118,000

Proposed General Fund equipment funding for 2027, including the existing \$68,000 street sweeper lease-purchase obligation and a \$50,000 scheduled Police vehicle replacement.

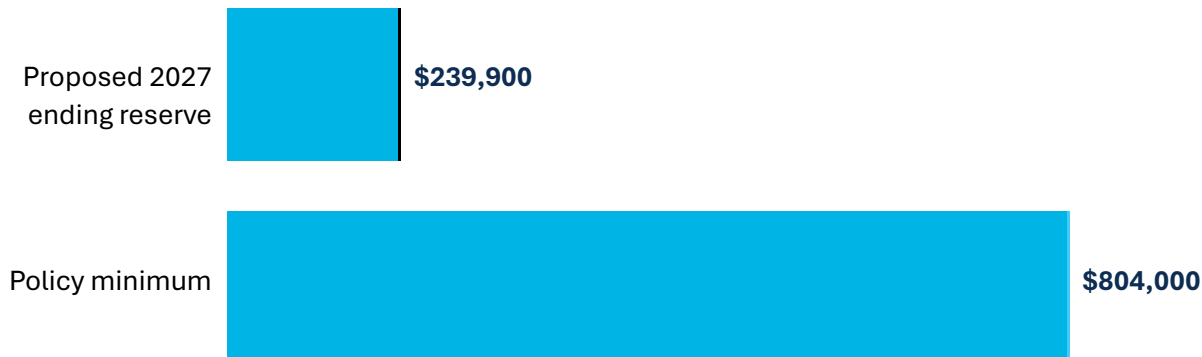
\$1.348 Million

Identified capital and equipment needs remain deferred to future years: approximately \$795,000 in capital projects and \$553,000 in equipment needs. Detailed schedules are provided later in the Capital, Equipment & Infrastructure section. Deferred does not mean eliminated.

Postponing a project or equipment purchase reduces the immediate budget requirement, but the underlying need remains and must be addressed in a future budget.

Rebuilding the General Fund Reserve

General Fund Reserve Position



≈ \$804,000 Minimum General Fund reserve established by City policy versus \$239,900 Proposed 2027 General Fund reserve and \$0 General Fund contingency funded for 2027

City policy calls for an annual contingency of between \$100,000 and \$200,000 for unforeseen operating expenditures or revenue shortfalls.

The City's financial position has improved since emergency cost-control measures began in 2025, but General Fund reserves remain substantially below policy. Rebuilding those reserves is necessary to provide greater capacity to respond to emergencies, revenue fluctuations, equipment failures, and other unforeseen needs.

The 2027 Budget in Perspective

SERVICES

Maintains existing municipal services at a constrained operating level.

PEOPLE

The Public Works position eliminated in 2025 and the Police Officer position removed from the 2026 budget are not restored; the 27th payroll funds the existing workforce.

ASSETS

Selected critical investments continue, while approximately \$1.348 million in identified General Fund capital and equipment needs have been deferred.

FINANCIAL CONDITION

Progress has been made, but reserves remain below policy, and the City's financial recovery is not complete.

The 2027 budget continues the work of maintaining today's services while rebuilding the City's capacity to meet tomorrow's needs.

2027 Budget & Financial Overview

The City of Abilene provides a wide range of services through multiple funds, each established for a particular purpose or source of revenue. Although the proposed 2027 budget provides total expenditure authority of \$20,639,488, that amount should not be viewed as a single pool of money available for general City operations.

Many City revenues are restricted or dedicated to specific purposes. Water and sewer revenues support their respective utility systems; dedicated sales taxes support streets and recreation; stormwater fees support the stormwater system; grant proceeds are limited to eligible projects; and property taxes levied for the Abilene Public Library are dedicated to library operations.

Understanding the City's budget therefore requires looking not only at how much the City is authorized to spend, but also where the money comes from, what it may legally or practically be used for, and what services and obligations it supports.

2027 Budget by Fund

Fund	2027 Budget Authority
General Fund	\$5,378,609
Water	\$3,120,024
Sewer	\$2,548,434
Personnel Benefits	\$2,178,073
Airport	\$1,721,842
Recreation Commission	\$908,481
Special Highway	\$726,154
Library	\$656,837
Recreation Sales Tax	\$651,241
Street Sales Tax	\$575,550
Storm Water	\$560,823
Debt Service	\$430,880
CID Sales Tax	\$366,958
CVB	\$294,775
Fire Apparatus	\$238,554
Recycling	\$144,959
Special Parks & Recreation	\$88,023
Alcohol & Drug	\$30,353
Capital Improvement	\$18,918
Total	\$20,639,488

Largest Operating Funds

\$5.38 million - General Fund

The City's primary operating fund, supporting core municipal services and general government operations.

\$3.12 million - Water

Supports drinking water production, distribution, maintenance, capital needs, and related obligations.

\$2.55 million - Sewer

Supports wastewater collection and treatment, maintenance, debt, capital needs, and related obligations.

\$2.18 million - Personnel Benefits

Separately accounts for health insurance, retirement contributions, payroll taxes, workers' compensation, unemployment, and other employee benefit costs.

Together, these four funds account for approximately \$13.225 million, or about 64 percent of total 2027 budget authority. The remaining budget authority is spread among fifteen funds supporting specific services, restricted purposes, capital activities, debt, and other obligations.

Property Taxes Are One Part of the Budget

Property taxes are an important source of City revenue, but they do not fund the entire municipal budget. Of the City's 19 budgeted funds, six receive property tax support in the proposed 2027 budget. The remaining funds operate through utility revenues, dedicated sales taxes, fees, grants, state distributions, transfers, accumulated cash balances, or other revenues.

Property-Tax-Supported Fund	2027 Ad Valorem
Personnel Benefits	\$1,506,147
General Fund	\$1,137,732
Library	\$592,218
Fire Apparatus	\$173,333
Debt Service	\$158,037
Airport	\$54,288
Total	\$3,621,755

Of Every City Property Tax Dollar

Approximately 42 cents supports Personnel Benefits; 31 cents supports the General Fund; 16 cents supports the Library; 5 cents supports Fire Apparatus; 4 cents supports Debt Service; and 2 cents supports the Airport.

These percentages describe how the City's proposed property tax requirement is allocated among funds. They do not represent how the City's entire \$20.639 million budget is spent.

Different Revenues Support Different Services

Property Taxes - Support the General Fund, Personnel Benefits, Library, Fire Apparatus, Airport, and Debt Service.

Utility Revenues - Support the Water and Sewer systems and help finance their operating, maintenance, and capital requirements.

Dedicated Sales Taxes - Support street and recreation purposes and cannot simply be redirected to general operations.

Stormwater Fees - Support operation and investment in the City's stormwater system.

Grants and Intergovernmental Revenues - Support eligible projects and programs, including significant Airport capital improvements.

Fees, Charges and Other Revenues - Help support services ranging from utilities and recreation to permits, tourism, and other municipal activities.

Beginning Cash and Fund Balances - Represent resources accumulated in prior years and available within the applicable fund, subject to legal restrictions and prudent reserve requirements.

The City's budget is therefore not one account. Each fund has its own revenues, expenditures, restrictions, and financial condition. A strong balance in one fund does not necessarily provide resources that can be used to address a shortfall or deferred need in another.

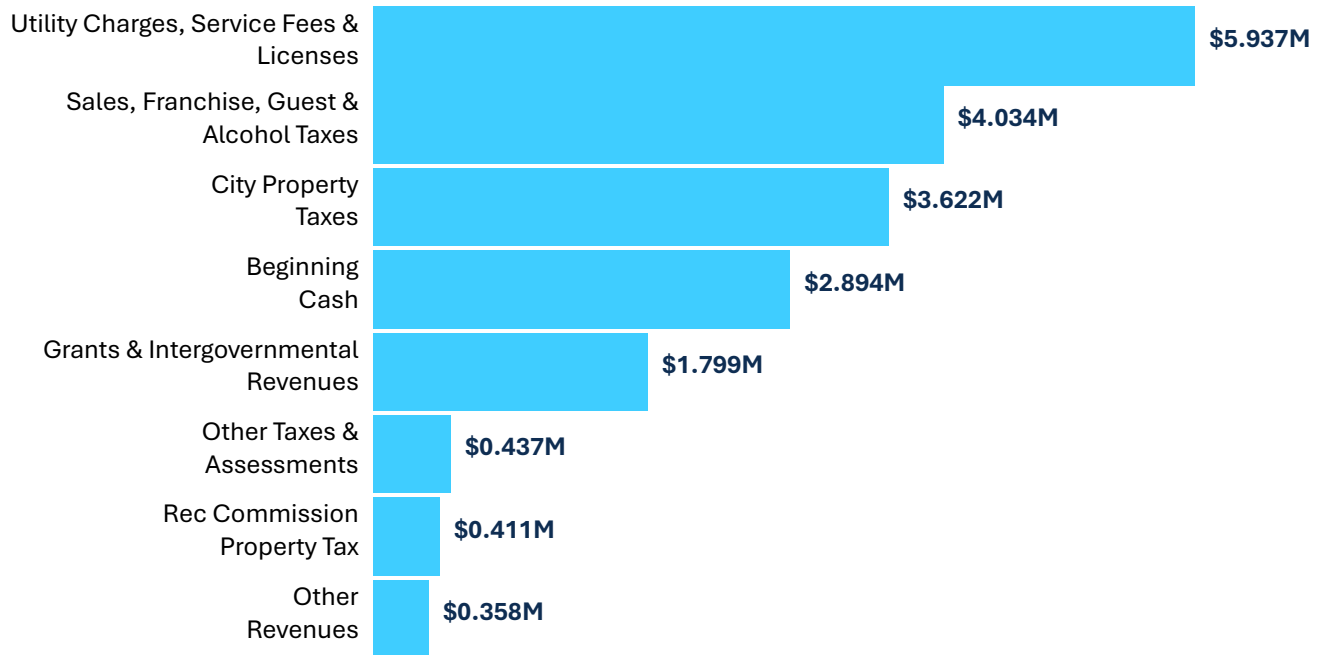
Where the Money Comes From / Where the Money Goes

The City of Abilene's proposed 2027 budget is made up of numerous individual funds, each with its own revenues, expenditures, and allowable uses. The State of Kansas budget workbook used to prepare the City's statutory budget reflects \$20,639,488 in total 2027 budget authority across those funds.

Some resources are transferred between City funds for accounting and financing purposes. For example, operating funds transfer resources to the Personnel Benefits Fund to pay their share of employee benefit costs. Because those transfers appear as an expenditure in one fund and a receipt in another, they should not be interpreted as additional revenue or additional City spending.

The following pages show the major sources supporting the City's 2027 financial plan and the purposes for which budget authority is provided. The figures are intended to explain the City's financial structure while remaining consistent with the City's official statutory budget.

Where 2027 Resources Come From



Understanding Gross Budget Authority

The \$20.639 million in total 2027 budget authority reflected in the State of Kansas budget workbook is a gross statutory figure. Some resources are transferred between City funds for accounting and financing purposes. For example, operating funds transfer resources to the Personnel Benefits Fund to pay their share of employee benefit costs. A transfer therefore appears as an expenditure in one fund and a receipt in another, even though it does not represent additional revenue or additional spending by the City as a whole.

For that reason, total budget authority should not be interpreted as \$20.639 million of new revenue or discretionary spending. Each fund has its own revenues, expenditures, restrictions, and allowable uses.

What the Revenue Categories Mean

Utility Charges, Service Fees & Licenses - \$5.937 million

Includes water and sewer charges, stormwater and recycling fees, Recreation Commission fees, licenses, and other service-related revenues. The largest portion is generated by the Water and Sewer utilities and is dedicated to operating and maintaining those systems.

Sales, Franchise, Guest & Alcohol Taxes - \$4.034 million

Includes General Fund sales and franchise taxes, dedicated street and recreation sales taxes, CID sales tax, transient guest tax, and alcohol-related revenues. Several of these revenues are legally or functionally dedicated to specific purposes.

City Property Taxes - \$3.622 million

Represents the property-tax requirement associated with the proposed 50.271-mill City levy, including the 8.220 mills dedicated to the Abilene Public Library.

Beginning Cash Balances - \$2.894 million

Represents resources carried forward within individual funds from prior years. These balances remain within their respective funds and should not be viewed as a single Citywide cash reserve.

Grants & Intergovernmental Revenues - \$1.799 million

Includes significant FAA and KDOT funding for the Airport project, State gas-tax distributions, KDOT revenues, and other governmental funding.

Other Taxes & Assessments - \$436,566

Includes motor vehicle and related property-tax distributions, delinquent taxes, and special assessments.

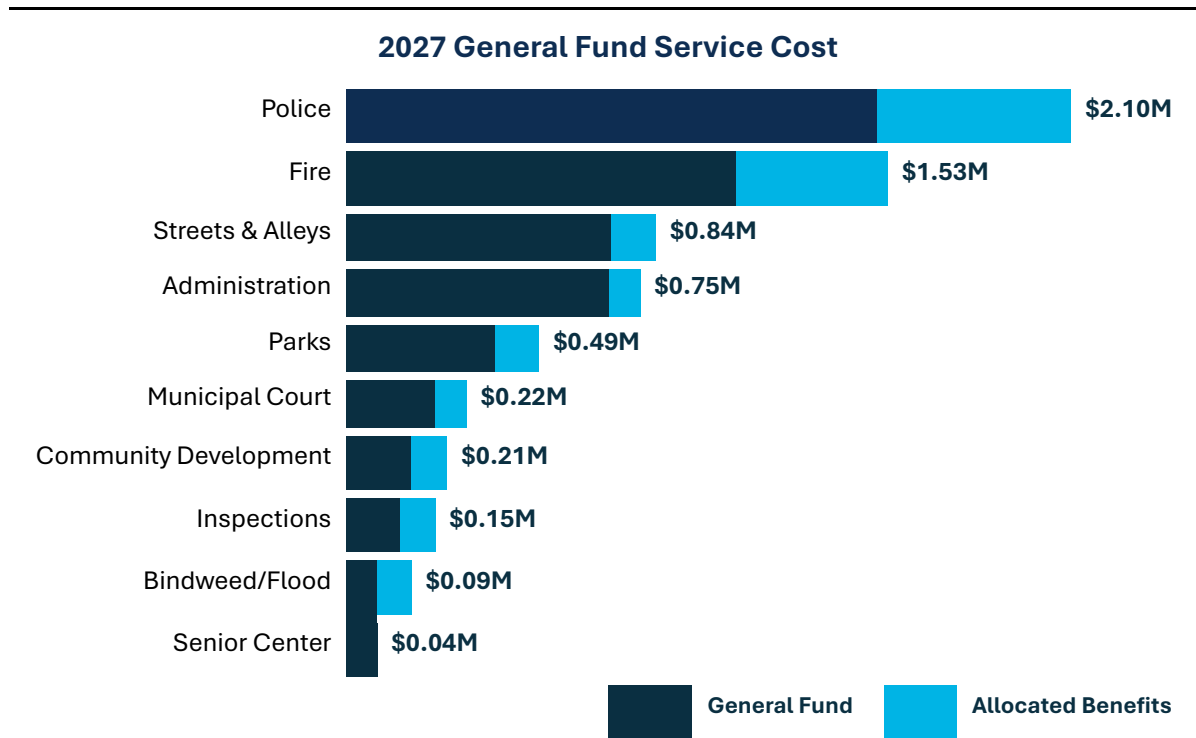
Recreation Commission Property Tax - \$410,935

The Recreation Commission receives property-tax support separately from the City's 50.271-mill levy. Those revenues support Recreation Commission operations and are accounted for within the City budget.

Other Revenues - \$358,150

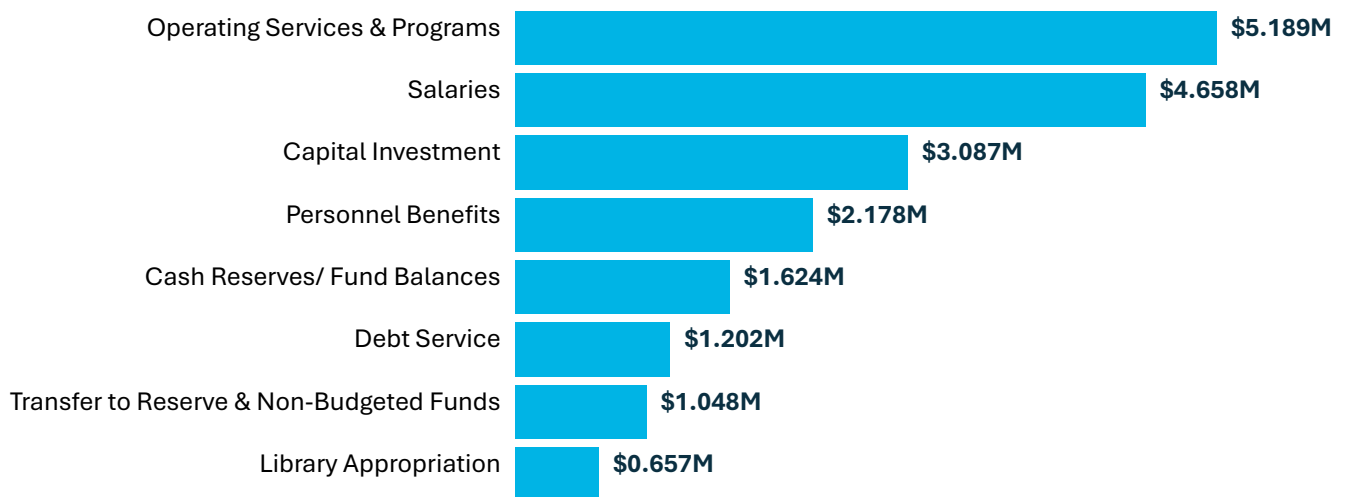
Includes interest, reimbursements, fines and penalties, sale proceeds, and miscellaneous revenues.

Where the Money Goes



Service cost combines General Fund departmental expenditures with separately budgeted allocated employee benefits.

Where 2027 Resources Are Planned To Go



2027 Planned Use	Amount
Operating Services & Programs	\$5,188,779
Salaries	\$4,658,188
Capital Investment	\$3,086,859
Personnel Benefits	\$2,178,073
Cash Reserves / Fund Balances	\$1,623,939
Debt Service	\$1,202,179
Transfers to Reserve & Other Non-Budgeted Funds	\$1,048,435
Library Appropriation	\$656,837
Net Planned Uses	\$19,643,289

What the Spending Categories Mean

Operating Services & Programs - \$5.189 million

Supports contractual services, supplies, commodities, maintenance, community programs, and other day-to-day costs necessary to provide municipal services.

Salaries - \$4.658 million

Represents employee wages and salaries across the City's operating funds. Employee benefits are shown separately.

Capital Investment - \$3.087 million

Includes planned investments in Airport improvements, streets, stormwater, recreation facilities, equipment, and other capital assets. Much of the Airport capital expenditure is supported by outside grant funding rather than property taxes.

Personnel Benefits - \$2.178 million

Includes health insurance/HSA contributions, KPERS and KP&F retirement costs, FICA, workers' compensation, and unemployment costs.

Cash Reserves / Fund Balances - \$1.624 million

Represents amounts remaining within individual funds at the end of the budget calculation rather than being programmed for expenditure. These balances are distributed among multiple funds; they are not equivalent to the General Fund reserve and are not necessarily available for other City purposes.

Debt Service - \$1.202 million

Provides principal and interest payments associated with existing City obligations.

Transfers to Reserve & Other Non-Budgeted Funds - \$1.048 million

Includes transfers used to build or maintain equipment replacement and other designated reserve funds. Unlike transfers between budgeted funds, these transfers move resources into funds that are not otherwise counted within the \$20.639 million budget authority.

Library Appropriation - \$656,837

Represents the amount budgeted for the Abilene Public Library. Library property-tax resources are dedicated to library operations and are not available to fund other City services.

Property Taxes and the Revenue Neutral Rate

Property taxes provide an important source of funding for City services, but they represent only one component of the City's overall financial plan. The proposed 2027 budget requires \$3,621,755 in City ad valorem property taxes, resulting in an estimated levy of 50.271 mills.

The proposed levy is 2.232 mills higher than the 2026 levy of 48.039 mills. The entire increase is attributable to the twenty-seventh bi-weekly payroll that occurs in calendar year 2027.

Understanding the Proposed Levy

	Mills
2026 City Levy	48.039
One-Time 27th Payroll	+2.232
Proposed 2027 City Levy	50.271

The 2.232-mill increase does not add employees, increase employee compensation, or expand City services. It funds an additional bi-weekly payroll that occurs because of the calendar.

Why Is There a 27th Payroll?

Employees paid every two weeks normally receive 26 paychecks during a calendar year. Because a bi-weekly payroll occurs every 14 days, the payroll calendar periodically produces 27 pay dates within one calendar year.

For an hourly employee earning \$19 per hour and working 80 hours per pay period:

Example	Calculation	Annual Pay
Normal 26-payroll year	$\$19 \times 80 \text{ hours} \times 26 \text{ payrolls}$	\$39,520
27-payroll year	$\$19 \times 80 \text{ hours} \times 27 \text{ payrolls}$	\$41,040
Additional 2027 budget requirement		\$1,520

The employee's hourly rate has not changed. The City simply has one additional 80-hour payroll falling within the 2027 calendar year.

Understanding the 50.271 Mills

Component	Mills
Total Proposed 2027 City Levy	50.271
Abilene Public Library	8.220
Remaining City Purposes	42.051

The Library levy is included within the City's total levy but is dedicated to library operations and is not available to fund other City services. The remaining 42.051 mills support the City's other property-tax-funded operations and obligations, including the General Fund, Personnel Benefits, Fire Apparatus, Airport, and Debt Service.

Although the Library levy appears within the City's total mill levy, those dollars are not available for general municipal operations. Under Kansas law, the City levies the property tax required for the Library within applicable legal limitations, and the resulting revenue is dedicated to library purposes.

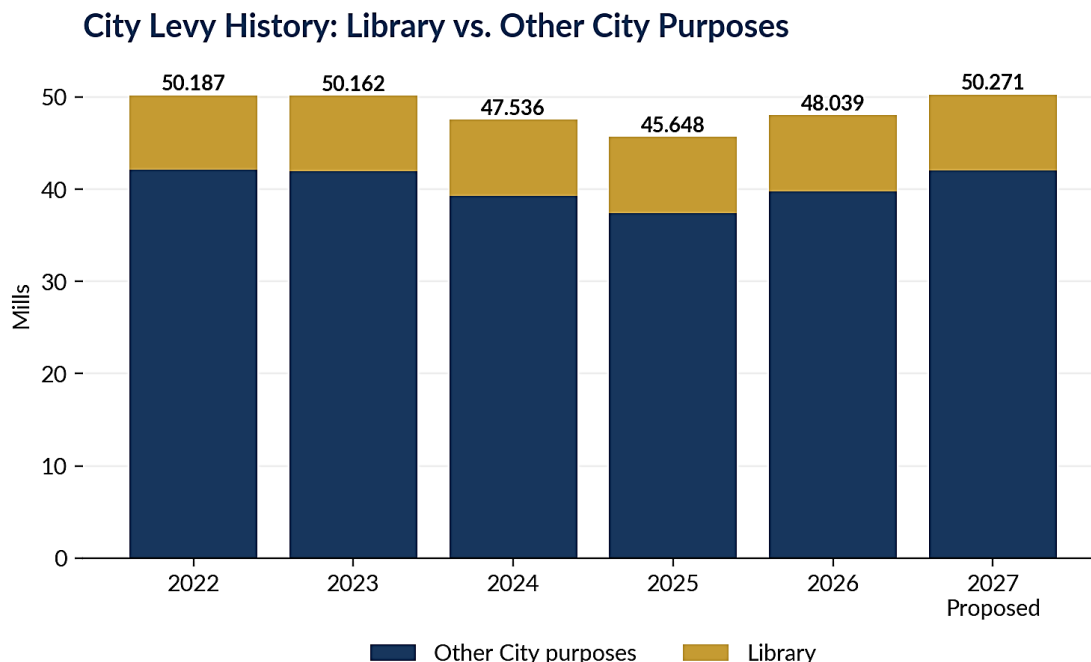
What Is the Revenue Neutral Rate?

The Revenue Neutral Rate, or RNR, is the mill levy that would generate approximately the same property-tax revenue as the prior year using the current year's assessed valuation. When assessed valuation increases, the RNR generally decreases because fewer mills are required to generate the same amount of property-tax revenue.

The RNR is not a spending limit and does not mean an individual property owner's tax bill will remain unchanged. It is a statutory benchmark used to determine whether the taxing subdivision proposes to collect more property-tax revenue than in the preceding year.

2027 Property Tax Measure	Mills
Revenue Neutral Rate	46.463
Proposed City Levy	50.271
Difference	3.808

The Effect of Revenue Neutrality



Abilene adopted revenue-neutral budgets in 2024 and 2025. As assessed valuation increased, the mill levy required to remain revenue neutral declined.

The effect, however, was not distributed equally across the City's property-tax-supported activities. The Abilene Public Library levy remained at approximately 8.22 mills during this period. Because the Library levy is dedicated to library operations, the reduction necessary to maintain the City's overall revenue-neutral position was absorbed by the portion of the levy supporting other City purposes.

Budget Year	Assessed Valuation	Total City Levy	Library Levy	Other City Purposes	RNR Status
2022	\$58,933,906	50.187	8.088	42.099	—
2023	\$61,326,310	50.162	8.221	41.941	—
2024	\$64,838,823	47.536	8.220	39.316	Revenue Neutral
2025	\$67,251,781	45.648	8.219	37.429	Revenue Neutral
2026	\$69,819,107	48.039	8.307	39.732	Not Revenue Neutral
2027 Proposed	\$72,046,428	50.271	8.220	42.051	Not Revenue Neutral

In 2022, 42.099 mills of the City's total levy supported purposes other than the Library. By 2025, that amount had declined to 37.429 mills—a reduction of 4.670 mills, or approximately 11.1 percent.

The City adopted a budget that was not revenue neutral in 2026 as it began addressing its financial condition. The proposed 2027 budget is also not revenue neutral and continues that financial recovery. At 42.051 mills, the proposed levy for purposes other than the Library is approximately the same as it was in 2022.

What Does the Proposed Levy Change Mean for a Homeowner?

The examples below compare the City's 2026 levy of 48.039 mills with the proposed 2027 levy of 50.271 mills using Kansas's 11.5 percent residential assessment rate.

Residential Market Value	2026 City Tax	Proposed 2027 City Tax	Annual Difference	Monthly Difference
\$100,000	\$552.45	\$578.12	\$25.67	\$2.14
\$150,000	\$828.67	\$867.17	\$38.50	\$3.21
\$200,000	\$1,104.90	\$1,156.23	\$51.34	\$4.28
\$250,000	\$1,381.12	\$1,445.29	\$64.17	\$5.35

These examples assume the property's market value remains unchanged and isolate only the effect of the City's proposed 2.232-mill increase. Actual property tax bills may also change because of changes in property valuation and levies established by Dickinson County, USD 435, the State of Kansas, or other taxing jurisdictions.

A Property Tax Calculator is available to estimate the City's portion of property taxes using an individual property's market value. Property owners can obtain property information and current valuation through Dickinson County's online property records.

More detailed information about how property taxes are calculated and distributed among local taxing jurisdictions is available through the City's "Where Your Property Tax Dollars Go" webpage, developed by Kellie Olson.



Scan or select: [Property Tax Estimate Tool](#)

General Fund

The General Fund is the City's primary operating fund and supports many of the services residents interact with every day, including police and fire protection, streets and alleys, parks, community development, inspections, municipal court, the Senior Center, Civic Center, flood maintenance, and general administration.

The proposed 2027 General Fund budget totals \$5,378,609.

Where the Money Goes

The proposed 2027 General Fund provides \$4,965,709 for departmental expenditures, \$173,000 in transfers, and a proposed \$239,900 ending cash reserve.

Service / Department	Proposed 2027
Police	\$1,503,255
Fire	\$1,083,771
Streets & Alleys	\$703,891
Administration	\$622,767
Parks	\$388,281
Municipal Court	\$211,019
Community Development	\$153,265
Inspections	\$124,830
Bindweed & Flood Maintenance	\$76,820
Senior Center	\$35,107
Civic Center	\$34,621
Pool	\$18,082
Land Bank	\$10,000
Departmental Expenditures	\$4,965,709
Transfer Out to Equipment Reserve	\$118,000
Transfer to CVB	\$50,000
Transfer to Risk Management	\$5,000
Ending Cash Reserve	\$239,900
Total General Fund Budget	\$5,378,609

Public Safety and Core Services

Police and Fire account for \$2,587,026, or approximately 52 percent, of departmental General Fund expenditures. When Streets & Alleys is included, those three core service areas account for \$3,290,917, or approximately 66 percent, of departmental General Fund expenditures.

Understanding Departmental Service Costs

Beginning with the 2027 budget, employee benefits are accounted for separately through the Personnel Benefits Fund. As a result, departmental expenditures shown in the General Fund portion of the State budget workbook do not include the employee benefit costs associated with each department.

For informational purposes, the following table associates the separately budgeted benefit costs with the General Fund departments whose employees receive those benefits. These service-cost figures do not represent additional expenditures and will not match the departmental totals shown in the State budget workbook. They combine expenditures reported in two different funds to provide a more complete picture of the resources required to provide each service.

Department / Service	General Fund	Allocated Benefits	2027 Service Cost
Administration	\$622,767	\$127,685	\$750,452
Police	\$1,503,255	\$593,262	\$2,096,517
Fire	\$1,083,771	\$442,786	\$1,526,557
Streets & Alleys	\$703,891	\$134,370	\$838,261
Bindweed & Flood	\$76,820	\$17,757	\$94,577
Parks	\$388,281	\$103,328	\$491,609
Community Development	\$153,265	\$52,821	\$206,086
Inspections	\$124,830	\$24,286	\$149,116
Municipal Court	\$211,019	\$9,891	\$220,910
Senior Center	\$35,107	\$563	\$35,670

The General Fund employee benefit allocations shown above total \$1,506,749. The Personnel Benefits Fund receives \$1,506,147 in property-tax support. Water, Sewer, Stormwater, CVB, the Recreation Commission, and other applicable operations support employee benefit costs through transfers to the Personnel Benefits Fund rather than through the Personnel Benefits property-tax levy.

Civic Center, Pool, and Land Bank expenditures are not included in the service-cost table because no employee benefit allocation is assigned to those General Fund activities.

What Changed for 2027?

The proposed 2027 General Fund continues the reduced operating baseline established as part of the City's financial recovery. It does not restore the Public Works position eliminated in 2025 or the Police Officer position removed from the 2026 budget. Operating accounts remain constrained, and significant equipment and capital needs continue to be deferred.

The separate accounting of employee benefits is also important when comparing departmental expenditures between years. A lower departmental General Fund amount does not necessarily represent a comparable reduction in the total cost of providing that service because employee benefits are now budgeted separately in the Personnel Benefits Fund.

General Fund Financial Position

	2025 Actual	2026 Estimate	2027 Proposed
Beginning Cash	\$1,317,764	\$684,435	\$599,120
Receipts	\$5,557,069	\$6,027,255	\$4,779,489
Available Resources	\$6,874,833	\$6,711,690	\$5,378,609
Expenditures	\$6,190,398	\$6,112,570	\$5,138,709
Ending Cash	\$684,435	\$599,120	\$239,900

The apparent decline in General Fund receipts and expenditures in 2027 is affected by the separate accounting of employee benefits through the Personnel Benefits Fund and should not be interpreted as a comparable reduction in the overall cost of City operations.

The proposed 2027 budget is balanced, but it does not restore the General Fund to the City's adopted reserve standard. The proposed \$239,900 ending balance remains substantially below the approximately \$804,000 minimum reserve identified earlier in this Annual Budget & Financial Plan. The budget also contains no General Fund contingency for unexpected expenditures.

Personnel Benefits Fund

The Personnel Benefits Fund separately accounts for the City's employee benefit costs. Beginning with the 2027 budget, these costs were separated from departmental salaries to improve transparency, tracking, and long-term forecasting. This accounting change did not create a new category of employee compensation; it changed where existing benefit costs are budgeted and reported.

The proposed 2027 Personnel Benefits Fund totals \$2,178,073 and provides for health insurance and HSA contributions, retirement costs, payroll taxes, workers' compensation, unemployment, and other budgeted employee benefit obligations.

What the Fund Pays For

2027 Personnel Benefit	Budget
Health Insurance / HSA	\$912,929
KPERS / KP&F / 457	\$787,407
FICA	\$378,131
Workers' Compensation	\$90,100
Unemployment	\$9,506
Total	\$2,178,073

Health insurance/HSA and retirement costs account for approximately 78 percent of the Personnel Benefits Fund. The retirement category includes the City's required contributions for employees participating in KPERS and KP&F, as well as the budgeted 457 component.

How the Fund Is Financed

Employee benefit costs are assigned to the funds that support the employees receiving those benefits. For General Fund employees, the Personnel Benefits Fund is supported through a property-tax levy. Water, Sewer, and other applicable funds transfer their respective employee benefit costs to the Personnel Benefits Fund rather than relying on that property-tax levy.

\$1.507 million

2027 benefit costs allocated to General Fund departments

Approximately \$672,000

Personnel Benefits funding provided through transfers in from Water and other applicable funds

This structure keeps the cost of enterprise and other fund employees with the funds that support those operations while separately identifying the benefit costs associated with General Fund services.

General Fund Employee Benefits by Department

The following allocation shows where the \$1,506,749 in 2027 General Fund employee benefit costs is associated. These amounts are budgeted in the Personnel Benefits Fund rather than within the departmental totals shown in the General Fund portion of the State budget workbook.

General Fund Department	2027 Benefits
Police	\$593,262
Fire	\$442,786
Streets	\$134,370
Administration	\$127,685
Parks	\$103,328
Community Development	\$52,821
Inspections	\$24,286
Bindweed/Flood	\$17,757
Municipal Court	\$9,891
Senior Center	\$563
Total	\$1,506,749

Police and Fire account for \$1,036,048, or approximately 69 percent, of the benefit costs allocated to General Fund employees. These costs include benefit obligations associated with the City's two largest public-safety operations.

Reading the Personnel Benefits Fund

The Personnel Benefits Fund should not be viewed as an additional layer of staffing or compensation on top of departmental budgets. It is the accounting location from which employee benefits are paid. The General Fund section of this Annual Budget & Financial Plan associates these separately budgeted costs with individual departments for informational purposes so the Commission and public can see a more complete cost of providing each service.

Likewise, the property-tax-supported portion of the Personnel Benefits Fund should not be interpreted as funding benefits for all City employees. Employees assigned to Water, Sewer, and other applicable funds are supported by transfers from those funds.

City Services & Department Profiles

These profiles connect the City's financial plan to the services residents receive. Each profile uses a common format to summarize responsibilities, 2027 priorities, budget context, and selected financial or service information.

Administration Financial Snapshot

Item	2027
General Fund Administration	\$622,767
Allocated Personnel Benefits	\$127,685
2027 Administration Service Cost	\$750,452

The General Fund Administration function includes the City Manager, Finance, City Clerk/Human Resources, and other administrative costs. These costs are reported collectively in the City's budget and are not artificially allocated among the individual administrative profiles below.

City Manager

What We Do

The City Manager is responsible for the administration of all City business and serves as the chief administrative officer under the direction of the City Commission. The City Manager oversees City departments and employees, administers City policies and ordinances, prepares and submits the annual budget, keeps the City Commission advised of the City's financial condition and needs, and makes recommendations concerning the welfare of the City.

2027 Priorities

Financial Recovery & Long-Term Planning: Continue rebuilding the City's financial position through disciplined budgeting, reserve restoration, multi-year capital and equipment planning, and attention to the long-term condition of individual City funds.

Organizational Leadership & Service Delivery: Support department directors and employees in maintaining reliable services while strengthening accountability, communication, collaboration, leadership development, and organizational capacity.

Infrastructure & Community Priorities: Coordinate major infrastructure, development, and community initiatives while providing the City Commission with the information and recommendations necessary to establish priorities and make policy decisions.

2027 Budget / Service Context

The City Manager's Office coordinates an organization operating within a constrained financial environment in which General Fund reserves remain below policy, operating reductions remain in place, and significant capital and equipment needs have been deferred.

2027 Financial Snapshot

Item	2027
Budget Reporting	Included within General Fund Administration
Administration Service Cost	\$750,452 (shared function)

Finance

What We Do

The Finance Department manages the City's day-to-day finances, including budgeting, accounts payable and receivable, investments, debt management, and financial reporting. The department also works with all City departments to track spending, plan for future needs, and manage City funds responsibly.

2027 Priorities

Financial Procedures & Oversight: Continue reviewing and improving internal financial procedures to increase efficiency, consistency, accuracy, and financial oversight.

Reliable Daily Operations: Maintain accurate and timely day-to-day financial operations while providing consistent support to City departments.

Long-Term Financial Planning: Continue balancing immediate financial responsibilities with process improvements, forecasting, and longer-term planning needs.

2027 Budget / Service Context

The Finance Department continues to manage a growing workload with the same staffing level. Day-to-day financial requirements must be completed accurately and on time while staff also work on process improvements and long-term planning. The City Hall boiler/furnace conversion remains a deferred capital need.

2027 Financial Snapshot

Item	2027
Budget Reporting	Included within General Fund Administration
Administration Service Cost	\$750,452 (shared function)

City Clerk / Human Resources

What We Do

The City Clerk/Human Resources function manages payroll and employee benefits, processes open records requests, and maintains official City records, including ordinances and resolutions. The function also oversees workers' compensation claims, property damage claims, and the recording and certification of special assessments for tax collection.

2027 Priorities

Workforce Continuity: Maintain the employee positions necessary to provide the services residents need and expect.

Recruitment & Retention: Support competitive compensation practices that help the City attract and retain qualified employees.

Employee Benefits: Evaluate health insurance and benefit options that support employees while remaining fiscally responsible.

2027 Budget / Service Context

Like Finance, the City Clerk/Human Resources function is managing increasing administrative responsibilities within the existing staffing structure, requiring daily operational demands to be balanced with longer-term workforce and process needs.

2027 Financial Snapshot

Item	2027
Budget Reporting	Included within General Fund Administration
Administration Service Cost	\$750,452 (shared function)

Police

What We Do

The Abilene Police Department protects life and property by enforcing federal, state, and local laws and ordinances. Officers conduct preventive patrol, enforce traffic laws, investigate crimes and accidents, and provide assistance to residents and visitors.

2027 Priorities

Effective Deployment: Deploy agency resources efficiently and effectively while continuing to pursue the department's vision, "To Achieve Excellence Through Professionalism."

Community Education: Continue educating residents about current crime trends and practical ways to reduce victimization.

Technology & Readiness: Maintain the equipment, training, and technology needed to support modern policing and officer safety.

2027 Budget / Service Context

Recruitment and retention of qualified Police Officer candidates, increasing complexity of calls for service, and the acquisition and management of modern policing technologies remain operational challenges. Replacement of Taser conducted-energy weapons has been deferred to at least 2028, extending use of equipment purchased beginning in 2019 beyond its recommended five-year service life.

2027 Financial Snapshot

Item	2027
General Fund Expenditure	\$1,503,255
Allocated Personnel Benefits	\$593,262
2027 Service Cost	\$2,096,517

Fire

What We Do

The Abilene Fire Department protects life, property, and the environment through fire suppression, emergency medical response, motor-vehicle accident response, rescue operations, inspections, prevention, and public education. The department serves Abilene and participates in automatic and mutual aid throughout Dickinson County and with regional partners.

2027 Priorities

Service Readiness: Maintain the department's current level of emergency response while ensuring apparatus and equipment remain operational and ready.

Training & Personnel: Continue fire, EMS, rescue, and other required training while supporting employee retention and the combined paid/volunteer staffing model.

Equipment Replacement: Plan for equipment reaching the end of its service life and maintain the apparatus and protective equipment necessary for safe emergency operations.

2027 Budget / Service Context

Longer-term needs include acquiring land for a future fire station and replacing the Kennedy School storm siren, which dates to the 1950s. Maintaining aging equipment while calls for service increase places additional demands on personnel and available resources.

Service Snapshot

- Paid Staffing: Fire Chief, Assistant Chief, and 9 full-time firefighters
- Volunteer Staffing: 10 volunteer firefighters and 2 volunteer safety officers
- 2025 Calls for Service: 1,318
- City ISO PPC Rating: Class 3
- Average City Response Time: 3 minutes, 12 seconds

2027 Financial Snapshot

Item	2027
General Fund Expenditure	\$1,083,771
Allocated Personnel Benefits	\$442,786
2027 Service Cost	\$1,526,557

Public Works

What We Do

Public Works maintains and improves much of the City's core infrastructure. The department provides safe drinking water; operates wastewater and stormwater systems; maintains streets, traffic signals, signs, and pavement markings; and oversees recycling and related public works functions.

2027 Priorities

Street Improvements: Continue needed street improvements, including pavement surfaces, curbs, signs, and street markings.

Water Service Lines: Continue removal and replacement of aging water service lines in accordance with KDHE lead-service-line inventory and related requirements.

Water & Wastewater Facilities: Continue improvements to aging equipment at the Water Treatment Plant and Wastewater Treatment Plant.

2027 Budget / Service Context

Years of deferred infrastructure maintenance have increased the amount of reactive work required when failures occur. Aging equipment and facilities, combined with emergency responses during evenings and weekends, can create periods when workload exceeds available capacity; continued deferral can also increase the eventual cost of repairs.

2027 Financial Snapshot

Item	2027
Streets & Alleys Service Cost	\$838,261
Bindweed & Flood Service Cost	\$94,577
Water Fund Budget Authority	\$3,120,024
Sewer Fund Budget Authority	\$2,548,434
Stormwater Fund Budget Authority	\$560,823
Recycling Fund Budget Authority	\$144,959

Public Works spans multiple City funds. The figures above are shown by service/fund rather than combined into an artificial departmental total.

Parks & Recreation

What We Do

The Parks & Recreation Department provides recreational opportunities and quality-of-life amenities for residents of all ages through classes, sports leagues, special events, outdoor recreation, fitness activities, and social programs. The department maintains 119 acres of parkland and facilities that include courts, ball diamonds, the Rose Garden, Bandshell, Community Center, Swimming Pool, and Senior Center.

2027 Priorities

- Parks & Grounds: Maintain safe, clean, and accessible parks, grounds, and outdoor amenities.
- Facilities & Equipment: Maintain recreational facilities and equipment and make repairs as available resources allow.
- Programs & Activities: Continue core recreation programs, classes, sports, and community activities without adding special projects in 2027.

2027 Budget / Service Context

Budget constraints have deferred several needs, including a mower and Senior Center equipment/HVAC work. The pool roof has been moved to Recreation Sales Tax funding. In 2027, repairs will be prioritized as resources allow while the department works to maintain existing service levels.

Service Snapshot

Parkland Maintained: 119 acres

2027 Financial Snapshot

Item	2027
Parks General Fund Service Cost	\$491,609
Senior Center Service Cost	\$35,670
Pool General Fund Expenditure	\$18,082
Recreation Sales Tax Budget Authority	\$651,241

Community Development

What We Do

Community Development oversees planning, zoning, building codes, permitting and inspections, code enforcement, development review, historic preservation, and neighborhood revitalization. The department helps guide development and coordinates regulatory processes that affect the City's growth, property conditions, and community well-being.

2027 Priorities

- Development Review & Coordination: Support major projects and new development through the Development Review Team, bringing relevant City staff together with developers to streamline review and coordination.
- Housing & Economic Development: Continue working with Heartland Housing Partners on Golden Belt Heights and with DKEDC on inquiries and opportunities involving new businesses and development.
- Process Improvement & Code Enforcement: Continue identifying opportunities to streamline processes, improve efficiency, and address property and nuisance concerns with available staff capacity.

2027 Budget / Service Context

The demolition budget has again been reduced for 2027, increasing the importance of grants and cost-sharing arrangements with property owners. Code enforcement is currently largely complaint-driven because existing staff capacity does not allow daily proactive field coverage.

Item	2027
Community Development Service Cost	\$206,086
Inspections Service Cost	\$149,116
Combined Service Cost	\$355,202

2027 Financial Snapshot

Community Development and Inspections are reported separately in the General Fund; both are shown here because they operate within the Community Development function.

Convention & Visitors Bureau

What We Do

The Abilene Convention & Visitors Bureau promotes Abilene as a travel destination to attract visitors, increase overnight stays, and generate visitor spending in the community. The CVB also operates the state-designated Travel Information Center and provides visitor information, group services, public relations, tourism partnerships, and tourism development support.

2027 Priorities

- Destination Marketing: Continue promoting Abilene through advertising, digital marketing, public relations, and other strategies designed to attract visitors, increase overnight stays, and generate visitor spending.
- Visitor Services: Operate the state-designated Travel Information Center and provide visitor information, visitor-guide fulfillment, and assistance to individual travelers, groups, and the travel trade.

- Tourism Development & Partnerships: Work with local attractions, businesses, and tourism partners to develop and promote visitor experiences, pursue tourism development opportunities, and strengthen Abilene as a destination.

2027 Budget / Service Context

The CVB operates with 1.5 employees, requiring careful prioritization of workload, programs, and available resources. Fluctuations in Transient Guest Tax collections can affect the timing and scope of marketing, tourism development, and other discretionary activities.

2027 Financial Snapshot

Item	2027
CVB Budget Authority	\$294,775
Transient Guest Tax Revenue	\$200,000
Transfer In from General Fund	\$50,000
Transfer Out to Personnel Benefits Fund	\$20,146
Employees	1.5

Capital, Equipment & Infrastructure

Capital investment is necessary to maintain City facilities, vehicles, equipment and infrastructure over time. The proposed 2027 budget continues selected investments across several funds, while financial constraints require other identified needs to remain deferred.

Capital funding is not limited to the General Fund. Water, Sewer, Street Sales Tax, Recreation Sales Tax, Stormwater, Airport and other dedicated funds support projects and equipment associated with their respective purposes. As a result, the City's capital program must be viewed across funds rather than as a single General Fund expenditure.

2027 Capital Investment

\$3.087 million

Planned capital investment across the 2027 budget

The proposed budget includes approximately \$3.087 million in capital investment across the City's budgeted funds. This includes Airport improvements, streets, stormwater, recreation facilities, equipment and other capital assets. A significant portion of the Airport capital program is supported by federal and state grant funding and is restricted to eligible Airport purposes.

The presence of capital investment in the overall budget does not mean all identified capital needs are being funded. Dedicated revenues, grant restrictions, and the financial condition of individual funds determine what can be advanced in a given year.

General Fund-Supported Equipment

\$118,000

Proposed General Fund transfer for equipment replacement

2027 Equipment	Amount	Status
Street Sweeper	\$68,000	Existing lease-purchase obligation
Police Vehicle	\$50,000	Scheduled vehicle replacement
Total	\$118,000	

The \$68,000 street sweeper payment is an existing lease-purchase obligation and cannot be deferred. As a result, \$50,000 of the proposed General Fund Equipment Reserve funding provides for a new equipment purchase in 2027.

Identified Capital Projects Deferred

\$795,000

Identified capital projects postponed to future years

Project	Amount	Current Status
City Hall roof replacement	\$500,000	Deferred to 2028
Parks shop expansion	\$75,000	Deferred to 2030
City Hall furnaces/boiler conversion	\$60,000	Deferred to 2028
Library main level / 3rd floor HVAC	\$60,000	Deferred to 2028
Public Works roof	\$50,000	Previously deferred; becoming an emergency expense
Walkability Study	\$40,000	Deferred to 2028
Senior Center HVAC	\$10,000	Deferred to 2028
Total	\$795,000	

The pool roof is not included as a deferred project because its funding was moved to the Recreation Sales Tax.

Identified Equipment Deferred

\$553,000

Identified equipment needs postponed to 2028

Equipment	Amount
Single-axle dump truck	\$150,000
Police Tasers*	\$100,000
Parks & Recreation sprayer	\$60,000
Public Works vehicle	\$55,000
Crack sealer	\$50,000
Replacement 2002 Ford F-250	\$40,000
Tornado siren	\$38,000
Parks & Recreation mower	\$30,000
Parks & Recreation Gator	\$15,000
Asphalt planer	\$15,000
Total	\$553,000

*Police Tasers were planned as a five-year lease at approximately \$20,000 annually. The \$100,000 shown represents the underlying equipment cost.

Deferred Does Not Mean Eliminated

A deferred project or equipment purchase remains an identified need that will have to be addressed in a future budget. Deferral reduces the immediate financial requirement, but it also extends the use of existing facilities, infrastructure, vehicles and equipment.

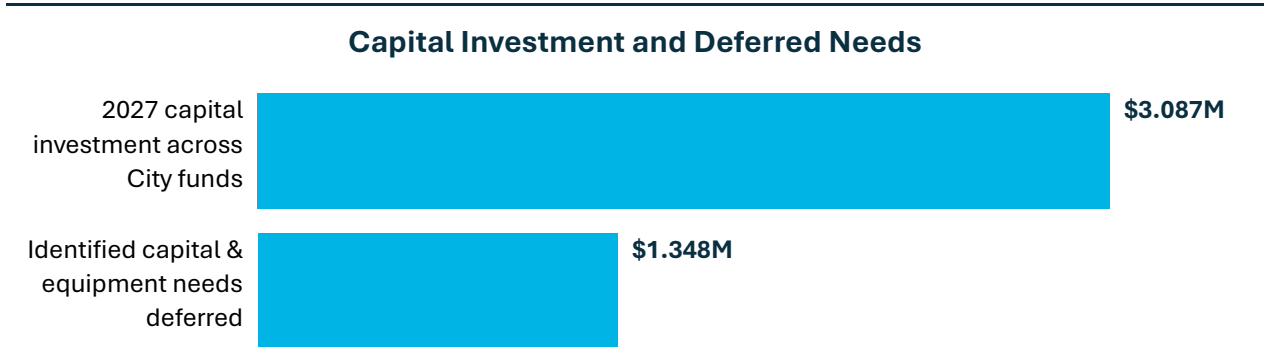
The Public Works roof provides a current example. After being deferred for several years, its condition is now reaching the point where the work is becoming an emergency expense rather than a planned capital project.



Storm sewer failure at NW 5th Street and Broadway. Aging underground infrastructure can remain out of sight until a failure requires immediate repair.

Much of the City's infrastructure remains underground and out of sight until a problem develops. The damaged storm sewer at NW 5th Street and Broadway is one example of the aging infrastructure the City will increasingly need to address. Planned maintenance and replacement provide the City greater ability to manage those costs than responding to failures after they occur.

2027 Capital Program in Perspective



\$3.087 million

Capital investment included in the proposed 2027 budget

\$1.348 million

Identified capital and equipment needs currently deferred

These figures are not competing totals. The \$3.087 million represents capital investment that can proceed in 2027 through the funding available within the applicable funds, including dedicated revenues and grant-supported projects. The \$1.348 million represents other identified needs that financial constraints have required the City to postpone.

The proposed 2027 budget continues necessary investment where funding is available while recognizing that the City's capital and equipment backlog remains. Restoring the City's ability to plan and fund replacement before facilities, infrastructure and equipment reach failure remains an important part of long-term financial recovery.



For current project information, scan or select: [City Projects & Updates](#)

Water, Sewer & Stormwater

Water, Sewer and Stormwater are accounted for separately from the General Fund because each service has its own dedicated revenues, operating requirements, infrastructure needs and financial condition. Property taxes are not used to support these three funds in the proposed 2027 budget. Water and Sewer are supported primarily by charges for service, while Stormwater is supported primarily by the City's stormwater utility fee and accumulated fund balance.

These revenues cannot simply be treated as General Fund resources. They support the operation, maintenance, debt, employee costs, equipment, and capital needs associated with their respective systems.

2027 Utility Fund Overview

Fund	2027 Budget Authority	Primary Revenue Source	Property Tax
Water	\$3,120,024	Water service charges	None
Sewer	\$2,548,434	Sewer service charges	None
Stormwater	\$560,823	Stormwater utility fees	None

Water

The Water Fund is supported primarily by charges for water service. The proposed 2027 budget anticipates \$2.920 million in charges for service, together with sales tax, penalties, reimbursements and other receipts.

Water Fund expenditures support well production and the Water Treatment Plant, water distribution, administration, debt service, employee benefits and equipment replacement. The proposed budget includes a \$735,000 transfer to the Water Equipment Reserve Fund, continuing the effort to build resources for future equipment and system needs.

Selected 2027 Water Commitment	Amount
Charges for Service	\$2,920,000
Debt Service	\$62,715
Transfer Out to Water Equipment Reserve	\$735,000
Transfer Out to General Fund / Risk Management	\$122,872
Transfer Out to Personnel Benefits Fund	\$280,769

Water employees' benefit costs are supported by Water Fund revenues through a transfer to the Personnel Benefits Fund rather than through the City's property-tax levy. This is one example of why the Personnel Benefits Fund should not be interpreted as entirely property-tax supported.

Multi-year water rate adjustments adopted by the City Commission are intended to better align utility revenues with the ongoing cost of operating, maintaining and reinvesting in the water system. Even with those adjustments, long-term financial planning remains important because utility infrastructure and equipment require substantial recurring investment.

Sewer

\$2.462 million

Projected 2027 Sewer Fund receipts

The Sewer Fund is supported primarily by charges for wastewater service. The proposed 2027 budget anticipates \$2.452 million in charges for service and \$10,000 in reimbursed expenses.

Sewer expenditures support the collection system, Wastewater Treatment Plant, administration, debt service, employee benefits, and future equipment replacement.

Selected 2027 Sewer Commitment	Amount
Charges for Service	\$2,452,000
Debt Service	\$553,030
Transfer Out to Sewer Equipment Reserve	\$210,000
Transfer Out to General Fund / Risk Management	\$106,072
Transfer Out to Personnel Benefits Fund	\$256,399

As with Water, Sewer employee benefit costs are supported through Sewer Fund revenues and transferred to the Personnel Benefits Fund rather than being supported by the Personnel Benefits property-tax levy.

The City Commission has also adopted multi-year sewer rate adjustments intended to better align revenues with the operating, maintenance, debt and capital requirements of the wastewater system.

Stormwater

\$560,823

2027 Stormwater budget authority

The Stormwater Fund is supported primarily by stormwater utility charges and accumulated fund balance. The proposed 2027 budget anticipates \$68,000 in stormwater fee revenue.

Selected 2027 Stormwater Commitment	Amount
Stormwater Charges	\$68,000
Capital Outlay	\$175,000
Transfer Out to General Fund	\$5,034
Transfer Out to Personnel Benefits Fund	\$6,829
Projected Cash Reserve	\$281,536

The proposed budget provides \$175,000 in capital authority for stormwater improvements. Stormwater infrastructure is often underground and largely unnoticed until a failure occurs, making planned inspection, maintenance, and replacement particularly important.

The projected \$281,536 Stormwater cash reserve remains within the Stormwater Fund. It should not be viewed as General Fund cash or as a resource available for unrelated City operations.

Utility Funds and Financial Recovery

The City's financial recovery is not limited to the General Fund. In 2025 and 2026, planned transfers from Water, Sewer and other funds were reduced, delayed or made incrementally when necessary to protect operating cash. Those actions preserved short-term liquidity but also delayed the accumulation of resources intended for equipment and future capital needs.

The proposed 2027 budget continues to move toward a more sustainable utility structure by matching operating revenues with system costs, funding employee benefits from the appropriate operating funds, and rebuilding equipment reserves where resources permit.

The objective is not simply to balance one budget year. Water, Sewer and Stormwater systems must generate sufficient resources over time to operate reliably, maintain aging infrastructure, meet regulatory requirements and replace major equipment and assets before failures force emergency expenditures.

Dedicated Revenue & Special-Purpose Funds

Several City funds are supported by revenues that are dedicated to a particular service, project, or statutory purpose. These resources are included in the City's overall budget, but they are not interchangeable with General Fund revenues. A strong balance or significant expenditure in one of these funds does not mean those dollars can be redirected to general operations.

The proposed 2027 budget includes dedicated sales taxes, state highway distributions, transient guest tax, alcohol tax, Community Improvement District revenues, grant-supported Airport improvements, and a separate Fire Apparatus Fund. Understanding these funds helps explain why the City's total budget can include substantial activity even while the General Fund remains financially constrained.

Street & Transportation

Fund	2027 Budget Authority	2027 Revenue / Resource	Primary 2027 Use
Street Sales Tax	\$575,550	\$440,000 sales tax + \$135,550 beginning cash	\$440,000 capital outlay
Special Highway	\$726,154	\$254,950 state/KDOT/reimbursement receipts + \$471,204 beginning cash	\$162,000 programmed expenditures; \$564,154 reserve

The Street Sales Tax Fund provides a dedicated source for street capital improvements. The Special Highway Fund receives state gas-tax and KDOT-related revenues for eligible street and transportation purposes. These resources support transportation needs and cannot simply be redirected to unrelated General Fund operations.

The \$564,154 shown as a 2027 Special Highway reserve remains within that fund for eligible transportation purposes. It is not equivalent to the City's General Fund reserve.

Recreation Sales Tax

\$651,241

2027 Recreation Sales Tax budget authority

The Recreation Sales Tax Fund begins 2027 with an estimated \$251,241 and anticipates \$400,000 in sales-tax revenue. The proposed budget provides the full \$651,241 for capital outlay.

This fund supports recreation-related capital investment. Its dedicated revenue allows eligible recreation projects to proceed without relying on the General Fund. The pool roof, for example, was moved from the deferred General Fund capital list to Recreation Sales Tax funding.

Community Improvement District (CID)

\$366,958

2027 CID Sales Tax budget authority

2027 CID Resource / Use	Amount
Beginning Cash	\$76,958
CID Sales Tax	\$290,000
Reimbursements to Participants	\$275,000
City's 2% Administrative Fee	\$5,191
Projected Fund Reserve	\$86,767

CID sales tax is generated within participating Community Improvement Districts and is used in accordance with the applicable district agreements. In 2027, most programmed CID spending - \$275,000 - represents reimbursements to participating property owners or businesses rather than general City operations.

The City's proposed administrative fee is \$5,191. The presence of \$366,958 in CID budget authority therefore should not be interpreted as \$366,958 available for discretionary City spending.

Convention & Visitors Bureau

\$294,775

2027 CVB budget authority

The Convention & Visitors Bureau is supported primarily by the transient guest tax, together with service revenues, reimbursements, and a \$50,000 transfer from the General Fund. The proposed 2027 budget anticipates \$200,000 in transient guest tax revenue.

Selected 2027 CVB Item	Amount
Transient Guest Tax	\$200,000
Transfer In from General Fund	\$50,000
Salaries	\$119,219
Commodities	\$100,750
Contractual	\$26,000
Capital Outlay	\$24,000
Transfer Out to Personnel Benefits Fund	\$20,146

Transient guest tax revenues are associated with tourism and convention-related purposes. The CVB also supports the employee benefits attributable to its staff through a transfer to the Personnel Benefits Fund.

Airport

\$1.722 million

2027 Airport budget authority

The Airport is a good example of why total budget authority should not be equated with locally generated discretionary revenue. Because FAA grant funding for the T-hangar project crosses multiple years, the proposed 2027 Airport budget provides expenditure authority for the full anticipated project cost in the event those project payments are required during 2027. The budget includes approximately \$1.637 million in FAA and KDOT grant funding for eligible Airport improvements. Providing this authority increases the Airport's 2027 budget authority but does not increase the City's property-tax requirement.

Selected 2027 Airport Item	Amount
FAA & KDOT Grants	\$1,636,700
Property Tax Support	\$54,288
Capital Outlay	\$1,636,700
Transfer Out to Equipment Reserve	\$2,000

Most Airport capital activity is therefore supported by outside grant funding that must be used for eligible Airport purposes. The proposed property-tax requirement is \$54,288, while grant-supported capital improvements account for the overwhelming majority of the fund's 2027 activity.

Fire Apparatus

\$238,554

2027 Fire Apparatus budget authority

Selected 2027 Fire Apparatus Item	Amount
Property Tax Support	\$173,333
Principal & Interest	\$155,554
Bunker Gear	\$28,000
Wildland Resources	\$5,000
Capital Outlay	\$50,000

The Fire Apparatus Fund separately accounts for major fire equipment and related obligations. Keeping these costs outside the General Fund makes the long-term cost of apparatus, protective equipment, and associated debt more visible.

Alcohol Tax Funds

Fund	2027 Budget Authority	2027 Alcohol Tax	Programmed Use
Special Parks & Recreation	\$88,023	\$14,000	\$11,000 capital outlay; \$3,000 Tree Board
Special Alcohol & Drug	\$30,353	\$14,000	\$25,000 awards and contributions

Kansas alcohol-tax distributions are accounted for in separate funds and used for the purposes associated with those revenues. The proposed budgets also include accumulated balances carried forward within each fund.

Why Dedicated Funds Matter

Dedicated and special-purpose revenues allow the City to fund eligible streets, recreation improvements, tourism activities, Airport projects and other specific needs without placing the entire cost on the General Fund or property-tax levy. At the same time, the restrictions attached to those revenues limit the City's ability to use them to solve unrelated operating or reserve shortfalls.

A dollar in the City budget is not necessarily a dollar available for any City purpose. The source of the revenue, the fund in which it is accounted for, and any legal, contractual, or policy restrictions determine how it may be used.

Other Budgeted Funds

The remaining budgeted funds account for specific obligations or activities that do not require the same level of discussion as the City's major operating, utility, and dedicated-revenue funds. They remain part of the City's overall financial plan and are included in the \$20.639 million gross statutory budget authority.

Fund	2027 Budget Authority	Purpose
Recreation Commission	\$908,481	Separate recreation operations supported by Recreation Commission property tax, fees, and other revenues.
Library	\$656,837	Appropriation for Abilene Public Library operations; includes property-tax resources dedicated to library purposes.
Debt Service	\$430,880	Accounts for principal and interest obligations supported through the City's debt-service levy and other available resources.
Recycling	\$144,959	Supports Recycling Center operations through fees, other revenues, and available fund balance.
Capital Improvement	\$18,918	Accounts for remaining resources available for authorized capital improvement purposes.

Recreation Commission

The Recreation Commission is included within the City's statutory budget but has its own operating revenues and property-tax support. Its property-tax requirement is separate from the City's proposed 50.271-mill levy. Recreation Commission resources support its programs and operations and are not available for general City purposes.

Library

The proposed Library budget authority is \$656,837. As discussed earlier, the Library's property-tax levy is included within the City's total 50.271 mills. Still, the resulting revenue is dedicated to library operations and is not available to fund other City services.

Debt Service

The Debt Service Fund provides for principal and interest associated with existing City obligations. Debt payments also appear within certain enterprise and special-purpose funds when the underlying obligation is attributable to those activities. The City's overall debt commitments therefore extend beyond the expenditures shown in this individual fund.

Recycling

The Recycling Fund continues to require close financial monitoring. The fund has relied on accumulated reserves, and planned transfers to Equipment Reserve have previously been delayed because of its financial condition. The proposed 2027 budget maintains recycling operations while preserving available resources within the fund.

Capital Improvement

The Capital Improvement Fund has \$18,918 in 2027 budget authority. Most of the City's current capital activity is accounted for through other dedicated, enterprise, grant-supported, or reserve funds rather than through this fund.

Together, these funds reinforce a recurring theme of the 2027 budget: the City's total budget is made up of many separate funds, each with its own revenues, obligations, and allowable uses. The overall budget total cannot be viewed as a single pool of discretionary resources.

Closing Financial Outlook

The proposed 2027 budget continues the City's financial recovery. Actions beginning in 2025 stabilized an immediate financial problem by reducing the operating baseline, eliminating positions, limiting expenditures, delaying transfers, and postponing capital and equipment needs. Those actions improved the City's short-term position but did not eliminate the underlying needs.

Where the City Stands

The proposed budget maintains existing municipal services within a constrained operating structure. The Public Works position eliminated in 2025 and the Police Officer position removed from the 2026 budget are not restored. Approximately \$395,000 in identified operating reductions remain part of the City's financial recovery, and approximately \$1.348 million in identified capital and equipment needs remain deferred.

\$239,900

Proposed 2027 General Fund ending reserve

The proposed General Fund ending balance remains substantially below the City's adopted reserve policy, which calls for reserves equal to 15% to 25% of General Fund revenues. The proposed budget also contains no General Fund contingency for unexpected expenditures.

What the 2027 Budget Accomplishes

Despite those constraints, the proposed budget continues essential services and selected investment. It provides approximately \$3.087 million in capital investment across the City's various funds, supports scheduled equipment replacement, continues grant-supported Airport improvements, provides dedicated funding for streets and recreation, and continues transfers to utility equipment reserves.

The budget also continues the multi-year effort to place Water and Sewer operations on a more sustainable financial footing. Employee benefit costs are more clearly identified through the Personnel Benefits Fund. At the same time, utilities and other applicable funds support the benefits associated with their employees through transfers rather than shifting those costs to the property-tax levy.

The 27th Payroll Is Temporary; Other Challenges Are Not

The proposed 2.232-mill increase from the 2026 levy is attributable to the twenty-seventh bi-weekly payroll occurring in calendar year 2027. That requirement is one-time in nature and does not represent additional positions, increased employee pay rates, or expanded City services.

The City's longer-term financial challenges are different. Aging infrastructure, deferred facility maintenance, equipment replacement, operating cost increases, reserve restoration and the need to maintain competitive compensation will continue beyond 2027. Addressing those needs will require continued financial discipline, multi-year planning and decisions that balance available resources with the level of service the community expects.

Recovery Is a Multi-Year Process

Financial recovery cannot be measured by whether a single annual budget balances. A balanced budget can still defer necessary maintenance, postpone equipment replacement, or rely on reserves that are below policy. Long-term financial stability requires the City to rebuild the capacity to absorb unexpected costs, replace assets on a planned schedule, and address infrastructure before failures require emergency expenditures.

The proposed 2027 budget continues that process. It does not restore every reduction made since 2025, fund every identified need or return the General Fund reserve to policy. Instead, it maintains the reduced operating baseline, directs available resources toward existing services and selected priority investments, and continues the work of rebuilding financial capacity.

Looking Beyond 2027

Future budgets will need to continue evaluating the City's reserve position, deferred capital and equipment schedule, utility financial condition, infrastructure needs and service levels. As deferred items move into future years, the City will also need to distinguish between projects that can continue to wait and those for which further delay increases cost, operational risk or the likelihood of emergency failure.

The proposed 2027 budget should therefore be viewed as a step in the City's recovery, not the completion of it. The objective remains to provide reliable services today while rebuilding the financial capacity necessary to maintain the City's people, facilities, equipment and infrastructure for the future.



For City budgets, financial statements, and finance resources, scan or select:

[City Finance & Budget Information](#)



City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Consider approval of Resolution 091426-1, A RESOLUTION OF THE CITY OF ABILENE, KANSAS, APPROVING THE LEVY OF A PROPERTY TAX RATE EXCEEDING THE REVENUE NEUTRAL RATE.

Department: Administration

Staff Contact: Jon Quinday, Interim City Manager, Kelsey Briand, Finance Director

Background: The City's 2027 Revenue Neutral Rate is 46.463 mills. The proposed 2027 budget requires a property tax levy of 50.271 mills. Because the proposed levy exceeds the Revenue Neutral Rate, the Governing Body must approve a resolution authorizing the City to exceed the Revenue Neutral Rate before proceeding with adoption of the proposed 2027 budget.

The proposed 50.271-mill levy is 2.232 mills higher than the 48.039-mill levy adopted for 2026, with the entire increase attributable to the twenty-seventh bi-weekly payroll occurring in calendar year 2027. Excluding the twenty-seventh payroll, the proposed 2027 levy would remain at 48.039 mills.

Resolution No. 091426-1 authorizes the Governing Body to exceed the Revenue Neutral Rate and directs the City Manager and City Clerk to take the actions necessary to certify the City's ad valorem tax levy in accordance with the budget to be adopted by the Governing Body.

Following consideration of Resolution No. 091426-1, the City Commission will separately conduct the required public hearing on the proposed 2027 budget.

Funding Source: Ad Valorem Tax

City Attorney Review: N/A

Options: 1. Approve Resolution No. 091426-1, authorizing the City to exceed the Revenue Neutral Rate and proceed with consideration of the proposed 2027 budget and property tax levy of 50.271 mills.

2. Do not approve Resolution No. 091426-1. Without approval of the resolution, the City cannot adopt the proposed 2027 budget with a property tax levy exceeding the Revenue Neutral Rate. The budget and property tax levy would need to be revised accordingly before adoption.

Recommendation: Approve Resolution No. 091426-1, authorizing the City to exceed the Revenue Neutral Rate

Roll Call Vote

A Roll Call Vote of the City of Abilene to Levy a Property Tax Exceeding the
Revenue Neutral Rate

Hearing to Exceed Revenue Neutral Rate held on

September 14, 2026 @ 4pm

Resolution No. 091426-1

Governing Body Member	Yes	No	No Vote
Commissioner Amy Meysenburg			
Commissioner Cy Taylor			
Commissioner Debbie Lytle			
Commissioner John Kollhoff			
Mayor Brandon Rein			
TOTAL			

Certified:

RESOLUTION NO. 091426-1

A RESOLUTION OF THE CITY OF ABILENE, KANSAS, APPROVING THE LEVY OF A PROPERTY TAX RATE EXCEEDING THE REVENUE NEUTRAL RATE.

WHEREAS, the budget proposed by the Governing Body of the City of Abilene, Kansas (the “City”), requires the levy of a property tax rate exceeding the Revenue Neutral Rate; and

WHEREAS, the Governing Body of the City held a hearing on September 14, 2026, allowing all interested taxpayers desiring to be heard an opportunity to give oral testimony; and

WHEREAS, the Governing Body of the City, having conducted a public hearing, desires to adopt a budget that requires the levy of a property tax rate exceeding the Revenue Neutral Rate.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ABILENE, KANSAS, AS FOLLOWS:

Section 1. The Governing Body of the City hereby approves exceeding the Revenue Neutral Rate of 46.463 mills and directs the City Manager and City Clerk to take action necessary to exceed the Revenue Neutral Rate.

Section 2. The Governing Body of the City hereby directs the City Manager or his designee to certify to the County Clerk the amount of ad valorem tax to be levied by the City in accordance with the budget to be adopted by the Governing Body.

Section 3. This Resolution shall be in full force and effect from and after its adoption.

Passed and approved by the Governing Body of the City of Abilene, Kansas, on this 14th day of September 2026.

{SIGNATURE PAGE FOLLOWS}

Brandon Rein, Mayor

ATTEST:

Shayla L. Mohr, CMC, City Clerk



City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Public Hearing for the purpose of hearing and answering objections of taxpayers related to the proposed use of funds and the amount of Ad Valorem Tax for the proposed 2027 Budget.

Department: Administration

Staff Contact: Jon Quinday, Interim City Manager, Kelsey Briand, Finance Director

Background: The proposed 2027 budget represents the second full budget year of the City's long-term financial recovery strategy and builds on the financial stabilization measures implemented in 2025 and continued in the 2026 budget. It does not restore the staffing and spending reductions implemented during that period. The Public Works position eliminated in 2025, and the Police Officer position removed from the 2026 budget remain eliminated. Approximately \$395,000 in identified operating expenditure reductions remain part of the City's financial recovery, and significant capital, equipment, maintenance, and infrastructure needs continue to be deferred.

The proposed budget provides for day-to-day City operations at a constrained operating level, but continues reduced maintenance funding levels and does not restore many of the capital, equipment, and maintenance needs that have been deferred. General Fund reserves remain substantially below the level established by City policy, and the budget provides little capacity for contingencies, unexpected expenditures, or additional investment in deferred needs. In that respect, the proposed budget represents continued stabilization rather than a return to a financially sustainable operating position.

The proposed budget requires \$3,621,755 in City property taxes and is based on a total property tax levy of 50.271 mills. Of that amount, 42.051 mills support City operations and other City obligations, while 8.220 mills are dedicated to the Abilene Public Library and are not available for other City purposes. The proposed levy is 2.232 mills higher than the 48.039-mill levy adopted in 2026, with the entire increase attributable to the twenty-seventh bi-weekly payroll occurring in calendar year 2027. The 2.232-mill increase does not add employees, increase employee pay rates, or expand City services; it funds the existing workforce for the additional bi-weekly payroll occurring because of the calendar. Excluding the twenty-seventh payroll, the proposed budget maintains the same 48.039-mill total levy adopted in 2026.

The City Commission has reviewed the proposed 2027 budget over the course of several months through a series of public budget discussions and presentations, including fund-by-fund review

of City operations, revenues, expenditures, personnel costs, capital and equipment needs, reserves, and property tax requirements. The complete proposed 2027 budget was presented to the City Commission at its August 24, 2026 regular meeting. No changes to the proposed budget were requested or directed by the City Commission following that presentation.

The proposed budget is presented through two complementary documents. The 2027 Proposed State Budget Forms provide the statutory budget information used to establish expenditure authority and property tax requirements. The 2027 Proposed Annual Budget & Financial Plan provides greater context by connecting the financial information to City services, staffing, capital and equipment needs, property taxes, reserves, and the City's ongoing financial recovery. The Annual Budget & Financial Plan was provided with the preceding Revenue Neutral Rate public hearing agenda item, while the State Budget Forms are provided with the subsequent agenda item for consideration of adoption of the 2027 budget.

This agenda item is for the required public hearing for the purpose of hearing and answering objections of taxpayers related to the proposed use of funds and the amount of ad valorem tax for the proposed 2027 budget. The City Commission will open the public hearing, receive comments and objections from taxpayers, and then close the public hearing. Following the close of the hearing, the City Commission will separately consider the ordinance adopting the 2027 budget.

Funding Source: Various City Funds and Revenue Sources

City Attorney Review: N/A

Options: Hold the Budget hearing as required by law and consider the Budget Ordinance 26-3488

Recommendation: 1. Hold the Budget hearing

- a. Open the 2027 Budget public hearing for any comments from the public, then;
- b. Close the 2027 Budget public hearing
- c. Adopt Ordinance 26-3488 adopting and appropriating the 2027 Annual Budget of the City of Abilene.

RESOLUTION NO. 021411

**A RESOLUTION ADOPTING THE CITY OF ABILENE'S GENERAL
FINANCIAL AND BUDGETARY POLICIES.**

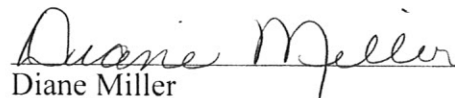
BE IT RESOLVED by the Governing Body of the City of Abilene, Kansas that:

Section 1. ADOPTION. That the General Financial and Budgetary Policies of the City of Abilene, Kansas, as set forth in the document of the same name and dated February 2011, are hereby adopted and approved as the City's official General Financial and Budgetary Policies, and shall take effect on February 14, 2011.

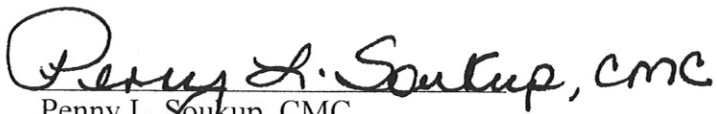
Section 2. EFFECTIVE DATE. That this resolution shall be in full force and effect after its adoption February 14, 2011.

Adopted by the Governing Body of the City of Abilene, Kansas, this 14th day of February, 2011.




Diane Miller
Mayor

ATTEST:


Penny L. Soukup, CMC
City Clerk

General Financial and Budgetary Policies

City of Abilene, Kansas

February 2011

Accounting, Auditing, Financial Reporting Policy

- A. The City will establish and maintain accounting records in such a manner that reports may be issued on a basis consistent with Kansas State Law, and each year the City Commission shall adopt a resolution waiving the requirement that financial reports be prepared to Generally Accepting Accounting Principle (GAAP) standards. The City elects to use the cash basis and statutory basis of accounting.
- B. The City will contract for an annual independent audit of City accounting records. The audit shall be conducted in accordance with the Federal Single Audit Act, if required, and shall provide an opinion on the City's Annual Financial Statements.
- C. The City will comply with all financial reporting requirements set forth in Kansas law.
- D. The City will identify and implement less formal methods than the annual budget documents and the audited financial reports to provide important financial data to the citizens of the community. Efforts will be made to provide these "popular reports" via print and electronic media.
- E. The City Manager will provide the City Commission with a year-end summary (unaudited) financial report within sixty days of the end of the fiscal year. Interim updates on financial condition shall also be provided to the City Commission throughout the fiscal year. The City Manager shall provide Key Revenue, Fund Balance and other explanatory reports and updates to the City Commission at finance study sessions to be held in February, May and November of each year. Additional updated information shall also be provided as needed during the annual budget process.

Capital Improvement Program

- A. The City shall establish a five-year Capital Improvement Program (CIP) to guide decision-making on public improvements and expenditures. The CIP provides a mechanism for scheduling public physical improvements over a number of years. It establishes the City's priorities for public projects based on available financial resources and project criteria.
- B. The CIP shall be updated annually following analysis of year-end financial reports, and prior to the adoption of the City's annual operating budget.
- C. The City shall use a portion of its annual budgeted revenues for "pay-as-you-go" capital investments. Mill levy proceeds, sales taxes, user fees or other local revenues may be dedicated for capital improvements.

- D. In 2009, the City Commission voted to increase the City's mill levy by five mills for the purpose of accomplishing significant street improvements. The proceeds from that mill levy increase shall, when possible, be directed to arterial or main trafficway projects, either directly, or through the Bond and Interest fund to make debt service payments on such projects.
- E. The City will maintain its physical assets at a level adequate to protect its capital investment and to minimize future maintenance and replacement costs. The CIP and operating budget will provide for the major renovation and orderly replacement of buildings, facilities, and equipment from current revenues where possible.
- F. City staff, in making CIP recommendations to the City Commission, shall use the following criteria in evaluating projects:
- Capital investment projects which preserve existing infrastructure and maintain basic public services;
 - Capital projects which implement a component of an approved City plan;
 - Projects which specifically replace or renovate an essential, but obsolete, facility;
 - Projects which reduce the cost of operations, maintenance or energy consumption;
 - Projects identified as addressing important public health and safety issues;
 - Projects mandated by the federal or state government; and
 - Projects which are funded, in whole or in part, by leveraged or partnership funding, including grants, private funds, or other outside funding source.
- G. The five-year CIP as approved annually shall contain the following sections:
1. A listing of preliminarily approved capital projects, including estimated cost and funding source by years, which have undergone review for costs and benefits and have identified funding expected to be available for the project.
 2. A separate listing of potential capital projects which require significant additional information (i.e., concept design, feasibility report, cost estimates, funding source analysis, etc.) before they can be formally considered for approval and placement in a specific year in the CIP. This section shall be titled "Projects for Further Review."
 3. A separate listing of projects for which adequate information exists as to planning, estimated costs, benefits, etc. and which the City Commission agrees would be desirable projects for the community in the future, but for which an adequate and appropriate funding mechanism has not yet been determined as available. This section shall be titled "Projects Identified but Unfunded".

Cash Management Policy

- A. The City will maintain one primary checking account. Other checking accounts may be used when required by bond covenants, grant programs, or specialized activities such as the Health Insurance or Flexible Spending employee benefit accounts. All checking accounts must be approved by the City Manager and Director of Finance.
- B. Petty cash funds may be established with the approval of the City Commission.
- C. All checking and petty cash funds shall be balanced monthly. Reconciliations shall be maintained for review by the independent auditors on an annual or non-routine basis.
- D. The City will establish and maintain an investment policy. This policy shall set guidelines on safety, liquidity, maturities, allowed investments, diversification, safekeeping, and other issues related to the investment of the City's financial assets.

Debt Management Policy

- A. The City will confine long-term borrowing to capital improvements which have an extended service life to the community.
- B. The City will use short-term debt (up to four years maturity) for bond anticipation purposes or for the purposes of financing capital improvements for which it is not practicable to rely on cash financing, and for which long-term bonds are not deemed to be appropriate.
- C. The City will follow a policy of full disclosure on every financial report, including but not limited to, preliminary and official statements used to evaluate the City's financial condition for bond rating or investment purposes.
- D. General Obligation (G.O.) debt may be used for enterprise activities, providing the specific enterprise fund makes the debt service payments on the bonds.
- E. G.O. bonds (City at-large portion) will normally be issued with a maturity not to exceed ten years. The City Commission may designate specific projects in the Capital Improvement Program for extended financing periods, not to exceed fifteen years, due to the size, scope, life, or developmental impact of the project. The Benefit District (i.e., not at-large) portion of any Special Assessment bonds shall not normally exceed fifteen years. Revenue bonds or G.O. bonds for which enterprise revenue has been pledged will be issued with a maturity not to exceed twenty years.
- F. G.O. and revenue bonds shall be issued with approximately level debt service payments.
- G. The City will apply for a bond rating from Standard and Poor's (S&P) Public Finance for every bond issue, and make all reasonable efforts necessary to maintain the City's bond rating and seek upgrades when financial conditions merit.

- H. The City shall retain a qualified Financial Advisor and qualified Bond Counsel to advise the City and assist in protecting its interest when any municipal bonds or temporary financing are to be issued by the City or a subsidiary entity.

Fund Balance

- A. The City recognizes the need to maintain appropriate fund balances to secure and maintain investment-grade credit ratings, meet seasonal requirements in cash flow, and reduce susceptibility to negative impacts from emergency or unanticipated expenditures or revenue shortfalls.
- B. To meet these requirements, the City will adopt an annual budget that will provide for an undesignated fund balance reserve in each of the City's budgeted funds, in accordance with the following guidelines:
1. General Fund - A fund balance reserve of not less than 15% or more than 25% of anticipated current year revenues for the fund.
 2. Bond and Interest Fund - A fund balance of not less than 10 % of the anticipated General Obligation debt bond and interest payment for the upcoming budget year, including any special assessment-paid debt, but excluding debt planned for repayment by enterprise funding or other City funds. However, in cases of significant exposure to special assessment payment delinquencies, the City may establish higher fund balance to mitigate impacts of potential delinquencies.
 3. Other Budgeted Funds - Fund balance reserves shall be planned for and maintained as needed, based on the volatility and reliability of the revenue mix for the funds, as well as the predictability and degree to which expenditures in the fund are controllable.
- C. In May or June of each year, prior to the presentation of the proposed budget, the City Manager shall recommend to the City Commission specific fund balance targets for each budgeted fund, based on guidelines established above. Upon acceptance by the City Commission, those targets shall be used in the upcoming budget planning, as well as financial reporting for the next year.
- D. Fund balance reserves shall generally be shown as appropriations in the City budget, but shall be designated separately in the budget and staff financial reports.
- E. The City Manager shall provide the City Commission with a year-end fund balance reserve report within sixty days following the end of the fiscal year. This preliminary report shall provide results for each budgeted fund compared to its established fund balance target, as well as staff analysis of revenue or expenditure occurrences accounting for any variance. If a fund balance at year-end failed to meet its established target, the City Manager shall prepare and recommend a plan designed to address the shortfall. If a fund balance at year-end exceeds the established target, as well as the current budget estimate, the City Commission may consider development of a plan for use of the unanticipated available funds in accordance with the following guidelines:

1. General Fund

- One-time expenditures which do not substantially increase recurring operating costs;
- Newly identified or previously unfunded capital improvement projects or equipment, considered in light of the full capital improvement program;
- Shifting of capital projects from bond or lease financing to “pay-as-you-go” financing to reduce future debt service costs;
- Start-up expenditures for new programs undertaken at mid-year, provided that such action is considered in the context of revenue expectations and expenditure obligations in future budget years; and
- Transfers to Capital Improvement or Equipment Reserve Funds.

2. Bond and Interest Fund

If the year-end Bond and Interest Fund balances exceed the target as well as current budget estimates, the allocation of mill levy/property tax to that fund should be adjusted for the next budget year to bring the fund balance reserves in line with the established targets.

3. Other Budgeted Funds

If the year-end fund balances in any fund exceed the target fund balance and current budget estimate, the City Manager shall provide analysis and impact evaluation of the excess balances. The City Commission will take into account any unanticipated available funds when considering capital purchases, one-time program needs, or in the setting of user fees.

Investment Policy

A. Scope.

This investment policy applies to the investment activities of the City of Abilene for all of the funds entrusted to its care, including bond proceeds and building funds.

B. Objectives.

1. Safety of principal. The first and primary objective for each investment transaction is to insure that capital losses are avoided.

2. The City of Abilene cash management portfolio shall be designed with the objective of maximizing net earnings, consistent with constraints imposed by safety objectives, cash flow considerations, state laws, and City priorities.

3. All investments shall be made in accordance with Kansas law.

C. Delegation of Authority.

Management responsibility for the investment program is hereby delegated to the Director of Finance who shall establish procedures for the operation of the investment program, consistent with this investment policy, and subject to the approval of the City Manager. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

D. Prudence.

The standard of prudence to be used by investment officials shall be the “prudent person” and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual securities credit risk or market price change, provided deviations for expectations are reported in a timely fashion and appropriate action is taken to avoid adverse developments.

E. Internal Controls.

The Director of Finance shall establish a system of internal controls with respect to investment activities in cooperation with the City’s auditor. The controls shall be designed to provide reasonable assurances against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City of Abilene, Kansas. Internal controls shall be so designed as to achieve the above listed objectives without being unduly burdensome on the organization.

F. Allowed Investments.

The Director of Finance may invest in any investment allowed under Kansas law applicable to the City of Abilene at the time the investment is made. These include, as of the effective date of the policy, the following:

1. Negotiable Order of Withdrawal (NOW) accounts, Pass Book savings accounts, money market accounts in designated Depository Banks;
2. Temporary notes or no-fund warrants issued by the City of Abilene;

3. Certificates of Deposit in banks, savings banks, and savings and loans organized under the laws of the United States or incorporated under the laws of the State of Kansas, having a main office within the State of Kansas and which have main or branch office located within the City of Abilene;
4. United States Treasury bills or notes;
5. Municipal Investment Pool for the State of Kansas; and
6. Repurchase agreements.

G. Maturities.

Assets of the City of Abilene may be invested in instruments whose maturities do not exceed four years.

H. Risk and Diversification.

The goal of diversification is to reduce the extent of losses due to having an unbalanced portfolio in terms of maturities, instrument type, and issuers. Therefore, portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector.

Liquidity, free of market risk, shall be assured through practices insuring that the next disbursement date and payroll date are covered through maturing investments, marketable U.S. Treasury Bills, the Daily Municipal Investment Pool, or money market accounts.

Default risk shall be minimized by requiring that all security purchases occur on a delivery vs. payment basis, and that all securities are adequately collateralized.

Risk of market price volatility shall be controlled through the adoption of a “buy and hold” strategy whereby the City holds each investment to maturity, coupled with maintenance of an adequate liquidity position to insure the ability to meet normal anticipated cash flow needs. When advantageous, it is allowable to sell investments to realize a gain due to price fluctuations; however, such transactions shall not be a part of the normal course of business.

I. Collateralization, Safekeeping and Custody.

1. Deposits and Repurchase Agreements.

Collateralization shall be required on all deposits and repurchase agreements. Collateral pledged must meet state statute requirements, and must be held by the Federal Reserve Bank, the Federal Home Loan Bank in Topeka, or by a third party custodian pursuant to an adopted tri-party custody agreement. The City of Abilene shall enter into a Security Agreement for Deposits with the depository bank for all deposits. The City will receive deposit advice for the pledged securities from the Federal Reserve Bank, or a joint custody receipt from the third party custodian. The maximum Federal Insurance provided for account customers can be considered a part of the institution’s pledge collateral.

Collateralization shall be maintained at 100% of the market value of principal and accrued interest at all times, including peak periods. At the end of each month, the depository bank will provide the market value of each pledged security to the City.

In the event a third party custodian is used, such custodian shall not have an ownership relationship or affiliation with the depository bank.

Pledged collateral shall not be released until an acceptable replugging of collateral is made by the depository bank and confirmed to the Director of Finance or their designee in the event of a transfer of collateral.

2. Investments. *(Treasury and Agency securities)*

Collateralization of investments shall be by the actual investment instrument.

All securities owned by the City of Abilene must be perfected in the name of the City of Abilene, and held by the City or its authorized safekeeping agent. All investments of the City of Abilene shall be issued as required by this policy.

The City will enter into a safekeeping agreement with a safekeeping agent whereby all investments are held in the City's account in the City's name by the safekeeping agent.

By state statute, all Municipal Investment Pool accounts shall be exempt from providing safekeeping receipts or written confirmation. The Director of Finance, or designee, may receive verbal confirmation by phone following Municipal Investment pool guidelines.

J. Interest Earnings.

The Director of Finance will designate which funds are to receive interest earnings. Interest earnings will be credited to those funds based on average of the balance on the first day of the month and the cash balance on the last day of the month. This distribution may be manually adjusted if, in the Director's judgment, there are obvious interfund inequities.

K. Authorizing Depositories, Institutions, and Broker/Dealers.

Kansas law provides that City funds may be deposited (in checking, money market accounts, certificates of deposit and other similar "deposits) in those institutions designated by resolution as an authorized depository. This is further limited by the requirement that funds may not be deposited in institutions that do not have a main office within the State of Kansas unless satisfactory arrangements cannot be negotiated with an institution with a main office within the State of Kansas.

This limitation does not apply to the purchase of investments such as Treasury and Agency securities. Investment services, consisting of the purchase of Treasury securities, Agency securities, or other investments as may be permitted shall be limited to the following:

1. Any State or Nationally Chartered Bank authorized as a depository, whether or not said institution has a main office within the State of Kansas; and
2. The Federal Reserve Bank of Kansas City, Missouri.

The Director of Finance may establish additional information requirements as deemed necessary to assure the safety of the City's investments, and shall maintain a list of financial institutions who have been qualified to provide services to the City of Abilene.

L. Bank Services.

Periodically, as deemed necessary, the City of Abilene may invite proposals from financial institutions located within the City, for the purpose of providing comprehensive bank services, including checking and money market accounts, safekeeping as well as other services as may be deemed necessary. The participating institutions will be evaluated with procedures established by the Director of Finance and City Manager.

M. Reporting and Evaluation.

At the end of each calendar quarter, the Director of Finance shall prepare and submit to the City Manager a report outlining the quarter's investment activity. Such report shall contain sufficient information to evaluate the performance of the investment program and verify that investment officials have acted in accordance with the investment policy and written investment procedures.

Operating Budget

- A. In accordance with Kansas law, the City Manager shall be responsible for the preparation of the annual City budget. A proposed budget for the following fiscal year (beginning January 1) shall be submitted for City Commission review and discussion on or before July 1st each year, along with a calendar for timely consideration and approval of the budget by August 15th, as required by Kansas law.
- B. The annual budget must be balanced for all budgeted funds. Total anticipated revenues plus the portion of anticipated reserves in excess of the established fund balance target (or in accordance with a fund balance target plan) must equal total estimated expenditures.
- C. Funds may be added to or removed from the budget with approval of the City Commission as requirements change. In general, any continuing operations of the City shall be accounted for through budgeted funds. Non-budgeted funds are used for construction projects authorized through the issuance of debt, for trust and agency activities, for activities funded by State and Federal Grants that are not of a continuing nature, and for special purpose reserve funds.
- D. All budgets will be adopted on a cash basis as modified to include as expenditures for the fiscal year, expenditures incurred but not paid, and purchase commitments. Revenues will be recognized at the time payment is received, whether or not it was billed or due in another period.

- E. All appropriations lapse at year-end except for encumbered appropriations, which are carried forward into the next fiscal year as reservations of fund balance.
- F. The budget shall be adopted at the fund level. Expenditures may not exceed the fund's budget without approval from the City Commission. When appropriated, the budget for a fund may be republished to reflect changes deemed necessary and appropriate by the City Commission.
- G. Department budgets will also be specified during the annual budget. The City Manager may authorize transfers of authorizations between departments within the same fund and transfers of authorizations between line items within a department.
- H. The City will include an amount in the General Fund budget (i.e., a line item for contingencies) for unforeseen operating expenditures or revenue shortfalls. The amount of the contingency will be set between \$100,000 and \$200,000. All planned expenditures from the General Fund contingency line item shall be approved in advance by the City Commission.
- I. The budget will provide for adequate maintenance of capital equipment and facilities and for their orderly replacement, in conjunction with the adopted multi-year Capital Improvement Program.
- J. The City will maintain a budgetary control system to monitor compliance with the budget.
- K. Enterprise funds shall be self-supporting.

Revenue Policy

- A. The City will follow an aggressive policy of collecting all revenues properly owed to the City government.
- B. The City will review user fees and charges periodically, and the City Manager shall make recommendations for any adjustments on the basis of that review to the City Commission.
- C. The City will attempt to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source. The revenue mix should combine elastic and inelastic revenue sources to minimize the effect of an economic downturn.
- D. The City will set fees and user charges for each Enterprise Fund, at a level which fully supports the total direct and indirect cost of the activity. Enterprise operations include: water utility, wastewater utility, recycling, and storm drainage utility.
- E. Recognizing that the public good may be better served by setting some fees at less than 100% of an activity's cost, fees and user charges for certain non-enterprise services and programs may be set a level which only provide partial user fee funding of activity costs.



City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Approval of Ordinance No. 26-3488, AN ORDINANCE ADOPTING AND APPROPRIATING THE 2027 ANNUAL BUDGET OF THE CITY OF ABILENE, KANSAS.

Department: Administration

Staff Contact: Jon Quinday, Interim City Manager, Kelsey Briand, Finance Director

Background: Adopting the annual budget is one of the City Commission's primary policy and financial responsibilities. The budget translates the Governing Body's priorities into the allocation of available resources for City services, personnel, infrastructure, capital and equipment needs, reserves, and other obligations, and establishes the property tax revenue needed to support those priorities.

The proposed 2027 budget was prepared by City staff and presented to the City Commission for review over several months through a series of public budget discussions and presentations. These discussions provided the Commission with opportunities to offer feedback and direct changes as the proposed budget moved toward adoption. The complete proposed budget was presented at the August 24, 2026, regular City Commission meeting, and no changes were requested or directed by the City Commission following that presentation. Prior to consideration of adoption, the Commission completed the required Revenue Neutral Rate and budget public hearings.

The 2027 Proposed State Budget Forms, attached to this agenda item, establish total budget authority of \$20,639,488, require \$3,621,755 in City ad valorem property taxes, and are based on a total property tax levy of 50.271 mills.

Ordinance No. 26-3488 adopts and appropriates the City's 2027 annual budget, prepared on the forms prescribed by the State of Kansas, and incorporates those forms by reference. The ordinance also adopts the interfund transfers in the budget, authorizes the implementation and administration of the budget within the approved funding limits, and provides for certification of the adopted budget to the Dickinson County Clerk.

Funding Source: Various City Funds and Revenue Sources

City Attorney Review: N/A

Options: 1. Approve Ordinance No. 26-3488, adopting and appropriating the 2027 Annual Budget as presented.

2. Do not approve Ordinance No. 26-3488. The proposed 2027 budget would not be adopted, and the City Commission would need to provide direction regarding changes necessary for subsequent consideration and adoption of the 2027 budget within applicable statutory requirements and deadlines.

Recommendation: Approve Ordinance No. 26-3488, adopting and appropriating the 2027 Annual Budget as presented

2027

CERTIFICATE

To the Clerk of Dickinson County, State of Kansas

We, the undersigned, officers of

City of Abilene

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditures for the various funds for the year 2027; and
(3) the Amounts(s) of 2026 Ad Valorem Tax are within statutory limitations.

		2027 Adopted Budget		
		Budget Authority for Expenditures	Amount of 2026 Ad Valorem Tax	Final Tax Rate (County Clerk's Use Only)
Table of Contents:		Page No.		
Allocation of MVT, RVT, 16/20M Vehicle Tax		2		
Schedule of Transfers		3		
Statement of Indebtedness		4		
Statement of Lease-Purchases		5		
Computation to Determine State Library Grant		6		
Fund	K.S.A.			
General	12-101a	6	5,378,609	1,137,732
Debt Service	10-113		430,880	158,037
Library	12-1220		656,837	592,218
Airport	3-113a		1,721,842	54,288
Fire Apparatus	12-110c		238,554	173,333
Capital Improvement	12-1,118		18,918	
Personnel Benefits Fund			2,178,073	1,506,147
Special Highway			726,154	
Street Sales Tax			575,550	
Recycle			144,959	
Storm Water			560,823	
Special Parks & Recreation			88,023	
Special Alcohol & Drug			30,353	
Library Pool Renovation				
CID Sales Tax			366,958	
Rec Sales Tax			651,241	
Water			3,120,024	
Sewer			2,548,434	
Recreation Commission			908,481	
Convention & Visitors Bureau			294,775	
Non-Budgeted Funds-A				
Non-Budgeted Funds-B				
Non-Budgeted Funds-C				
Totals	xxxxx		20,639,488	3,621,755
Budget Hearing Notice			Final County Assessed Valuation	County Clerk's Use Only
Combined Rate and Budget Hearing Notice			Dickinson County	
RNR Hearing Notice			0	
Neighborhood Revitalization Rebate			0	
			0	
			Nov 1, 2026 Total Assessed Valuation	

Revenue Neutral Rate	46.463
Does budget require a resolution to exceed the Revenue Neutral Rate?	YES

Assisted by:

Address: _____

Email: _____

Attest: _____ 2026

County Clerk _____ Governing Body _____

CPA Summary

City of Abilene

2027

Allocation of MV, RV, 16/20M, Commercial Vehicle, and Watercraft Tax Estimates

Budgeted Fund for 2026	Ad Valorem Levy Tax Year 2025	Allocation for Year 2027				
		MVT	RVT	16/20M Veh	Comm Veh	Watercraft
General	2,411,809	241,093	4,198	995	8,719	0
Debt Service	191,930	19,186	334	79	694	0
Library	579,965	57,975	1,009	239	2,096	0
Airport						
Fire Apparatus	170,237	17,018	296	70	615	0
Capital Improvement						
Personnel Benefits Fund						
TOTAL	3,353,941	335,272	5,837	1,383	12,124	0

County Treas Motor Vehicle Estimate 335,272

County Treas Recreational Vehicle Estimate 5,837

County Treas 16/20M Vehicle Estimate 1,383

County Treas Commercial Vehicle Tax Estimate 12,124

County Treas Watercraft Tax Estimate 0

Motor Vehicle Factor 0.09996

Recreational Vehicle Factor 0.00174

16/20M Vehicle Factor 0.00041

Commercial Vehicle Factor 0.00361

Watercraft Factor 0.00000

City of Abilene

2027

Schedule of Transfers

Expenditure Fund Transferred From:	Receipt Fund Transferred To:	Actual Amount for 2025	Current Amount for 2026	Proposed Amount for 2027	Transfers Authorized by Statute
General Fund	CVB	50,000	50,000	50,000	City Commission
Water Fund	General Fund/Risk Mgm	97,000	112,259	122,872	KSA825d
Sewer Fund	General Fund/Risk Mgm	81,000	96,259	106,072	KSA825d
Storm Water Fund	General Fund	3,400	5,034	5,034	KSA825d
Recycling Fund	General Fund	5,000	6,225	6,225	KSA825d
General Fund	Equipment Reserve	258,341	180,000	118,000	KSA 12-1, 117
General Fund	Sidewalk Improvement	13,114	0	0	
Airport Fund	Equipment Reserve	0	2,000	2,000	KSA 12-1, 117
Recycling Fund	Equipment Reserve	0	13,750	12,000	KSA 12-1, 117
Water Fund	Water Equip Reserve	100,000	535,000	735,000	KSA 12-1, 117
Sewer Fund	Sewer Equip Reserve	100,000	100,000	210,000	KSA 12-1, 117
CVB	General Fund	0	482	482	
General Fund	Risk Management Fund	0	5,000	5,000	KSA 12-2615
Storm Water Fund	Personnel Benefits Fund	0	0	6,829	
Water Fund	Personnel Benefits Fund	0	0	280,769	KSA 12-16, 102
Sewer Fund	Personnel Benefits Fund	0	0	256,399	KSA 12-16, 102
CVB	Personnel Benefits Fund	0	0	20,146	KSA 12-16, 102
Recreation Commission	Personnel Benefits Fund	0	0	107,783	KSA 12-16, 102
Totals		707,855	1,106,009	2,044,611	
Adjustments*					
Adjusted Totals		707,855	1,106,009	2,044,611	

*Note: Adjustments are required only if the transfer is being made in 2026 and/or 2027 from a non-budgeted fund.

STATEMENT OF CONDITIONAL LEASE-PURCHASE AND CERTIFICATE OF PARTICIPATION*

Items Purchased	Contract Date	Term of Contract (Months)	Interest Rate %	Total Amount Financed (Beginning Principal)	Principal Balance As Beginning of 2026	Payments Due 2026	Payments Due 2027
Fire Truck	9/1/2018	84	2.64	433,212	71,075	71,075	0
Fire Truck	9/15/2023	84	5.70	829,106	616,618	155,554	155,554
Street Sweeper	7/23/2025	60	4.66	307,517	241,236	67,499	67,499
Totals					928,929	294,128	223,053

***If leasing/renting with no intent to purchase, do not list--such transactions are not lease-purchases.

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget General	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	1,317,764	684,435	599,120
Receipts:			
Ad Valorem Tax	2,009,525	2,411,809	xxxxxxxxxxxxxxxxxx
Delinquent Tax	27,185	25,000	25,000
Motor Vehicle Tax	222,665	216,772	241,093
Recreational Vehicle Tax	3,877	4,100	4,198
16/20M Vehicle Tax		941	995
Commercial Vehicle Tax		6,371	8,719
Watercraft Tax		1,368	0
Gross Earning (Intangible) Tax			0
Mineral Production Tax			
Local Alcoholic Liquor	17,353	16,000	16,000
Compensating Use Tax			
Local Sales Tax	1,803,286	1,725,000	1,725,000
Franchise Tax	931,706	900,000	915,000
Licenses & Fees	246,057	250,000	193,000
Intergovernmental	51,215	51,285	51,000
Transfers	186,400	220,259	274,902
Grants	0	0	0
In Lieu of Taxes (IRB)			
Interest on Idle Funds		60,000	80,000
Neighborhood Revitalization Rebate			0
Miscellaneous	57,800	138,350	106,850
Does miscellaneous exceed 10% of Total R			
Total Receipts	5,557,069	6,027,255	3,641,757
Resources Available:	6,874,833	6,711,690	4,240,877

FUND PAGE - GENERAL

Adopted Budget General	Prior Year Actual Actual for 2025	Current Year Estimate Estimate for 2026	Proposed Budget Year Year for 2027
Resources Available:	6,874,833	6,711,690	4,240,877
Expenditures:			
Administrative	890613	634846	622767
Police	1758170	1855379	1503255
Fire	1297850	1338920	1083771
Streets & Alleys	772025	761404	703891
Bindweed & Flood Maintenance	97475	177025	76820
Parks	442147	449179	388281
Pool	10420	18165	18082
Community Development	150820	231764	153265
Inspection	168975	141828	124830
Municipal Court	181230	191956	211019
Senior Center	41845	32032	35107
Civic Center	42390	32572	34621
Land Bank	14982	12500	10000
0	0	0	0
0	0	0	0
0	0	0	0
Subtotal detail (Should agree with detail)	5868943	5877570	4965709
Transfer to Equipment Reserve	258,341	180,000	118,000
Transfer to CVB	50,000	50,000	50,000
Transfer to Risk Management Fund	0	5,000	5,000
Transfer to Sidewalk Improvement	13,114	0	0
Cash Reserve (2027 column)			239,900
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	6,190,398	6,112,570	5,378,609
Unencumbered Cash Balance Dec 31	684,435	599,120	xxxxxxxxxxxxxxxxxxx
2025/2026/2027 Budget Authority Amount	7,470,341	6,862,532	5,378,609
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			5,378,609
Tax Required			1,137,732
Delinquent Comp Rate:	0.0%		0
Amount of 2026 Ad Valorem Tax			1,137,732

CPA Summary

City of Abilene

2027

Adopted Budget General Fund - Detail Expend	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Expenditures:			
Administrative			
Salaries	382,263	181,009	200,771
Contractual	66,046	383,167	328,296
Commodities	443,537	70,670	93,700
Capital Outlay	80		
Other	(1,313)		
Total	890,613	634,846	622,767
Police			
Salaries	1,515,886	1,575,777	1,216,727
Contractual	147,195	163,552	161,628
Commodities	85,863	116,050	124,900
Capital Outlay	9,226	0	0
Total	1,758,170	1,855,379	1,503,255
Fire			
Salaries	1,150,784	1,194,620	919,738
Contractual	34,833	33,800	39,883
Commodities	112,215	110,500	124,150
Capital Outlay	18	0	0
Total	1,297,850	1,338,920	1,083,771
Streets & Alleys			
Salaries	369,886	355,919	303,582
Contractual	58,293	58,235	64,259
Commodities	343,846	347,250	336,050
Capital Outlay			
Total	772,025	761,404	703,891
Bindweed & Flood Maintenance			
Salaries	78,538	105,025	24,130
Contractual	5,255	5,100	5,640
Commodities	13,682	66,900	47,050
Capital Outlay	0	0	
Total	97,475	177,025	76,820
Parks			
Salaries	342,293	356,098	285,033
Contractual	53,260	50,527	58,198
Commodities	44,339	42,554	45,050
Capital Outlay	2,255	0	
Total	442,147	449,179	388,281
Pool			
Salaries	0	0	0
Contractual	6,055	6,665	7,082
Commodities	4,365	11,500	11,000
Capital Outlay	0	0	0
Total	10,420	18,165	18,082
Community Development			
Salaries	127,442	207,066	124,015
Contractual	14,283	14,180	17,600
Commodities	9,095	10,518	11,650
Capital Outlay			
Total	150,820	231,764	153,265
Page Total	5,419,521	5,466,682	4,550,132

City of Abilene

2027

Adopted Budget General Fund - Detail Page 2	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Expenditures:			
Inspection			
Salaries	102,669	88,142	71,708
Contractual	48,422	45,036	45,972
Commodities	12,884	8,650	7,150
Capital Outlay	5,000		
Total	168,975	141,828	124,830
Municipal Court			
Salaries	88,356	68,144	51,194
Contractual	87,844	115,487	150,500
Commodities	5,030	8,325	9,325
Capital Outlay			
Total	181,230	191,956	211,019
Senior Center			
Salaries	6,930	7,267	7,159
Contractual	18,763	16,915	20,098
Commodities	16,152	7,850	7,850
Capital Outlay		0	
Total	41,845	32,032	35,107
Civic Center			
Salaries	0		0
Contractual	12,946	14,055	15,371
Commodities	29,444	18,517	19,250
Capital Outlay			
Total	42,390	32,572	34,621
Land Bank			
Salaries	0		
Contractual	0		
Commodities	14,982	12,500	10,000
Capital Outlay			
Total	14,982	12,500	10,000
Salaries			
Contractual			
Commodities			
Capital Outlay			
Total	0	0	0
Salaries			
Contractual			
Commodities			
Capital Outlay			
Total	0	0	0
Salaries			
Contractual			
Commodities			
Capital Outlay			
Total	0	0	0
Page 2 -Total	449,422	410,888	415,577
Page 1 -Total	5,419,521	5,466,682	4,550,132
Grand Total	5,868,943	5,877,570	4,965,709

(Note: Should agree with general sub-totals.)

City of Abilene

2027

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Debt Service	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	29,796	159,182	150,550
Receipts:			
Ad Valorem Tax	277,368	191,930	xxxxxxxxxxxxxxxx
Delinquent Tax	4,493	2,000	2,000
Motor Vehicle Tax	36,982	29,900	19,186
Recreational Vehicle Tax	644	532	334
16/20M Vehicle Tax		130	79
Commercial Vehicle Tax		879	694
Watercraft Tax		189	0
Special Assessments	92,870	55,588	50,000
Interest on Idle Funds	172,323	130,000	50,000
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	584,680	411,148	122,293
Resources Available:	614,476	570,330	272,843
Expenditures:			
Bond Principal & Interest	455,294	419,780	430,880
GO Temp Notes Payments			
Cash Reserve (2027 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	455,294	419,780	430,880
Unencumbered Cash Balance Dec 31	159,182	150,550	xxxxxxxxxxxxxxxx
2025/2026/2027 Budget Authority Amount	505,293	419,780	430,880
	Non-Appropriated Balance		
	Total Expenditure/Non-Appr Balance		430,880
	Tax Required		158,037
Delinquent Comp Rate:	0.0%		0
Amount of 2026 Ad Valorem Tax			158,037

Adopted Budget Library	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	35	35	0
Receipts:			
Ad Valorem Tax	525,328	579,965	xxxxxxxxxxxxxxxx
Delinquent Tax	6,989	2,267	3,300
Motor Vehicle Tax	56,966	56,675	57,975
Recreational Vehicle Tax	992	1,008	1,009
16/20M Vehicle Tax			239
Commercial Vehicle Tax			2,096
Watercraft Tax			0
Sale of Merchandise and Property	0		
Interest on Idle Funds			
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	590,274	639,915	64,619
Resources Available:	590,309	639,950	64,619
Expenditures:			
Appropriation to the Library	590,274	634,896	656,837
Capital Outlay		5,054	
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	590,274	639,950	656,837
Unencumbered Cash Balance Dec 31	35	0	xxxxxxxxxxxxxxxx
2025/2026/2027 Budget Authority Amount	607,250	639,950	656,837
	Non-Appropriated Balance		
	Total Expenditure/Non-Appr Balance		656,837
	Tax Required		592,218
Delinquent Comp Rate:	0.0%		0
Amount of 2026 Ad Valorem Tax			592,218

CPA Summary

City of Abilene

2027

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Airport			
Unencumbered Cash Balance Jan 1	44,999	69,886	28,004
Receipts:			
Ad Valorem Tax	0	0	xxxxxxxxxxxxxxx
Delinquent Tax	48	33	50
Motor Vehicle Tax			
Recreational Vehicle Tax			
16/20M Vehicle Tax			
Commercial Vehicle Tax			
Watercraft Tax			
FAA & KDOT Grants	383,653	828,534	1,636,700
Neighborhood Revitalization Rebate			0
Miscellaneous	2,760	2,760	2,800
Does miscellaneous exceed 10% of Total			
Total Receipts	386,461	831,327	1,639,550
Resources Available:	431,460	901,213	1,667,554
Expenditures:			
Contractual	79,553	22,125	73,592
Commodities	22,930	20,550	9,550
Capital Outlay	259,091	828,534	1,636,700
Transfer to Equipment Reserves		2,000	2,000
Debt Service (2029)			
Cash Reserve (2027 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Expenditures	361,574	873,209	1,721,842
Unencumbered Cash Balance Dec 31	69,886	28,004	xxxxxxxxxxxxxxx
2025/2026/2027 Budget Authority Amount	1,018,425	873,209	1,721,842
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			1,721,842
Tax Required			54,288
Delinquent Comp Rate: 0.0%			0
Amount of 2026 Ad Valorem Tax			54,288

Adopted Budget	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Fire Apparatus			
Unencumbered Cash Balance Jan 1	14,412	64,215	41,022
Receipts:			
Ad Valorem Tax	105,840	170,237	xxxxxxxxxxxxxxx
Delinquent Tax	1,611	1,200	1,200
Motor Vehicle Tax	13,427	11,411	17,018
Recreational Vehicle Tax		203	296
16/20M Vehicle Tax		50	70
Commercial Vehicle Tax		335	615
Watercraft Tax		0	0
Reimbursed Expenses		9,000	5,000
Sale of Excess Equipment		36,000	0
Interest on Idle Funds	0		
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Receipts	120,878	228,436	24,199
Resources Available:	135,290	292,651	65,221
Expenditures:			
Fire Truck Lease Purchase	71,075	71,075	0
Principal & Interest		155,554	155,554
Bunker Gear		25,000	28,000
Wildland Resources			5,000
Capital Outlay			50,000
Cash Reserve (2027 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Expenditures	71,075	251,629	238,554
Unencumbered Cash Balance Dec 31	64,215	41,022	xxxxxxxxxxxxxxx
2025/2026/2027 Budget Authority Amount	251,629	251,629	238,554
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			238,554
Tax Required			173,333
Delinquent Comp Rate: 0.0%			0
Amount of 2026 Ad Valorem Tax			173,333

CPA Summary

City of Abilene

2027

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Capital Improvement			
Unencumbered Cash Balance Jan 1	53,208	56,018	18,518
Receipts:			
Ad Valorem Tax	9	0	XXXXXXXXXXXXXXXXXX
Delinquent Tax	300	500	400
Motor Vehicle Tax	2,501		
Recreational Vehicle Tax	0		
16/20M Vehicle Tax	0		
Commercial Vehicle Tax	0		
Watercraft Tax	0		
Sale of Tax Credits			
Transfers In			
Interest on Idle Funds	0		
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Receipts	2,810	500	400
Resources Available:	56,018	56,518	18,918
Expenditures:			
Capital Outlay	0	38,000	18,918
Cash Reserve (2027 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Expenditures	0	38,000	18,918
Unencumbered Cash Balance Dec 31	56,018	18,518	XXXXXXXXXXXXXXXXXX
2025/2026/2027 Budget Authority Amount	150,000	0	18,918
	Non-Appropriated Balance		
See Tab C	Total Expenditure/Non-Appr Balance		18,918
	Tax Required		0
Delinquent Comp Rate:	0.0%		0
Amount of 2026 Ad Valorem Tax			0

Adopted Budget	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Personnel Benefits Fund			
Unencumbered Cash Balance Jan 1	0	0	0
Receipts:			
Ad Valorem Tax	0	0	XXXXXXXXXXXXXXXXXX
Delinquent Tax	0	0	
Motor Vehicle Tax	0	0	
Recreational Vehicle Tax	0	0	
16/20M Vehicle Tax	0	0	
Commercial Vehicle Tax	0	0	
Watercraft Tax	0	0	
Transfers In	0	0	671,926
Interest on Idle Funds			
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Receipts	0	0	671,926
Resources Available:	0	0	671,926
Expenditures:			
FICA	0	0	378,131
KPERS/KPF/457			787,407
HEALTH INSURANCE/H.S.A.			912,929
UNEMPLOYMENT			9,506
WORKERS COMP			90,100
Cash Reserve (2027 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Expenditures	0	0	2,178,073
Unencumbered Cash Balance Dec 31	0	0	XXXXXXXXXXXXXXXXXX
2025/2026/2027 Budget Authority Amount	0	0	2,178,073
	Non-Appropriated Balance		
	Total Expenditure/Non-Appr Balance		2,178,073
	Tax Required		1,506,147
Delinquent Comp Rate:	0.0%		0
Amount of 2026 Ad Valorem Tax			1,506,147

CPA Summary

City of Abilene

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FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Special Highway	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	91,380	341,344	471,204
Receipts:			
State of Kansas Gas Tax	175,148	173,360	173,450
County Transfers Gas	0	0	0
KDOT Funds	82,081	80,000	80,000
Reimbursed Expenses	30,304	1,500	1,500
Interest on Idle Funds	9,799		
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	297,332	254,860	254,950
Resources Available:	388,712	596,204	726,154
Expenditures:			
Commodities	453	45,000	82,000
Contractual	23,261		
Capital Outlay	23,654	80,000	80,000
Transfers Out			
Cash Reserve (2027 column)			564,154
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	47,368	125,000	726,154
Unencumbered Cash Balance Dec 31	341,344	471,204	0
2025/2026/2027 Budget Authority Amount	1,753,254	354,760	726,154

Adopted Budget Street Sales Tax	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	63,150	135,550	135,550
Receipts:			
Sales Tax	467,668	440,000	440,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	467,668	440,000	440,000
Resources Available:	530,818	575,550	575,550
Expenditures:			
Capital Outlay	395,268	440,000	440,000
Cash Reserve (2027 column)			135,550
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	395,268	440,000	575,550
Unencumbered Cash Balance Dec 31	135,550	135,550	0
2025/2026/2027 Budget Authority Amount	440,000	503,150	575,550

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City of Abilene

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FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Recycle	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	74,336	71,920	24,759
Receipts:			
Charges for Services	114,192	108,000	108,000
Reimbursed Expenses	212	500	200
Sale Proceeds	13,389	15,000	12,000
Grants & Contributions	0		
Interest on Idle Funds	0	0	
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	127,793	123,500	120,200
Resources Available:	202,129	195,420	144,959
Expenditures:			
Salaries	8,112	8,564	0
Contractual	74,000	107,422	103,332
Commodities	41,097	32,700	22,900
Capital Outlay	2,000	2,000	0
Transfers	5,000	19,975	18,225
Cash Reserve (2027 column)			502
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	130,209	170,661	144,959
Unencumbered Cash Balance Dec 31	71,920	24,759	0
2025/2026/2027 Budget Authority Amount	168,179	175,948	144,959

Adopted Budget Storm Water	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	609,205	656,357	492,823
Receipts:			
Charges for Services	71,736	68,000	68,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	71,736	68,000	68,000
Resources Available:	680,941	724,357	560,823
Expenditures:			
Salaries	0	0	35,924
Contractual	10,614	51,500	56,500
Commodities	2,570	0	0
Capital Outlay	8,000	175,000	175,000
Transfers to General Fund	3,400	5,034	5,034
Transfer to Personnel Benefits			6,829
Cash Reserve (2027 column)			281,536
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	24,584	231,534	560,823
Unencumbered Cash Balance Dec 31	656,357	492,823	0
2025/2026/2027 Budget Authority Amount	663,629	627,271	560,823

CPA Summary

City of Abilene

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FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget	Prior Year	Current Year	Proposed Budget
Special Parks & Recreation	Actual for 2025	Estimate for 2026	Year for 2027
Unencumbered Cash Balance Jan 1	72,271	81,523	74,023
Receipts:			
Alcohol Tax	17,710	14,000	14,000
Sale of Merchandise & Property	380	0	
Gifts & Donations	0	0	
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	18,090	14,000	14,000
Resources Available:	90,361	95,523	88,023
Expenditures:			
Capital Outlay	8,838	14,000	11,000
Tree Board		7,500	3,000
Cash Reserve (2027 column)			74,023
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	8,838	21,500	88,023
Unencumbered Cash Balance Dec 31	81,523	74,023	0
2025/2026/2027 Budget Authority Amount	87,252	86,271	88,023

Adopted Budget	Prior Year	Current Year	Proposed Budget
Special Alcohol & Drug	Actual for 2025	Estimate for 2026	Year for 2027
Unencumbered Cash Balance Jan 1	13,199	17,353	16,353
Receipts:			
Alcohol Tax	17,353	14,000	14,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	17,353	14,000	14,000
Resources Available:	30,552	31,353	30,353
Expenditures:			
Awards & Contributions	13,199	15,000	25,000
Cash Reserve (2027 column)			5,353
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	13,199	15,000	30,353
Unencumbered Cash Balance Dec 31	17,353	16,353	0
2025/2026/2027 Budget Authority Amount	26,100	20,632	30,353

CPA Summary

City of Abilene

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FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget	Prior Year	Current Year	Proposed Budget
Library Pool Renovation	Actual for 2025	Estimate for 2026	Year for 2027
Unencumbered Cash Balance Jan 1	16,419	16,419	0
Receipts:			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	0	0	0
Resources Available:	16,419	16,419	0
Expenditures:			
Capital Outlay	0	16,419	0
Cash Reserve (2027 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	0	16,419	0
Unencumbered Cash Balance Dec 31	16,419	0	0
2025/2026/2027 Budget Authority Amount	16,419	16,419	0

Adopted Budget	Prior Year	Current Year	Proposed Budget
CID Sales Tax	Actual for 2025	Estimate for 2026	Year for 2027
Unencumbered Cash Balance Jan 1	37,435	76,958	76,958
Receipts:			
Sales Tax	320,084	259,557	290,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	320,084	259,557	290,000
Resources Available:	357,519	336,515	366,958
Expenditures:			
Services and Supplies - City's 2% fee	280,561	5,191	5,191
CID Reimbursements to Participants		254,366	275,000
Cash Reserve (2027 column)			86,767
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	280,561	259,557	366,958
Unencumbered Cash Balance Dec 31	76,958	76,958	0
2025/2026/2027 Budget Authority Amount	0	296,992	366,958

See Tab A

CPA Summary

City of Abilene

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FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Water	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	437,218	115,531	95,224
Receipts:			
Charges for Service	1,897,942	2,465,000	2,920,000
Sales Tax	27,986	20,000	20,000
Fines and Penalties	13,068	51,000	51,000
Reimbursed Expenses	7,830	7,500	7,500
Interest on Idle Funds			
Miscellaneous	33,951	26,300	26,300
Does miscellaneous exceed 10% of Total R			
Total Receipts	1,980,777	2,569,800	3,024,800
Resources Available:	2,417,995	2,685,331	3,120,024
Expenditures:			
WELLS PRODUCTION/WTP 023			
Salaries	340,161	329,327	251,873
Contractual	16,521	181,550	188,650
Commodities	348,579	230,050	264,150
Capital Outlay	48,403	0	
WATER DISTRIBUTION 022			
Salaries	201,977	220,128	238,849
Contractual	0	39,150	40,500
Commodities	394,500	404,550	350,750
Capital Outlay	187,431	0	0
ADMINISTRATION 024			
Salaries	170,744	245,010	216,927
Contractual	4,158	176,018	259,970
Commodities	295,380	55,400	57,975
Capital Outlay	33,995	0	
DEBT SERVICE			
Principal and Interest 30% of GO Series 2	63,615	61,665	62,715
Transfer to Other Funds	197,000	647,259	857,872
Transfer to Personnel Benefits Fund	0	0	280,769
Cash Reserve (2027 column)			49,024
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	2,302,464	2,590,107	3,120,024
Unencumbered Cash Balance Dec 31	115,531	95,224	0
2025/2026/2027 Budget Authority Amount	2,787,340	2,790,107	3,120,024

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City of Abilene

2027

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Sewer	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	306,153	78,865	86,434
Receipts:			
Charges for Services	1,660,633	2,250,000	2,452,000
Reimbursed Expenses	4,123	10,000	10,000
Refunds	9,901		
Interest on Idle Funds	14,291		
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	1,688,948	2,260,000	2,462,000
Resources Available:	1,995,101	2,338,865	2,548,434
Expenditures:			
COLLECTION 041			
Salaries	155,179	156,178	186,840
Contractual	0	22,550	13,050
Commodities	33,506	65,950	75,950
WASTEWATER TREATMENT PLANT 042			
Salaries	274,989	299,438	198,450
Contractual	0	265,450	260,450
Commodities	366,530	239,750	99,500
Capital Outlay	3,000	0	
ADMINISTRATION 043			
Salaries	170,737	244,413	206,049
Contractual	4,158	167,213	187,413
Commodities	173,612	42,550	56,025
Capital Outlay	995	0	
DEBT SERVICE			
Principal and Interest - GO 2019 Series B d	552,530	552,680	553,030
Transfers to Other Funds	181,000	196,259	316,072
Transfers to Personnel Benefits	0	0	256,399
Cash Reserve (2027 column)			139,206
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	1,916,236	2,252,431	2,548,434
Unencumbered Cash Balance Dec 31	78,865	86,434	0
2025/2026/2027 Budget Authority Amount	1,999,998	2,252,431	2,548,434

CPA Summary

City of Abilene

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FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Recreation Commission	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	451,795	430,488	301,617
Receipts:			
Property Tax	375,526	405,431	410,935
Fees	224,528	190,929	185,929
Interest Income	0	0	
Grants	500	10,000	10,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	600,554	606,360	606,864
Resources Available:	1,052,349	1,036,848	908,481
Expenditures:			
Administration	287,965	381,867	293,614
Aquatics	99,629	100,050	103,030
Athletics	111,256	120,000	147,356
Community Education	10,834	12,000	11,240
Community Center	63,404	71,314	71,662
Special Projects	48,773	50,000	130,000
Transfer to General Fund	0	0	652
Transfer to Personnel Benefits	0	0	107,783
Cash Reserve (2027 column)			43,144
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	621,861	735,231	908,481
Unencumbered Cash Balance Dec 31	430,488	301,617	0
2025/2026/2027 Budget Authority Amount	978,526	887,099	908,481

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City of Abilene

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FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Rec Sales Tax	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1	0	4,218,450	251,241
Receipts:			
Debt Issuance - Proceeds	4,029,355	0	0
Sales Taxes	228,665	400,000	400,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	4,258,020	400,000	400,000
Resources Available:	4,258,020	4,618,450	651,241
Expenditures:			
Capital Outlay	39,570	4,367,209	651,241
Debt Service (2029)			
Cash Reserve (2027 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	39,570	4,367,209	651,241
Unencumbered Cash Balance Dec 31	4,218,450	251,241	0
2025/2026/2027 Budget Authority Amount	0	0	651,241
	<u>See Tab A</u>	<u>See Tab C</u>	

Adopted Budget 0	Prior Year Actual for 2025	Current Year Estimate for 2026	Proposed Budget Year for 2027
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	0	0	0
Resources Available:	0	0	0
Expenditures:			
Cash Reserve (2027 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	0
2025/2026/2027 Budget Authority Amount	0	0	0

CPA Summary

2027

NON-BUDGETED FUNDS (A)
(Only the actual budget year for 2025 is reported)

City of Abilene

Non-Budgeted Funds-A

(1) Fund Name:			(2) Fund Name:			(3) Fund Name:			(4) Fund Name:			(5) Fund Name:		
Equipment Reserve			Water Equipment Reserve			Sewer Equipment Reserve			Special Law Enforcement			Sister City Scholarship		
Unencumbered			Unencumbered			Unencumbered			Unencumbered			Unencumbered		
Cash Balance Jan 1	350,857		Cash Balance Jan 1	398,164		Cash Balance Jan 1	202,190		Cash Balance Jan 1	6,651		Cash Balance Jan 1	12,129	
Receipts:			Receipts:			Receipts:			Receipts:			Receipts:		
Grants & Contributions	27,366		Transfers In	100,000		Transfers In	100,000		Miscellaneous	1,575		Grants & Contributions	18,060	
Transfers In	269,774													
Total Receipts	297,140		Total Receipts	100,000		Total Receipts	100,000		Total Receipts	1,575		Total Receipts	18,060	516,775
Resources Available:	647,997		Resources Available:	498,164		Resources Available:	302,190		Resources Available:	8,226		Resources Available:	30,189	1,486,766
Expenditures:			Expenditures:			Expenditures:			Expenditures:			Expenditures:		
Capital Outlay	511,991		Capital Outlay	368,570		Capital Outlay	302,185		Services & Supplies	0		Miscellaneous	22,079	
Transfers Out	11,433													
Total Expenditures	523,424		Total Expenditures	368,570		Total Expenditures	302,185		Total Expenditures	0		Total Expenditures	22,079	1,216,258
Cash Balance Dec 31	124,573		Cash Balance Dec 31	129,594		Cash Balance Dec 31	5		Cash Balance Dec 31	8,226		Cash Balance Dec 31	8,110	270,508
</														

Non-Budgeted Funds-B

[illegible]

*****Note:** These two block figures should agree.

CPA Summary

2027

NON-BUDGETED FUNDS (C)
(Only the actual budget year for 2025 is reported)

City of Abilene

Non-Budgeted Funds-C

(1) Fund Name:				(2) Fund Name:				(3) Fund Name:				(4) Fund Name:				(5) Fund Name:			
CCLIP - Buckeye Project				Capitalized Interest Fund				Walk Improvement Fund											
Unencumbered				Unencumbered				Unencumbered				Unencumbered				Unencumbered			
Cash Balance Jan 1	0			Cash Balance Jan 1	0			Cash Balance Jan 1	0			Cash Balance Jan 1	0			Cash Balance Jan 1			Total
Receipts:				Receipts:				Receipts:				Receipts:				Receipts:			
Debt Issuance - Proceed	1,913,343			Debt Issuance - Proceed				Transfers In	13,114										
Total Receipts	1,913,343			Total Receipts				Total Receipts	13,114			Total Receipts				Total Receipts	0		2,994,577
Resources Available:	1,913,343			Resources Available:				Resources Available:	13,114			Resources Available:				Resources Available:	0		2,994,577
Expenditures:				Expenditures:				Expenditures:				Expenditures:				Expenditures:			
Contractual Services	27,923																		
Capital Outlay	13,343																		
Total Expenditures	41,266			Total Expenditures	0			Total Expenditures	0			Total Expenditures	0			Total Expenditures	0		41,266
Cash Balance Dec 31	1,872,077			Cash Balance Dec 31	1,068,120			Cash Balance Dec 31	13,114			Cash Balance Dec 31	0			Cash Balance Dec 31	0		2,953,311
																			2,953,311

**Note: These two block figures should agree.

CPA Summary	
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NOTICE OF HEARING TO EXCEED REVENUE NEUTRAL RATE AND BUDGET HEARING

2027

The governing body of

City of Abilene

will meet on September 14, 2026 at 4:00 PM at Abilene Public Library 209 NW 4th Abilene, KS 67410 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds, the amount of ad valorem tax and the Revenue Neutral Rate.

Detailed budget information is available at City Hall 419 N Broadway Abilene, KS 67410 and will be available at this hearing.

SUPPORTING COUNTIES
Dickinson County (home county)

BUDGET SUMMARY

Proposed Budget 2027 Expenditures and Amount of 2026 Ad Valorem Tax establish the maximum limits of the 2027 budget.
Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2025		Current Year Estimate for 2026		Proposed Budget for 2027		
	Expenditures	Actual Tax Rate *	Expenditures	Actual Tax Rate *	Budget Authority for Expenditures	Amount of 2026 Ad Valorem Tax	Proposed Estimated Tax Rate*
General	6,190,398	31.438	6,112,570	34.544	5,378,609	1,137,732	15.792
Debt Service	455,294	4.336	419,780	2.749	430,880	158,037	2.194
Library	590,274	8.219	639,950	8.307	656,837	592,218	8.220
Airport	361,574		873,209		1,721,842	54,288	0.754
Fire Apparatus	71,075	1.655	251,629	2.439	238,554	173,333	2.406
Capital Improvement			38,000		18,918		
Personnel Benefits Fund					2,178,073	1,506,147	20.905
Special Highway	47,368		125,000		726,154		
Street Sales Tax	395,268		440,000		575,550		
Recycle	130,209		170,661		144,959		
Storm Water	24,584		231,534		560,823		
Special Parks & Recreation	8,838		21,500		88,023		
Special Alcohol & Drug	13,199		15,000		30,353		
Library Pool Renovation			16,419				
CID Sales Tax	280,561		259,557		366,958		
Rec Sales Tax	39,570		4,367,209		651,241		
Water	2,302,464		2,590,107		3,120,024		
Sewer	1,916,236		2,252,431		2,548,434		
Recreation Commission	621,861		735,231		908,481		
Convention & Visitors Bureau	268,937		286,707		294,775		
Non-Budgeted Funds-A	1,216,258						
Non-Budgeted Funds-B	158,723						
Non-Budgeted Funds-C	41,266						
Totals	15,133,957	45.648	19,846,494	48.039	20,639,488	3,621,755	50.271
<i>Revenue Neutral Rate**</i>							46.463
Less: Transfers	707,855		1,106,009		2,044,611		
Net Expenditure	14,426,102		18,740,485		18,594,877		
Total Tax Levied	3,057,478		3,353,941		xxxxxxxxxxxxxxxx		
Assessed Valuation	67,251,781		69,819,107		72,046,428		
Outstanding Indebtedness, January 1,	2024		2025		2026		
G.O. Bonds	8,050,000		7,225,000		6,730,000		
Revenue Bonds	15,905,000		13,920,000		12,910,000		
Other	0		0		0		
Lease Purchase Principal	25,409,134		1,347,167		928,929		
Total	49,364,134		22,492,167		20,568,929		

*Tax rates are expressed in mills
** Revenue Neutral Rate as defined by KSA 79-2988

Kelsey Briand

City Official Title: Finance Director

ORDINANCE NO. 26-3488

AN ORDINANCE ADOPTING AND APPROPRIATING THE 2027 ANNUAL BUDGET OF THE CITY OF ABILENE, KANSAS.

WHEREAS, a proposed annual budget for the fiscal year commencing January 1, 2027 has been prepared by the City Manager and the Finance Director; and

WHEREAS, the proposed annual budget has been prepared and presented to the City Commission in accordance with applicable law,

WHEREAS, the City Commission has examined, studied, and reviewed the proposed annual budget, and

WHEREAS, a public hearing was held and conducted so as to give interested citizens a reasonable opportunity to be heard, and

WHEREAS, multiple additional opportunities were afforded the citizens to comment on the proposed budget, and

WHEREAS, the City Commission has, after due consideration and deliberation, made such amendments and adjustments in the proposed annual budget as considered necessary, desirable, and expedient; SO NOW, THEREFORE,

BE IT ORDAINED, BY THE GOVERNING BODY OF THE CITY OF ABILENE, KANSAS:

SECTION ONE. Budget Approved. The proposed 2027 annual budget as prepared on forms prescribed by the State of Kansas, which is hereby incorporated by reference, is authorized and approved (the "2027 Budget").

SECTION TWO. Transfers. All interfund transactions identified in the Schedule of Transfers as contained in said 2027 Budget filing with the State of Kansas are adopted by reference.

SECTION THREE. Implementation. The City Manager is authorized and directed to implement and to administer, within the budgetary funding limits and within adopted city policy and relevant state and city laws and regulations, the approved 2027 Budget.

SECTION FOUR. Appropriation of Funds. The 2027 Budget of the City of Abilene shall constitute an appropriation of the money so budgeted, and the City Manager shall be authorized to adjust all salaries, including exempt positions, to pay payrolls and claims, and to make interfund transfers as provided in the 2027 Budget of the City of Abilene; provided that all such payments and transfers made shall be deducted from the accounts so appropriated, and that the total of payments made by Fund shall not exceed the amount appropriated by Fund.

SECTION FIVE. Accounts Payable. The Administration Department shall establish regulations as to the manner of payment of the periodic dates on which payrolls and claims shall be paid, provided that all employees of the City of Abilene shall be paid bi-weekly and no payroll or claims shall be paid until it has been approved by the City Manager, or his or her designee, and by the Finance Director.

SECTION SIX. Records. The Finance Director shall cause a record to be maintained of all payments of any nature.

SECTION SEVEN. Certified Budget to County Clerk. The Finance Director shall be directed to submit a certified copy of the 2027 Budget for the City to the County Clerk in order for the tax rates to be certified on the tax rolls for the 2027 calendar year.

SECTION EIGHT. Effective Date. This Ordinance shall become effective and in full force from and after its passage, adoption, and publication in the official city newspaper.

APPROVED AND PASSED by the Governing Body of the City of Abilene, Kansas, this 14th day of September 2026.

{SIGNATURE PAGE FOLLOWS}

Brandon Rein, Mayor

Attest:

Shayla L. Mohr CMC, City Clerk



City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Final Update – Kollhoff v. City of Abilene Litigation

Department: Administration

Staff Contact: Aaron Martin, City Attorney

Background: Commissioner John Kollhoff filed a defamation lawsuit against the City of Abilene and former City Manager Ron Marsh. On August 3, 2026, the Dickinson County District Court entered a Journal Entry of Dismissal With Prejudice, dismissing the lawsuit.

The time allowed for the Plaintiff to file a Notice of Appeal has expired, and none was filed.

The City Attorney will provide the City Commission with an update regarding the final disposition of the litigation.

Funding Source: N/A

City Attorney Review: 9/3/2026

Options: For information only. No action is required by the City Commission.

Recommendation: For information only. No action is required by the City Commission.

ELECTRONICALLY FILED

2026 Aug 03 PM 2:53

CLERK OF THE DICKINSON COUNTY DISTRICT COURT

CASE NUMBER: DK-2026-CV-000025

PII COMPLIANT



Court: Dickinson County District Court
Case Number: DK-2026-CV-000025
Case Title: John Kollhoff vs. City of Abilene, et al
Type: ORD: Dismiss Journal Entry of Dismissal with Prejudice

SO ORDERED,

A handwritten signature in blue ink, appearing to read "Ben Sexton", is written over a light blue rectangular background.

/s/ Honorable Ben Sexton, District Court
Judge

Electronically signed on 2026-08-03 14:53:19

page 1 of 4

IN THE DISTRICT COURT OF DICKINSON COUNTY, KANSAS

JOHN KOLLHOFF,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Case No. DK-2026-CV-000025
	)	
CITY OF ABILENE, KANSAS	)	
and	)	
RON MARSH, Individually	)	
	)	
Defendants.	)	

JOURNAL ENTRY OF DISMISSAL WITH PREJUDICE

NOW ON this 18th day of June, 2026, the above-captioned matter come on for hearing before the Court on the pending motions. Plaintiff appears in person and with his attorney, Peter C. Rombold. Defendants appear by and through their attorney, Kevin D. Weakley. The Honorable Benjamin J. Sexton, District Judge, presides.

WHEREUPON, the Court announces its ruling that it has DENIED Plaintiff's Motion for Extension of Time to Respond to Defendants' Motion to Dismiss.

WHEREUPON, the Court hears the statements and arguments from counsel on Defendants' Motion to Dismiss. For the reasons stated more fully on the record, the Court finds that because Plaintiff failed to file a Notice of Claim with the City of Abilene on or before March 10, 2026, which is one year from the date of the alleged defamatory remarks mentioned in Plaintiff's Petition, and because no Notice of Claim was ever filed before Plaintiff filed his Petition in this case alleging damages for defamation, the Court would lack subject matter jurisdiction over this matter, requiring the Court to dismiss this case.

WHEREUPON, The Court hears the statements and arguments from counsel on Plaintiff's Motion to Dismiss Without Prejudice pursuant to K.S.A. 60-241. For the reasons stated more fully on the record, the Court finds that a dismissal without prejudice would not be proper because Plaintiff failed to file a Notice of Claim with the City of Abilene on or before March 10, 2026, which is one year from the date of the alleged defamatory remarks mentioned in Plaintiff's Petition. Therefore, the Court finds that it would be improper and legally futile for Plaintiff to receive a dismissal without prejudice because Plaintiff's defamation claim is already time-barred for failing to timely file the Notice of Claim with the City of Abilene within 1 year from the time the alleged defamatory remarks were made, as required by K.S.A. 12-105b and *Cummings v. City of Lakin*, 276 Kan. 858 (2003), and therefore, the Court hereby dismisses this case WITH PREJUDICE.

Plaintiff shall have thirty (30) days from the date of this Order to file his Notice of Appeal.

BY THE COURT IT IS SO ORDERED.

Approved as to form by:

Peter C. Rombold, KS #11539
HOOVER, SCHERMERHHORN, EDWARDS,
PINAIRE & ROMBOLD
811 North Washington Street
Junction City, Kansas 66441
rombold@hooverlawfirm.com
ATTORNEY FOR PLAINTIFF

WALLACE SAUNDERS, CHARTERED

s/ Kevin D. Weakley
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Ryan L. Carpenter #19901
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(913) 888-1000 FAX - (913) 888-1065
kweakley@wallacesaunders.com
rcarpenter@wallacesaunders.com

ATTORNEYS FOR DEFENDANTS
CITY OF ABILENE, KANSAS AND
RON MARSH



City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Wholesale Water Agreement with Dickinson County Rural Water District No. 2 – Review and Direction

Department: Administration

Staff Contact: Jon Quinday, Interim City Manager

Background: The City Commission has previously received the City Manager's report regarding the City's wholesale water service relationship with Dickinson County Rural Water District No. 2 (attached). The report reviews the history of the relationship, the existing Water Supply Agreement and amendments, the City's current cost of providing wholesale water service, and policy considerations associated with the existing rate structure.

The report is intended to provide the Commission with a common factual and policy framework for determining how the City should proceed. It identifies four recommended actions for Commission consideration related to the wholesale water agreement and rate structure.

Staff will provide a brief overview of the report and the recommended actions. Because Commissioners have had the report in advance of the meeting, the presentation is intended as a high-level review rather than a detailed presentation of the full report.

An executive session has also been included on the agenda should the Commission wish to discuss legal considerations associated with the report or recommended actions with the City Attorney.

Following any public discussion, the Commission may provide direction regarding how it wishes to proceed.

Funding Source: Water Fund

City Attorney Review: 08/31/2026

Options: 1. Direct staff to pursue negotiations for a new long-term wholesale water agreement with Dickinson County Rural Water District No. 2.

2. Direct staff to maintain the existing Water Supply Agreement.
3. Direct staff to proceed with providing notice of non-renewal in accordance with the existing Water Supply Agreement.
4. Direct staff and legal counsel to pursue judicial interpretation of disputed provisions of the existing Water Supply Agreement, if determined necessary.
5. Provide other direction to staff.

Recommendation: Staff recommends that the City Commission review the options presented in the report and provide policy direction regarding the City's future wholesale water relationship with Dickinson County Rural Water District No. 2.



City Commission Report

Wholesale Water Agreement with Dickinson County Rural Water District
No. 2

Historical Review, Policy Analysis, and Commission Options

August 31, 2026

Honoring the Past. Protecting the Future.

Prepared for:
Mayor and City Commission
City of Abilene, Kansas

This report has been prepared to assist the City Commission in evaluating the City's wholesale water relationship with Dickinson County Rural Water District No. 2 by providing an objective review of the parties' history, summarizing the negotiations to date, analyzing the financial, contractual, and policy issues presented, and identifying options for Commission consideration. It is intended to inform policy decisions of the governing body. It should not be construed as legal advice or as a substitute for legal opinions provided by the City Attorney.

Mayor and Commissioners:

For nearly three decades, the City of Abilene and Dickinson County Rural Water District No. 2 have maintained a partnership that has provided safe and reliable drinking water to their customers. The October 28, 1998 Water Supply Agreement established the framework for that partnership and reflected a shared commitment to regional cooperation.

As the City's water utility has evolved, so have the financial, operational, and regulatory responsibilities associated with operating a modern public water system. To better understand the current cost of providing water service, the City retained Raftelis Financial Consultants, Inc. to complete an independent cost-of-service study. Staff shared the completed study and supporting allocation model with the District, arranged for Raftelis to present its findings and answer questions before the District's Board of Directors and staff, and, at the District's request, submitted a formal proposal for consideration.

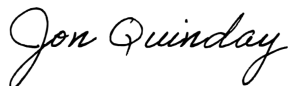
The District subsequently responded through legal counsel, declining the City's proposal under the existing Agreement while expressing a willingness to negotiate a new long-term agreement. That response presents an opportunity for the Commission to consider not only the current rate proposal, but also the broader policy questions surrounding the City's long-term wholesale water relationship with the District.

This report provides an objective review of the parties' history, summarizes the negotiations to date, analyzes the principal policy issues, and presents policy options for the Commission's consideration. It is intended to inform, rather than advocate for, the Commission's policy decisions.

Throughout this process, the analysis has been guided by several fundamental principles: honoring the commitments made by both parties in 1998, recognizing the District's historical investment in the City's water system, protecting the long-term financial sustainability of the utility, ensuring equitable treatment among customer classes, and preserving a productive intergovernmental relationship whenever possible.

I submit this report for your review and consideration and look forward to discussing its contents and receiving the Commission's policy direction. The analysis is intended to honor the commitments of the past while protecting the long-term interests of the City's water utility and all those who depend upon it in the future.

Respectfully,

A handwritten signature in cursive script that reads "Jon Quinday".

Jon Quinday, ICMA-CM
Interim City Manager

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Executive Summary

This report provides the City Commission with an objective analysis of the City's wholesale water relationship with Dickinson County Rural Water District No. 2 (the "District") following completion of an independent water cost-of-service study and subsequent negotiations between the parties. It summarizes the history of the relationship, the cost-of-service findings, negotiations to date, principal policy issues, and options available to the Commission.

The City and the District have maintained a wholesale water relationship for nearly three decades. Under the October 28, 1998 Water Supply Agreement, the District agreed to contribute 11.25 percent of the cost of the City's Water System Improvement Project, not to exceed \$1,000,000. At the time the Agreement was executed, the District's contribution was estimated at \$881,325.92. The Agreement also contemplated development of a groundwater well and transfer of Water Appropriation Right No. 40420. In return, the City constructed, owns, operates, and maintains the treatment facilities and has provided treated wholesale water to the District since the system became operational.

As the City's water utility evolved, operating costs, regulatory requirements, infrastructure needs, and capital responsibilities changed significantly. The City retained Raftelis Financial Consultants, Inc. to independently evaluate the cost of serving each customer class using accepted utility cost-of-service principles. The study determined that the District's average allocated cost of service is approximately \$4.37 per 1,000 gallons, compared with its current wholesale rate of \$1.85. The analysis allocated only the District's proportionate share of costs associated with producing and transmitting treated wholesale water; costs associated solely with the City's retail distribution system were excluded. The study provides an independent financial benchmark for evaluating the wholesale rate but does not interpret the Water Supply Agreement or determine either party's legal rights.

Following completion of the study, the City provided the District with the report and supporting cost-allocation model and arranged for Raftelis representatives to present the findings to the District's Board of Directors and staff and answer questions. At the District's request, the City subsequently submitted a formal proposal. On July 16, 2026, the District responded through legal counsel, declining the City's proposed rate adjustments under the existing Agreement but expressing willingness to negotiate a new long-term agreement. The parties have not reached agreement on future wholesale rates or the terms of a new long-term relationship.

Two considerations are central to the Commission's evaluation. The District's original capital contribution was an important part of the 1998 Agreement and should continue to be recognized. At the same time, the City has a fiduciary responsibility to operate a financially sustainable water utility and equitably allocate the documented cost of service among customer classes. To the extent a customer class pays less than the documented cost of service, the difference must be absorbed elsewhere through other customer revenues, reduced reserves, deferred investment, or future rate adjustments. Although the District's original investment is well documented, no financial analysis has been identified that determines whether the cumulative economic benefits received during nearly three decades of wholesale service have fully, partially, or not yet offset that investment. That issue may warrant further analysis if the parties pursue a new long-term agreement.

The Commission must now determine how the City should proceed. The options analyzed in this report are to negotiate a new long-term agreement; maintain the existing Agreement; provide notice of non-renewal while preserving the opportunity for continued negotiations; or, if necessary, seek judicial interpretation of disputed contractual provisions. The Commission is not limited to these options and may combine elements or provide other policy direction.

Although the parties disagree on several issues, both share an interest in safe and reliable drinking water, financially sustainable systems, and a predictable long-term framework. The Commission's decision therefore extends beyond the current wholesale rate to how this longstanding intergovernmental relationship should evolve while recognizing the District's historical investment and protecting the long-term interests of the City's water utility and its customers.

Principal Findings

1. The 1998 Water Supply Agreement established a mutually beneficial partnership that has served both organizations for nearly three decades. The District made a substantial capital investment in the Water System Improvement Project that should remain a consideration in evaluating the parties' future relationship.
2. The independent Raftelis cost-of-service study documents a significant difference between the District's current \$1.85 wholesale rate and its approximately \$4.37 per 1,000 gallons average allocated cost of service. The City has a fiduciary responsibility to consider that difference and its effect on the financial sustainability and equitable allocation of costs within the water utility.
3. The District has declined the City's proposed rate adjustments under the existing Agreement but has expressed willingness to negotiate a new long-term agreement. The Commission must now provide policy direction regarding whether to pursue such negotiations, maintain the existing Agreement, provide notice of non-renewal, pursue judicial interpretation if necessary, or take another course of action.

1. Historical Background

The City's wholesale water relationship with the District developed over nearly three decades through a series of agreements, infrastructure investments, and operational decisions that provide the context for the issues before the Commission.

1.1 Water System Improvement Project

In the 1990s, the City of Abilene identified the need to improve its public water system to ensure a reliable, long-term source of drinking water for the community. At the same time, the District sought a dependable wholesale supplier to serve its growing rural customer base. Rather than pursuing separate projects, the parties recognized that a cooperative regional approach would yield mutual benefits and reduce the overall cost of developing new water infrastructure.

To achieve those objectives, the City developed the Water System Improvement Project. This comprehensive project included the construction of new water treatment and transmission facilities to serve both the City's retail customers and the District's wholesale water needs. Financing the project required participation from multiple entities, including the District, whose capital contribution became an important component of the overall funding plan.

The parties' negotiations culminated in the execution of the Water Supply Agreement, dated October 28, 1998. The Agreement established the framework under which the City would construct, own, operate, and maintain the water system improvements and provide treated wholesale water to the District.

1.2 The 1998 Water Supply Agreement

The Water Supply Agreement, executed on October 28, 1998, established the contractual relationship between the City of Abilene and the District and defined each party's responsibilities for developing and operating the Water System Improvement Project. Although the Agreement addresses numerous administrative and operational matters, several provisions are especially important for understanding the issues currently before the Commission.

The Agreement required the City to construct, own, operate, and maintain the water treatment and transmission facilities necessary to provide treated wholesale water to the District. In return, the District agreed to participate in financing the Water System Improvement Project by contributing 11.25 percent of the project cost, not to exceed \$1,000,000. Based on the estimated project cost at the time the Agreement was executed, the District's anticipated contribution was \$881,325.92. The final project cost totaled \$7,834,008.18.

In addition to its financial contribution, the Agreement contemplated the development of a groundwater supply well identified as Water Appropriation Right No. 40420. The District had acquired rights to the well site through a lease and owned Water Appropriation Right No. 40420. Under the Agreement, the District assigned its lease rights to the City, and the City agreed to reimburse the District \$2,435 for the cost of the lease and related well-development costs. The well, later designated Water Well No. 18, was incorporated into the City's water system.

Available water-use records show declining and intermittent production, with no reported production after 2005. The well was ultimately plugged in 2014. Supporting records regarding Water Well No. 18 are included in Appendix D.

The Agreement also set forth the method by which the District would purchase treated water from the City, identified the parties' respective operational responsibilities, and set the term of the Agreement, including provisions governing renewal and termination. Collectively, these provisions established a long-term partnership under which the City assumed responsibility for owning and operating the regional water system. At the same time, the District received treated wholesale water for distribution to its customers.

Many of the issues currently under consideration arise not from disagreement about the Agreement's original purpose but from differing views on how the parties' relationship should operate nearly three decades after the Agreement was executed.

1.3 Construction and Implementation of the Water System Improvement Project

After the Water Supply Agreement was executed, the City completed the Water System Improvement Project and began providing treated wholesale water to the District in accordance with the Agreement. The project established the regional water system envisioned by the parties and has provided reliable public water service for nearly three decades.

Throughout that period, the City has owned, operated, maintained, repaired, and replaced the facilities required to produce and deliver treated water to both retail and wholesale customers. As operator of the public water system, the City has also assumed responsibility for complying with evolving federal and

state drinking water regulations, maintaining treatment facilities, replacing aging infrastructure, and ensuring reliable service for all customers connected to the system.

Although the Agreement has remained in effect since 1998, the environment in which the City's water utility operates has changed significantly. Regulatory requirements have expanded, infrastructure has aged, operating costs have increased, and the financial responsibilities associated with providing safe and reliable public water service have continued to evolve. These changes ultimately led the City to evaluate whether the existing wholesale rate still reflected the documented cost of providing wholesale water service.

1.4 Independent Cost-of-Service Study

By 2025, the City's water utility had changed substantially from the system contemplated in the 1998 Water Supply Agreement. Nearly three decades of operation had led to aging infrastructure, expanded regulatory requirements, rising operating and maintenance costs, and significant capital investment needed to maintain a reliable public water system. At the same time, the City had not conducted a comprehensive evaluation of the cost of providing wholesale water service under modern utility rate-setting principles.

Recognizing the importance of keeping utility rates equitable, financially sustainable, and grounded in objective analysis, the City retained Raftelis Financial Consultants, Inc., a nationally recognized consulting firm specializing in utility finance, rate design, and cost-of-service analysis for public water and wastewater utilities, to conduct an independent cost-of-service study.

The study was not intended to renegotiate the Water Supply Agreement or determine the legal rights of either party. Rather, the City's objective was to obtain an independent evaluation of the actual cost of providing water service to each customer class, using accepted utility cost-allocation methodologies. The study was intended to provide an objective financial foundation for future water rate policy decisions while promoting the long-term financial sustainability of the City's water utility.

As part of its analysis, Raftelis evaluated the City's water utility operations, reviewed historical financial data, examined system assets and operating expenses, and allocated costs among customer classes in accordance with recognized utility industry practices. Importantly, the study distinguished between costs of producing and transmitting treated wholesale water and those of the City's retail distribution system. Costs attributable solely to retail distribution infrastructure were not allocated to wholesale customers.

Upon completion of the study, Raftelis concluded that the District's existing wholesale rate was below the documented cost of providing wholesale water service under the study's methodology. The study provided independent financial information for further discussion of wholesale water rates. The City's subsequent discussions with the District are summarized in Section 1.5.

1.5 Negotiation History

Following a review of the independent cost-of-service study, representatives of the City and the District met to discuss the study's findings and their potential implications under the existing Water Supply Agreement. Throughout these discussions, staff's objective was to share information from the independent analysis, answer questions about the study, and explore whether a mutually acceptable path forward could be identified.

To promote transparency, the City provided the District with the complete Raftelis report, the supporting cost-allocation model, and an opportunity to discuss the study directly with the consultants who prepared it. Raftelis representatives attended a meeting of the District's Board of Directors, explained the study's methodology, answered questions, and discussed the assumptions underlying the cost allocations.

Following the February 10, 2026 presentation, the District requested that the City prepare and submit a formal proposal for consideration. On February 11, the District advised the City that its Board preferred the City submit its proposal first and requested that it be provided by the end of February, if possible. The City submitted its formal proposal on February 27, 2026. The proposal sought to establish a phased transition to wholesale rates, supported by the independent cost-of-

service study, while recognizing the importance of maintaining the longstanding relationship between the parties.

On July 16, 2026, the City received a written response from the District's legal counsel. The District declined the City's proposed rate adjustments under the existing Water Supply Agreement but expressed willingness to negotiate a new long-term agreement. Although the parties disagreed on several financial, contractual, and legal issues, the District's response identified a potential path for continued negotiations toward a future long-term relationship.

As of the date of this report, the parties have not reached agreement on future wholesale water rates or on the terms of a new long-term agreement. To date, the negotiations have clarified the principal factual, financial, contractual, and policy issues that require the Commission's consideration.

2. Issues Requiring Commission Consideration

The historical background in the preceding section establishes the factual context for the City's wholesale water relationship with the District. However, the Commission's responsibility extends beyond reviewing that history. The Commission must determine how the City's relationship with the District should proceed in light of current financial, operational, contractual, and policy considerations.

This decision should not be based on any single issue in isolation. Rather, it requires balancing commitments under the 1998 Water Supply Agreement, the District's historical investment in the Water System Improvement Project, the City's fiduciary responsibility to operate a financially sustainable utility, and the long-term interests of all utility customers.

Accordingly, several policy questions should guide the Commission's evaluation.

The principal questions include:

1. How should the District's historical investment in the Water System Improvement Project be taken into account when evaluating the parties' future relationship?
2. Should wholesale water rates reflect the documented cost of providing wholesale water service?
3. How should future wholesale water rates be set if the parties continue their relationship beyond the current Agreement?
4. What responsibilities does the City have to all utility customers when setting wholesale water policy?
5. What options are available under the existing Water Supply Agreement if the parties are unable to agree on a future long-term relationship?

3. Guiding Principles

In considering the City's future wholesale water relationship with the District, the Commission should balance several principles: honoring commitments made in good faith; recognizing the District's historical investment; relying on objective financial, operational, and technical information; maintaining the water utility's long-term financial sustainability; equitably allocating costs among customer classes; seeking cooperative solutions whenever reasonably possible; providing predictability and transparency in future rate setting; and protecting the interests of all utility customers.

These principles are not mutually exclusive and should be considered together when evaluating the policy issues and options that follow.

4. Analysis of Policy Issues

The historical background, policy questions, and guiding principles discussed in the preceding sections provide the framework for evaluating the City's future wholesale water relationship with the District. The following analysis examines the key policy considerations that should inform the Commission's decision.

4.1 Balancing Historical Investment and Current Cost of Service

The District's financial participation in the Water System Improvement Project was a key component of the October 28, 1998 Water Supply Agreement. It should remain a factor in evaluating the parties' future relationship. For nearly three decades, the District has received treated wholesale water under the terms negotiated by the parties, while the City has assumed responsibility for operating, maintaining, repairing, replacing, and improving the water system and for complying with evolving regulatory requirements.

No financial analysis has been identified that evaluates whether the cumulative economic benefits the District received during that period have fully, partially, or not yet offset its original investment. At the same time, the Raftelis study provides an independent measure of the current cost of providing wholesale service. The Commission's task is therefore not to choose between recognizing the District's historical investment and considering the City's current cost of service, but to determine how those considerations should be balanced to establish an equitable and financially sustainable long-term relationship.

4.2 Cost of Providing Wholesale Water Service

Public water utilities are expected to set rates that are equitable, financially sustainable, and grounded in objective financial information. Cost-of-service studies are widely accepted in the utility industry because they allocate documented costs of service among customer classes in accordance with recognized utility accounting and rate-setting principles.

The independent Raftelis cost-of-service study was commissioned for that purpose. It was not intended to interpret the Water Supply Agreement or determine either party's legal rights. Rather, its purpose was to evaluate the current cost of providing water service under existing operating conditions.

An important aspect of the study is what it excluded. Costs associated solely with the City's retail distribution system were excluded from the wholesale cost allocation. Only costs associated with producing and transmitting treated wholesale water were assigned to the District. This distinction is significant because it recognizes that wholesale customers should not be allocated costs associated solely with retail distribution facilities from which they receive no benefit.

The study concluded that the current wholesale rate is below the documented cost of providing wholesale water service under the methodology applied. While the Commission may ultimately determine that policy considerations justify a different rate, the study provides an objective financial benchmark for evaluating future decisions.

4.3 Equity Among Customer Classes

The City's water utility serves residential, commercial, industrial, and wholesale customers. Although all receive water service, the cost of serving each customer class is not necessarily the same. Cost-of-service studies are intended to identify those differences and allocate costs accordingly.

One of the Commission's responsibilities is to determine whether the City's rate structure equitably allocates the documented cost of service. If one customer class pays less than the documented cost of serving it, the resulting revenue shortfall must be absorbed elsewhere within the utility. Depending on Commission policy, that shortfall may affect utility reserves, infrastructure investment, future rate adjustments, or other customer classes.

This observation should not be construed as criticism of any particular customer class. Rather, it reflects the Commission's broader responsibility to ensure that utility rates remain equitable, transparent, and financially sustainable, while acknowledging legitimate policy considerations that may justify deviations from strict cost-of-service principles.

4.4 Establishing a Future Rate Methodology

Although much of the discussion has focused on the current wholesale rate, the more significant long-term policy issue is how future wholesale rates should be determined.

Operating costs, regulatory requirements, infrastructure replacement needs, and capital investment requirements change over time. A wholesale rate that accurately reflects the cost of service today may no longer do so in a few years. Conversely, repeated negotiations over individual rate adjustments can create uncertainty for both organizations.

Regardless of the specific rate ultimately adopted, future agreements should establish an objective methodology for periodically reviewing wholesale rates using current financial information. This approach would improve transparency, increase predictability, and reduce the likelihood of future disputes over individual rate adjustments.

4.5 Timing Considerations

The policy issues discussed throughout this report are not solely historical. The Commission must also consider the practical timing of the available options.

The Water Supply Agreement sets forth provisions governing renewal and non-renewal that require action within specified timeframes. Likewise, continued negotiations, preparation of amended agreements, budget planning, and potential litigation each require sufficient time for thoughtful consideration and implementation.

Accordingly, delaying policy direction may narrow the range of options available to both parties. For that reason, it is appropriate for the Commission to consider these issues while sufficient time remains to pursue the chosen course of action.

5. Commission Options

The existing Water Supply Agreement and the negotiations to date present several potential paths for the Commission's consideration. Each option entails distinct policy, financial, operational, and legal considerations. The Commission is not limited to the options below and may combine elements of multiple options or provide alternative policy direction.

The Commission's policy direction will determine which of the following options, or combinations of options, should be pursued. The following discussion objectively describes each option. Staff's discussion and request for Commission direction are presented in Section 6.

Option 1 – Negotiate a New Long-Term Agreement

Under this option, the Commission would direct staff to negotiate a new long-term wholesale water agreement with the District. After reviewing the City's proposal, based on the independent cost-of-service study, the District declined the City's proposed rate adjustments under the existing Water Supply Agreement but expressed willingness to negotiate a new long-term agreement. This option would accept the District's invitation to pursue those negotiations.

Negotiations could address wholesale water rates, recognition of the District's historical investment, future rate-setting methodologies, capacity charges, conservation and emergency provisions, contract terms and renewal terms, and other issues identified by both parties.

Advantages

- Preserves the cooperative relationship established over nearly three decades.
- Provides an opportunity to negotiate a modern agreement that reflects current financial, operational, and regulatory conditions.
- Allows both parties to address issues beyond wholesale rates, such as future rate methodology, capacity, and long-term governance of the relationship.
- May reduce future disputes by establishing objective methodologies for rate adjustments.
- Avoids the expense and uncertainty of litigation.

Disadvantages

- Negotiations may not ultimately lead to a new agreement.
- Negotiating a comprehensive long-term agreement may require a substantial amount of time. The most recent wholesale rate adjustment required more than one year to reach agreement on a \$0.40 per 1,000 gallons increase, and a new agreement addressing multiple financial, operational, and contractual issues may require an extended negotiation period.
- The current Water Supply Agreement remains in effect until a new agreement is executed, the existing agreement expires, or the existing agreement is terminated in accordance with its terms.

Policy Considerations

This option acknowledges that the District has declined to renegotiate wholesale rates under the existing Agreement but has expressed willingness to negotiate a new long-term agreement. It allows the Commission to determine whether pursuing a comprehensive agreement—rather than continuing to debate individual provisions of the existing Agreement—is the preferred path. A new agreement could balance recognition of the District's historical investment with the City's responsibility to operate a financially sustainable utility and establish a transparent framework for future wholesale service.

Potential Next Steps

- Establish Commission negotiation objectives for a new long-term agreement.
- Authorize staff and legal counsel to negotiate with the District.
- Determine whether additional financial analysis is warranted regarding recognition of the District's historical investment.
- Prepare a draft long-term agreement for Commission consideration.

Option 2 – Maintain the Existing Agreement

Under this option, the Commission would continue operating under the existing Water Supply Agreement without seeking immediate modifications. The parties could continue informal discussions while the Agreement remains in effect.

Advantages

- Maintains stability within the existing contractual framework.
- Requires no immediate changes to operations or to billing practices.
- Provides additional time for future discussions, if desired.

Disadvantages

- Does not address the findings of the independent cost-of-service study.
- Leaves the differing interpretations of the Agreement unresolved.
- Allows the difference between the current wholesale rate and the documented cost of providing wholesale service to persist. To the extent that wholesale revenues do not recover the documented cost of service, those costs must be absorbed elsewhere within the water utility through other customer revenues, reduced reserves, deferred investment, or future rate adjustments.

Policy Considerations

Maintaining the existing Agreement provides short-term stability but does not resolve the financial and policy issues identified in this report. The Commission should consider whether continuing the current rate structure aligns with its objectives of equitable cost allocation and the long-term financial sustainability of the water utility.

Potential Next Steps

- Continue operating under the existing Agreement.
- Monitor utility finances.
- Reevaluate the issue at a later date.

Option 3 – Provide Notice of Non-Renewal in Accordance with the Agreement

The existing Water Supply Agreement includes provisions governing renewal and termination. Under this option, the Commission would direct staff to provide timely notice of non-renewal in accordance with those provisions and to continue meeting all obligations under the Agreement during its remaining term.

Providing notice of non-renewal would not immediately terminate wholesale water service. Rather, it would preserve the City's contractual rights and give both organizations time to determine their long-term plans.

Advantages

- Preserves the City's contractual rights under the Agreement.
- Provides certainty about the Agreement's future status.
- Encourages both organizations to plan in a timely manner.
- Does not prevent ongoing negotiations during the remaining contract term.

Disadvantages

- May be viewed as a significant change in the parties' relationship.
- Could heighten tension during future negotiations.
- Requires both organizations to begin planning for alternative long-term arrangements if a new agreement is not reached.

Policy Considerations

Providing notice of non-renewal should not necessarily be viewed as ending the parties' relationship. Rather, it may serve as a procedural step to preserve contractual options while negotiations continue. The Commission should carefully consider the Agreement's timing requirements before determining whether this option is appropriate.

Potential Next Steps

- Review contractual notice requirements with legal counsel.
- Authorize timely notice if directed.
- Continue negotiations if appropriate.
- Develop contingency plans for future wholesale service.

Option 4 – Seek Judicial Interpretation

If the parties are unable to resolve differing interpretations of the existing Water Supply Agreement through negotiation, either party may seek a judicial interpretation of the disputed provisions.

Judicial proceedings would focus on interpreting the Agreement rather than on developing future utility policy.

Advantages

- Provides legal certainty for disputed contractual provisions.
- Resolves issues that negotiations cannot.
- Provides a binding interpretation of the Agreement.

Disadvantages

- Litigation is costly and time-consuming.
- Outcomes cannot be predicted with certainty.
- May strain the longstanding relationship between the City and the District.
- Judicial interpretation may resolve legal questions without engaging broader policy issues.

Policy Considerations

Litigation generally resolves legal disputes rather than developing collaborative public policy. Even if judicial interpretation becomes necessary, the Commission may determine that ongoing discussions about future relationships remain appropriate.

Potential Next Steps

- Consult with legal counsel.
- Evaluate litigation costs and risks.
- Determine whether further negotiation efforts remain appropriate before initiating legal action.

Comparison of Commission Options

Option	Relationship Impact	Financial Considerations	Implementation Time	Relative Risk
Negotiate a new long-term agreement	High potential to preserve	Moderate to High	Potentially Extended	Moderate
Maintain existing agreement	Preserved in short term	May not address documented cost of service	Immediate	Moderate
	Relationship depends on future negotiations	Preserves future contractual flexibility	Contract dependent	Moderate
Notice of non-renewal	Relationship likely strained	Depends on court decision	Long	High
Judicial interpretation				

6. Staff Discussion and Request for Commission Direction

The City and the District have maintained a successful wholesale water relationship for nearly three decades. The issues before the Commission now require balancing that history and the District's investment in the Water System Improvement Project with the City's responsibility to operate a financially sustainable utility and to equitably allocate the documented cost of service.

The District has declined the City's proposed rate adjustments under the existing Agreement but has expressed willingness to negotiate a new long-term agreement. The Commission must now decide how to proceed.

Because that determination involves policy judgments reserved to the governing body, staff is not recommending a specific option. Staff requests that the Commission review the options in Section 5 and provide direction on the City's future wholesale water relationship with the District. Staff and legal counsel will then take the actions necessary to implement that direction.

Endnote

The City's February 27, 2026 proposal to the District referenced a cost-of-service figure of \$4.43 per 1,000 gallons. The final Raftelis Water Rate Study identifies the District's average allocated cost of service as approximately \$4.37 per 1,000 gallons. This report uses the \$4.37 figure stated in the final study.

Supporting Documentation / Appendices

Appendix A - Water Supply Agreement and Amendments

A-1 October 28, 1998 Contract for Water System Project Contribution and Water Supply

A-2 February 28, 2011 Contract Amendment

A-3 February 24, 2025, Second Amendment to Contract for Water System Project Contribution and Water Supply

COPY

CONTRACT FOR WATER SYSTEM PROJECT CONTRIBUTION AND WATER SUPPLY

THIS CONTRACT is made this 28th day of October, 1998, by and between the City of Abilene, Kansas ("the City"), and Rural Water District No. 2, Dickinson County, Kansas ("the Water District").

WITNESSETH, the parties hereto agree as follows:

1. Purpose. The City owns and operates a municipal water utility. The City is in the process of constructing certain improvements to improve the quality and quantity of water available from its water treatment plant facility and to its principal distribution system. The Water District has been organized and established under the provisions of the laws of the State of Kansas, K.S.A. 82a-612, et seq., in which the District owns and operates a public water supply system within the boundaries of the District. The Water District's present source of supply is unreliable and the quantity is inadequate. The City and the Water District intend to cooperate in the construction of the improvements to the City's treatment plant and distribution system by the District making a contribution towards the cost thereof and in turn receiving certain rights thereto, as provided in this contract.

2. Construction of Water System Improvement Project. The City shall cause certain improvements to be constructed to its water treatment and distribution facilities. As a result of these improvements, the City's water treatment plant production and delivery capacity shall be a total of four million gallons of water per day. The estimated cost of the total project is \$7,834,008.18 (as of January 29, 1998). The City shall have the sole responsibility to engage the engineers and contractors necessary to design and construct this project, and the Water District shall have no responsibility for the same. Following construction, the City shall have the sole responsibility for operation, repair, maintenance and improvement to the system, and the Water District shall have no responsibility for the same.

3. Water District Contribution to Water System Improvement Project. The Water District shall contribute 11.25% of the cost of the City's water system improvement project as finally determined, not to exceed \$1,000,000. The estimated cost to the Water District is \$881,325.92 (11.25% of \$7,834,008.18). This amount shall be paid in cash, at such time(s) and in such increment(s) as the parties shall subsequently agree, but in no event later than the date that water is made available to the Water District from the City through connection to the City's water system upon completion of the project.

4. Water Well Development and Use. As part of the project, the City shall develop a water well on land acquired by the Water District for that purpose, located in the southwest quarter of section 24-13-01, Dickinson County, Kansas. The Water District has acquired rights to that site pursuant to a lease agreement, a copy of which is attached hereto as Exhibit "A." The Water District is the owner of a Water Appropriation Right, No. 40420, with the place of diversion designated as the leased property. The Water District shall submit an application for approval to

change the place of use of that Water Right to the Division of Water Resources to designate the place of use as being the Water District territory, the City and such other places as the City's water distribution system serves. The Water District shall assign its rights to the lease to the City and obtain the consent of the lessor to that assignment, if necessary. The City shall refund to the Water District the sum of \$2,435, that being the cost of the lease being assigned and related well development costs, which amount shall be payable not later than the date that the Water District makes final payment of its contribution toward the City water system improvement project. The City shall cause its engineers and contractors to make all improvements necessary to develop the water well on the leased land, and the Water District shall have no responsibility for the same. The City shall then have the right to use the water well developed on this property within the terms of the lease and the water appropriation right.

5. Construction and Connection of Transmission Line and Master Meter. The Water District shall design and construct at Water District expense the water transmission line from the Water District's distribution system to a connection with the City's system. The point of connection shall be as agreed between the parties. This line shall be constructed of eight inch pipe and shall be connected to a four inch water meter (the "master meter"). Following completion of the connection, the City shall be solely responsible for the inspection, maintenance, repair, replacement and removal of the water main to the point of connection with the Water District's system. The Water District shall be solely responsible for the inspection, maintenance, repair, replacement and removal of the water main between the Water District's system and the connection to the City. All water sold to the Water District shall be measured by a master meter installed in a meter vault. Said vault and contents shall be constructed, installed and owned by the Water District, located at a mutually agreed point where the Water District transmission line connects with the City water distribution system.

6. Service to Customers of Water District. The City agrees that it shall make water available to the Water District, in the quantities specified in this contract, as soon as possible upon construction of the City's water treatment facility and distribution system improvements. The Water District shall then make that water available for use by its customers. The water supplied by the City shall be in accordance with standards established and maintained by the State of Kansas, Department of Health and Environment. The City shall be responsible for adequate disinfection of water delivered by it to the Water District at the master meter. The Water District shall be responsible for adequate disinfection of water within the Water District's water distribution system.

7. Water Supply. The City shall provide water to the Water District in such amount as required by the Water District not to exceed 450,000 gallons per day. The City shall provide water to the Water District at the master meter, at a pressure that is not less than that available to serve in-City customers at the same elevation above mean sea level. It is anticipated that the Water District will cause a booster pump to be constructed and operated within the Water District in order to boost the pressure of water being delivered from the City as the Water District deems necessary in order to adequately serve its customers. The City shall have no responsibility for the construction, operation or maintenance of such booster station. There is no minimum amount of water that the Water District shall be required to take through its connection to the City. In the event that the City's water production should become inadequate to serve the City's customers and

the Water District's customers, and the Water District desires to increase the amount of water it is entitled to take under this agreement, the City may expand the plant and related facilities. The City and the Water District may agree to share in the cost of such expansion in accordance with the following formula:

Maximum amount of water			
Water District entitled to take	-	450,000 gpd	Water
<u>after new improvements</u>			District
Total expanded water production			Cost
capacity after new improvements	-	4,000,000 gpd	Share

Cost Share Example:

$$\frac{500,000 - 450,000}{4,500,000 - 4,000,000} = \frac{50,000}{500,000}$$

8. Implementation of Water Conservation Plan. In the event that conditions arise which require the implementation of a water conservation plan by the City for its customers, the supply of water to the Water District shall be proportionately reduced consistent with the reduction imposed upon the customers of the City.

9. Water Rates. The rate charged by the City for water sold to the Water District shall be according to the following schedule:

first 2.25 units	\$14.5075
next 5.25 units	11.2754
next 7.50 units	18.6128
next 15.00 units	42.2505
next 22.50 units	70.8908
next 172.50 units	266.8058
each unit over 225.00 units	.8777
(one unit equals 1,000 gallons)	

The above schedule of rates represents the schedule being implemented by the City applicable to all consumers of water, less the capital costs attributed to the construction of the City's water treatment plant and distribution system improvement project, for which the Water District is paying its proportionate share in cash. The schedule of rates to be paid by the Water District for water delivered pursuant to this contract shall be subject to modification by an ordinance, duly adopted by the governing body of the City of Abilene. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the cost of performance hereunder, but such costs shall not include increased capitalization of the City of Abilene's water distribution system nor oth-

er portions of the City's system except as will directly benefit the Water District. Provided further, that any such modification of water rates shall not discriminate against the Water District and shall not be a progressive rate in which the cost per unit of water purchased increases with usage.

10. Payment for Water. The City shall furnish the Water District, at 320 A, Main Avenue, Carlton, Kansas 67448, not later than the 8th day of each month, an itemized statement for the amount of water furnished by the City during the preceding month, and a calculation of the amount due for the same according to the applicable rate schedule. The Water District agrees to pay to the City Water Department an amount to be computed at the then existing rate not later than the 15th day of the following month for the water supplied under this contract during the preceding month.

11. Water Rights. It is agreed that this contract shall not be construed as transferring any water rights from the City to the Water District or from the Water District to the City. All existing water rights shall remain exclusively the property of the party owning the same at the date of the execution of this agreement.

12. Metering. All water sold to the Water District shall be measured by the meter installed in the meter vault as described in paragraph 5, above. The City shall have the right at any time to test the meter, at the expense of the City. If the Water District requests a meter test, the test shall be conducted by the City Water Department at the expense of the Water District. If upon such examination and test conducted in the presence of a representative of the Water District, the meter is found to be inaccurate according to the standards of the American Water Works Association, either the meter will be repaired or a meter will be substituted. Whenever the City Water Department finds the meter to be inoperative, an adjustment charge for the preceding period shall be made by averaging the water used for the corresponding billing period of the three prior years; or if such records are unavailable, then according to the best method practical under the circumstances. Whenever the City Water Department finds the meter is not measuring accurately according to standards of the American Water Works Association, an adjustment of charges for the preceding billing period shall be made.

13. Operation and Maintenance. The Water District shall be fully responsible for the operation and maintenance of the facilities owned by the Water District, and the Water District agrees to hold the City harmless from any and all claims against the City or the Water District arising from the operation and/or maintenance by the Water District of the water system owned by the Water District or any part thereof. In the event that it is necessary to temporarily stop the flow of water into the Water District lines due to the need of the Water District to make repairs on said lines, authorized representatives of the Water District shall be permitted to shut off the water supply by use of the valve located outside of the meter vault. The Water District shall give the City reasonable notice under the circumstances prior to any such shut off.

14. Emergency Termination of Water Supply. The City hereby agrees to make every reasonable effort to provide an adequate supply of water at all times pursuant to the terms of this contract; however, it is understood and realized by the parties hereto that the City water supply might, by reason of unforeseen catastrophe or disaster, be temporarily suspended. Interruptions of

service under such conditions or pipeline failure shall not give rise to any claim on the part of the Water District or customers of the Water District against the City. The city shall give the Water District reasonable notice under the circumstances prior to any such termination of service.

15. Discontinuance of Service. The City may refuse to deliver water to the Water District if it is determined by the Kansas Department of Health and Environment or the Dickinson County Health Department that conditions exist which violate Department regulations and which endanger the public water supply and may continue to refuse such delivery of water to the Water District until such condition is remedied to the satisfaction of either the Kansas Department of Health and Environment or said Dickinson County Health Department.

16. Contract Term and Renewal. The term of this contract shall be for a period of forty (40) years, and the Water District shall notify the City before the end of the fifth year prior to the termination date of this contract if it wishes to extend this contract. If the City and the Water District fail to agree on an extension of this contract before the end of the third year prior to the termination date of this contract, this contract shall terminate upon the end of the term of this contract.

17. Permits. This contract shall be subject to such rules, regulations or laws as may be applicable, and the parties agree to cooperate in obtaining such permits as may be required.

18. Successor to the District. In the event of any occurrence rendering the Water District incapable of performing under this contract, any successor of the Water District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Water District hereunder.

19. Assignment of Interest. The interest of the Water District under this contract is assigned to the United States of America (FmHA or its successor agency), under Public Law 103-354, as part of the security for the loan.

20. Annual Reporting. The City shall provide to the Water District annually a copy of the Water Use Report submitted by the City to the Kansas Department of Agriculture, Division of Water Resources, and a copy of the City's annual audit.

21. Modification. Except as to water rates, the modification for which is provided under paragraph 9, above, the terms of this contract may be modified or altered only by written agreement of the parties.

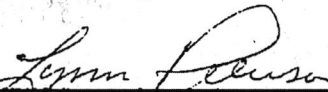
22. Integration. This contract contains all of the terms of the agreement between the parties, and any addition or modification hereto shall be in writing and executed in the manner similar to the contract.

23. Binding Effect. This contract shall be binding upon and inure to the benefit of the parties, their successors and assigns, specifically including any lender which may succeed thereto

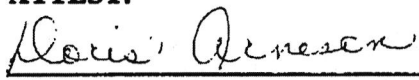
by assignment or legal process.

IN WITNESS WHEREOF, the parties have caused this contract to be signed by their respective officers duly authorized on the dates indicated and the acknowledgments below.

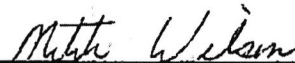
CITY OF ABILENE
Abilene, Kansas

By 
LYNN PETERSON, Mayor

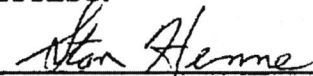
ATTEST:


DORIS ARNESON, City Clerk

RURAL WATER DISTRICT NO. 2
Dickinson County, Kansas

By 
MITCH WILSON, Chairman

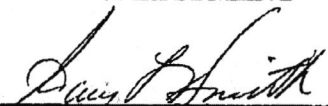
ATTEST:


STAN HENNE, Secretary

APPROVAL

This contract for water supply is approved on behalf of the United States of America/Rural Development, on this 23rd day of October, 1998.

**UNITED STATES OF AMERICA/
RURAL DEVELOPMENT**

By 
GARY L. SMITH, Director
Community and Business Programs

CONTRACT AMENDMENT

THIS CONTRACT AMENDMENT (hereinafter "Contract Amendment") is entered into as of the 28th day of February, 2011, between Rural Water District No. 2, Dickinson County, Kansas (hereinafter the "the Water District") and the City of Abilene, Kansas, (hereinafter "the City").

WITNESSETH:

WHEREAS, the City and the Water District have previously entered into an agreement dated October 28, 1998 entitled: Contract for Water System Project Contribution and Water Supply (hereinafter "the Contract"); and

WHEREAS, the City and the District wish to amend certain terms of the Contract.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements hereinafter set forth and other good and valuable consideration, the sufficiency of which is acknowledged by the parties hereto, they do hereby agree as follows:

1. Section 9 of the Contract shall be amended to read as follows

"Water Rates. The rate charged by the City for water sold to the Water District shall be \$1.44 per 1,000 gallons, beginning with the March 1, 2011 utility bill. Such \$1.44 rate shall remain unchanged through calendar year 2013. For the two calendar years thereafter, (that is, calendar years 2014 and 2015), annual rate increases may be imposed, however, increases will be capped at a maximum of 2.5%, or the percentage rate increase incurred by city retail customers, whichever is smaller. Notification of rate increases shall be made to Dickinson County Rural Water District No. 2 ninety (90) days prior to implementation. After calendar year 2015, the rate charged by the City to the Water

District shall be subject to renegotiation and the parties shall negotiate in good faith to agree on a new water rate at that time.

2. All other provisions of the Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

**RURAL WATER DISTRICT NO. 2,
DICKINSON, KANSAS**

By: Kelly Fink
Printed Name: Kelly Fink
Title: Chairman

Attest:

Mosh Rodolen
Secretary

CITY OF ABILENE, KANSAS

By: Diane Miller
Printed Name: Diane Miller
Title: Mayor



Perry L. San Kup, CMC
City Clerk

**SECOND AMENDMENT TO CONTRACT FOR WATER SYSTEM PROJECT
CONTRIBUTION AND WATER SUPPLY**

This Second Amendment to Contract for Water System Project Contribution and Water Supply ("Amendment") is entered into as of the 24th day of February 2025, by and between the City of Abilene, Kansas (the "City") and Rural Water District No. 2, Dickinson County, Kansas (the "District").

A. The City and the District are parties to a Contract for Water System Project Contribution and Water Supply dated October 28, 1998, as amended by a Contract Amendment dated February 28, 2011 (as amended, the "Contract"), setting forth the terms and conditions under which the City will sell to the District, and the District will purchase from the City, treated drinking water from the City's water treatment facility and distribution system.

B. Under the Contract, the rate currently charged by the City for water sold to the District is \$1.44 per 1,000 gallons.

C. The parties wish to amend the Contract to increase the rate charged for water sold to the District under the Contract, and to provide for the establishment of a segregated account to be held by the City for the use and expenditure of incremental revenues generated by the increased water rate.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. **Incorporation and Definitions.** This Amendment incorporates all of the terms and conditions from the Contract to the extent they are not amended, modified, or superseded by this Amendment. Capitalized terms in this Amendment shall have the meanings ascribed to those terms in the Contract unless otherwise defined herein or the context otherwise dictates.

2. **Amendment.** Section 9 of the Contract is hereby deleted in its entirety and replaced with the following:

9. Water Rates; Segregated Account.

9.1. The rate charged by the City for water sold to the District shall be \$1.80 per 1,000 gallons. Beginning on January 1, 2026, and on January 1st of each subsequent calendar year, the City may increase the water rate by up to three percent (3%). To implement an increase, the City must provide written notice to the District no later than December 1st of the preceding year. Any increase will take effect on January 1st immediately following the written notice.

9.2. The City agrees that all revenue generated by the City from the sale of water to the District at a rate in excess of \$1.44 per 1,000 gallons shall be deposited into a segregated account and used or expended by the City exclusively to pay the cost of repairs, maintenance, and improvements to the City's water

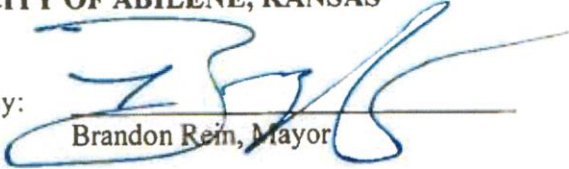
treatment plant and equipment therein, and/or the payment of any bonds and the interest thereon as may be issued for such repairs, maintenance, and improvements. The City shall maintain records and accounting statements related to funds deposited into and expended from the segregated account, consistent with the terms of this Section 9.2.

3. **Ratification.** Except as modified by this Amendment, and notwithstanding anything to the contrary in the Contract, the parties ratify all the terms and conditions set forth in the Contract and acknowledge that the Contract is in full force and effect, there are no existing defaults thereunder, and the Contract is binding on the parties thereto.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date set forth above.

CITY OF ABILENE, KANSAS

By:


Brandon Rein, Mayor

ATTEST:

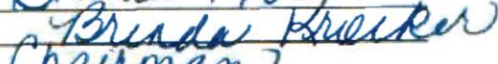

Shayla L. Mohr CMC, City Clerk

**RURAL WATER DISTRICT NO. 2,
DICKINSON COUNTY, KANSAS**

By:

Name:

Title:



Chairman

Appendix B - Raftelis Water Rate and Cost-of-Service Study

The City of Abilene retained Raftelis Financial Consultants, Inc. to conduct an independent water rate and cost-of-service study. The study evaluated the City's water utility, allocated costs among customer classes using recognized utility cost-of-service principles, and developed recommendations regarding the City's water rate structure.

As part of the study, Raftelis evaluated Dickinson County Rural Water District No. 2 as a separate wholesale customer class. The study determined that the District's average allocated cost of service was approximately \$350,000, or \$4.37 per 1,000 gallons. Costs associated solely with the City's retail distribution system were excluded from the District's cost allocation.

The complete Raftelis Water Rate Study is included in this appendix.



City of Abilene

Water Rate Study

December 2025



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Executive Summary

In 2025, the City of Abilene (City) engaged Raftelis to develop a water rate and cost of service study. The primary goal of the study was to determine the costs of providing water services to the community and to establish rates that will reasonably provide for a sustainable utility system.

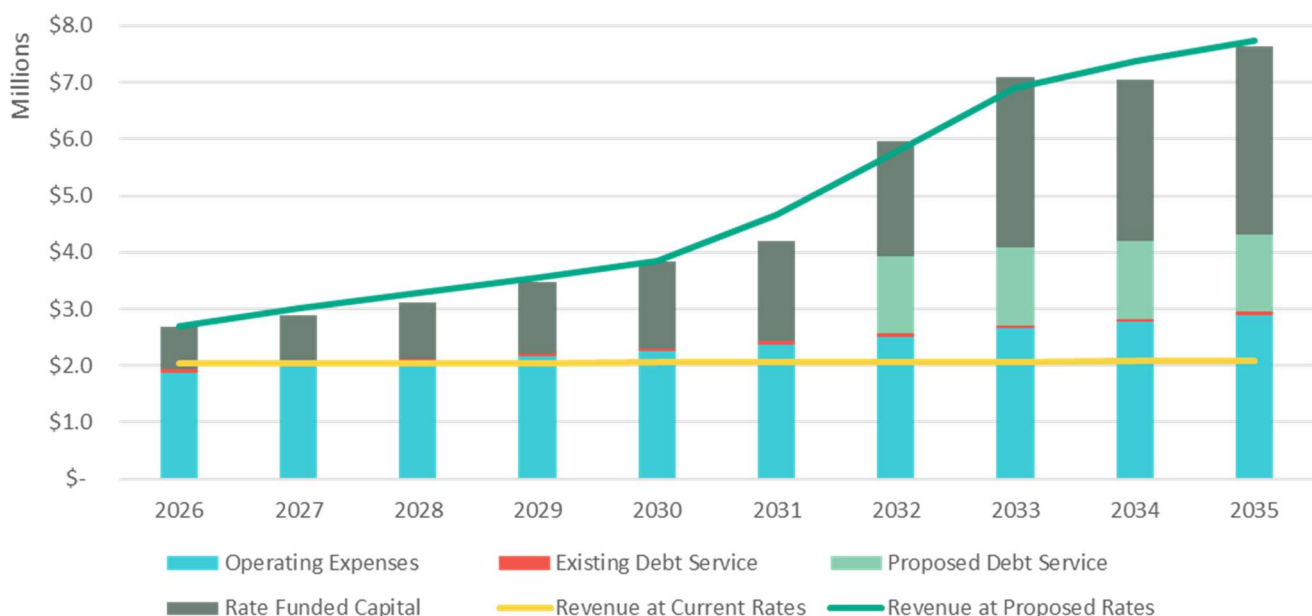
Rate Increases

Raftelis recommends implementing a **45% rate increase in FY 2026 and 9% increases each year from FY 2027 to FY 2030**. In recent years, the City's water fund has increasingly relied on fund balance in order to fund operations. The water fund balance has been effectively depleted as of the end of FY 2025 and deficit spending will no longer be an option. A primary driver of the recommended rate increases is to correct this structural issue and ensure that revenues are sufficient to fund the safe and reliable operation of the City's water system.

Additionally, the City must continue to develop its water main replacement program. Although the City has adequately maintained the existing water distribution system, water mains have an expected useful life after which they must be replaced. The City is currently budgeting approximately \$500 thousand per year for this program; Raftelis estimates that, in the long term, the City should expect to spend over \$2 million per year based on industry guidelines for estimated useful life of water mains, construction cost, and the size of the City. The capital plan proposes increasing water main replacement expenditures to \$1 million by 2030; the City should expect to continue to expand this program in future years.

Figure 1 summarizes the City's current and expected future financial condition. Without rate increases to achieve the revenue shown by the green line, existing revenue at the level of the yellow line is currently insufficient for anything beyond basic operating expenses and debt service. The City will be unable to continue any capital improvement program and will soon be unable to fund operations.

Figure 1: Water Utility Financial Plan



This study focuses on the period of FY 2026 through FY 2030, though preliminary forecasts of future years were also examined. The City expects to replace two water towers that are approaching the end of their useful life. The first replacement could be required as soon as 2031. Even assuming debt financing and favorable terms, the City should expect additional significant rate increases to fund these projects. These increases should be determined through additional analysis at a future date when more information is available.

Proposed Rate Structure Adjustments

The City currently charges a monthly fixed charge of \$18.77 to all customers and a uniform volume rate of \$4.47 per 1,000 gallons of water used for residential customers; commercial customers are subject to a declining block rate structure that charges \$4.47 per 1,000 gallons for most water and \$3.79 per 1,000 gallons after the first 225,000 gallons used in a month. Raftelis recommends making several adjustments to this rate structure to promote the recovery of the cost of providing water service from the appropriate customers. The proposed adjustments include:

1. Adoption of a fixed charge that varies by meter size. Instead of \$18.77 for all customers, customers with larger water meters will pay more, regardless of the amount of water used.
2. Implementation of an inclining block volumetric structure for residential customers. Instead of the same price per unit for all water used, the first 4,000 gallons used per month will be billed at the lowest rate, the next 6,000 gallons at a higher rate, and all additional water use at the highest rate.
3. Addition of a new rate for water used by dedicated irrigation meters, set equal to the Tier 2 residential rate.
4. Removal of the declining block rate structure for commercial customers and replacement with a uniform rate for all volume used.

Table 1 provides a comparison of the City's current rates with the proposed 2026 rates.

Table 1: Proposed Rate Structure

Description		Current	Proposed
Fixed Charge (per month)			
3/4"		\$ 18.77	\$ 24.82
1"		18.77	37.51
2"		18.77	107.31
4"		18.77	405.52
6"		18.77	894.07
Volume Charges (per 1,000 Gallons)			
Residential			
Tier 1	1-4		\$ 4.48
Tier 2	5-10	\$ 4.47	6.72
Tier 3	>10		13.44
Commercial			
Tier 1	1-225	\$ 4.47	\$ 5.98
Tier 2	>225	3.79	
Irrigation		\$ 4.47	6.72

Residential Bill Impacts

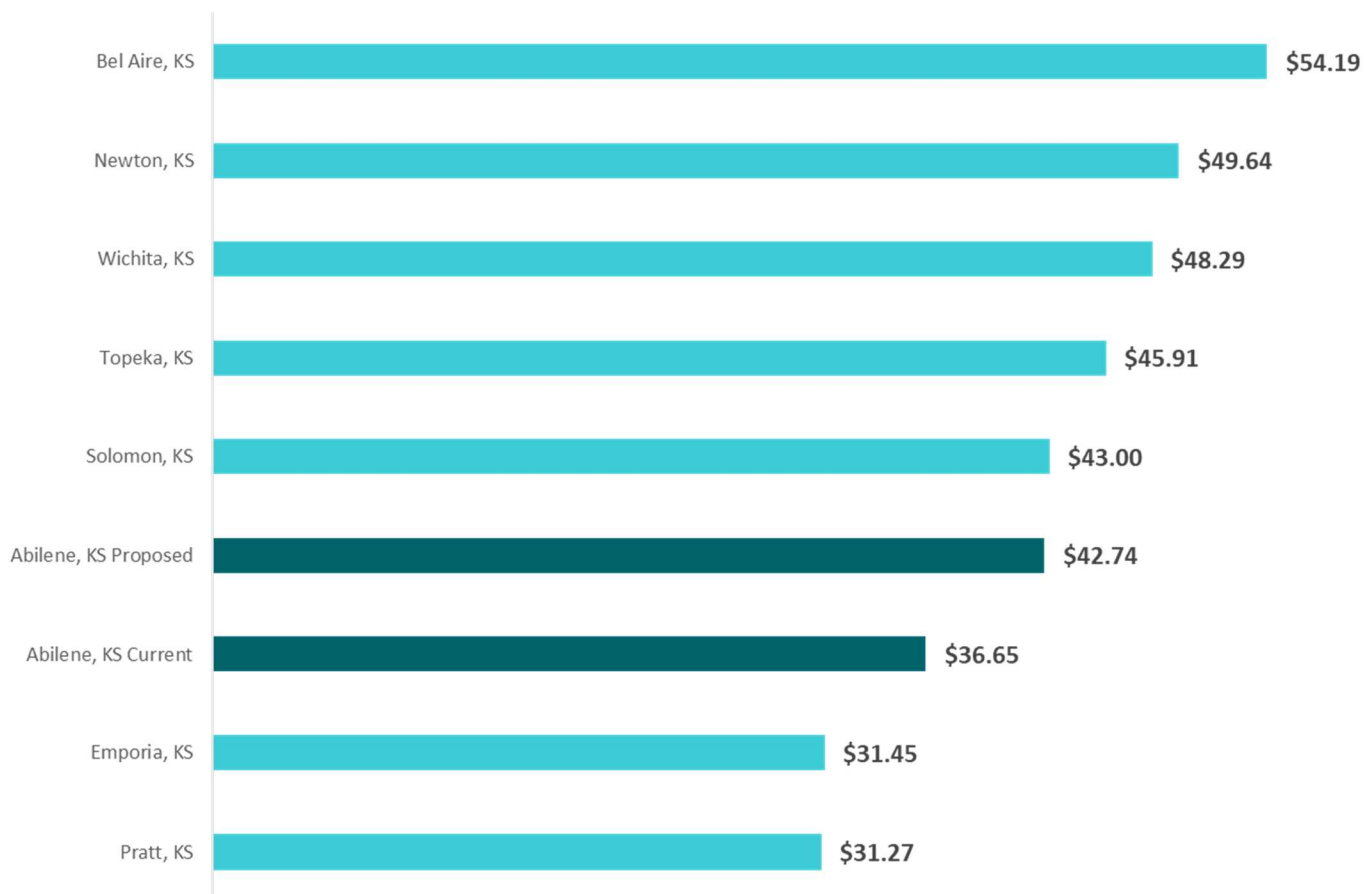
Table 2 provides a sample of residential bill impacts. It is important to note that approximately 93% residential bills will increase by less than the City's overall revenue increases of 45% and a majority will increase by only 17%.

Table 2: Residential Bill Impacts

Water Use (kgal)	Current	Proposed	\$ Change	% Change	% of Bills
1	\$ 23.24	\$ 29.30	\$ 6.06	26.1%	12.4%
4	36.65	42.74	6.09	16.6%	65.9%
6	45.59	56.18	10.59	23.2%	82.9%
10	63.47	89.78	26.31	41.5%	93.1%
15	85.82	156.98	71.16	82.9%	96.4%

Figure 2 presents a 4,000 gallon residential monthly water bill in Abilene and in other communities. Even after the proposed 2026 rate increase, Abilene compares favorably.

Figure 2: Bill Comparison – 4,000 Gallons Monthly



Introduction

In 2025, the City of Abilene (City) engaged Raftelis to develop a water rate and cost of service study. The primary goal of the study was to determine the costs of providing water services to the community and to establish rates that will reasonably provide for a sustainable utility system that meets the needs and expectations of the current and future customers. This report presents Raftelis' recommended rate structure and rate increases to fully fund the City's revenue requirements.

Rate Setting Process

The rate setting process involves three steps: first, a revenue requirement is established that represents the total level of revenue required to provide water service, that is, to recover the utility's necessary operating and capital expenditures; second, this revenue requirement is attributed to customer classes based on the design and operation of the water system and the service demands placed on that system by customer classes; finally, rates are designed which recover cost of service by allocating the proportional cost of the services attributable to the customers in each class.

The revenue requirements analysis determines the overall level of revenue required to provide water service, including ensuring that sufficient revenues will be available to support the utility's required operating and capital costs. The methodology used in the study to establish the revenue requirement is consistent with industry practice as established by the American Water Works Association (AWWA) in the Seventh Edition of the *Manual of Water Supply Practices M1, Principles of Water Rates, Fees, and Charges*. This methodology involves developing a multi-year financial plan, which identifies the revenue requirement in each year of the study period. The revenue requirements of the water utility are derived from the financial plan discussed in the following section. The revenue requirement from a single year, or Test Year, is then used as the basis for the cost-of-service analysis and rate design.

The second step of the rate setting process, the cost-of-service analysis, attributes the total revenue requirement to customer classes based on each class's use of the water system. Each customer class places a different level of demand on the system – demands that the City's water system is designed and operated to meet. Customer class demands are cost drivers; the cost-of-service analysis establishes the nexus between how the system is designed and operated and how different types of customers are using the system. The cost of service analysis involves three primary steps: *cost functionalization*, which relates the revenue requirement to the major operating functions of the water system; *cost allocation*, which relates these functional costs to demand components which represent the types of demand that drive these functional costs; and *cost distribution*, which attributes the allocated costs by demand component to each customer class in proportion to that class's share of demand.

In the final step, we allocate cost of service to the monthly meter base fee and volumetric charge for each customer class. For each customer class, the amount collected through the meter base fee and the volumetric rate(s) must equal the revenue requirement for the customer class.

Reliance on City Provided Data

During this project, the City provided Raftelis with a variety of technical information, including cost and revenue data. Raftelis reviewed the data provided for reasonableness but did not independently assess or test for the accuracy of such data – historic or projected. Raftelis has relied on this data in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report. Raftelis also relied on cost allocation data provided by the City needed to complete the cost of service analysis. There are often differences between actual and projected data. Some of the assumptions used for projections in this report will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be variations between the data or results projected in this report and actual results achieved, and those variations may be material.

Raftelis made rate calculations using the best estimates of the City’s expected costs, planned capital improvements, and future customer demands. Making such future calculations in advance is normal for public water providers because providers need to recover revenue matched to public budgets adopted in advance of their fiscal periods. For this reason, and others, achieving mathematical exactitude in rate calculations is virtually impossible. Instead, there are methods and techniques available to water providers that promote proportionality between the costs incurred to provide water service and the demand for that service. These methods and techniques are broadly referred to as “cost-of-service principles.”

Current Financial Condition

Current Rates

The City currently bills all customers on a monthly basis. All inside-city customers are charged a Monthly Minimum Charge of \$18.77 per month, regardless of meter size. Additionally, the City has a volumetric fee that is charged per unit of water used by each customer. Residential customers pay a uniform volume rate of \$4.47 per 1,000 gallons of water. The City applies a declining block volume rate to commercial customers, charging \$4.47 per 1,000 gallons for the first 225,000 gallons per month and \$3.79 per 1,000 gallons for additional water used. Outside City customers pay two times the rates above. A monthly inside-city customer bill using 4,000 gallons per month is calculated as follows:

$$(\$18.77 \text{ Water Meter Fee}) + (4 * \$4.47 \text{ Volumetric Charge}) = \$36.65$$

Sustainability and Planning

In recent years, the City’s water fund has become financially unsustainable. Small surpluses in some years have been outweighed by large deficits in other years, causing the City to rely on drawing down fund balance to continue required operations. The City’s FY 2025 adopted budget called for a significant deficit and expected to reduce fund balance to \$0, severely harming the City’s ability to respond to emergencies in the future.

Although the City has maintained a capital improvement plan for all departments, the plan has not included funding mechanisms by function or fund, nor has it been fully integrated into a long-term capital planning process. As a result, capital needs were often identified only when they became immediately necessary rather than through a proactive, long-range budgeting approach. A key focus of this study has been to identify both short- and long-term capital needs so that a detailed five-year rate forecast can be developed, along with a preliminary assessment of future requirements.

Financial Plan

Financial Planning Process

The general objective of the financial planning process is to arrive at the level of rate revenue required to provide for the financial sustainability of the City of Abilene (City) into the future. For this study, the financial plan was developed for the fiscal year FY 2026 and a ten-year forecast period (2026 to 2035). This report primarily presents the results of the first 5-year period, 2026 to 2030. The full 10-year plan allows the City to evaluate trends over time and evaluate the impact of challenges that occur beyond 2031 but should be reevaluated before adopting rates for that period.

Utility Revenues

The City's revenues consist of retail rate revenue, wholesale revenue, and other miscellaneous revenues. The rate charged to the City's wholesale customer, Rural Water District #2 (RWD #2) is set by contract, which was recently renegotiated and set at \$1.80 per 1,000 gallons of water. The rate revenue projections shown below assume that current FY 2025 retail rates are effective throughout the study period and that the wholesale rate will increase by 3% per year as permitted by the contract. This status quo scenario provides a baseline from which Raftelis evaluates the need for revenue adjustments. **Table 3** summarizes the projected revenues under the City's existing rates.

Table 3: Revenue at Existing Rates

Description	2026 <i>Budget</i>	2027 <i>Forecast</i>	2028 <i>Forecast</i>	2029 <i>Forecast</i>	2030 <i>Forecast</i>
Fixed Charge					
Residential Inside	\$ 559,046	\$ 559,046	\$ 559,046	\$ 559,046	\$ 559,046
Commercial Inside	76,356	76,356	76,356	76,356	76,356
Residential Irrigation	1,427	1,427	1,427	1,427	1,427
Commercial Irrigation	1,445	1,445	1,445	1,445	1,445
Residential Outside	82,701	82,701	82,701	82,701	82,701
Commercial Outside	4,805	4,805	4,805	4,805	4,805
Subtotal	\$ 725,780	\$ 725,780	\$ 725,780	\$ 725,780	\$ 725,780
Volume Charge					
Residential Inside	\$ 589,370	\$ 589,370	\$ 589,370	\$ 589,370	\$ 589,370
Commercial Inside	351,482	351,482	351,482	351,482	351,482
Residential Irrigation	2,942	2,942	2,942	2,942	2,942
Commercial Irrigation	7,865	7,865	7,865	7,865	7,865
Residential Outside	70,375	70,375	70,375	70,375	70,375
Commercial Outside	18,822	18,822	18,822	18,822	18,822
RWD #2	147,637	152,066	156,628	161,327	166,166
Subtotal	\$ 1,188,492	\$ 1,192,921	\$ 1,197,483	\$ 1,202,182	\$ 1,207,022
Total Rate Revenue	\$ 1,914,272	\$ 1,918,701	\$ 1,923,263	\$ 1,927,962	\$ 1,932,802
Misc. Revenue	\$ 124,300	\$ 115,209	\$ 116,442	\$ 117,971	\$ 118,823

Utility Expenditures

For sound financial operation of the City's water system, the revenue generated must be sufficient to meet the revenue requirements or cash obligations of the system. Revenue requirements include O&M expenses, rate funded capital improvement program (CIP) expenditures, and principal and interest payments on existing debt. The forecast generally relies on the City's adopted budget, with incremental adjustments¹ made during discussions with City staff over the course of the study.

The water fund makes transfers to the general fund and the equipment fund. The general fund transfer has been between \$90 to \$100 thousand, with recent adjustments to recover other direct costs. Going forward, the water fund will transfer 5% of rate revenue each year, similar to a franchise fee paid by private utilities in the City. Transfers to the equipment fund are used to fund expenditures required for the operation of the utility, such as vehicles or maintenance items. Capital expenditures shown in **Table 6** include some items that may be purchased through the equipment fund and some that may be purchased through the water fund; the approach to accounting for expenses in this study ensures that all items are funded but may not reflect the City's formal fund budgeting decisions.

Operation and Maintenance Expenses

Table 4 below provides the projected O&M expenditures. The forecast utilizes the City's FY 2026 budget as a starting point to which inflation factors are applied to forecast future year expenses. This study assumes that O&M expenses will increase at 4% per year, which is consistent with trends seen in other water utilities. Additionally, the Water Fund's annual transfer to the City General Fund will be set at 5% of rate revenue beginning in FY 2027, increasing each year as rates are adjusted.

Table 4: Operating Expense Forecast

Description	2026 Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Department					
Collection	\$ 543,828	\$ 565,581	\$ 588,204	\$ 611,733	\$ 636,202
Wells / WTP	740,927	770,564	801,387	833,442	866,780
Commercial	476,428	495,485	515,305	535,917	557,353
Transfer to General Fund	112,759	145,290	157,910	171,652	186,617
Total	\$ 1,873,942	\$ 1,976,921	\$ 2,062,806	\$ 2,152,744	\$ 2,246,952

Debt Service Requirements

Debt service requirements consist of principal and interest payments on existing debt and debt proposed to be issued during the study period. The City currently has debt service obligations associated with an outstanding 2019 G.O. bond. The existing debt service payments are approximately \$60 thousand in 2026. **Table 5** indicates the City's debt service obligations.

¹ Adjustments from the adopted FY 2026 budget include reducing the Meters, Radios, Pits, and Rings operating expense account by \$120,000 after the FY 2025 payoff of the 2020 Astra Bank loan, and increasing the transfer to the equipment fund / capital spending by approximately \$10,000 to fully fund \$826,200 of anticipated needs after the use of \$131,621 fund balance.

Table 5: Existing Debt Service

Description	2026 <i>Budget</i>	2027 <i>Forecast</i>	2028 <i>Forecast</i>	2029 <i>Forecast</i>	2030 <i>Forecast</i>
Series 2019 G.O. Bond					
Principal	\$ 39,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 43,500
Interest	22,665	20,715	18,615	16,935	15,255
Total	\$ 61,665	\$ 62,715	\$ 60,615	\$ 58,935	\$ 58,755

Capital Improvement Program

The City has developed a capital improvement plan (CIP) to address current and future water system needs. The City plans to fund the CIP using revenue from rates as well as utilizing a balance of approximately \$131 thousand expected in the Equipment Fund at the end of FY 2025. The CIP includes approximately \$1.5 million over the study period for miscellaneous upgrades to the water system, including membrane replacements, well improvements, generators, and other items.

A key component of the CIP and a key driver of the proposed rate increases is the City's water main replacement program. Although the City has adequately maintained the existing water distribution system, water mains have an expected useful life after which they must be replaced. The City is currently budgeting approximately \$500 thousand per year for this program. Raftelis estimates that, in the long term, the City should expect to spend over \$2 million per year based on industry guidelines for estimated useful life of water mains, construction cost, and the size of the City. The CIP proposes increasing water main replacement expenditures to \$1 million by 2030; the City should expect to continue to expand this program in future years.

Additionally, the City utilizes two water towers to store treated water and provide appropriate water pressure to customers. Each of these towers is approximately 100 years old and nearing the end of its useful life. Preliminary estimates by City staff indicate that each water tower will cost \$15 million (in today's dollars) to replace. It is not yet clear when exactly construction will need to begin on these projects, but staff believes it could be as early as 2031. The rate increases proposed in this five-year plan *do not* include funding for water tower replacement. Even assuming the use of debt and favorable financing terms, the City should expect additional significant rate increases to fund these projects when the time comes.

Table 6: Capital Improvement Plan

Description	2026 <i>Forecast</i>	2027 <i>Forecast</i>	2028 <i>Forecast</i>	2029 <i>Forecast</i>	2030 <i>Forecast</i>
Project Type					
Water Main Replacements	\$ 500,000	\$ 500,000	\$ 600,000	\$ 800,000	\$ 1,000,000
Vehicles and Equipment	340,000	241,500	195,000	195,000	159,000
Well Improvements	35,000	35,000	35,000	35,000	35,000
Facility Improvements	1,200	1,800	32,400	1,800	600
Total (Current Year Dollars)	\$ 876,200	\$ 778,300	\$ 862,400	\$ 1,031,800	\$ 1,194,600
Total (Future Year Dollars)	876,200	858,076	998,336	1,254,159	1,524,646

Cash Flow Forecast

The final step in the development of the financial plan is the cash flow forecast. The cash flow forecast combines the projections of rate revenues, operating expenses, rate funded capital, and debt service to determine the level of rate increases necessary. In addition to funding year-to-year expenses, rates must be set to generate sufficient reserves. In recent years, the City has relied on the use of existing reserve balances to cover revenue shortfalls in the water utility. However, the fund balance has been depleted, and City staff expects to end FY 2025 with close to \$0 in the water fund.

Raftelis recommends a minimum reserve balance of 90 days of O&M and debt service. This target will allow the City to handle annual variation in water sales as well as common emergency repairs. By linking the target to expenditures, the target balance will grow as costs increase in the future. However, the calculation of the target excludes expenditures related to the capital program; if necessary, the City could temporarily reduce capital spending. The rates proposed below **will not** generate the recommended reserves by 2030, but will put the City on the path to achieving this target.

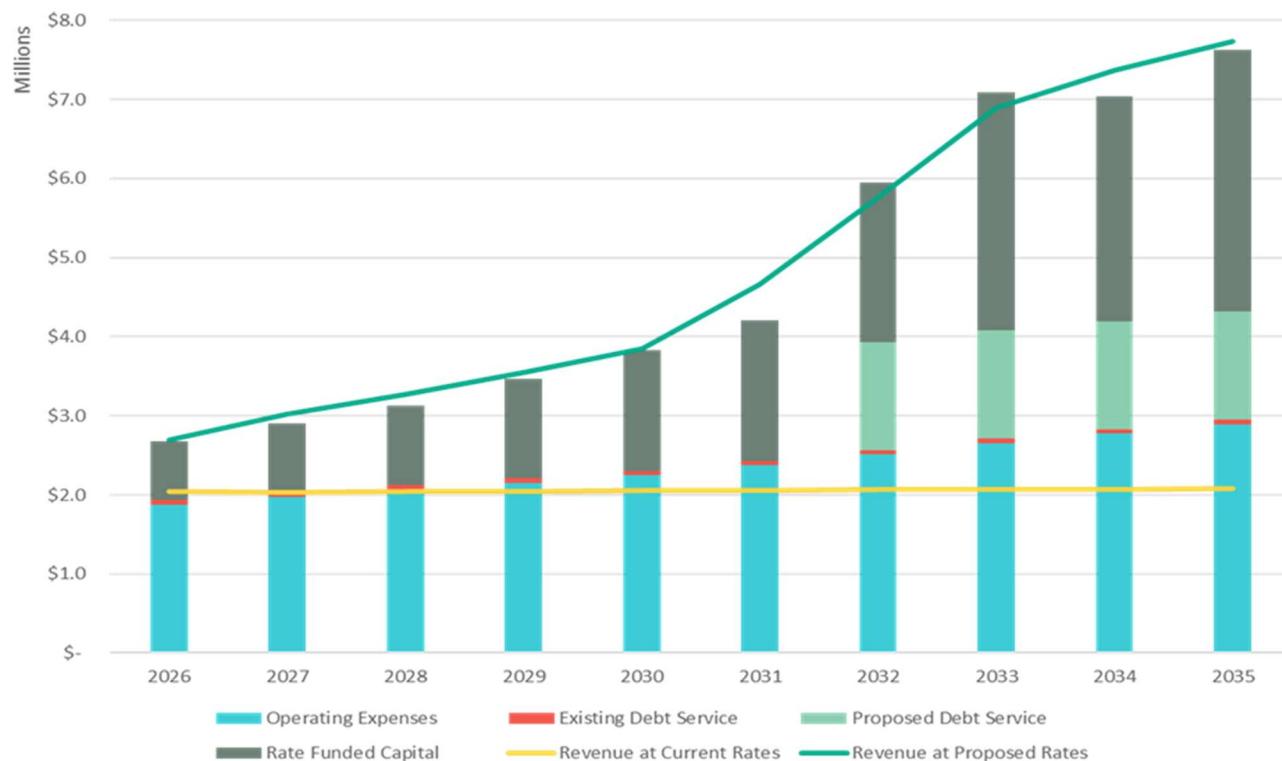
The forecast of City revenues includes both the revenue under existing rates, as well as the additional revenue generated by the forecasted revenue adjustments. For example, in 2026, it is anticipated that existing retail rates will generate \$1.76 million in water sales while the City collects \$147 thousand from RWD #2.

Figure 3 summarizes the water fund's current and expected future financial condition. In order to fund operations and the City's capital plan, rates must be increased to achieve the revenue shown by the green line. Without rate increases, the revenue shown by the yellow line will be insufficient. The graph demonstrates the two key drivers of the proposed rate increases.

First, the City will soon be unable to cover basic operating expenses and debt service payments with revenue from the water fund. By FY 2027, these costs are expected to exceed revenues. Since there is no longer a balance in the water fund to fund deficit spending, budgets will have to be reduced, potentially compromising the safety and reliability of the water system in the immediate future.

Second, the City will be unable to afford any capital improvement program. Crucial upgrades at the City's treatment facilities, future replacement of the water towers, and the City's water main replacement program will be unfunded and uncompleted, harming the City's ability to provide adequate water service at all in the long term.

Figure 3: Water Utility Financial Plan



To ensure recovery of the City's revenue requirements, additional revenue will be needed. **This revenue will be generated by a March 1, 2026 rate increase of 45%.** This increase results in approximately \$660 thousand in additional water sales revenue in FY 2026. To continue to adequately fund revenue requirements, annual rate adjustments of 9% are currently projected from 2027 to 2030.

Table 7 shows the operating financial plan for the next five years based on the revenue and expenditure information presented above. The plan includes the recommended revenue adjustments.

Table 7: Financial Plan

Description	2026 <i>Budget</i>	2027 <i>Forecast</i>	2028 <i>Forecast</i>	2029 <i>Forecast</i>	2030 <i>Forecast</i>
Rate Increase	45%	9%	9%	9%	9%
Revenue					
Rate Revenue at Existing Rates	\$ 1,766,635	\$ 1,766,635	\$ 1,766,635	\$ 1,766,635	\$ 1,766,635
Additional Rate Revenue	662,488	987,107	1,234,944	1,505,086	1,799,541
RWD #2	147,637	152,066	156,628	161,327	166,166
Misc. Revenue	124,300	115,209	116,442	117,971	118,823
Total Revenue	<u>\$ 2,701,060</u>	<u>\$ 3,021,017</u>	<u>\$ 3,274,649</u>	<u>\$ 3,551,019</u>	<u>\$ 3,851,165</u>
Expenses					
Operating Expenses	\$ 1,873,942	\$ 1,976,921	\$ 2,062,806	\$ 2,152,744	\$ 2,246,952
Existing Debt Service	61,665	62,715	60,615	58,935	58,755
Rate Funded Capital	744,579	858,076	998,336	1,254,159	1,524,646
Total Expenses	<u>\$ 2,680,186</u>	<u>\$ 2,897,711</u>	<u>\$ 3,121,757</u>	<u>\$ 3,465,838</u>	<u>\$ 3,830,353</u>
Contribution to Reserves	\$ 20,874	\$ 123,306	\$ 152,892	\$ 85,181	\$ 20,812
Beginning Balance	\$ -	\$ 20,874	\$ 144,180	\$ 297,072	\$ 382,253
Ending Balance	20,874	144,180	297,072	382,253	403,065
<i>Target Balance</i>	<i>\$ 477,273</i>	<i>\$ 502,924</i>	<i>\$ 523,583</i>	<i>\$ 545,345</i>	<i>\$ 568,531</i>

Cost of Service and Rate Design

The cost-of-service analysis utilizes the Base-Extra Capacity methodology. The City's water system was designed and built to serve both average (base) demand and peak (extra capacity) demand. The base demand represents typical daily usage across all customers and customer classes. The extra capacity component accounts for the additional infrastructure investment and operational requirements needed to meet higher peak demands. The primary purpose of the analysis is to ensure that the rates charged to customers are proportional and sufficient to cover the utility's costs for providing reliable and sustainable water service to its customers. A cost-of-service analysis involves the following steps:

1. **Cost Functionalization:** O&M and capital expenses are categorized by their function in the system, which include supply and treatment, transmission, distribution, customer service, meters and services, and administration / general activities.
2. **Cost Component Allocation:** Functionalized costs are then allocated to cost causation components based on their burden on the system. The cost causation components include average day demand, maximum day demand, maximum hour demand, meters and services, and customer accounts. The functionalized revenue requirement (from Step 1) is allocated to the cost causation components and results in the total revenue requirement for each cost causation component.
3. **Development of Units of Service:** The units of service provide a consistent and quantifiable framework for measuring how customers interact with the water utility. The units of service reflect the level of service demands for each of the customer classes. The demand characteristics provide the basis for determining each customer class's share of costs in later steps. These units include annual water use, maximum day and maximum hour water use, number of accounts, and number of water meters.
4. **Unit Cost Determination:** The revenue requirement for each cost causation component is divided by the appropriate units of service to determine the unit cost for each cost causation component. The unit cost for a given cost component is the same for all customer classes, ensuring that each customer class is allocated their proportionate share of costs.
5. **Revenue Requirement Distribution:** The unit cost is utilized to distribute the revenue requirement for each cost causation component to customer classes based on each customer class's individual service units.

Cost of Service

Cost Functionalization

Cost functionalization is the process of identifying the specific functions the utility performs in order to provide water service. Defining costs in this way allows the City to allocate these costs to different customers independently, providing more equitable rates. The cost functions identified in this study include supply and treatment, water transmission, water distribution, storage, pumping, customer service, meters and services, and administration / general activities. The functionalization process included a review of the City's budgets and discussions with City staff.

Cost Component Allocation

Once the O&M and capital costs have been allocated to the functional categories, the totals allocated to each functional category must be further allocated based on the operational need each function is designed to fulfill.

For this allocation, Raftelis has utilized the “Base Extra Capacity” method described in the American Water Works Association (“AWWA”) publication, “Manual of Water Supply Practices M1, Principles of Rates, Fees and Charges” (“AWWA M1”). The Base Extra Capacity Method involves allocating each of the functionalized O&M costs in accordance with operational need that function was designed to satisfy.

The volumetric cost components are base demand (also known as average day demand), which relates to the water demand of City customers on an average day; max day extra capacity, or the level of demand in excess of base demand, demonstrated by City customers on the highest consumption day of the year, and maximum hour extra capacity, the theoretical demand in excess of maximum day demand, demonstrated by City customers in the highest consumption hour.

The customer service-related cost components are customer meters and customer bills. These components relate to—at a minimum—the cost of reading customer meters and processing customer bills. Additionally, customer meter costs may also relate to the fixed investment in water utility assets associated with providing water service which is available (virtually at all times) regardless of how much water is consumed by City customers (i.e. “readiness to serve”).

Determination of Water Units of Service

The next step in the cost allocation process is to summarize the units of service for each customer class, which are the basis for the allocation of the total revenue requirement to each of the customer classes. The customer classes identified in this study include residential, commercial, irrigation, and RWD #2. The units are Average Day units, Maximum Day Extra Capacity units, Maximum Hour Extra Capacity units, Equivalent Meters and Total Bills.

Average day units are the annual consumption for each customer class. Maximum Day Extra Capacity units represent the water demand in excess of that which is used on an average day for that customer class and is a function of the average daily consumption and the customer class peaking factor determined in the prior step.

As an example, the Residential class is forecast to use approximately 132 million gallons in FY 2026. This equates to approximately 361 thousand gallons per day on an average day. Based on the maximum day peaking factor of 1.81 determined through a detailed review of the City’s billing data, residential customers, on their highest consumption day of the year, typically use 655 thousand gallons. The difference between the maximum day and average day, around 294 thousand gallons, represents that class’s Maximum Day Extra Capacity units. Peaking factors for the commercial, irrigation, and RWD #2 classes are 1.78, 3.21, and 1.70. Differences in peaking factors are a key driver of differences in the resulting rates; all else being equal, higher peaking factors result in a higher allocated cost of service.

A similar calculation is used to determine the Maximum Hour Extra Capacity Units, which are simply the consumption forecast in the highest hour of FY 2026, less the maximum day demand.

Customer Units are equivalent meters, and customer monthly bills. The number of bills for each customer class was ascertained via an examination of the billing data from the City. The equivalent meters are the number of customer meters at each meter size weighted by the potential water demand each meter can place on the water system. For the City, a 3/4" meter is the current standard for residential services. The number of equivalent meters for sizes larger than 3/4" is determined by multiplying the nominal number of meters (the number at each connection size) by a meter factor, which represents the ratio of the flow rate of the larger meter, to that of the standard 3/4" meter. Once the number of equivalent meters which are larger than 3/4" is determined, this total is added to the number of 3/4" meters to arrive at the total number of equivalent meters.

Unit Cost of Service and Revenue Requirement Distribution

The unit cost of service is the basis by which costs are allocated to each customer class. The unit costs are determined by dividing the total cost by the total units of service for each cost component.

In the final step of the cost-of-service analysis, the unit costs are multiplied by the units of service for each customer class. This step ensures that each customer class is responsible for the same unit cost for any given component of the water system, even though they may have different usage characteristics. The resulting cost-of-service requirements take into account not only the total amount of water used, but the way the customers use it and the demands they place on different parts of the water system.

RWD #2 Cost of Service

As discussed in the financial planning section above, rates for RWD #2 are set by contract. The current rate is \$1.80 per 1,000 gallons, set to increase by 3% in FY 2026 to \$1.85. Raftelis included RWD #2 as a distinct customer class in the cost-of-service analysis in order to determine a reasonable rate if the City had the ability to modify the contract. Overall, RWD #2's average share of supply and treatment, transmission, pumping, customer service, and overhead costs results in a cost of service of approximately \$350,000 or \$4.37 per 1,000 gallons. RWD #2 was not allocated costs associated with the water distribution system, which is only used to deliver water to smaller retail customers. The cost-of-service analysis clearly indicates that City retail customers are partially subsidizing the full cost of RWD #2's water service.

Besides this cost-of-service allocation, there are other important factors when considering an appropriate wholesale rate. First, it is important to note that this represents RWD #2's average share of costs, the maximum that the City could reasonably charge under cost-of-service principles. It does not mean that the City is losing money by providing service to RWD #2. If RWD #2 were to leave the City, most costs would remain unchanged; staff would likely remain constant, the treatment plant would remain in operation, and transmission system assets would still need to be maintained. A simple estimate of savings based on chemical and electricity usage at the City's treatment facilities suggests that immediate cost savings would only be approximately \$50,000 compared to RWD #2 revenue of \$147,000. Although the RWD #2 rate could justifiably be higher, the City still benefits from having them as a customer.

This analysis does not consider several potential factors the City experiences from having RWD #2 as a customer. There may be effects on the health of the City's wellfield in the long-term or water warning status resulting from droughts in the short-term. Addressing these questions is outside the scope of this rate study but should be considered as part of the City's water resource planning activities in the future.

Cost of Service Results

After completing the cost-of-service process, we can compare the results to the actual revenues the City receives from each customer class. As shown in **Table 8**, all customer classes require significant rate increases to achieve their cost of service, which is based on the FY 2026 revenue requirement discussed previously in this report.

Table 8: Cost of Service Results

Description	Cost of Service	Revenue at Current Rates	\$ Change	% Change
Customer Class				
Residential	\$ 1,804,695	\$ 1,301,492	\$ 503,203	38.7%
Commercial	728,441	451,465	276,976	61.4%
Irrigation	28,484	13,678	14,806	108.2%
Total	\$ 2,561,621	\$ 1,766,635	794,986	45.0%

Rate Design

The final step of the rate study is to develop rates that require the cost of service for each customer class. To accomplish this, Raftelis proposes four rate structure adjustments:

1. Adoption of a fixed charge that varies by meter size. Instead of a monthly fixed charge of \$18.77 for all customers, customers with larger water meters will pay more, regardless of the amount of water used. The fixed charge will include a constant amount for customer service that all customers pay as well as a readiness to serve component that increases for larger meters.
2. Implementation of an inclining block volumetric structure for residential customers. Instead of the same price per unit for all water used, the first 4,000 gallons used per month will be billed at the lowest rate, the next 6,000 gallons at a higher rate, and all additional water use at the highest rate. This structure will recognize water used for irrigation through standard residential meters and allow the City to charge for essential indoor usage in Tier 1, responsible outdoor usage in Tier 2, and excessive outdoor usage in Tier 3.
3. Addition of a new rate for water used by dedicated irrigation meters, set equal to the Tier 2 residential rate. The higher irrigation rate and Tier 2 rates recover more costs from customers that peak heavily, using more water during the summer months than average.
4. Removal of the declining block rate structure for commercial customers and replacement with a uniform rate for all volume used. Declining block structures are typically used to offer a lower overall average rate to industrial customers using a relatively constant amount of water each month. However, billing data analysis indicates that this principle does not apply to the large customers of the City that use water in the current second tier.

Table 9: Proposed FY 2026 Rates

Description	Current	Proposed
Fixed Charge (per month)		
3/4"	\$ 18.77	\$ 24.82
1"	18.77	37.51
2"	18.77	107.31
4"	18.77	405.52
6"	18.77	894.07
Volume Charges (per 1,000 Gallons)		
Residential		
Tier 1 1-4	\$ 4.47	\$ 4.48
Tier 2 5-10	4.47	6.72
Tier 3 >10		13.44
Commercial		
Tier 1 1-225	\$ 4.47	\$ 5.98
Tier 2 >225	3.79	
Irrigation	\$ 4.47	6.72

Table 10 provides a forecast of rates through FY 2030.

Table 10: Proposed Rate Forecast

Description	2026	2027	2028	2029	2030
Rate Increase	45%	9%	9%	9%	9%
Fixed Charge					
3/4"	\$ 24.82	\$ 27.06	\$ 29.50	\$ 32.16	\$ 35.06
1"	37.51	40.89	44.58	48.60	52.98
2"	107.31	116.97	127.50	138.98	151.49
4"	405.52	442.02	481.81	525.18	572.45
6"	894.07	974.54	1,062.25	1,157.86	1,262.07
Volume Charges					
Residential					
Tier 1	\$ 4.48	\$ 4.89	\$ 5.34	\$ 5.83	\$ 6.36
Tier 2	6.72	7.33	7.99	8.71	9.50
Tier 3	13.44	14.65	15.97	17.41	18.98
Commercial	\$ 5.98	\$ 6.52	\$ 7.11	\$ 7.75	\$ 8.45
Irrigation	\$ 6.72	\$ 7.33	\$ 7.99	\$ 8.71	\$ 9.50

Customer Impacts and Rate Comparison

Raftelis performed an analysis to evaluate the impact of the proposed rate structure on a sample of customers and provide a comparison to rates in other communities.

Customer Impacts

Customers using different amounts of water will experience different bill increases under the proposed rates.

Table 11 and **Table 12** present a sample of residential and commercial bill impacts.

Table 11: Typical Residential Bill Impacts

Water Use (kgal)	Current	Proposed	\$ Change	% Change	% of Bills
0	\$ 18.77	\$ 24.82	\$ 6.05	32.2%	0.8%
1	23.24	29.30	6.06	26.1%	12.4%
2	27.71	33.78	6.07	21.9%	31.0%
3	32.18	38.26	6.08	18.9%	50.0%
4	36.65	42.74	6.09	16.6%	65.9%
5	41.12	49.46	8.34	20.3%	76.4%
6	45.59	56.18	10.59	23.2%	82.9%
7	50.06	62.90	12.84	25.6%	87.2%
8	54.53	69.62	15.09	27.7%	89.9%
9	59.00	76.34	17.34	29.4%	91.8%
10	63.47	89.78	26.31	41.5%	93.1%
11	67.94	103.22	35.28	51.9%	94.1%
12	72.41	116.66	44.25	61.1%	94.9%
13	76.88	130.10	53.22	69.2%	95.5%
14	81.35	143.54	62.19	76.4%	95.9%
15	85.82	156.98	71.16	82.9%	96.4%
16	90.29	170.42	80.13	88.7%	96.7%
17	94.76	183.86	89.10	94.0%	97.0%
18	99.23	197.30	98.07	98.8%	97.3%
19	103.70	210.74	107.04	103.2%	97.5%
20	108.17	224.18	116.01	107.2%	97.8%
21	112.64	237.62	124.98	111.0%	98.0%
22	117.11	251.06	133.95	114.4%	98.2%
23	121.58	264.50	142.92	117.6%	98.3%
24	126.05	277.94	151.89	120.5%	98.5%
25	130.52	291.38	160.86	123.2%	98.6%

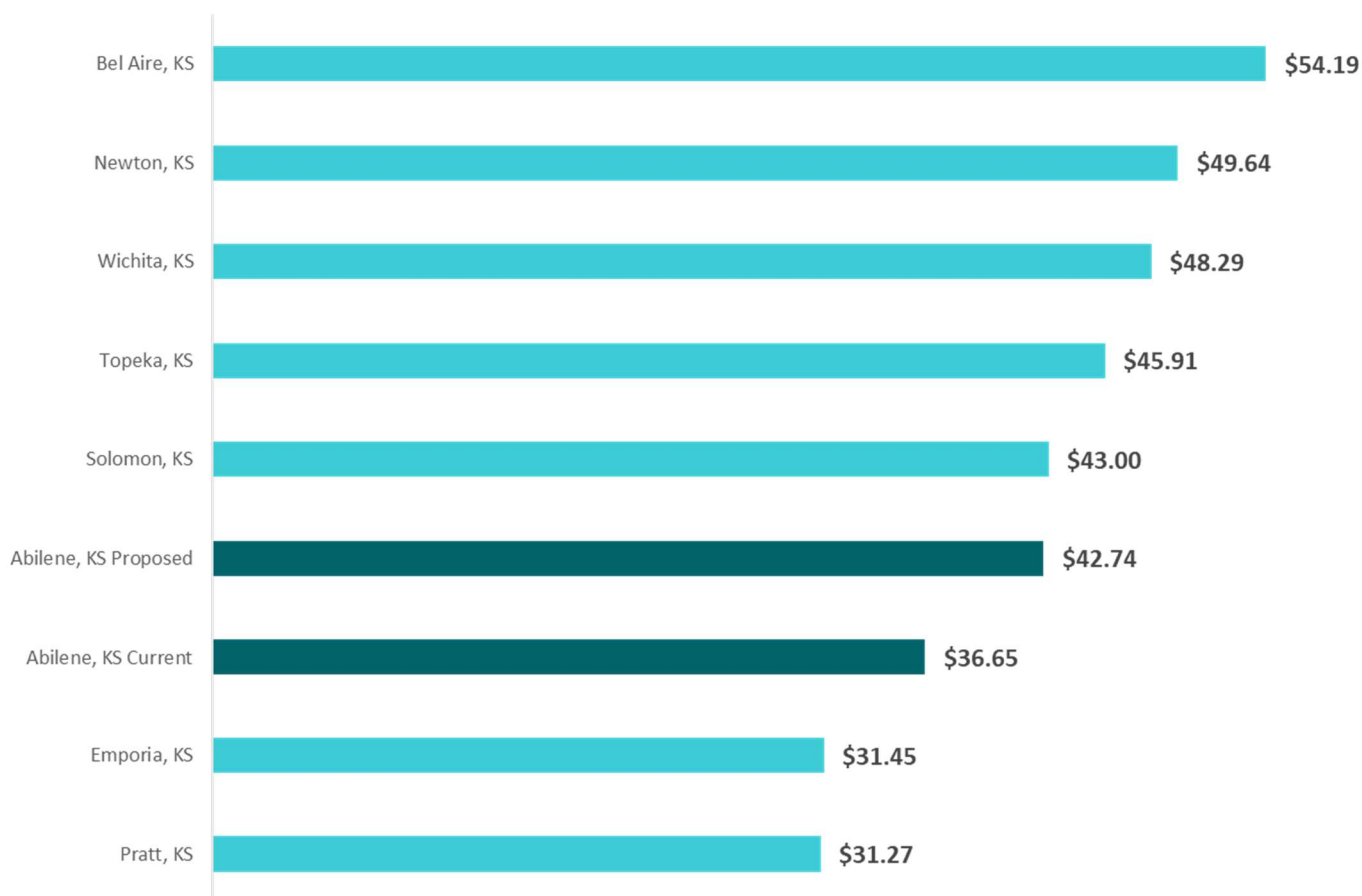
Table 12: Typical Commercial Bill Impacts

Water Use (kgal)	Current	Proposed	\$ Change	% Change
0	\$ 18.77	\$ 24.82	\$ 6.05	32.2%
1	23.24	30.80	7.56	32.5%
2	27.71	36.77	9.06	32.7%
3	32.18	42.75	10.57	32.8%
4	36.65	48.73	12.08	32.9%
5	41.12	54.70	13.58	33.0%
6	45.59	60.68	15.09	33.1%
7	50.06	66.66	16.60	33.2%
8	54.53	72.63	18.10	33.2%
9	59.00	78.61	19.61	33.2%
10	63.47	84.59	21.12	33.3%
11	67.94	90.56	22.62	33.3%
12	72.41	96.54	24.13	33.3%
13	76.88	102.52	25.64	33.3%
14	81.35	108.49	27.14	33.4%
15	85.82	114.47	28.65	33.4%
16	90.29	120.44	30.15	33.4%
17	94.76	126.42	31.66	33.4%
18	99.23	132.40	33.17	33.4%
19	103.70	138.37	34.67	33.4%
20	108.17	144.35	36.18	33.4%
21	112.64	150.33	37.69	33.5%
22	117.11	156.30	39.19	33.5%
23	121.58	162.28	40.70	33.5%
24	126.05	168.26	42.21	33.5%
25	130.52	174.23	43.71	33.5%

Rate Comparison

Figure 4 provides a comparison of the City's typical monthly residential bill to a selection of other utilities. In 2025, the average 4,000-gallon bill among these utilities is \$43.39 per month. The current monthly City bill of \$36.65 is below the average and represents one of the lower bills in the sample. Such comparisons can provide insights into a utility's pricing policies related to service. Care should be taken, however, in drawing conclusions from such a comparison as some factors including geographic location, demand, customer constituency, level of treatment, level of grant funding, age of system, sources of water costs, and rate-setting methodology can affect the cost of providing services.

Figure 4: Bill Comparison – 4,000 Gallons Monthly



Appendix C - Negotiation Timeline

Date	Event
2025	City retains Raftelis to conduct water cost-of-service and rate study
Fall 2025	Raftelis cost-of-service study completed
Early 2026	Study and supporting cost-allocation model provided to the District
February 10, 2026	City and Raftelis representatives meet with the District's Board of Directors and staff to review the cost-of-service study, methodology, and findings
February 11, 2026	District requests that the City submit its proposal first and, if possible, provide it by the end of February
February 27, 2026	City submits formal proposal for a Third Amendment to the Water Supply Agreement
July 16, 2026	District responds through legal counsel, declining the City's proposed rate adjustments under the existing Agreement while expressing willingness to negotiate a new long-term agreement
August 2026	City Commission considers policy options

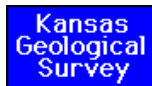
Appendix D - Water Well No. 18 Background and Supporting Records

Water Well No. 18 was associated with Water Appropriation Right No. 40420 and formed part of the water supply arrangements contemplated by the October 28, 1998 Water Supply Agreement. Under Section 4 of the Agreement, the District had acquired rights to the well site through a lease and owned Water Appropriation Right No. 40420. The District agreed to assign its lease rights to the City, and the City agreed to reimburse the District \$2,435 for the cost of the lease and related well-development costs. The City was then responsible for developing the well and obtained the right to use it within the terms of the lease and water appropriation right.

Available water-use records show that Well No. 18 initially provided water to the system but experienced declining and intermittent production. WIMAS records report 508.11 acre-feet of use in 1998, followed by substantially lower production in subsequent years. No water use was reported from 2006 through 2017. The well was plugged on July 15, 2014, and Water Right No. 40420 was subsequently dismissed pending perfection on August 10, 2018.

The following records are included to document the location, history, use, and disposition of Well No. 18:

- WIMAS Water Right Information Sheet – Water Right No. 40420
- Water Well No. 18 Plugging Record
- Well No. 18 Location Map

**WIMAS Water Right Information Sheet**

Water Right Information represents conditions as of 08/09/2026.

Information shown on this page depends on a water right selected **Type(s) of Use** and point of diversion, **PD(s)**. If there are multiple uses and/or multiple points of diversion, the page will update details, quantity and rate, and reported water use depending on which entry is selected from those list boxes.

Because water rights can overlap both in points of diversion and places of use (which in turn can affect the authorized quantities and rate) AND water usage is often aggregated into a single report, **you cannot determine if a water right has reported more water use than authorized from this page only.**

Water Right

Water Right: 1 Type(s) of Use: 1 PD(s): [Google Location Map](#)
WWC5 Links: None **WIZARD Link:** None

Water Right Details

Source: Right Type: Total Acres Authorized: Net Acres Authorized: Use of Water Active:
Water Right Status: Place(s) of Use:
Priority Date: Action Trail:

Point of Diversion Details

Pd Active: Feet North: Feet West: Qualifiers: County:
GMD Num: Number of Wells: Subbasin: Stream Number:
Special Use Area(s): Comment:

Authorized Quantity & Rate

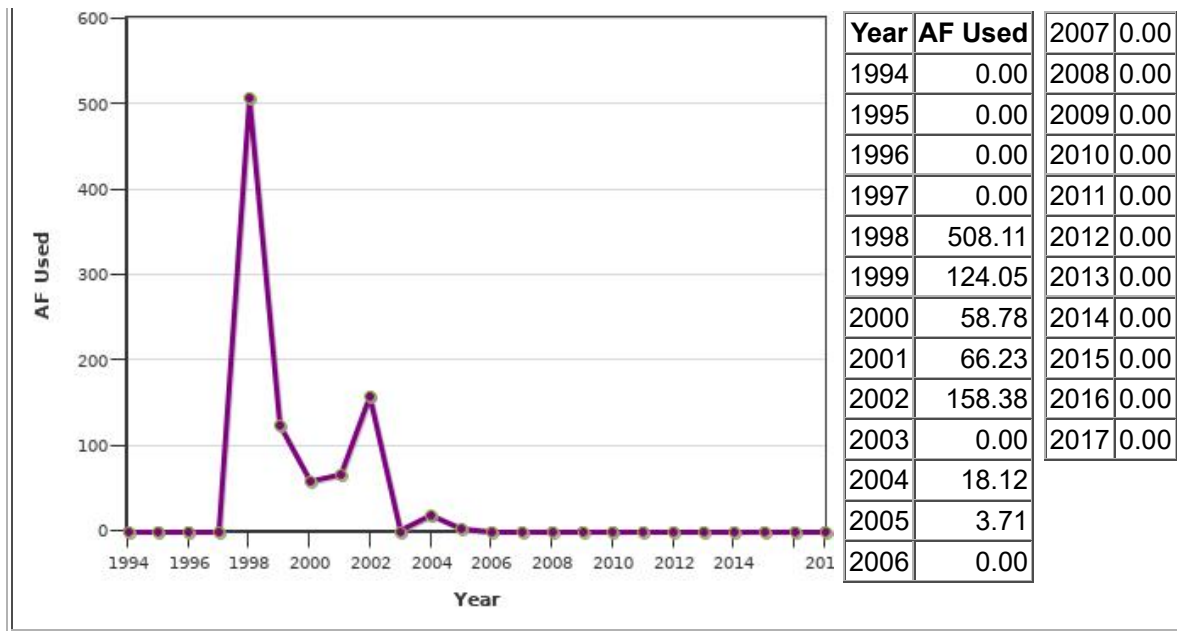
Quantity Stored By: Authorized Quantity (AF): Net Quantity (AF):
Rate Stored By: Authorized Rate (GPM): Net Rate (GPM):

Reported Water Use[Graph Water Use History](#)

Water Use Year(s): Total Water Used (AF): Acres Irrigated:
Water Use Reported on Right Num: Reel Number: Blip Number:
Metered Quantity: Meter Unit: Depth to Water: Depth of Well:
Beginning Meter Reading: Ending Meter Reading:
System Type: Hours Pumped: Pump Rate: Date of Measurement:
Date Report Received: Chemigation Indicator: Water Use Code: Crop Code:
Current Water Use Correspondent(s):

[Print ASCII Report](#)

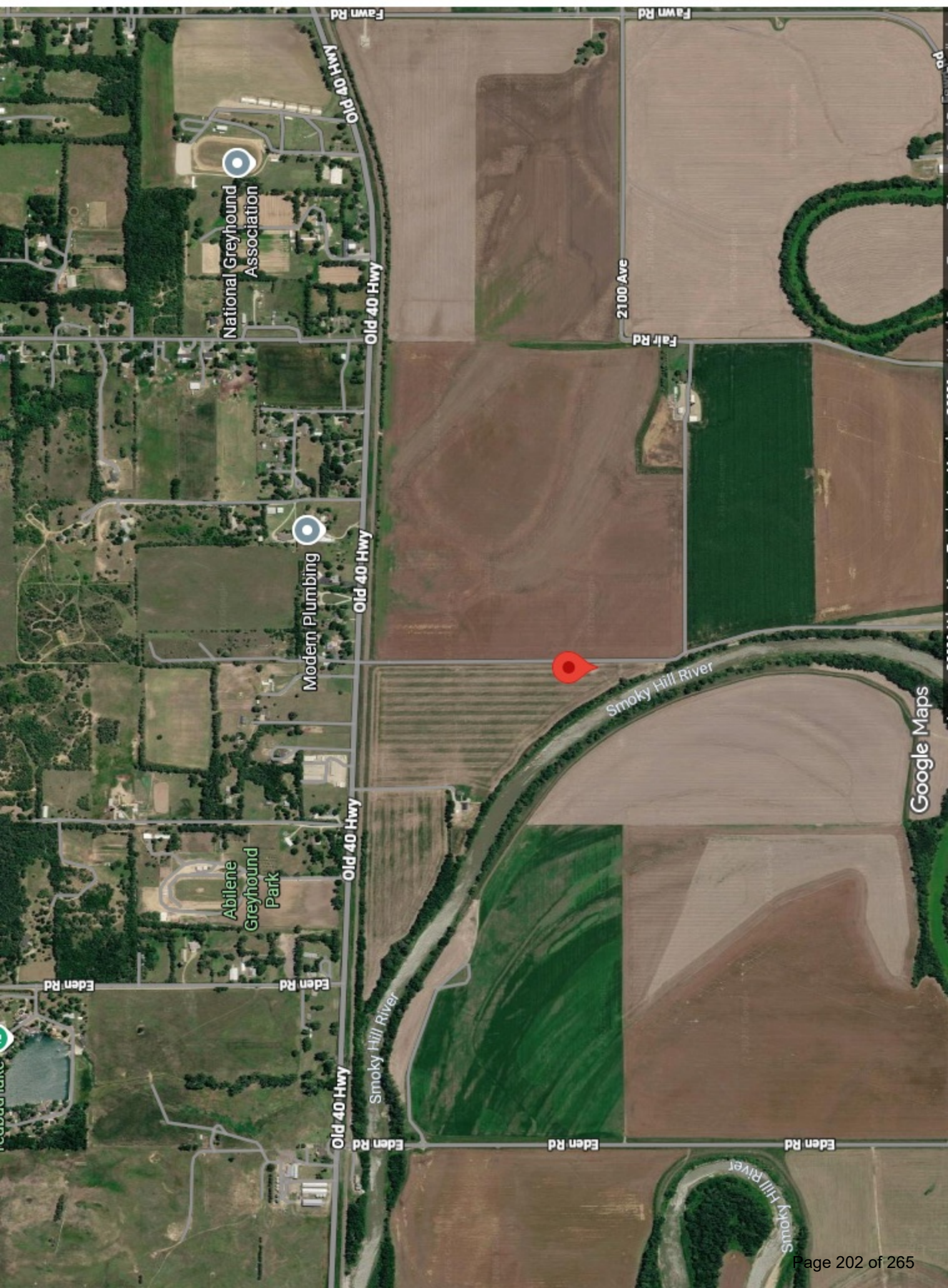
Reported Water Use History for Water Right 40420 - 00, Pd 24-13S-1E 2 and Use MUN



[Disclaimer](#)

For information on the WRIS/WIMAS database or water right related questions, please contact the KDA-DWR at 785-564-6640. For web page or internet based comments, please contact webadmin@kgs.ku.edu. WIMAS data updated weekly.





1	LOCATION OF WATER WELL:	Fraction	Section Number	Township Number	Range Number
	County: <u>Dickinson</u>	<u>NE 1/4 SE 1/4 SW 1/4</u>	<u>24</u>	<u>13 S</u>	<u>1</u> <u>EW</u>

Distance and direction from nearest town or city street address of well if located within city?

From Abilene 1/2 W 3/8 South West Side (Well #18)

2	WATER WELL OWNER: <u>City of Abilene</u>	<u>N 38° 54.078</u>	<u>E. 1157</u>
	RR #, St. Address, Box #: <u>419 Broadway</u>	<u>W 97° 16.216</u>	
	City, State, ZIP Code: <u>Abilene KS. 67401</u>	Board of Agriculture, Division of Water Resources	Application Number:

3	MARK WELL'S LOCATION WITH AN "X" IN SECTION BOX:	4	DEPTH OF WELL <u>51</u> ft.
			WELL'S STATIC WATER LEVEL <u>32</u> ft.
			WELL WAS USED AS:
			1 Domestic <u>5</u> Public Water Supply 9 Dewatering 2 Irrigation 6 Oil Field Water Supply 10 Monitoring Well 3 Feedlot 7 Domestic (Lawn & Garden) 11 Injection Well 4 Industrial 8 Air Conditioning 12 Other
			Was a chemical / bacteriological sample submitted to Department? Yes No <u>X</u>
			If yes, mo/day/yr sample was submitted
			Water Well Disinfected: Yes <u>X</u> No

5	TYPE OF BLANK CASING USED:
	1 Steel 3 RMP (SR) 5 Wrought 7 Fiberglass 9 Other (Specify below) <u>2</u> PVC 4 ABS 6 Asbestos-Cement 8 Concrete Tile
	Blank casing diameter <u>12</u> in. Was casing pulled? Yes No If yes, how much
	Casing height <u>above</u> or below land surface <u>24</u> in.

6	GROUT PLUG MATERIAL: <u>1</u> Neat cement 2 Cement grout 3 Bentonite 4 Other
	Grout Plug Intervals: From <u>30</u> ft. to <u>0</u> ft., From ft. to ft., From to ft.
	What is the nearest source of possible contamination:
	1 Septic tank 6 Seepage pit 11 Fuel storage 16 Other (specify below) 2 Sewer lines 7 Pit privy 12 Fertilizer storage <u>None</u> 3 Watertight sewer lines 8 Sewage lagoon 13 Insecticide storage 4 Lateral lines 9 Feedyard 14 Abandoned water well 5 Cess pool 10 Livestock pens 15 Oil well/Gas well
	Direction from well? How many feet?

FROM	TO	PLUGGING MATERIALS
<u>51</u>	<u>30</u>	<u>Sand</u>
<u>30</u>	<u>0</u>	<u>Cement</u>

7	CONTRACTOR'S OF LANDOWNER'S CERTIFICATION: This water well was plugged under my jurisdiction and was completed on (mo/day/year) <u>3-18-14</u> and this record is true to the best of my knowledge and belief. Kansas Water Well Contractor's License No. <u>855</u> This Water Well Record was completed on (mo/day/year) under the business name of <u>A-1 Water Well Serv. Co. Inc.</u>
	by (signature) <u>Scott Becker</u>

INSTRUCTIONS: Use typewriter or ball point pen. Please press firmly and print clearly. Please fill in blanks, underline or circle the correct answers. Send top three copies to Kansas Department of Health and Environment, Bureau of Water, Geology Section, 1000 SW Jackson St., Ste. 420, Topeka, Kansas 66612-1367. Telephone: 785/296-5522. Send one to Water Well Owner and retain one for your records.

Appendix E - 2026 Negotiation Correspondence

E-1 — February 11, 2026 — RWD No. 2 Request for City Proposal

E-2 — February 27, 2026 — City of Abilene Proposal to RWD No. 2

E-3 — July 16, 2026 — RWD No. 2 Response Through Legal Counsel

Kelsey Briand

From: dkrwd2@eaglecom.net
Sent: Wednesday, February 11, 2026 2:03 PM
To: Kelsey Briand
Subject: Rate Study Adjustments

Hi Kelsey,

The board talked last night at our meeting and they decided they would prefer if The City of Abilene would submit their proposal to the district first; by the end of the month if at all possible.

They were also wondering about the other email that Jon Quinday mentioned last night? We received the rate study, but not the other document. Could we be forwarded that when you get a chance?

Thanks!

Mindy



785-263-2550
419 N. Broadway Abilene, KS 67410
www.abilenecityhall.com

February 27, 2026

Board of Directors
Dickinson County Rural Water District No. 2
804 S. Buckeye
Abilene, KS 67410

Dear Members of the Board:

The City and Rural Water District No. 2 have maintained a productive partnership for decades, built on cooperation and mutual respect. We value that history and approach this proposal with the goal of strengthening the relationship through clarity, fairness, and long-term sustainability. This letter formally presents the City's proposal for a Third Amendment to the Wholesale Water Supply Agreement. The proposal is grounded in the independent cost-of-service analysis prepared by Raftelis and reflects the City's fiduciary responsibility to all utility customers. It is intended to establish a transparent and predictable framework that equitably allocates system costs, modernizes the agreement structure, and supports long-term system reliability.

The Raftelis cost-of-service study determined that the City's cost to serve RWD No. 2 is \$4.43 per 1,000 gallons. Under the current agreement structure, RWD No. 2 pays \$1.85 per 1,000 gallons. This difference represents a structural imbalance in which City retail customers are subsidizing wholesale service.

While prior agreements reflected the circumstances at the time they were adopted, the updated independent analysis documents current system costs and appropriate allocation. The City's objective is to align wholesale rates with documented costs, eliminate the existing subsidy, and establish a modern framework that provides clarity and long-term stability for both parties.

Proposed Elements of the Third Amendment

1. Three-Year Transition to Full Cost of Service

To provide predictability and mitigate rate impacts, the City proposes a defined three-year transition from the current \$1.85 per 1,000 gallons to the full cost-of-service rate of \$4.43 per 1,000 gallons.

The step increases would occur as follows:

- January 1, 2027 – \$1.85 to \$2.71
- January 1, 2028 – \$2.71 to \$3.57
- January 1, 2029 – \$3.57 to \$4.43

This approach provides financial planning certainty and establishes a clear path to full cost alignment. Once the full COS rate is reached, future adjustments would be tied to periodic cost-of-service updates rather than capped percentage increases.

2. Wholesale Capacity (Meter) Charge

RWD No. 2 holds a 450,000-gallons-per-day entitlement and relies on firm treatment capacity, but currently does not pay a fixed or capacity-based charge. Because a significant portion of system costs are fixed and incurred to maintain treatment and pumping capacity regardless of volume, the City proposes implementing a monthly wholesale capacity charge.

Beginning January 1, 2027, the wholesale capacity charge would be equal to the 4-inch meter monthly charge - \$445.41 for each meter- identified in the Raftelis cost-of-service study. Incorporating this charge aligns wholesale rates with standard utility practice and ensures that fixed system costs are proportionately shared.

3. Formalization of Cost Allocation Principles

To enhance transparency and reduce the potential for future disputes, the Third Amendment would formally incorporate cost allocation principles consistent with the Raftelis methodology. Wholesale service would bear its proportionate share of raw water supply, treatment, pumping, and transmission facilities necessary to deliver water to the master meter, along with associated operations, maintenance, administrative, and debt service costs tied to those functional components.

Costs associated with the City's retail distribution system beyond the wholesale master meter—including local distribution mains, retail storage primarily used for pressure stabilization, and retail fire protection capacity—would not be allocated to wholesale service. Codifying these principles provides a clear and objective framework for future rate determinations.

4. Water Warning or Emergency Provisions

The City's water conservation and emergency management provisions are established in Section 7-901 of the City Code. Under subsection 7-901(e), when a water warning or emergency is declared, volumetric charges for residential water use above 10,000 gallons—both inside and outside the city limits—are increased to two (2) times the established rates.

RWD No. 2 is not legally subject to the City Code. However, because RWD relies on the City's water supply system, it is appropriate to address how declared water warnings or emergencies would affect wholesale service under the amended agreement.

The City proposes that the Third Amendment include one of the following approaches, or a mutually agreed combination:

a. Emergency Rate Adjustment Alignment

During any officially declared water warning or emergency, the wholesale volumetric

rate charged to RWD would increase by the same percentage applied to City residential customers under Section 7-901(e) or its successor provision.

This approach ensures proportional participation in conservation-driven pricing signals during system stress events.

b. Conservation Measure Alignment

Alternatively, or in addition, RWD could agree to implement conservation measures for its customers that are at least as stringent as those imposed by the City during a declared water warning or emergency.

This approach focuses on demand management rather than pricing and supports system reliability during constrained supply conditions.

The purpose of this provision is to ensure coordinated conservation response and equitable treatment during periods when system capacity or supply is under stress.

5. Removal of the Segregated Account Requirement

The Second Amendment established a segregated account requiring revenues above \$1.44 per 1,000 gallons to be restricted to treatment-related purposes. While this provision may have served a transitional purpose, it creates ongoing financial constraints under a full cost-of-service structure. It limits enterprise fund flexibility, ties revenue management to a historical rate trigger rather than documented allocation principles, and complicates long-term financial planning.

Once wholesale rates reflect independently documented costs, the cost-of-service methodology itself ensures proportional cost recovery. Accordingly, the City proposes either eliminating the segregated account upon execution of the Third Amendment or sunseting it upon completion of the three-year transition on January 1, 2029.

6. Five-Year Cost-of-Service Review Cycle

To promote long-term predictability, the City proposes establishing a five-year COS review cycle. An updated independent study would be conducted at the City's sole cost and expense, at five-year intervals. Upon completion and delivery of the COS study, the rate shall adjust automatically in accordance with the study's findings, without the need for further action by either party or amendment of this Agreement. This structure ensures rates remain aligned with actual system costs over time.

7. Capacity and Growth Provisions

The amendment would clarify average-day and peak-day demand obligations and require City approval and appropriate cost participation for increases in maximum daily demand or the

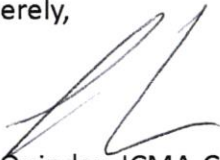
addition of high-volume users. Expansion and cost-sharing provisions would be updated to reflect current infrastructure and regulatory requirements.

The City recognizes that RWD No. 2 must plan responsibly for its customers, just as we must for ours. Our responsibility as a municipal utility is to ensure rates are equitable, defensible, and based on documented cost allocation principles.

This proposal is intended to align the agreement with current realities, eliminate cross-subsidization, and establish a sustainable framework that supports our shared mission for the long term. The terms of an agreed-upon amendment are subject to approval by the Abilene City Commission.

We look forward to continuing our discussions in a constructive and collaborative manner and welcome your feedback.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Quinday', written over a light blue horizontal line.

Jon Quinday, ICMA-CM
Interim City Manager
jquinday@abilenecityhall.com
(785) 253-6550

CC: File



2887 SW MacVicar Avenue, Topeka, Kansas 66611
Telephone (785) 267-3410 Facsimile (785) 267-9516
www.stumbolaw.com

July 16, 2026

Jon Quinday
Interim City Manager
City of Abilene
419 N. Broadway
Abilene, KS 67410

RE: Agreements with Rural Water District No. 2, Dickinson County

Dear Mr. Quinday:

This firm represents Rural Water District No. 2, Dickinson County. The Board is in receipt of your letter of February 27, 2026, and has asked me to respond.

I have reviewed your letter, and the Board has consulted with myself and its engineer as to the contents of the letter. The District is aware of the issues facing the City and the need for additional revenue to pay for distribution upgrades. The District is not adverse to increases that reflect increasing costs for water treatment but cannot agree to rate changes that amount to funding demands for distribution system improvements.

There are key elements that the Raftelis analysis does not account for, nor do you recognize in your letter:

- In 1998 the District funded 11.25% of the cost of the treatment plant in an amount close to 1 million dollars. This substantial investment was part of the consideration for the supply contract but is not acknowledged in the Raftelis study. However, the Raftelis study indicates likely use in coming years of less than 11.25% of the system per volume charges. (Table 3, p. 10). The District also gave rights to its wells for raw water supply to the City, further reducing input costs. These contributions should be recognized as an element that alters standard cost-of-service projections.
- The District maintains two connections to the City's water distribution system. One is located south of the City along Highway 15, and the other one is southwest of Abilene near Old Highway 40 and Elk Rd. As such, only a small portion of the City's water distribution system is utilized in the transfer of water from the Water Treatment Plant to the two RWD master meters. Further, the original water purchase agreement clearly

Tom R. Barnes II
Todd A. Luckman

Of Counsel: Gary H. Hanson
Quentin E. Kurtz

Walter G. Stumbo (1911-1998)

- states that any rate adjustments shall not include increased capitalization of the City's water distribution system.
- It has been noted that the City has, on an annual basis, transferred out substantial sums to other City funds rather than using them for reserve funds or capital needs. In some years, these amounts have exceeded the amount the District has paid annually on the contract, so these transfers were meaningful, and benefited the City in reducing taxes for residents. Our informal review of the numbers indicates that at least half of the projected costs would be covered if the transfers were ended 10 years ago.
- The transfers are treated as payment for a type of "franchise fee" as are paid by private utilities to the City. This justification is not contained in the AWWA Rate manual and is inappropriate as franchise fees generally are payment for use of right-of-way in the City. The City should not have to pay to access owned right-of-way as there is no corporate benefit, and this merely conceals the improper use of enterprise funds.
- For the District, the contract's terms for computing a rate based on the cost of treatment still results in amounts less than the current rate.

This demonstrates that a capacity charge is inappropriate, as the District has already paid a charge that would account for its use of the plant capacity. The cost allocation heavily relies upon costs of the distribution system and the projected capital costs of this part of the system, which are used by the District nor improve service to the District. Due to this, the District cannot agree to the proposed increases and must insist upon compliance with the agreement between the parties.

That being said, the District is open to discussions of an extended contract that provides for higher rates, but with recognition of the prior investments in the system by the District, and the need to retain funds for the use of the system in the future. This would be an opportunity to address the conservation concerns you note in the letter.

If the City wishes to discuss terms of an extended agreement, please advise and we will be glad to set up a meeting to start that process. Otherwise, the District again would deny the City's right to impose any charges more than the amounts currently agreed to under contract.

Cordially,



TODD A. LUCKMAN

TAL

cc: RWD No. 2, Dickinson County

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City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Consider approval of Ordinance 26-3489, AN ORDINANCE AMENDING CHAPTER 5, SECTION 5-401 OF THE CITY CODE OF THE CITY OF ABILENE, KANSAS, BY ADOPTING AND INCORPORATING BY REFERENCE THE *STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES*, 53RD EDITION (2026); AND REPEALING EXISTING SECTION 5-401.

Department: Police

Staff Contact: Jason Wilkins, Police Chief

Background: Annually, after the legislative session passing law into effect, the League of Municipalities

Publishes the Standard Traffic Ordinance (STO) and Uniform Public Offense Code (UPOC).

Both books are designed to provide a comprehensive traffic code and public offense ordinance for Kansas cities. Changes do not take effect in a municipality until the governing body approves and publishes an ordinance incorporating it by reference.

A handout outlining the updates to both the STO and UPOC are included in the packet.

The fine schedule will be updated to include any new sections.

Funding Source:

City Attorney Review: City Attorney Martin prepared the ordinances.

Options: 1. Adopt both ordinances, adopting by reference the 2026 Standard Traffic Offense and Uniform Public Offense Code for Kansas Cities.

2. Direct Staff on how you would like to proceed.

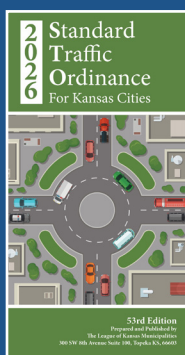
Recommendation: Approval of ordinances adopting the 2026 STO and UPOC into City Code.

Updates to the 2026 Standard Traffic Ordinance and the Uniform Public Offense Code

By: Sage Pourmirza, Staff Attorney, League of Kansas Municipalities

The season is upon us for League updates to the *Standard Traffic Ordinance* (STO) and the *Uniform Public Offense Code* (UPOC) in accordance with changes made by the Kansas Legislature. Despite the shortened legislative session, there are still several changes that were made to the STO and UPOC this year. This article details those changes.

ORDER THE UPDATED STO & UPOC AT WWW.LKM.ORG/PUBLICATIONS



Changes to the STO

Section 126.2.1 Use of a Mobile Telephone While Operating a Motor Vehicle in a School Zone or Road Construction Zone

This is a new section that comes from SB 366 and places a prohibition on using cellphones and other wireless communication devices in school zones during the time when the reduced speed is enforced, or in a road construction zone where workers are present.

Section 169.2 Use of Lights in Road Construction Zones

This newly added section, also from SB 366, expands the usage of certain colors of flashing lights in road construction zones.

Section 93. Parking Disabled and Other Vehicles

Here, we have a small change that expands the interference in subsection (b) to include law enforcement operations.

Section 126.1 Obstructing License Plates

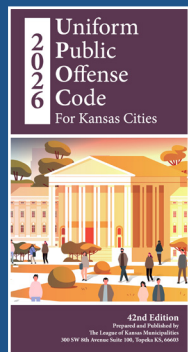
This section expands and defines obstructions of license plates to include frames and borders around plates that may make it difficult to determine the registration number, state, or the month or year of expiration on the registration decal. Additionally, subsection (b) was previously a part of Section 126.1.1 *Display of License Plate*.

Section 126.1.1 Display of License Plate

Subsection (c) was removed from this section and inserted into the aforementioned Section 126.1.

Section 201.1 Failure to Comply with a Traffic Citation

This was a small change that removed the former subsection (h)(2) regarding division notification from five years post-conviction.



Changes to the UPOC

Section 3.5.1 Unlawful Approach of a First Responder

S Sub for HB 2372 introduced a new law that makes it unlawful for anyone to be within 25 feet of a first responder while the first responder is engaged in the performance of their duties.

Section 3.1.1 Domestic Battery

The domestic battery language was amended to require an offender assessment as a condition of anyone granted probation or having had their sentence suspended.

Section 6.1 Theft

This section has a few language edits regarding the term “knowing,” and also adds in offenses for grain or hay, livestock, or motor vehicles between \$500 and \$1,500 in value.

Section 6.17 Criminal Use of a Financial Card or Gift Card

This section was expanded to include criminal use of gift cards, adding in language that would make theft, altering, or tampering with a gift card a crime under this section.

Section 10.1.1 Criminal Carrying of a Weapon

Subsections (b) and (c) were flipped in accordance with how K.S.A. 21-6302 is structured.

Section 11.11 Cruelty to Animals

A new subsection (c) was added to this section to provide a carve out for persons who are catching feral cats for the purpose of vaccination, spaying, or neutering, before returning them to the place they were caught.

Section 4.5 Buying Sexual Relations

This section was removed as this offense is now solely classified as a severity level 9, person felony, and no longer necessary for the UPOC.

 Sage Pourmirza is a Staff Attorney for the League of Kansas Municipalities. He can be reached at spourmirza@lkm.org.



ORDINANCE NO. 26-3489

AN ORDINANCE AMENDING CHAPTER 5, SECTION 5-401 OF THE CITY CODE OF THE CITY OF ABILENE, KANSAS, BY ADOPTING AND INCORPORATING BY REFERENCE THE *STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES*, 53rd EDITION (2026); AND REPEALING EXISTING SECTION 5-401.

BE IT ORDAINED, BY THE GOVERNING BODY OF THE CITY OF ABILENE, KANSAS:

SECTION ONE. Section 5-401 of the City Code of the City of Abilene, Kansas is hereby amended to read as follows:

5-401. Incorporating Standard Traffic Ordinance. The *Standard Traffic Ordinance for Kansas Cities*, 53rd Edition (2026), published by the League of Kansas Municipalities, Topeka, Kansas (the “Standard Traffic Ordinance”), is adopted and incorporated by reference except such portions as are hereinafter amended. At least one copy of the Standard Traffic Ordinance shall be marked or stamped “Official Copy as Adopted by Ordinance No. 26-3489” with all sections thereof intended to be amended clearly marked to show any such amendments and to which shall be attached a copy of this ordinance, and filed with the City Clerk to be open to inspection and available to the public at all reasonable business hours.

SECTION TWO. Existing Section 5-401 is hereby repealed.

SECTION THREE. This ordinance shall be in full force and effect from and after its adoption and publication once in the official city newspaper by the following summary:

Ordinance No. 25-3489 Summary

On September 14, 2026, the City Commission passed Ordinance No. 26-3489. The ordinance amends Chapter 5, Section 5-401 of the City Code of the City of Abilene, Kansas, by adopting and incorporating by reference the *Standard Traffic Ordinance for Kansas Cities*, 53rd Edition (2026) prepared and published in book form by the League of Kansas Municipalities. A complete copy of the ordinance is available online at www.abilenecityhall.com or in the office of the City Clerk, 419 N. Broadway Street in Abilene, Kansas, free of charge. This summary is certified by the City’s legal counsel.

APPROVED AND PASSED by the Governing Body of the City of Abilene, Kansas, this 14th day of September, 2026.

{SIGNATURE PAGE FOLLOWS}

Brandon Rein, Mayor

Attest:

Shayla L. Mohr, CMC, City Clerk

The publication summary set forth above is certified this 14th day of September, 2026.

Aaron O. Martin, Legal Counsel

ORDINANCE NO. 26-3490

AN ORDINANCE AMENDING CHAPTER 5, SECTION 5-101 OF THE CITY CODE OF THE CITY OF ABILENE, KANSAS, BY ADOPTING AND INCORPORATING BY REFERENCE THE *UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES*, 42nd EDITION (2026), WITH CERTAIN OMISSIONS AND AMENDMENTS THERETO; AND REPEALING EXISTING SECTION 5-101.

BE IT ORDAINED, BY THE GOVERNING BODY OF THE CITY OF ABILENE, KANSAS:

SECTION ONE. Section 5-101 of the City Code of the City of Abilene, Kansas is hereby amended to read as follows:

5-101. Incorporating Uniform Public Offense Code with amendments.

- (a) **Incorporation by reference.** The *Uniform Public Offense Code for Kansas Cities*, 42nd Edition (2026), published by the League of Kansas Municipalities, Topeka, Kansas (the “Uniform Public Offense Code”), is adopted and incorporated by reference except such sections as are hereinafter omitted or amended as set forth in paragraphs (b) and (c) below. At least one copy of the Uniform Public Offense Code shall be marked or stamped “Official Copy as Adopted by Ordinance No. 26-3490” with all sections thereof intended to be omitted or amended clearly marked to show any such omission or amendment and to which shall be attached a copy of this ordinance, and filed with the City Clerk to be open to inspection and available to the public at all reasonable business hours.
- (b) **Omissions.** Sections 6.16, 6.19, and 10.29 of the Uniform Public Offense Code are hereby omitted.
- (c) **Amendment.** The definition of “Smoking” in section (o) of the “Smoking; Definitions” paragraph of Section 1.1 of the Uniform Public Offense Code is hereby amended to read as follows:
 - (o) Smoking means possession of a lighted cigarette, cigar, pipe or burning tobacco in any other form or device designed for the use of tobacco, or possession and use of any electronic cigarette.

SECTION TWO. Existing Section 5-101 is hereby repealed.

SECTION THREE. This ordinance shall be in full force and effect from and after its adoption and publication once in the official city newspaper by the following summary:

Ordinance No. 26-3490 Summary

On September 14, 2026, the City Commission passed Ordinance No. 26-3490. The ordinance amends Chapter 5, Section 5-101 of the City Code of the City of Abilene, Kansas, by adopting and incorporating by reference the *Uniform Public Offense Code for Kansas Cities*, 42nd Edition (2026) prepared and published in book form by the League of Kansas Municipalities, but omitting Sections 6.16, 6.19, and 10.29 thereof, and amending the definition of “Smoking” in section (o) of the “Smoking; Definitions” paragraph of Section 1.1 to include possession and use of any electronic cigarette. A complete copy of the ordinance is available online at www.abilenecityhall.com or in the office of the City Clerk, 419 N. Broadway Street in Abilene, Kansas, free of charge. This summary is certified by the City’s legal counsel.

APPROVED AND PASSED by the Governing Body of the City of Abilene, Kansas, this 14th day of September, 2026.

{SIGNATURE PAGE FOLLOWS}

Brandon Rein, Mayor

Attest:

Shayla L. Mohr, CMC, City Clerk

The publication summary set forth above is certified this 14th day of September, 2026.

Aaron O. Martin, Legal Counsel



City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Consider Approval of a USDA Rural Business Development Grant Subrecipient Agreement with Dickinson County Economic Development Corporation

Department: Administration

Staff Contact: Julie Roller-Weeks, Convention & Visitors Bureau Director

Background: On July 13, 2026, the City Commission authorized the City of Abilene to apply for a USDA Rural Business Development Grant (RBDG) to establish a Rural Business Accelerator Program in partnership with Dickinson County Economic Development Corporation (DKEDC), dba Driving Dickinson County.

The City was subsequently awarded \$89,787 in federal funding for the program. The total project budget is approximately \$125,400. The required non-federal match will be provided through DKEDC cash and in-kind contributions and a \$10,000 grant from the Community Foundation of Dickinson County. No City funds are required for the match.

When the grant application was authorized, the City anticipated entering into a Memorandum of Understanding or similar agreement with DKEDC for administration of the program. As the grant requirements were finalized, it was determined that DKEDC is considered a subrecipient under federal grant regulations because it will carry out a portion of the federally funded program rather than simply provide a contracted service to the City. Accordingly, the relationship between the City and DKEDC must be documented through a formal Subrecipient Agreement incorporating applicable USDA requirements and federal grant regulations. The proposed agreement replaces the MOU originally contemplated.

Under the agreement, the City will remain the official USDA grant recipient and fiscal agent, with responsibility for federal grant administration, financial reporting, review of reimbursement requests, required USDA reporting, and monitoring compliance with the federal award. DKEDC will administer the day-to-day Rural Business Accelerator Program, including business outreach and recruitment, eligibility screening, coordination of consultants and training, tracking program outcomes, and providing documentation necessary for reimbursement and federal reporting.

The program will provide practical assistance to small and emerging rural businesses in areas such as financial and operational planning; technology, artificial intelligence, and workflow improvements; workforce and human resources; succession planning; and workshops and training.

The full \$89,787 federal award will be passed through to DKEDC, with the City retaining no portion for administrative expenses. The grant is reimbursement-based. DKEDC will incur eligible program expenses and submit supporting documentation to the City. Following review, the City will request reimbursement from USDA and, upon receipt, remit the corresponding federal funds to DKEDC. The agreement specifically provides that the City's payment obligation is contingent upon receipt of the applicable federal funds; the City is not required to advance City funds while awaiting federal reimbursement.

As presented when the grant application was authorized, the project requires no City financial match. By serving as the federal grant recipient and fiscal agent, the City is facilitating approximately \$90,000 in outside funding to provide direct assistance to rural businesses in Abilene and Dickinson County.

Funding Source: USDA Rural Business Development Grant / DKEDC / Community Foundation of Dickinson County

City Attorney Review: 09/08/2026

Options: 1. Approve the Subrecipient Agreement between the City of Abilene and Dickinson County Economic Development Corporation (DKEDC), dba Driving Dickinson County, for implementation of the USDA Rural Business Accelerator Program, and authorize the Mayor to execute the agreement.

2. Approve the Subrecipient Agreement with amendments as directed by the City Commission and authorize the Mayor to execute the agreement.

3. Do not approve the Subrecipient Agreement.

Recommendation: Approve the Subrecipient Agreement between the City of Abilene and Dickinson County Economic Development Corporation (DKEDC), dba Driving Dickinson County, for implementation of the USDA Rural Business Accelerator Program, and authorize the Mayor to execute the agreement.

Approval will allow the City and DKEDC to move forward with the program and leverage \$89,787 in federal funding to support small business stability, competitiveness, and long-term sustainability without requiring a financial contribution from the City.

DRAFT — FOR DKEDC BOARD REVIEW — SUBJECT TO CITY ATTORNEY REVIEW AND CITY COUNCIL ACTION — NOT FOR EXECUTION

SUBRECIPIENT AGREEMENT

Rural Business Accelerator Program

USDA Rural Business Development Grant (RBDG) — Assistance Listing 10.351

Between the City of Abilene, Kansas and Dickinson County Economic Development Corporation
d/b/a Driving Dickinson County

This Subrecipient Agreement (“Agreement”) is entered into by and between the City of Abilene, Kansas, a Kansas municipal corporation (the “City” or “Recipient”), and Dickinson County Economic Development Corporation, a Kansas not-for-profit corporation doing business as Driving Dickinson County (“DKEDC” or “Subrecipient”). The City and DKEDC are each a “Party” and are collectively the “Parties.”

RECITALS

A. The City has applied for, and executed a Financial Assistance Agreement for, a Rural Business Development Grant from the United States Department of Agriculture, Rural Business-Cooperative Service (“USDA” or “RBCS”), Assistance Listing Number 10.351, as described in the Rural Business-Cooperative Service Financial Assistance Agreement, Form RD 4280-2, executed by the City’s Interim City Manager on July 29, 2026 (the “Federal Award Agreement”), attached as Exhibit A. USDA execution of the Federal Award Agreement is pending as of the date of this Agreement.

B. The Federal Award Agreement obligates \$89,787 in federal funds toward a total project cost of \$125,400, with the remaining \$35,613 (28%) provided as non-federal cost share/match, for a Period of Performance beginning October 1, 2026 and ending September 30, 2027, to fund the Rural Business Accelerator Program (the “Program”) described in Attachment B — Approved Work Plan and Budget to the Federal Award Agreement. The Federal Award is a reimbursement-basis grant: the City may only draw down funds from USDA after costs are incurred and documented. The City will pass through the full \$89,787 in federal funds to DKEDC to administer the Program. The \$35,613 non-federal match is provided entirely by DKEDC (cash and in-kind) and a grant from the Community Foundation of Dickinson County; no City funds are used to meet the match.

C. DKEDC is a nonprofit countywide economic development and chamber organization serving Dickinson County, Kansas, operating as Driving Dickinson County, with the staff capacity, business relationships, and program infrastructure to design and deliver the business technical assistance, training, consultant coordination, and implementation support contemplated by the Program.

D. Under 2 C.F.R. § 200.331, a pass-through entity must determine whether an outside entity carrying out part of a Federal award is a “subrecipient” or a “contractor.” Because DKEDC will (i) use Federal Award funds to carry out a public program consistent with the objectives of the City’s Federal Award rather than to provide goods or services for the City’s own use, (ii) exercise programmatic decision-making over business outreach, eligibility screening, and technical assistance delivery, (iii) be responsible for adherence to applicable Federal program requirements, and (iv) be measured against Program performance outcomes rather than a fixed deliverable, DKEDC is a Subrecipient of the City for purposes of the Federal Award, and the Parties’ relationship is governed by 2 C.F.R. §§ 200.331–200.333.

E. The Parties previously discussed a Memorandum of Understanding to describe their respective roles in the Program. Because DKEDC is a Subrecipient as a matter of federal law, the Parties have determined that their relationship must instead be documented in a written subaward agreement that flows down the

applicable requirements of the Federal Award and 2 C.F.R. Part 200, as set forth below. This Agreement supersedes and replaces the draft Memorandum of Understanding regarding the Rural Business Accelerator Program in its entirety.

F. This Agreement, and each Party's obligations under it, is contingent upon (i) approval by the DKEDC Board of Directors, (ii) approval by the Abilene City Council by resolution or ordinance, and (iii) final execution and obligation of the Federal Award Agreement by USDA. If USDA does not execute the Federal Award Agreement, or executes it on materially different terms, this Agreement shall be void or shall be amended by the Parties as necessary to conform to the Federal Award actually made.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

1. Definitions

Federal Award. The Rural Business Development Grant described in the Federal Award Agreement (Exhibit A), including Attachments A (Program Addendum), B (Approved Work Plan and Budget), and C (USDA General Terms and Conditions for Federal Awards).

Pass-Through Entity. The City of Abilene, Kansas, in its capacity as the direct recipient of the Federal Award, responsible to USDA for its administration.

Subrecipient / Subaward. DKEDC, as the entity to which the City ~~is passing a portion~~ passes through the full amount of the Federal Award to carry out part of the Program, and the award of funds made to DKEDC under this Agreement, as those terms are defined at 2 C.F.R. § 200.1.

Uniform Guidance. 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable to the Federal Award and as flowed down through the Federal Award Agreement.

Work Plan. Attachment B — Approved Work Plan and Budget to the Federal Award Agreement, as it may be amended with USDA and City approval.

Eligible Business. A business meeting the criteria described in Section 9 of this Agreement.

2. Federal Award Information

In accordance with 2 C.F.R. § 200.332(a)(1), the City provides the following Federal Award information to DKEDC as a required element of this subaward:

Field	Detail
Subrecipient name	Dickinson County Economic Development Corporation, dba Driving Dickinson County
Subrecipient UEI	[TO BE PROVIDED BY DKEDC PRIOR TO EXECUTION]
Federal Award Identification Number (FAIN)	Per Program Addendum (Attachment A) to the Federal Award Agreement — to be inserted upon confirmation
Federal award date	City executed the Federal Award Agreement on July 29, 2026; USDA execution/full obligation of the award is pending as of the date of this Agreement
Subaward period of performance	October 1, 2026 through September 30, 2027, consistent with Section I.5 of the Federal Award Agreement

Total amount of Federal funds obligated to the City	\$89,787
Amount of Federal funds subawarded to DKEDC under this Agreement	\$89,787 (100% of the Federal Award; the City retains no portion of the Federal funds for its own administrative use)
Non-federal cost share / match	\$35,613 (28% of total project cost), provided entirely by DKEDC (cash and in-kind) and a grant from the Community Foundation of Dickinson County — no City funds are used as match
Total project cost	\$125,400 (72% federal / 28% non-federal, per Section I.9–11 of the Federal Award Agreement)
Federal award project description	Rural Business Accelerator Program — business technical assistance, training, consultant coordination, and implementation resources for eligible small and emerging rural businesses in Dickinson and Clay Counties, Kansas
Federal awarding agency	United States Department of Agriculture, Rural Business-Cooperative Service (Rural Development)
Pass-through entity (Recipient)	City of Abilene, Kansas — UEI HA1FGUT966G3; Agency Recipient No. 117685343
Assistance Listing (CFDA) number and name	10.351 — Rural Business Development Grant (RBDG)
Research & development award	No
Indirect cost rate	None claimed / not applicable [TO BE CONFIRMED]
Fidelity bond requirement	\$0.00 (none — no fidelity bond required by USDA under this award; City to confirm whether its own policy requires subrecipient bonding or insurance — see Section 22)
Pass-through entity contact	Jon Quinday, Interim City Manager, 419 N. Broadway Street, Abilene, KS 67410, 785-263-2550, jquinday@abilenecityhall.com
Federal awarding agency contact	Leslie Dexter, Loan Specialist, USDA Rural Development, 785-624-3250, leslie.dexter@usda.gov

3. Incorporation of Federal Award Documents; Order of Precedence

The Federal Award Agreement, including Attachment A (Program Addendum), Attachment B (Approved Work Plan and Budget), and Attachment C (USDA General Terms and Conditions for Federal Awards), is incorporated into this Agreement by reference as Exhibit A. DKEDC acknowledges receipt of Exhibit A and agrees to comply with its terms to the extent applicable to DKEDC's performance of the Program. If a conflict arises among these documents, the order of precedence is: (1) applicable federal statutes and regulations, including 2 C.F.R. Part 200; (2) the Federal Award Agreement and its Attachments; (3) this Agreement; and (4) any other document referenced herein.

4. Term; Period of Performance; Closeout

This Agreement is effective on the date it is fully executed by both Parties (the "Effective Date"), subject to the contingencies described in Recital F, and continues through the completion of closeout obligations

described below. DKEDC's Period of Performance for programmatic and budget purposes runs concurrently with the City's Federal Award Period of Performance: October 1, 2026 through September 30, 2027, consistent with Section I.5 of the executed Federal Award Agreement. DKEDC's obligations to provide final programmatic and financial documentation survive the end of the Period of Performance and continue until the City has submitted its final SF-425 to USDA, which is due no later than 120 days after the end of the Period of Performance (on or before January 28, 2028), and for as long thereafter as any related audit, claim, or records-retention obligation under Section 13 remains open.

5. Program Description and Scope of Work

The Program will provide business support, technical assistance, training, consultant coordination, and implementation resources to Eligible Businesses. The service area for the Program is North Central Kansas, with a concentration in Dickinson and Clay Counties. Businesses outside Dickinson and Clay Counties may be considered if they are located in an eligible rural area, meet the USDA small and emerging business requirements in Section 9, and Program capacity is available. DKEDC shall carry out the Program in accordance with the Work Plan, and shall not use subaward funds for any purpose or activity outside the Work Plan without the City's prior written approval and, where required, USDA's prior approval under 2 C.F.R. § 200.308.

6. Responsibilities of DKEDC (Subrecipient)

DKEDC will administer the Rural Business Accelerator Program as the City's program delivery partner and, in that capacity, shall:

- Manage day-to-day Program activities consistent with the Work Plan.
- Conduct business outreach and recruitment across the service area.
- Coordinate business intake and eligibility screening.
- Verify that participating businesses meet the USDA small and emerging business requirements in Section 9.
- Coordinate technical assistance, consultants, workshops, and training.
- Track business participation and Program outcomes, including jobs retained, jobs potentially created, and business improvements.
- Provide the City with documentation needed for reporting, reimbursement, monitoring, and closeout, on the schedule in Section 12.
- Comply with the civil rights, nondiscrimination, and certification requirements in Section 15.
- Comply with the procurement standards, conflict of interest, and documentation requirements in Sections 10 and 16.
- Maintain confidentiality of business information as described in Section 17.
- Maintain books, records, and supporting documentation in accordance with Section 13, and permit access as described in Section 14.
- Promptly notify the City in writing of any audit finding, litigation, threatened litigation, conflict of interest, loss of capacity, or other event that may affect DKEDC's ability to perform this Agreement or that may affect the Federal Award.
- Not obligate Federal Award funds, or approve expenses, outside the approved Work Plan and budget without the City's prior written approval.

7. Responsibilities of the City (Recipient / Pass-Through Entity)

The City is the official applicant, fiscal agent, and grant recipient for the Federal Award and remains legally and financially responsible to USDA for the proper administration of the Federal Award, including the portion carried out by DKEDC. In that capacity, the City shall:

- Provide DKEDC with a copy of the Federal Award Agreement and all Attachments, and promptly notify DKEDC in writing of any amendment, special condition, or change in Federal Award terms that affects the Program or this Agreement.
- Review and approve, or decline with reasons, DKEDC's requests for payment and supporting documentation within the timeframe described in Section 11.
- Manage and account for Federal Award and match funds, and maintain official financial records for the Federal Award.
- Prepare and submit all reports required by USDA, including Form SF-425 and Program performance reports, using the documentation DKEDC provides under Section 12.
- Monitor DKEDC's performance and compliance under this Agreement in accordance with 2 C.F.R. § 200.332(d) and Section 14 of this Agreement.
- Retain final decision-making authority over any budget or scope change that requires USDA prior approval, and coordinate directly with USDA on the City's behalf as Recipient.

8. Budget, Cost Share, and In-Kind Contributions

The Parties agree to administer the Program in accordance with the approved Work Plan and budget shown in Attachment B to the Federal Award Agreement. The overall project budget is:

Source	Amount	% of Total
USDA RBDG federal funds (passed through to DKEDC in full)	\$89,787	72%
DKEDC cash match	\$16,583.33	13%
DKEDC in-kind match	\$9,029.92	7%
Community Foundation of Dickinson County grant (cash match)	\$10,000.00	8%
Total non-federal cost share / match	\$35,613.25	28%
Total project cost / approved budget	\$125,400	100%

Commented [AM1]: Confirm accuracy of this amount

The project budget may include USDA funds, DKEDC cash support, DKEDC third-party in-kind support, and a grant from the Community Foundation of Dickinson County. No City of Abilene funds are used to meet the non-federal match. DKEDC contributions may include documented program supervision, fringe benefits, mileage, office space, meeting space, equipment use, printing, copying, paper, toner, and other approved Program support. All cash and in-kind contributions must be reasonable, necessary for the Program, properly valued, and documented in accordance with 2 C.F.R. § 200.306 and other applicable Federal Award requirements. DKEDC is solely responsible for securing, documenting, and maintaining evidence of its cash match and the Community Foundation of Dickinson County grant (such as a signed grant agreement or commitment letter) for the full term of the Program.

The Approved Work Plan and Budget, by task, is:

#	Task	Responsible	Start	End	USDA RBDG	Supplemental	Total
1	Program Startup, Agreements & Grant Admin	City of Abilene and DKEDC President/CEO	10/1/2026	9/30/2027	\$0.00	\$17,875.25	\$17,875.25
2	Business Liaison Staffing & Program Coordination	DKEDC President/CEO and Part-Time Business Liaison	10/1/2026	9/30/2027	\$24,177.00	\$0.00	\$24,177.00
3	Outreach, Marketing, Intake & Eligibility Screening	DKEDC Business Liaison, DKEDC Marketing/Event Director, Clay County EDO support	10/1/2026	9/30/2027	\$12,100.00	\$0.00	\$12,100.00
4	Business Assessment, Data Collection & Reporting Tools	DKEDC and City of Abilene	11/1/2026	9/30/2027	\$2,010.00	\$0.00	\$2,010.00
5	Financial & Operational Consulting	Consultants/Vendors coordinated by DKEDC	12/1/2026	8/31/2027	\$20,000.00	\$0.00	\$20,000.00
6	AI, Technology & Workflow Consulting	Consultants/Vendors coordinated by DKEDC	12/1/2026	8/31/2027	\$15,000.00	\$0.00	\$15,000.00
7	Succession, HR & Workforce Consulting	Consultants/Vendors coordinated by DKEDC	12/1/2026	8/31/2027	\$10,000.00	\$0.00	\$10,000.00
8	Workshops & Training Delivery	DKEDC, Business Liaison, and Trainers/Facilitators	12/1/2026	8/31/2027	\$6,500.00	\$0.00	\$6,500.00
9	Consultant-Recommended Implementation Support	DKEDC with Community Foundation of Dickinson County support	1/1/2027	8/31/2027	\$0.00	\$12,500.00	\$12,500.00
10	Office, Meeting Space, Equipment Use & Materials Support	DKEDC	10/1/2026	9/30/2027	\$0.00	\$5,238.00	\$5,238.00
	TOTAL PROJECT				\$89,787.00	\$35,613.25	\$125,400.25

9. Eligible Businesses

Businesses receiving services through the Program must meet USDA and Program eligibility requirements, including:

- Location in an eligible rural area.
- Fewer than 50 employees.
- Less than \$1,000,000 in gross annual revenue.
- A demonstrated need for business assistance, training, consulting, or implementation support.
- Potential to support business stability, job retention, job creation, succession planning, or rural economic benefit.

10. Procurement Standards; Consultants and Vendors

As a non-federal, nonprofit entity carrying out part of the Federal Award, DKEDC shall follow the procurement standards applicable to it under 2 C.F.R. §§ 200.317–200.327, including documented cost or price analysis, full and open competition to the extent required, and written conflict of interest procedures, when selecting consultants, vendors, and service providers funded in whole or in part by this Agreement. All consultant and vendor work must be supported by appropriate documentation, such as a scope of work, invoice, deliverables, payment terms, and any required conflict of interest disclosures.

[DKEDC shall include in every contract it awards using Program funds all contract provisions required by 2 C.F.R. Part 200, Appendix II that are applicable to the contract, and shall confirm through SAM.gov that a prospective contractor is not suspended, debarred, or otherwise excluded before awarding the contract. DKEDC shall provide the City copies of its consultant and vendor contracts upon request.](#)

11. Payment of Subaward Funds

The Federal Award is a reimbursement-basis grant. DKEDC shall incur and pay Program costs from its own funds or the match sources identified in Section 8, then submit requests for reimbursement to the City on a monthly basis, or such other interval as the Parties agree in writing, together with supporting documentation such as invoices, receipts, payroll or hourly wage records, mileage logs, and match/in-kind documentation sufficient to show when the expense was incurred and that it is within the approved Work Plan and budget. The City shall review each request and, absent a deficiency, submit a corresponding request to USDA (using Form SF-270 or SF-271, as applicable) and remit funds to DKEDC within the timeframe described below. No advance payments are contemplated under this Agreement. DKEDC shall not obligate Federal Award funds beyond the approved subaward budget without the City's prior written approval.

[The City shall review each reimbursement request for completeness, eligibility, and compliance with the approved Work Plan and budget within ten \(10\) business days after receiving a complete request. If the City identifies a deficiency, it shall notify DKEDC in writing within that period, stating the basis for the deficiency, and DKEDC may cure and resubmit. The City's obligation to pay any approved request is contingent upon, and payable solely from, federal funds actually received from USDA for that request. The City shall remit payment to DKEDC within ten \(10\) business days after the City receives the corresponding federal funds from USDA. Nothing in this Agreement obligates the City to advance or expend its own funds pending receipt of federal reimbursement.](#)

[ATTORNEY / STAFF TO CONFIRM: confirm the City's internal turnaround time for reviewing and remitting payment after DKEDC submits a complete reimbursement request (recommend no more than 10 business days). Because this is a reimbursement-only structure, DKEDC should plan its cash flow and, if needed, a short-term line of credit or reserve to cover Program costs while awaiting reimbursement — this is a real capacity consideration for the Board to weigh in on, not just a legal formality.]

12. Reporting and Documentation

The Federal Award Agreement requires the City to submit Form SF-425 and Program performance reports on a quarterly basis (periods ending December 31, March 31, June 30, and September 30), due to USDA 30 calendar days after each period ends, and a final report due within 120 days after the end of the Period of Performance or completion of the Program, whichever is sooner. To allow the City time to compile and submit timely reports, DKEDC shall provide the City with all information and documentation needed for each quarterly report no later than 15 calendar days after the applicable quarter ends, and all information needed for the final report no later than 90 calendar days after the end of the Period of Performance. This documentation may include:

- Business intake forms and eligibility documentation.
- Consultant records and vendor documentation.
- Workshop attendance and Program activity logs.
- Match and in-kind documentation, including mileage records.
- Job retention and job creation information.
- Business outcome surveys.
- Narrative updates for USDA reports.

The City will use this information to prepare and submit all reports required by USDA.

13. Records Retention and Access

DKEDC shall maintain all financial records, supporting documentation, statistical records, and other records pertinent to this Agreement for a period of three (3) years from the date the City submits its final SF-425 to USDA, consistent with 2 C.F.R. § 200.334, except that the retention period shall be extended if any litigation, claim, or audit involving the records is started before the three-year period expires, until the resolution of that litigation, claim, or audit.

14. Monitoring

The City and DKEDC agree to maintain Program records in accordance with USDA requirements, applicable federal requirements, and their respective organizational policies. Consistent with 2 C.F.R. § 200.332(d), the City may conduct desk reviews, request supporting documentation, and conduct site visits to monitor DKEDC's compliance with this Agreement and the Federal Award. Records shall be made available to the City, USDA, the USDA Office of Inspector General, the Government Accountability Office, or their authorized representatives for review, monitoring, audit, or closeout upon request.

15. Civil Rights, Nondiscrimination, and Federal Certifications

DKEDC shall comply with applicable civil rights and nondiscrimination requirements flowed down from the RD 400-4 Civil Rights Assurance Agreement, the Assurances — Non-Construction Programs (SF-424B) executed by the City (Exhibit B), and the Certification for Contracts, Grants and Loans regarding lobbying (Exhibit C), to the extent those requirements apply to DKEDC's performance of the Program.

DKEDC's compliance includes cooperation in the collection of demographic data on Program participants and beneficiaries and cooperation during civil rights compliance reviews. DKEDC further certifies it will comply with Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104), and will not engage in severe forms of trafficking in persons, procure a commercial sex act, or use forced labor in the performance of this Agreement or the Federal Award.

16. Conflict of Interest

The Parties agree to avoid actual, potential, or perceived conflicts of interest in Program administration, business selection, consultant selection, purchasing, payments, and use of Federal Award funds. Any officer, employee, board member, or agent of either Party who has a real or apparent conflict of interest in the selection, award, or administration of a subaward, contract, or Program benefit shall disclose that conflict in writing before any related decision is made, and shall recuse themselves from that decision, consistent with 2 C.F.R. § 200.318(c) and each Party's conflict of interest policy.

17. Confidentiality

The Parties understand that the Program may involve private business information, including revenue, employee counts, business challenges, financial needs, succession concerns, and consultant recommendations. The City and DKEDC agree to protect confidential business information and to use it only for approved Program purposes, grant administration, reporting, monitoring, and compliance, subject to the Kansas Open Records Act and any other applicable public disclosure law.

18. Program Income

If the Program generates program income, as defined at 2 C.F.R. § 200.1, DKEDC shall track and report that income to the City, and the income shall be used and accounted for in accordance with 2 C.F.R. § 200.307 and any applicable terms of the Federal Award Agreement. The Parties do not anticipate the Program will generate program income as of the Effective Date.

19. Suspension and Termination

The City may suspend or terminate this Agreement, in whole or in part, for cause — including DKEDC's material noncompliance with this Agreement, the Federal Award, or applicable law — upon written notice to DKEDC describing the basis for suspension or termination. ~~Either Party may terminate this Agreement for convenience upon thirty (30) calendar days' written notice to the other Party. This Agreement shall automatically terminate, or be reduced in scope, if and to the extent USDA terminates, suspends, or de-obligates the Federal Award. Termination does not relieve DKEDC of its obligations under Sections 12, 13, and 14 with respect to funds already disbursed, and DKEDC shall cooperate in good faith with Program closeout. The City may terminate this Agreement for convenience upon thirty (30) calendar days' written notice to DKEDC. DKEDC may terminate this Agreement for convenience only upon sixty (60) calendar days' written notice to the City. This Agreement shall automatically terminate, or be reduced in scope, if and to the extent USDA terminates, suspends, or de-obligates the Federal Award.~~

Upon any termination or expiration, DKEDC shall: (i) stop incurring new Program costs except those necessary for orderly closeout; (ii) deliver to the City, no later than thirty (30) calendar days after the effective date of termination, all program, financial, participant-eligibility, procurement, match, and outcome documentation through the termination date that the City needs to meet its reporting and closeout obligations to USDA; and (iii) cooperate in good faith with Program closeout. Termination does

[not relieve DKEDC of its obligations under Sections 12, 13, and 14 with respect to funds already disbursed.](#)

20. Remedies for Noncompliance

If DKEDC fails to comply with any term of this Agreement or the Federal Award, the City may, consistent with 2 C.F.R. § 200.339 and any remedies USDA may require of the City as Recipient, temporarily withhold payments pending correction, disallow costs that are not properly documented or are outside the approved Work Plan and budget, require DKEDC to repay misspent or disallowed funds, suspend or terminate this Agreement under Section 19, or pursue any other remedy legally available.

21. Independent Contractor Status

DKEDC is an independent nonprofit corporation and is not an employee, agent, or joint venturer of the City. Nothing in this Agreement authorizes DKEDC to bind the City to any obligation beyond the terms of this Agreement, or authorizes the City to direct the internal personnel, governance, or operations of DKEDC except as expressly provided in this Agreement.

22. Insurance and Indemnification

DKEDC shall maintain, [at its own expense and throughout the term of this Agreement](#), commercial general liability insurance of [not less than \\$1,000,000 per occurrence and \\$2,000,000 general aggregate](#), and workers' compensation coverage as required by Kansas law. DKEDC shall name the City as an additional insured under its commercial general liability policy and shall furnish the City a certificate of insurance evidencing the required coverage before any Program work begins and upon each renewal during the term in an amount and form acceptable to the City, and shall name the City as an additional insured if required by the City's risk management policy. To the extent permitted by Kansas law, including the Kansas Tort Claims Act, each Party shall be responsible for the acts and omissions of its own officers, employees, and agents in the performance of this Agreement, and neither Party waives any defense, immunity, or limitation of liability available to it under Kansas law.

[ATTORNEY / STAFF TO CONFIRM: confirm the City's standard insurance minimums and indemnification language for subrecipient/subgrant agreements, and coordinate with DKEDC's insurance carrier before execution.]

Commented [AM2]: Confirm these insurance limits are acceptable to DKEDC.

23. Notices

All notices under this Agreement shall be in writing and delivered to the primary contacts below, by hand delivery, U.S. mail, or email with confirmation of receipt:

City of Abilene, Kansas

Jon Quinday, Interim City Manager
419 N. Broadway Street, Abilene, KS 67410
785-263-2550 | jquinday@abilenecityhall.com

Dickinson County Economic Development Corporation dba Driving Dickinson County

Natalie Muruato, President and CEO
203 NW 15th Street, Abilene, KS 67410
[Phone] | muruato.natalie@gmail.com

24. Amendments

This Agreement may be amended only in writing, signed by both Parties, and, where the City's policies require, approved by the Abilene City Council. If USDA requires changes to the Program structure, budget, reporting, or responsibilities, the Parties agree to work together in good faith to amend this Agreement or complete any additional documents USDA requires.

25. Relationship to Prior Memorandum of Understanding

This Agreement supersedes and replaces the draft Memorandum of Understanding for the Rural Business Accelerator Program previously circulated between the Parties. That draft Memorandum of Understanding has no further force or effect.

26. Governing Law and Venue

This Agreement is governed by the laws of the State of Kansas, without regard to conflict of law principles, and, to the extent applicable, by federal law and the terms of the Federal Award. Venue for any dispute arising under this Agreement shall be the District Court of Dickinson County, Kansas.

27. Severability; Entire Agreement

The invalidity of any one or more phrases, clauses, sentences, paragraphs, or provisions of this Agreement shall not affect the remaining portions of the Agreement. This Agreement, including Exhibits A through C, constitutes the entire agreement between the Parties regarding the Program and supersedes all prior negotiations, representations, or agreements, whether written or oral, relating to its subject matter.

SIGNATURES

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the dates set forth below.

CITY OF ABILENE, KANSAS

Approved by the Abilene City Council: Resolution / Ordinance No. _____, dated _____ [TO BE COMPLETED]

By: _____

[Name], [Title] Brandon Rein Mayor

Date: September 14, 2026

DICKINSON COUNTY ECONOMIC DEVELOPMENT CORPORATION, dba DRIVING DICKINSON COUNTY

By: _____

Natalie Muruato, President and CEO

Date: _____

EXHIBITS

- Exhibit A-1 — Rural Business-Cooperative Service Financial Assistance Agreement (Form RD 4280-2), including Attachment A (Program Addendum) and Attachment C (USDA General Terms and Conditions for Federal Awards)

- Exhibit A-2 — Approved Work Plan and Task Budget (summarized in Section 8 above; full detail in the USDA RBDG Task Table, Budget Crosswalk, Task Descriptions, and Task Budget Forms)
- Exhibit B — Assurances — Non-Construction Programs (Standard Form 424B)
- Exhibit C — Certification for Contracts, Grants and Loans (RD Instruction 1940-Q, Exhibit A-1)

RURAL BUSINESS-COOPERATIVE SERVICE FINANCIAL ASSISTANCE AGREEMENT

This Agreement, which includes Attachments A and B, for the Project, Amount, and Program described below, is between the Recipient (you) and the United States of America acting through the Rural Business-Cooperative Service (RBCS or we).

Type of Award (mark one): ☐ Cooperative Agreement ☒ Grant

Program and Assistance Listing Number:

Rural Business Development Grant (RBDG) - 10.351

If "Other" please specify: _____

I. GENERAL AWARD INFORMATION

1. Recipient Name: City of Abilene Address: 419 N. Broadway Street Abilene, KS 67410	2. UEI No. HA1FGUT966G3 3. Agency Recipient No. 117685343 4. Federal Award Identification Number (FAIN) (Alternative location in Program Addendum) Alternative location in Program Addendum
5. Period of Performance Start Date: 10/01/2026 End Date: 09/30/2027	6. Budget Period for This Action Start Date: End Date:
7. Amount of Federal Funds Obligated This Action: \$89,787 Total: \$89,787	8. Cost Share Amount (if applicable) This Action: \$35,613 Total: \$35,613
9. Total Project Cost \$125,400	10. Approved Budget Amount \$125,400
11. Award as Percentage of Total Project Cost 72%	12. Indirect Cost Rate and Base (if applicable) Rate: Base:
13. Does this award involve Research & Development? ☐ Yes ☒ No	14. Award Date Upon Execution of this Agreement
15. Recipient Contact Name: Jon Quinday Title: Interim City Manager Phone: 785-263-2550 Email: jquinday@abilenecityhall.com	16. Agency Contact Name: Leslie Dexter Title: Loan Specialist Phone: 785-624-3250 Email: leslie.dexter@usda.gov

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 0570-0067. Public reporting for this collection of information is estimated to be approximately 21 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information.

All responses to this collection of information are voluntary, however in order to obtain or retain a benefit the information in this form is required (citing authority). Rural Development has no plans to publish information collected under the provisions of this program. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Rural Development Innovation Center, Regulations Management Division at ICRMTRRequests@usda.gov.

II. RESPONSIBILITIES

A. Recipient. The Recipient shall remain in compliance with all applicable laws, regulations, Executive Orders, and the [United States Department of Agriculture General Terms and Conditions for Federal Awards](https://www.usda.gov/about-usda/general-information/staff-offices/office-chief-financial-officer/federal-financial-assistance-policy/usda-general-terms-and-conditions) (available at [usda.gov/about-usda/general-information/staff-offices/office-chief-financial-officer/federal-financial-assistance-policy/usda-general-terms-and-conditions](https://www.usda.gov/about-usda/general-information/staff-offices/office-chief-financial-officer/federal-financial-assistance-policy/usda-general-terms-and-conditions)), effective December 31, 2025, for the duration of the Agreement, including but not limited to 2 CFR parts 25, 170, 175, 176, 180, 182, 183, 184, 200, 400, 415, 416, 417, 418, 421, and 422. The most commonly referenced provisions are identified below.

1. **Payments.** You must comply with the payment requirements described in 2 CFR § 200.305. Payment must be requested by using the SF-270, "Request for Advance or Reimbursement" or SF-271, "Request for Reimbursement for Construction Programs" (as applicable). Receipts, hourly wage rate, personnel payroll records, or other documentation to show when the expense was incurred must be provided upon request from RBCS if the request is for an advance; otherwise, the documentation must be provided at the time of the request. Requests for payment must be sent to the Agency contact listed in Section I.16.
2. **Revisions of the Work Plan and Budget.** You must complete all elements of the Work Plan in Attachment B in accordance with that Attachment and must use project funds only for the purposes and activities specified in Attachment B - Approved Work Plan and Budget. You must further complete the outcomes shown for each Work Plan items within the time and scope constraints shown in Attachment B. You must report any changes and request prior approvals in accordance with 2 CFR § 200.308.
3. **Period of Performance.** You may only incur costs chargeable to the award in accordance with 2 CFR § 200.309.
4. **Bonding.** You must maintain your fidelity bond coverage in the amount of \$0.00 for the Period of Performance of the award. (See 2 CFR § 200.304.)
5. **Performance and Financial Monitoring and Reporting.** You must submit Form SF-425, "Financial Status Report" and Performance Reports as indicated below. Note that all reporting periods are aligned with the Federal government's fiscal year.

Quarterly and semi-annual reports are due 30 calendar days after the reporting period ends. Annual reports are due 90 calendar days after the reporting period ends. The final report is due within 120 days after the end of the Period of Performance specified in Section I.5. of this Agreement or at the completion of your project, whichever date is sooner. Your reporting periods are below (mark one):

☒ Quarterly: October 1 – December 31
January 1 – March 31
April 1 – June 30
July 1 – September 30

☐ Semi-Annually: October 1 – March 31
April 1 – September 30

☐ Annually: October 1 – September 30

☐ See Attachment A – Program Addendum

6. **Civil Rights Compliance.** You must comply with applicable civil rights requirements as included in the RD 400-4 Civil Rights Assurance Agreement. Your compliance shall include collection of demographic data on participants and beneficiaries in the Federally assisted program and cooperation during civil rights compliance reviews.
7. **Special Conditions.** You must comply with any special conditions identified in Attachment A – Program Addendum.

B. Both Parties. The Recipient and RBCS agree to the following:

1. **Invalid Clauses.** The invalidity of any one or more phrases, clauses, sentences, paragraphs, or provisions of this Agreement shall not affect the remaining portions of the Agreement.
2. **Dates.** When the date fixed for the performance of an act under this Agreement is on a weekend or Federal holiday, then the performance by the close of business on the next Federal work day shall have the same force and effect as if made performed or exercised on the specified date.

Approved by an Authorized Representative of the Recipient:

Jon Quinday
Name (Please Print)

Interim City Manager
Title (Please Print)

Signature and Date

 07/29/2026

Approved by the United States of America, Rural Business-Cooperative Service by:

Leslie Dexter
Name (Please Print)

Loan Specialist
Title (Please Print)

Signature and Date

ATTACHMENTS:

Attachment A – Program Addendum Form RD 4280-2A - RBDG, REDG, or RMAP

Attachment B – Approved Work Plan and Budget

Attachment C – U.S. Department of Agriculture General Terms and Conditions for
Federal Awards

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Inteam City Mgr
APPLICANT ORGANIZATION City of Abilene	DATE SUBMITTED 7/14/2022

Standard Form 424B (Rev. 7-97) Back

RBDG APPLICANT CERTIFICATIONS

I certify that this project is located in a rural area as defined by RD Instruction 4280-E, and 7.U.S.C 1991 (a) (13) (a) and (d) et seq., and the activities provided under this grant will assist and benefit a rural area.

I certify that there is no known relationship or association with a Rural Development employee, their relatives, or their business or close personal associates.

I certify that no conflict of interest exists as outlined in RD Instruction 4280-E, 4280.406.

I certify that City of Abilene is in compliance with and will continue to comply with all applicable laws: regulations; Executive Orders; and other generally applicable requirements, including those contained in 2 CFR 200 and 2 CFR 400 in effect on the date of grant approval; and the approved "Letter of Conditions".

I certify that City of Abilene will comply with the procurement requirements of 2 CFR Part 200 Subpart D, as required in 2 CFR 200.324 (c) (2), as well as comply with all applicable State, Local and Tribal laws and regulations relating to contracting and procurement.

Applicant's Name: Jon Quinday, Interim City Manager

(Signature)



07/29/2024
DATE

CERTIFICATION FOR CONTRACTS, GRANTS AND LOANS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant or loan.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or loan, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontracts, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

/s/ Jon Quindley 7/14/2026
(name) (date)

Interim City Manager
(title)

oOo

(08-21-91) PN 171

U.S. DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, and Other
Responsibility Matters - Primary Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989 Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

City of Abilene Kansas

Organization Name

PR/Award Number or Project Name

Jon Quindey, Intercom City Manager

Name(s) and Title(s) of Authorized Representative(s)

Signature(s)

Date

Instructions for Certification

1. By signing and submitting this form, the prospective primary participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out on this form. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this form that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

U.S. DEPARTMENT OF AGRICULTURE

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS (GRANTS) ALTERNATIVE I - FOR GRANTEE OTHER THAN INDIVIDUALS

This certification is required by the regulations implementing Section 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D: 41 U.S.C. 701 et seq.), 7 CFR Part 3017. Subpart F, Section 3017.600, Purpose. The January 13, 1989, regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the grant.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON PAGE 3)

Alternative I

- A. The grantee certifies that it will or will continue to provide a drug-free workplace by:**
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;**
 - (b) Establishing an ongoing drug-free awareness program to inform employees about -**
 - (1) The dangers of drug abuse in the workplace;**
 - (2) The grantee's policy of maintaining a drug-free workplace;**
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and**
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.**
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);**
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -**
 - (1) Abide by the terms of the statement; and**
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;**
 - (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position**

AD-1049 (REV 5/90)

title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted -

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or, local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, State, zip code)

203 NW 15th St, Abilene, Dickinson County, Kansas 67410

Check ☐ If there are workplaces on file that are not identified here.

City of Abilene

Organization Name

Award Number or Project Name

Jon Quindley, Interim City Manager

Name and Title of Authorized Representative

Signature

Date

07/14/2020

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this form, the grantee is providing the certification set out on pages 1 and 2.
2. The certification set out on pages 1 and 2 is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s). If it previously identified the workplaces in question (see paragraph three).
6. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or States criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) all "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g. volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces)



City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Consideration by the Governing Body to direct the City Attorney to prepare a written legal opinion concerning denial of the Abilene Library Board's HVAC repair reimbursement.

Department: Administration

Staff Contact: John Kollhoff, City Commissioner

Background: Shayla,

I'm sending this email as a supplement to my request, made in the last study session, that the following item be placed on the agenda for the next regular Commission meeting.

Agenda item: Consideration by Governing Body to direct the City Attorney to prepare a written legal opinion concerning the denial of the Abilene Library Board's HVAC repair reimbursement.

Background for the packet: The Library Board requested reimbursement for repair of an HVAC unit that failed during the summer. The Interim City Manager denied the request. The City Attorney has advised, in his email of September 1, that he will not act on an individual commissioner's request and will instead await direction from the full Commission at a properly noticed meeting. This item places that direction before the body.

Proposed action: That the Commission, as a body, direct the City Attorney to review the City–Library Lease Agreement, the City's Purchasing Policy, and applicable Kansas law, and to provide the Governing Body a written opinion addressing:

1. Whether Section 4 of the lease obligates the City for non-routine maintenance costs above the Library Board's \$1,000 annual allocation, and whether this repair falls within that provision;
2. Whether the City's Purchasing Policy governs a reimbursement to the Library Board — a separate body corporate and politic under Kansas law — and, if so, whether the policy's exceptions for urgent and emergency repairs apply; and
3. How Section 13 of the lease ("Items of Conflict") governs the resolution of this dispute.

I believe all of the relevant documents for the packet have been in recent agenda packets, and it would be helpful to attach them again for reference: the City–Library Lease Agreement; the Purchasing Policy; the reimbursement request and supporting invoice; and City Code Section 1-801.

My aim is to have the body resolve this based on a complete record, consistent with the City Attorney's stated preference for direction from the Commission as a whole.

Thank you,

John Kollhoff
City Commissioner

Funding Source: General Fund

City Attorney Review: 9/1/2026

Options: 1. Direct the City Attorney to prepare a written legal opinion addressing the matters identified in the agenda request.

2. Direct the City Attorney to prepare a written legal opinion with modifications to the scope or issues to be addressed, as determined by the Governing Body.

3. Do not direct the City Attorney to prepare a written legal opinion.

4. Provide other direction to staff and/or the City Attorney regarding the matter.

Recommendation: No staff recommendation. This item is presented at the request of Commissioner Kollhoff for Governing Body consideration and direction.

LEASE AGREEMENT

This LEASE AGREEMENT is made and entered on this 26 day of September 2011 ("Effective Date"), between ABILENE LIBRARY BOARD OF DIRECTORS ("Tenant") and the CITY OF ABILENE, KANSAS, a Kansas municipal corporation, ("City") with respect to the facts and objectives set forth below.

RECITALS

- A. The City and Tenant seek to continue the current partnership by providing terms specifying the arrangements with which the existing building shall be operated as a library for the citizens of Abilene.
- B. The City Commission and the Abilene Library Board of Directors recognize the importance of libraries to the prosperity of communities.

NOW, THEREFORE, in accordance of the mutual promises and the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree to the following terms and conditions:

1. Lease. The City hereby agrees to lease to Tenant such land and buildings legally owned by the City, for use as a public Library ("Library"), and generally described herein as the building and adjacent property located at 209 NW 4th Street, Abilene, Kansas, and used by the Abilene Library Board for the operation of the Abilene Public Library.
2. Lease Term. The City shall lease to Tenant the aforementioned property for One Dollar (\$1.00) commencing on the Effective Date of this Agreement and automatically renewing annually on December 31st of each year unless either party notifies the other party in writing of a decision to terminate the Agreement within sixty days of the end of any year.
3. Utility Services. The Tenant agrees that all costs related to any utility services will be at the sole expense of the Tenant.
4. Maintenance Responsibilities. The Tenant agrees to be wholly responsible for routine maintenance needs of the Library that include, but not limited to: general cleaning of all aspects of the Library, lighting replacements, and minor electrical and plumbing repair. The Tenant agrees to be wholly responsible for non-routine maintenance up to a maximum annual allocation of One Thousand Dollars (\$1,000.00). The City agrees to be wholly responsible for non-routine needs in excess of the annual maximum of One Thousand Dollars (\$1,000.00).
5. Landscaping and Grounds Maintenance. The Tenant shall be allowed to provide landscaping in the immediate areas around the Library, provided such landscaping does not diminish the usability of the Library and are wholly maintained and expensed by the Tenant. The City agrees to provide general maintenance of the lawn in the immediate areas adjacent to the Library to include routine mowing, weed trimming, snow removal, and other routine maintenance as may be required to ensure compliance with applicable City Codes. The City agrees that any routine maintenance by the City on Library grounds shall be at the sole expense of the City.

6. Capital Improvement Planning. Tenant agrees to participate in the City's annual Capital Improvement planning process. Each year, the Tenant shall provide the City Manager with a list of upcoming capital needs to include the estimated cost associated with each project and a schedule for the project's implementation. The City will work with Tenant on determining an appropriate funding source to implement it into the City's Five-Year Capital Improvement Program. The Tenant may obtain guidance on this process by consulting with the City Manager, Finance Director and by reviewing the most recent version of the City's General Financial and Budgetary Policy.
7. Security. The Tenant understands that the Library shall receive the same level of law enforcement services as provided other businesses within the City. The Tenant shall not assume any police patrol will be provided on a regular basis; the Abilene Police Department will not be required to patrol the Library outside of normal patrol activities. The Tenant, or its designees, may provide other measures as may be deemed appropriate to ensure the security of the Library, provided such measures are approved by the City Manager and Police Chief and will in no way affect the public use of the Library.
8. Rules and Regulations. Tenant agrees that the Library is to be governed by rules and regulations that shall be established by the Library Board of Directors and may from time to time be amended.
9. Hours of Operation. Tenant agrees to operate the Library during reasonable hours of operation and to provide at least one night of evening hours per week for use of the Library by the general public. The Tenant shall be solely responsible for determining the appropriate hours of operation, but nothing herein shall prohibit the City Commission from recommending modifications to such hours of operation when such modifications may benefit the general public.
10. Insurance. Tenant agrees to insure all contents of the Library in its general liability insurance policy. The Tenant shall be responsible for ensuring that an appropriate level of insurance is carried on all contents. The City shall insure, in its general liability insurance, the building and surrounding grounds. Either party may request a copy of the other party's insurance certificate at any time during the term of this Agreement.
11. Reporting. The Tenant shall provide an annual written report to the City Manager summarizing the activity of the Library and its Board of Directors and any other information as the Tenant may think is pertinent. Such report shall be provided to City Manager by December 31st of each year.
12. Equal Opportunity Provisions. The Tenant agrees to operate the Library in a manner consistent with Equal Opportunity provisions and the Americans with Disabilities Act. No person, organization, agency, or otherwise shall be prevented from using the Site with regard to race, color, sex, political opinion, religion, national origin or ancestry, disability, age, or status as a veteran.
13. Items of Conflict. If the City Manager or Library Director, acting on behalf of the Library Board, determines that a significant issue with regards to the application of this Agreement exists, the City Manager shall report such issues to the City Commission and the Library Director to the

Library Board. The City Manager and Library Director shall negotiate in good faith with the Tenant to develop a plan for resolving said issues within the scope of this Agreement. Such issues shall be addressed within a mutually agreeable schedule. Issues not resolved within the established schedule shall be decided by a joint meeting of the City Commission and the Library Board of Directors.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers or representatives in multiple counterpart copies, each of which shall be deemed an original but constitute one and the same instrument, effective as of the date first set forth above.

ADOPTED BY THE CITY COMMISSION AND OF THE CITY OF ABILENE, KANSAS ON THE 26th DAY OF SEPTEMBER, 2011.

CITY OF ABILENE, KANSAS

By: _____

Lynn Peterson
Lynn Peterson, Mayor



ATTEST:

Penny Soukup
Penny Soukup, City Clerk

**ABILENE LIBRARY
BOARD OF DIRECTORS**

Judy Burgess
Authorized Representative



**Purchasing Policy
Revised
December 8, 2025
Resolution No. 120825-1**

Purpose, Authority, Applicability

This policy establishes a comprehensive and uniform system for acquiring supplies, materials, equipment, public improvements, and services in an economical, transparent, and timely manner; ensures fair and equitable treatment of vendors; and safeguards the integrity of City purchasing. It applies to all City departments and all expenditures of public funds, regardless of funding source. When the purchase involves the expenditure of federal or state assistance or contract funds, the purchase shall be conducted in accordance with any mandatory applicable federal and/or state law and regulations.

Objectives

The objectives of this policy are to simplify, clarify, and modernize the City's purchasing procedures while ensuring they are efficient and easy to understand. It seeks to maximize the value of public funds through effective competition and sound purchasing practices. The policy promotes strong budgetary control, accountability, and ethical conduct in all procurement activities. Ultimately, it aims to strengthen public confidence in the City's purchasing process by upholding transparency, fairness, and equal treatment of all vendors and participants.

Public Access & Records

Purchasing information is a public record subject to Kansas law; bid tabs and award records will be made available for public inspection. Procurement records will be retained and disposed of per the City's records retention schedule and applicable Kansas/federal requirements.

Roles & Purchasing Authority

The City operates under a decentralized purchasing model in accordance with this policy. Department Directors are responsible for ensuring that all purchases within their budgets comply with the procedures and authorization levels established in the matrix. The City Manager (CM) administers and enforces this policy, reviews purchases as required by the applicable threshold, and ensures consistency with financial controls. Purchasing levels and authority are established in the Thresholds, Methods, and Approvals Matrix (see Appendix A)

Purchase of multiple items shall not be split to circumvent the spending limitations or the purchase order process.

Exceptions to general purchasing procedures and city commission action.

The purchases of these items are excepted from bids or quotes or city commission action, and the use of purchase orders is waived:

- a) Utility Bills;
- b) Urgent on-call repair
- c) Interdepartmental Transfers or Charges;
- d) Medical Expenses;
- e) Legal Notices;
- f) Postage Costs;
- g) Memberships and Dues;
- h) Mileage, Travel, Conference Reimbursements;
- i) Fees and Taxes of Other Units of Government;

Competitive Procurement Methods

- **Invitation for Bids** (IFB, sealed): For well-defined goods/construction; award to the responsive, responsible bidder offering the lowest total cost (may include life-cycle cost). Public notice of at least 10 days; public opening; evaluation based on stated criteria.
- **Request for Proposals** (RFP, competitive negotiation): When factors beyond price are significant (e.g., approach, schedule, qualifications) or various goods are available. Evaluate per published criteria; negotiate with top proposers; award to the most advantageous offer.
- **Qualifications-Based Selection** (QBS/RFQ): For professional services (e.g., A/E). Rank qualifications first; negotiate the scope/fee with the top-ranked firm; if unsuccessful, proceed to the next option.
- **Cooperative Purchasing:** The City may use Sourcewell, Greenbush, State/Federal contracts, or other approved cooperatives when their procedures generally meet or exceed this policy's standards.

IFB/RFP, RFQ Administration

- **Public Notice:** Official website (and newspaper at CM discretion) with clear scope, submission deadline, opening time/place, and the City's right to reject. ≥10 calendar days for IFB/RFP/RFQ.
- **Submission & Opening:** Bids delivered sealed to the City Clerk and time-stamped; late bids are ineligible and not opened. Public opening with witness; tabulation recorded.
- **Evaluation & Award:** Evaluate against stated, objectively measurable criteria (e.g., delivery, quality, warranty, discounts, freight, life-cycle cost). Award promptly to the most advantageous offer; the City reserves the right to reject/cancel.
- **Mistakes/Withdrawals:** Corrections/withdrawals for inadvertent errors may be permitted per CM authorization.

Bonds & Insurance

Payment bond required for public improvements/building projects over \$100,000 per K.S.A. 60-1111; additional bonds per solicitation when in the City's interest. Surety must be authorized to do business in Kansas.

Sole Source & Noncompetitive Procurement

Allowed only when competition is not feasible (e.g., single available source; compatibility/standardization; proprietary component; used item; urgent on-call repair timing). Requires written justification from the Department Director and prior CM approval. Negotiate fair and reasonable price, scope, and terms, documented by contract/PO.

Time-Sensitive Used Equipment Purchases.

In cases where a used or pre-owned equipment item becomes available, and the delay required for competitive solicitation or City Commission approval would likely result in the item being sold or otherwise no longer available, the City Manager may authorize a sole-source purchase up to \$25,000.

The Department Director shall provide written justification documenting:

- the operational need for the equipment;
- the time-sensitive nature of the opportunity;
- anticipated cost savings or other public benefit compared to new or competitively bid alternatives; and
- evidence that the proposed purchase price is fair and reasonable.

The City Manager shall report all such purchases to the City Commission at its next regular meeting, including cost, vendor, justification, and budgetary impact.

Emergency Purchases

When an emergency threatens public health, safety, or operations, departments may obtain only the quantity necessary, with as much competition as practicable. The CM (or designee) may authorize, and a report of emergency purchases and budget impact shall be provided to the Commission after the event.

Environmentally Preferable Purchasing & Life-Cycle Costing

The City favors goods/services with reduced environmental impacts when performance, availability, and overall value are reasonable, considering full life-cycle cost (acquisition, O&M, longevity, disposal). LCCA is required for items exceeding \$100,000 and may be used for items below that threshold. Solicitations will disclose if LCCA is used and the evaluation factors.

Purchase Cards (P-Cards)

P-Cards are for authorized City purchases only. Receipts and documentation must be submitted to finance within two business days. Personal use is not permitted. Tax-exempt status must be applied. The Finance Director/CM may audit any account and cancel for cause.

Sales & Use Tax; Tax-Exempt Purchasing

The City is exempt from Kansas sales/use tax (K.S.A. 79-3606(b)). Departments must ensure that exemption certificates are on file and applied; contractors on City projects must use City-issued project exemption certificates as specified in the contract.

Grants & Federal/State Funds

When federal or state funds are used, the City will adhere to all applicable mandatory procurement rules. Solicitations will incorporate any program-specific requirements (e.g., Buy America, Davis-Bacon, debarment checks).

Contracts & Service Agreements

Service contracts generally may not exceed five (5) years, with a one-time option to renew at market prices, if applicable. Standard terms will include a non-appropriation clause, required insurance, nondiscrimination, and compliance clauses.

Debarment & Suspension (Vendors)

After written notice and an opportunity for due process, the City Manager (in consultation with the City Attorney) may suspend or debar a vendor for just cause. Causes include, but are not

limited to, fraud, criminal conviction, antitrust violations, serious contract performance failures, misrepresentation, or other compelling reasons affecting responsibility or integrity.

Due Process Procedure

1. *Notice of Proposed Action:*

The vendor shall receive written notice stating the specific grounds for suspension or debarment, the evidence relied upon, and the intended duration. The notice shall inform the vendor of their right to respond in writing within ten (10) business days.

2. *Opportunity to Respond:*

The vendor may submit documentation or request a hearing before the City Manager or designee to present facts, mitigating circumstances, or corrective measures. Hearings shall be informal but allow reasonable presentation of evidence and witnesses.

3. *Decision:*

The City Manager shall issue a written determination within fifteen (15) business days after the close of the response period or hearing, stating findings and conclusions. Suspension may not exceed three (3) months; debarment may not exceed two (2) years unless extended for cause. The decision will be sent to the vendor and maintained in the City's purchasing records.

4. *Appeal:*

The vendor may appeal the City Manager's determination to the City Commission within ten (10) business days of receipt. The City Commission's decision shall be final.

Disposal of City Property

- Items with estimated value up to \$25,000: dispose of via trade-in, public auction, or solicitation/notice with CM authorization.
- > \$25,000: Commission approval required; dispose via trade-in, public auction, or solicitation/notice.
- Donations to other governments or non-profits require Commission approval.
- Real property interests (leasehold or fee) require Commission approval.

Sale proceeds are allocated to the corresponding fund. Departments must keep current inventory and notify Finance of dispositions for insurance/accounting records.

Ethics, Conflicts, Gratuities & Confidentiality

- City officers and employees must avoid actual or perceived conflicts of interest and comply with K.S.A. 75-4304 and City personnel policies. No use of position for personal gain; no sharing of confidential information for advantage.
- No vendor may offer, and no employee may accept, gratuities or kickbacks intended to influence decisions. This includes any gift, service, or favor offered with the intent—or appearance—of securing preferential treatment in the procurement process. Ordinary courtesy items of nominal value (e.g., coffee or a pen at a trade show) are not prohibited, but anything that could reasonably appear to compromise impartiality or independence is strictly forbidden.

- Violations may result in discipline, contract termination, suspension/debarment, recovery, and/or referral for criminal action.

Local Preference, Cooperative, and Special Case Practices

- **Local Preference:** When two or more bids or proposals are otherwise equal in quality, terms, and compliance, preference may be given to vendors located within Dickinson County if their price is within five percent (5%) of the lowest non-local bid. Local preference does not apply where prohibited by law, grant funding requirements, or for new construction projects.
- **Cooperative Purchasing:** The City may participate in cooperative purchasing programs or utilize contracts established by other governmental entities, such as the State of Kansas, Sourcewell, or Greenbush, provided that the originating entity's procurement process meets or exceeds the standards set forth in this policy. Cooperative purchasing allows the City to achieve cost savings and administrative efficiencies through shared competition and volume pricing.
- **Special Case Purchases:** In cases such as diagnostic service calls, equipment repairs with undetermined scope, or emergency replacements, departments may proceed with obtaining services to restore operations, provided the City Manager or Finance Director is notified and a written estimate or purchase order is obtained once the scope and cost are known.

Fiscal Controls & Audit Readiness

- No PO/contract—no work unless specifically exempted (e.g., true emergencies).
- All solicitations must clearly state evaluation factors, delivery, warranty, and any life-cycle criteria.
- Each procurement must have a complete file (need/justification, method, quotes/bids, tabulation, evaluation, award, contract, bonds/insurance, change orders, performance, payment, closeout) maintained by the Finance Director.

Sales to/From City; Conflicts of Interest

City officers/employees shall not participate in contracts in which they have a substantial interest; abstention and disclosure are required where applicable. Competitive processes and statutory fixed-rate situations are exceptions as permitted by law.

Public Works Change Orders

The City Manager is authorized to approve change orders up to the lesser of \$50,000 or three percent (3%) of the original contract amount, provided that adequate funds are available and no change in project scope occurs. Any change in scope or change order exceeding this limit requires City Commission approval. The City Manager shall notify the Commission within three (3) business days of exercising this authority.

Kansas Nondiscrimination & Equal Opportunity

All City contracts include provisions requiring compliance with the Kansas Act Against Discrimination and applicable federal/state EEO requirements; failure to comply is a material breach. The City does business only with vendors that are compliant.

Appendix A Thresholds, Methods & Approvals

Total Amount	Who May Purchase	Minimum Method & Documentation	Process
\$1 – \$2,500	Superintendent or Department Director	Purchasing Card or Direct Bill to the City	Invoice/receipt detailing purchase signed and dated by superintendent or department director with account code. Turned in to finance within 2 business days
\$2,501 – \$5,000	Department Director	Purchase Order Required. Two telephone, electronic, or informal written quotes required, and noted in requisition.	Purchase Order reviewed by the Finance Director and City Manager. For recurring purchases, bids may be submitted and accepted for periods not to exceed one year.
\$5,001 – \$25,000	City Manager	Purchase Order Required. Three telephone, electronic, or written quotes required, and noted in requisition. If three quotes cannot be obtained, it must be noted in the requisition	Purchase Order reviewed by the Finance Director and City Manager. If the item selected is not the lowest-priced, an explanation must be given to the City Manager
\$25,001 or more	City Manager* City Commission	Same procedures as those exceeding \$2,500. Formal sealed competition (IFB/RFP or QBS) or, in some cases, noncompetitive selection. as appropriate.	All purchases exceeding \$25,001 require City Commission approval. Two exceptions apply: When an emergency makes prior Commission approval impractical or when delay would increase cost or risk to the City, the City Manager may authorize the purchase. When a used-equipment opportunity requires immediate action to secure pricing or availability, and delay for Commission approval would likely result in losing the opportunity, the City Manager may authorize the purchase under the Sole Source & Noncompetitive Procurement provisions. All purchases under either exception shall be reported to the City Commission.

Article 8. Department Of Law

1-801. City attorney.

The duties of the City Attorney shall be as follows:

- (a) Draft ordinances, bonds, contracts, leases, conveyances and other instruments of writing as required by the business of the city.
- (b) Advise the Governing Body and officers of the city upon all legal questions affecting the duties of their offices or the interest of the city.
- (c) Attend all meetings of the Governing Body, unless excused by the City Manager.
- (d) Furnish written legal opinions when required, and perform other professional services incidental to his office which may be required under the direction of the City Manager.

1-802. Qualifications.

No person shall be eligible to serve as City Attorney who is not by profession an attorney at law admitted to practice in the Supreme Court of the State of Kansas.

1-803. City prosecutor.

(a) There is hereby created the office of the City Prosecutor for the City of Abilene, Kansas which office shall be filled at the first regular meeting in May of each year by appointment of the Mayor with consent of the City Council.

(b) The City Prosecutor shall be charged with responsibility of appearing before and prosecuting Municipal Court cases within the Abilene Municipal Court as well as the Dickinson County District Court in connection with any Municipal Court case which is appealed.

(c) The City Prosecutor shall receive such compensation as fixed from time to time by the Governing Body.
(Code 2014)

1-804. Municipal judge.

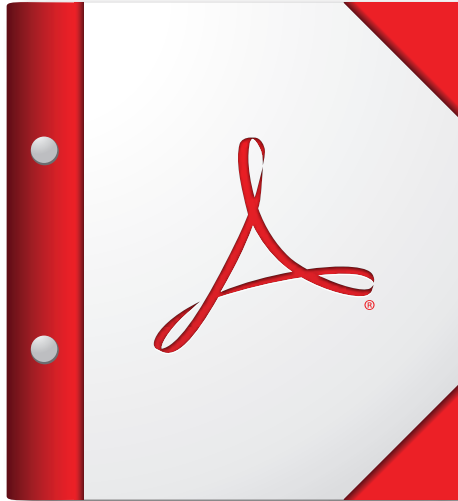
The Municipal Judge shall be appointed by the City Manager and hear and determine all cases brought into Municipal Court, and shall have power to bring before the Municipal Court all parties for trial upon complaints duly and properly made. The Municipal Judge shall have the authority to exercise all powers conferred by Kansas Code of Procedure for Municipal Courts.

1-805. Municipal court.

The Municipal Court shall be conducted under the provisions of the Kansas Code of Procedure for Municipal Courts. Municipal Court shall be held at such time and place as determined by the Municipal Judge.

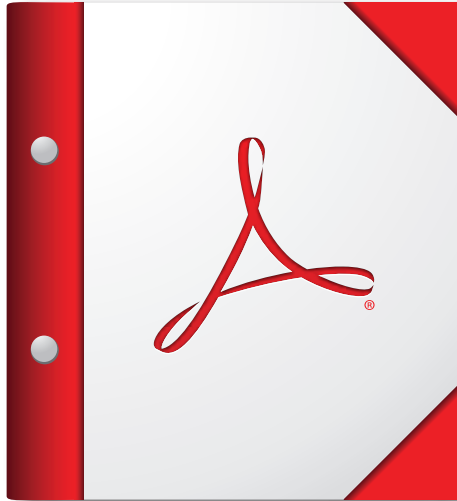
1-806. Municipal court clerk.

The Municipal Court Clerk shall assist the court with the clerical work of Municipal Court cases. The Municipal Court Clerk shall maintain a docket of all pending cases and a record of the disposition of all cases filed in the Municipal Court. The Municipal Court Clerk shall accept the payment of fines, including the forfeiture of bonds, for specified violations according to a schedule established by the Municipal Judge.



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City Commission Meeting Date: September 14, 2026

Session: Regular

Topic: Consider Revision to Personnel Policy Section 8-13 – Nepotism

Department: Administration

Staff Contact: Jon Quinday, Interim City Manager

Background: Section 8-13 of the City’s Personnel Policy Manual addresses the employment of immediate family members. The current policy prohibits a person from being employed in any department where an immediate family member is employed or in a department supervised by an immediate family member.

The current provision can be particularly restrictive given the City’s organizational structure. Several City departments encompass multiple distinct divisions or areas of operation. For example, Public Works includes streets, water, wastewater, stormwater, distribution, fleet/mechanics, GIS, and locates. Under the existing policy, an immediate family member of an employee working in one of these areas could not be employed in another area simply because both positions are within the Public Works Department, even if neither employee supervises the other or has employment authority over the other.

In the current labor market, this restriction can unnecessarily reduce the pool of otherwise qualified applicants without necessarily addressing an actual supervisory or employment-related conflict.

Staff recommends revising Section 8-13 to focus the policy on circumstances that create the potential for nepotism, preferential treatment, or a conflict of interest. Under the proposed revision, immediate family members could be employed in the same department, provided neither directly supervises the other nor exercises authority over the other’s hiring, promotion, compensation, evaluation, discipline, work assignments, or other significant conditions of employment. Employees would also be prohibited from participating in or influencing employment decisions involving an immediate family member.

The proposed revision is more closely aligned with the standard applied to state officers and employees under K.S.A. 46-246a, which focuses on an employee’s participation in employment decisions affecting a family member rather than broadly prohibiting family members from working within the same organizational unit.

The proposed revision preserves protections against favoritism and conflicts of interest while

giving the City greater flexibility to recruit and retain qualified employees.

Funding Source: N/A

City Attorney Review: 09/08/2026

Options: 1. Approve the proposed revision to Section 8-13 of the Personnel Policy Manual as presented

2. Approve the proposed revision to Section 8-13 with modifications as directed by the City Commission.

3, Take no action and retain the existing Section 8-13 nepotism policy.

Recommendation: Approve the proposed revision to Section 8-13 of the Personnel Policy Manual as presented

Section 8-13 of the City's Personnel Policy Manual – Nepotism

Current:

The employment of immediate family members, as defined below, in the same department or area of operation can cause conflicts and problems, such as claims of partiality in treatment at work and personal conflicts from outside the work environment being carried into day-to-day working relationships.

No person shall be employed in any department where a member of their immediate family is employed or in a department supervised by an immediate family member.

For the purposes of this policy, “immediate family” includes an employee’s spouse, children, parents, brothers, sisters, grandparents, or close relatives by marriage. If two (2) employees within the same department marry or cohabit during the period of their employment, one of the employees may be transferred by the City Manager to another department without loss of pay, or the employee must resign. The prohibition of employment of immediate family members shall not apply to police and fire volunteers, even though they may be paid for their service.

Proposed:

Immediate family members may be employed by the City, including within the same department, provided that neither employee directly supervises the other or exercises authority over the other’s hiring, promotion, compensation, evaluation, discipline, work assignments, or other significant conditions of employment.

For the purposes of this policy, “immediate family” includes an employee’s spouse, children, parents, brothers, sisters, grandparents, or equivalent relationships by marriage.

An employee shall not participate in or influence any employment decision involving an immediate family member. When such a situation arises, the City Manager or designee shall assign the decision or responsibility to another appropriate supervisor.

Nothing in this policy guarantees the employment, assignment, transfer, or continued placement of immediate family members when the City determines that the relationship creates an actual conflict of interest, compromises confidentiality, interferes with effective supervision, or otherwise adversely affects City operations.