

City of Valley Center, KS

FY 2021

Year in Review

An unaudited summary of the 2021 Financial Statements



Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Valley Center, Kansas for its annual budget for the fiscal year beginning Jan 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Valley Center
Kansas**

For the Fiscal Year Beginning
January 01, 2021

Christopher P. Morill
Executive Director



City Census Information

The City of Valley Center is a middle class suburb located 10.5 miles North of downtown Wichita, KS. The City totals 6.95 square miles and continues to grow. Highlighted below are some statistics regarding the City including population, education obtainment, and environmental conditions.

According to the Census Bureau:

Population (2020): 7,340

Population per square mile (2010): 981.2

Total Land area (2010): 6.95 sq. miles

Median Household Income(2017): \$58,384

Educational Attainment (Age 25+):

- 92.8% High School Graduate
- 39.2% Bachelor's Degree or higher

Median Housing Value(2017): \$145,700

Total Housing Units (2015): 2,552

Houses with Broadband Subscription: 80.9%

Number of Companies(2012): 498

Year of Incorporation: 1885

Form of Government: Mayor/Council

County: Sedgwick

Bond Rating: Standard and Poor's AA-

Climate: Rainfall (in.) - 31.4

Snowfall (in.) - 13.8

Avg. July High - 93

Avg. Jan. Low - 20.2

Sunny Days/Year - 226

Police:

- Police Stations—1
- Police officers/support staff—20

Fire:

- Number of Stations—1
- Career/Volunteer Fire Fighters—4/18
- Number of Vehicles— 7

Education

-Schools Located in Valley Center-

- Elementary schools(K-3)— 3
- Intermediate School(4-5)—1
- Middle Schools(6-8)— 1
- High Schools(9-12)— 1

-Serviced by Universities-

- Wichita State University
- Friends University
- Kansas University School of Medicine
- Wichita Area Vocational-Technical School
- Newman University

Parks and Rec:

- Swimming Pool—1
- Splash Pad—1
- Parks—5
- Fishing Pond—2
- Pedestrian/Bike Path—17.3 Linear Miles
- Golf Course (nine holes) — 1



Fund Balance Summary



Fund Balance Summary

FUND	BEG. BALANCE	REVENUES	EXPENDITURE	ENDING BALANCE	BALANCE +/-	CHANGE %
GENERAL FUND	1,238,507.78	3,381,797.64	3,180,515.15	1,439,790.27	201,282.49	16%
SPECIAL PARKS AND REC	27,188.49	3,186.36	0	30,374.85	3,186.36	12%
SPECIAL ALCOHOL AND DRUGS	5,098.58	3,178.18	4,935.08	3,341.68	-1,756.90	-34%
POOL/REC SALES TAX	0	438,102.46	0	438,102.46	438,102.46	
EMPLOYEE BENEFITS	288,033.84	954,942.51	907,541.30	335,435.05	47,401.21	16%
BUILDING EQUIP RESERVE	120,130.63	44.19	0	120,174.82	44.19	0%
EQUIPMENT RESERVE	326,978.78	40,396.63	23,402.54	343,972.87	16,994.09	5%
FLEET MANAGEMENT FUND	0	173,309.74	26,928.05	146,381.69	146,381.69	
LIBRARY	335.41	290,114.19	289,554.79	894.81	559.40	167%
SPECIAL HIGHWAY	445,848.35	1,085,646.72	864,736.80	666,758.27	220,909.92	50%
EMERGENCY EQUIPMENT	135,657.53	70,204.16	86,236.06	119,625.63	-16,031.90	-12%
PUBLIC SAFETY TRAINING	525	1,670.38	258	1,937.38	1,412.38	269%
PARK BEAUTIFICATION FUND	2,207.54	3.72	0	2,211.26	3.72	0%
D.A.R.E.	1,547.26	100.54	0	1,647.80	100.54	6%
DRUG TAX DISTRIBUTION	5,361.25	0.32	5,361.25	0.32	-5,360.93	-100%
LAW ENFORCE BLOCK GRANT	2,506.78	0.15	2,506.78	0.15	-2,506.63	-100%
ADSAP	1,052.33	1.83	0	1,054.16	1.83	0%
CAPITAL PROJECTS FUND	837,233.28	199.6	216,958.22	620,474.66	-216,758.62	-26%
BOND & INTEREST	1,123,449.60	2,025,878.49	2,057,089.65	1,092,238.44	-31,211.16	-3%
LAND BANK RESERVE	78,270.61	20.3	0	78,290.91	20.30	0%
GIFTS AND GRANTS	4,934.98	45,579.86	42,199.75	8,315.09	3,380.11	68%
STATE/FEDERAL GRANTS	0	559,024.91	0	559,024.91	559,024.91	
*WATER OPERATING	2,150,159.34	2,258,956.04	2,020,355.19	2,388,760.19	238,600.85	11%
STORMWATER UTILITY FUND	246,365.48	324,149.32	315,375.80	255,139.00	8,773.52	4%
SOLID WASTE UTILITY	159,485.20	551,370.91	592,382.29	118,473.82	-41,011.38	-26%
*WATER SURPLUS RESERVE	1,588,783.36	864.48	370,934.75	1,218,713.09	-370,070.27	-23%
**SEWER OPERATING	1,022,744.18	1,355,563.67	1,140,289.62	1,238,018.23	215,274.05	21%
07 SEWER LOAN P & I	49,023.76	159,623.38	208,647.14	0	-49,023.76	-100%
**SEWER SURPLUS RESERVE	321,298.86	453.41	3,777.89	317,974.38	-3,324.48	-1%
GRAND TOTAL	10,182,728.20	13,724,384.09	12,359,986.10	11,547,126.19	1,364,397.99	13%
*WATER OPERATING AND RESERVE FUNDS COMBINED	3,738,942.70	2,259,820.52	2,391,289.94	3,607,473.28	-131,469.42	-4%
**SEWER OPERATING AND RESERVE FUNDS COMBINED	1,344,043.04	1,356,017.08	1,144,067.51	1,555,992.61	211,949.57	16%

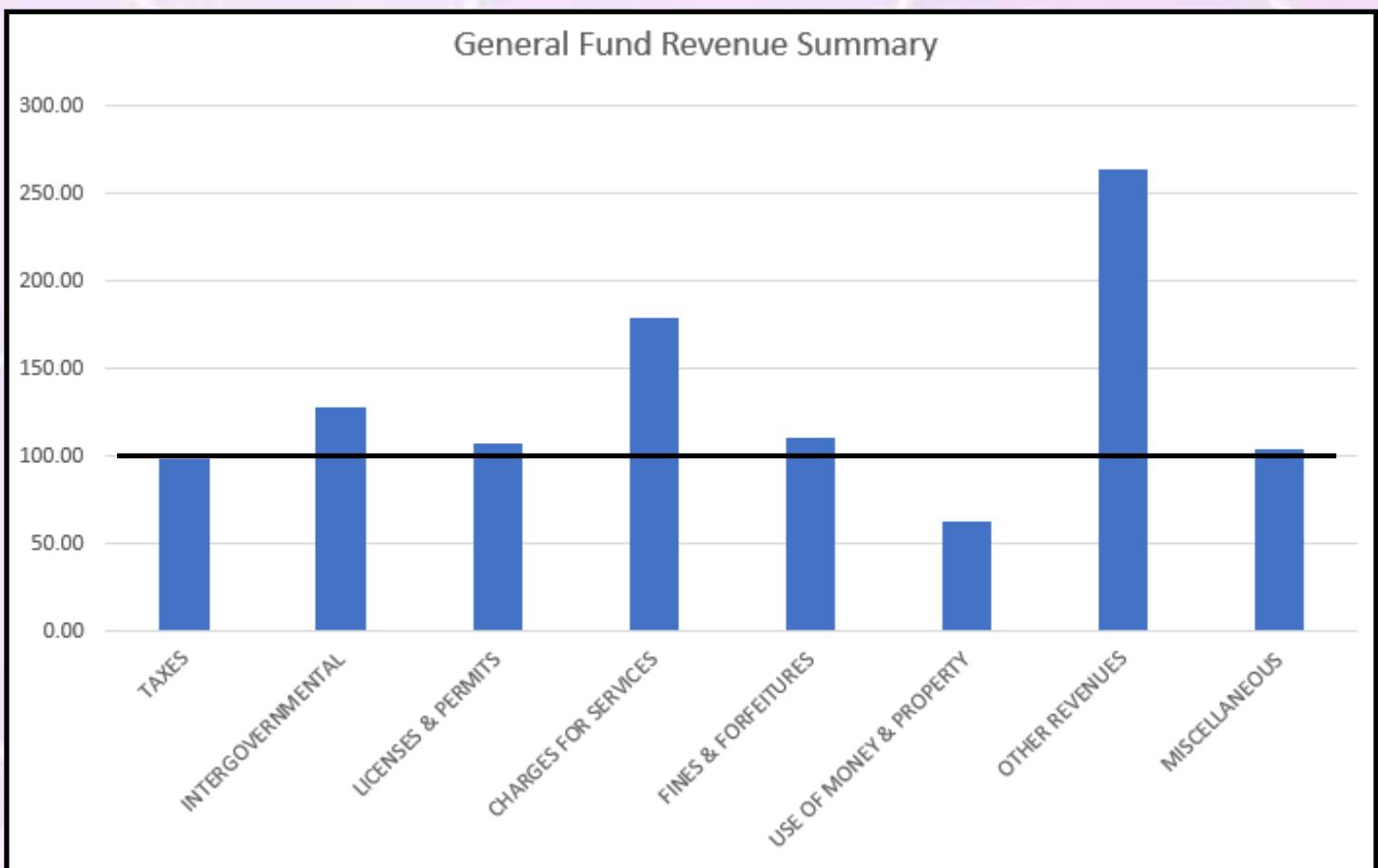


General Fund



General Fund Summary

Revenue	Budget	Actual	Balance	Percent
TAXES	1,494,827.00	1,473,017.53	21,809.47	98.54%
INTERGOVERNMENTAL	575,000.00	736,292.09	-161,292.09	128.05%
LICENSES & PERMITS	633,150.00	681,000.50	-47,850.50	107.56%
CHARGES FOR SERVICES	6,000.00	10,755.00	-4,755.00	179.25%
FINES & FORFEITURES	134,500.00	148,613.10	-14,113.10	110.49%
USE OF MONEY & PROPERTY	23,000.00	14,535.88	8,464.12	63.20%
OTHER REVENUES	54,974.00	145,295.43	-90,321.43	264.30%
MISCELLANEOUS	165,000.00	172,288.11	-7,288.11	104.42%

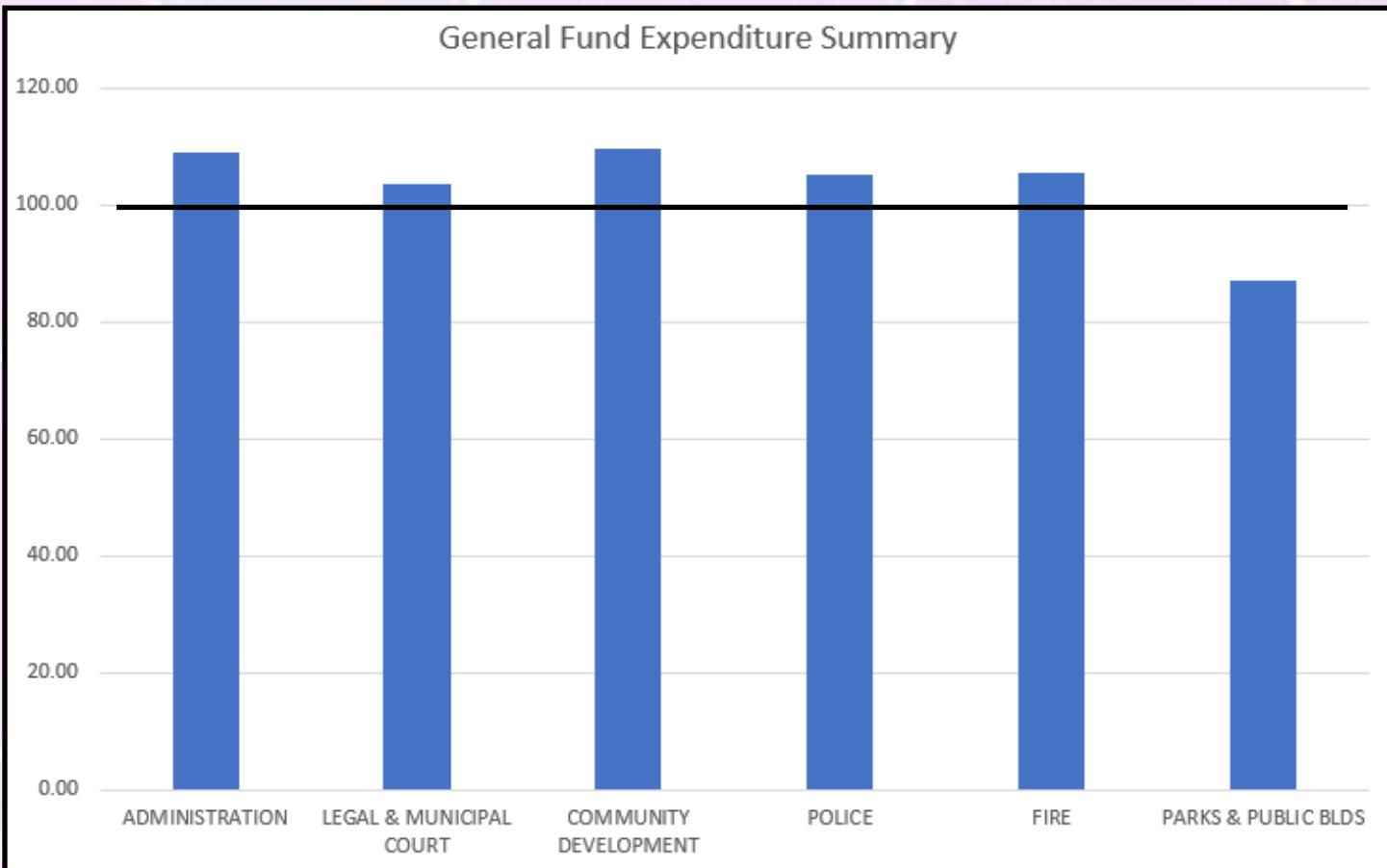




General Fund Summary

Expenditure	Budget	Actual	Balance	Percent
ADMINISTRATION	631,300.00	687,414.22	-56,120.22	108.89%
LEGAL & MUNICIPAL COURT	161,530.00	167,267.85	-5,743.28	103.56%
COMMUNITY DEVELOPMENT	201,250.00	220,387.61	-19,267.56	109.57%
POLICE	1,164,800.00	1,224,190.12	-59,444.07	105.10%
FIRE	388,421.00	409,555.66	-21,150.46	105.45%
PARKS & PUBLIC BLDS	543,150.00	471,699.69	70,366.44	87.04%
TOTAL	3,090,451.00	3,180,515.15	-91,359.15	102.91%

Most departments in the General Fund experienced slightly increased expenditures this year due to the employee benefit fund having a higher than average year for claims. As a result of the increased claims, we opted to keep some on the benefit expense that would normally be covered by Employee Benefit Fund in the General Fund.





Other Taxing Funds



Taxing Funds Summary

Revenue

	BUDGET	ACTUAL	BALANCE	PERCENT
EMPLOYEE BENEFITS	930,716.00	954,942.51	-24,226.51	102.6%
LIBRARY	292,470.00	290,114.19	2,355.81	99.19%
EMERGENCY EQUIPMENT	65,246.00	70,204.16	-4,958.16	107.6%
BOND & INTEREST	2,050,299.00	2,025,878.49	24,420.51	98.81%

Expenditure

	BUDGET	ACTUAL	BALANCE	PERCENT
EMPLOYEE BENEFITS	927,500.00	907,541.30	19,958.70	97.85%
LIBRARY	303,800.00	289,554.79	14,245.21	95.31%
*EMERGENCY EQUIPMENT	63,850.00	86,236.06	-22,654.09	135.48%
*Purchased Police vehicle and new server for the Public Safety Building				
BOND & INTEREST	2,143,637.00	2,057,089.65	86,547.35	95.96%

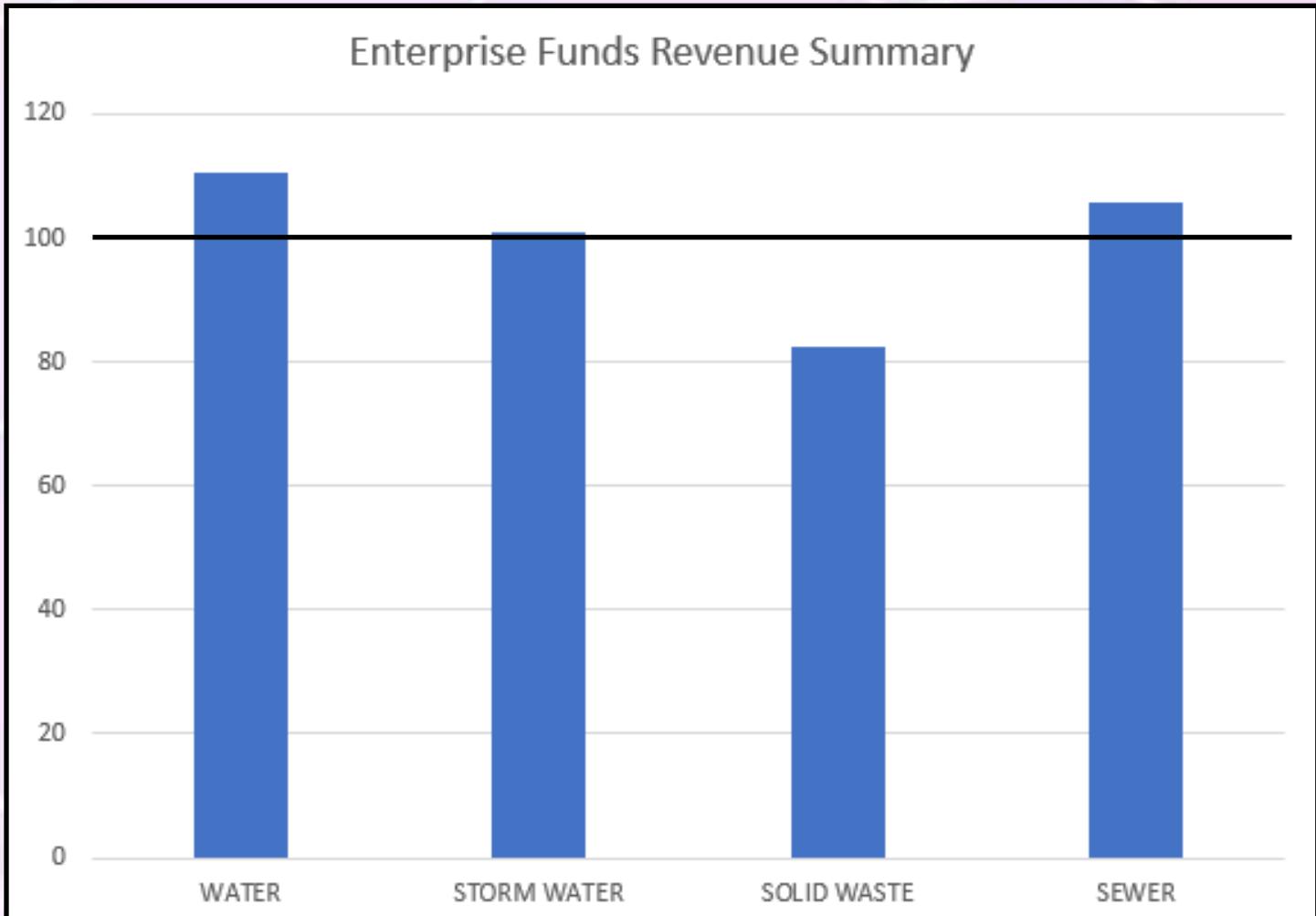


Enterprise Funds



Enterprise Funds Summary

REVENUE	BUDGET	ACUTAL	BALANCE	PERCENT
WATER	2,040,100.00	2,258,956.04	-218,856.04	110.73%
STORM WATER	321,000.00	324,149.32	-3,149.32	100.98%
SOLID WASTE	668,300.00	551,370.91	116,929.09	82.5%
SEWER	1,282,344.00	1,355,563.67	-73,219.67	105.71%

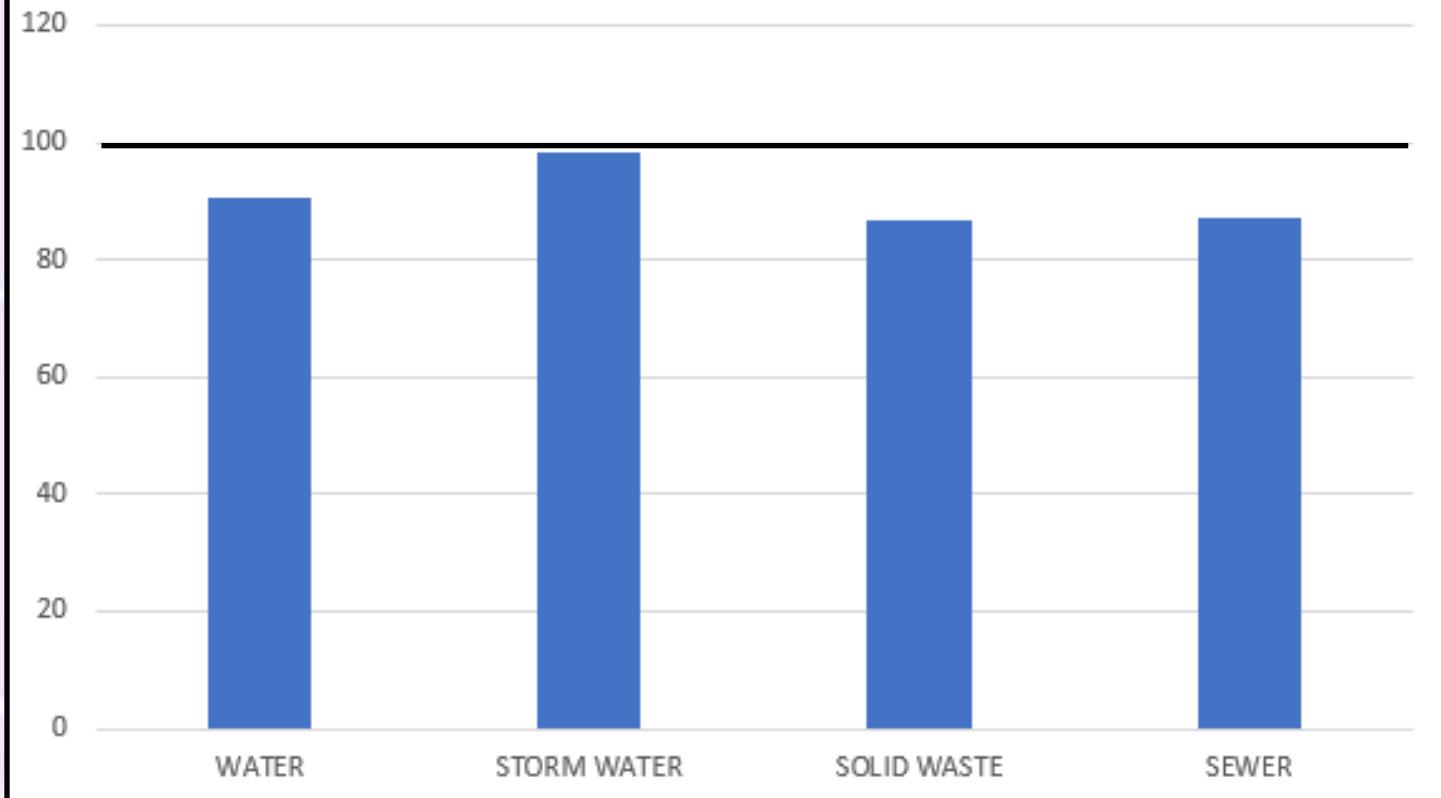




Enterprise Funds Summary

EXPENDITURES	BUDGET	ACUTAL	BALANCE	PERCENT
WATER	2,230,450.00	2,020,355.19	210,094.81	90.58%
STORM WATER	321,000.00	315,375.80	5,624.20	98.25%
SOLID WASTE	684,500.00	592,382.29	92,117.71	86.54%
SEWER	1,307,690.00	1,140,289.62	167,316.38	87.21%

Enterprise Funds Expenditure Summary





Special Revenue Funds



Special Revenue Funds Summary

REVENUE	BUDGET	ACTUAL	BALANCE	PERCENT
SPECIAL PARKS AND REC	5,141.00	3,186.36	1,954.64	61.98%
SPECIAL ALCOHOL AND DRUGS	5,141.00	3,178.18	1,962.82	61.82%
POOL/REC SALES TAX	0	438,102.46	-438,102.46	0%
SPECIAL HIGHWAY	862,230.00	1,085,646.72	-223,416.72	125.91%



EXPENDITURE	BUDGET	ACTUAL	BALANCE	PERCENT
SPECIAL PARKS AND REC	31,000.00	0	31,000.00	0%
SPECIAL ALCOHOL AND DRUGS	5,000.00	4,935.08	64.92	98.7%
POOL/REC SALES TAX	0	0	0	0%
SPECIAL HIGHWAY	767,569.00	864,736.80	-98,543.74	112.84%



Departmental Accomplishments



Finance and Administration

Service Description: The Administration and Finance Department provides central support services to the organization. It consists of the City Administrator's Office, Finance Department, City Treasurer and the Office of the City Clerk. All questions regarding the general management of the City and its financial operations, including utility billing and records, are handled by this department. In addition, the Finance and Administration Department acts as Secretary for the City Council.

Accomplishments

- Moved Incode to the cloud
- Reviewed cash handling policy
- Created and Launched City App
- Rolled out new Budget, CIP and Strategic Plan Dashboards
- Hired new health insurance broker (IMA) to streamline and create efficiencies for open enrollment and employee onboarding.
- Participated in two desk reviews for CESF grant and FEMA-SCBA grant— Both reviews were good!
- Began new community engagement efforts using new communication streams
 - Push notifications through the app
 - Automated phone call system which has reduced monthly water disconnects by 50%
- Installed new AV equipment in Council Chambers to allow streaming of meetings
- Awarded Distinguished Budget Presentation Award from 2021 Budget
- Awarded KMIT Gold Star Award
- Awarded KDOT grant for Ford Street Project
- Began server upgrade process
- Implemented new operating hours
- Launched new Intranet bringing connectivity to all depts.



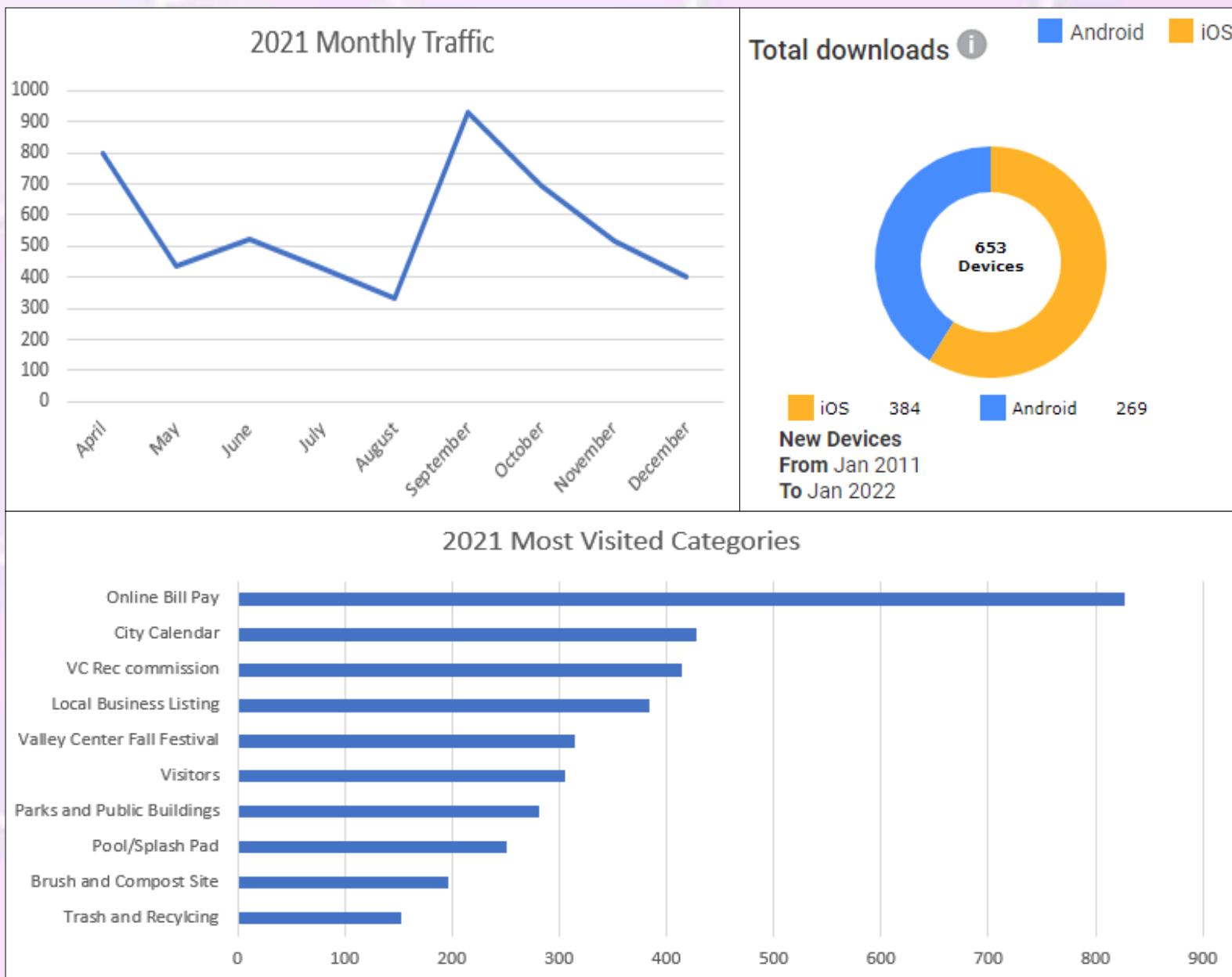


Administration—Mobile App Update

In April of 2021 the city launched our first ever mobile app. This has given us another vehicle for communicating with our citizens and allowed us to keep move residents connected to what's happening in the city.

To-date we have 653 downloads, with monthly traffic averaging 563 sessions. Illustrated below are the ten most visited categories on the app for 2021. Leading the pack is Online Bill Pay with 827 clicks,

The Report-A-Concern module of the app has had 18 resolved reports since April. The reports have varied from traffic concerns and non-emergent police reports, to code compliance issues and animal control reports. It has added ease to reporting concerns for residents.

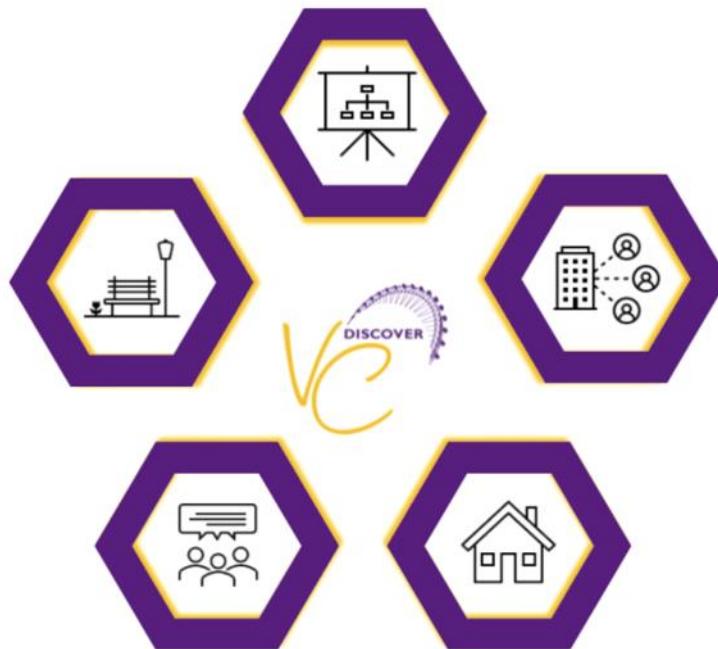




Community Development

Service Description:

- Serve as city staff to the City of Valley Center Planning and Zoning Board and Economic Development Board
- Direct City's floodplain management program (CRS)
- Oversee all residential and commercial construction permits and zoning permits issued in the City of Valley Center
- Enforce and maintain zoning and subdivision regulations
- Direct economic development initiatives, such as tax abatements and business expansion/retention programs



Accomplishments

- Approved 8 permits for new residential construction projects and 0 permits for new commercial construction projects
- Approved 63 residential and commercial plumbing, electrical, HVAC, remodeling, and zoning permits
- Worked with the Planning and Zoning Board to approve five rezoning applications, one lot split application, two final plats, one variance application, one vacation of right-of-way application, and reviewed and granted approval on the TIF district project plan
- Conducted 204 building inspections on residential construction projects
- Addressed multiple code enforcement inquiries from residents

Service Description:

The Public Parks and Grounds department is responsible for many projects and activities such as:

- City park system
- Public buildings & facilities

- City Municipal Cemetery
- City swimming pool and splash pad
- Partner with volunteer and community service organizations
- Liaison for Outdoor Spaces & Public Properties Board

Accomplishments

- Painting & sheetrock repair – Community Center/Library, Public Works., Public Safety
- Installed Corner Guard & Wall Guard in the Community Center & Library
- Received 20-year Tree City USA Award for the City
- Solar Light Pilot Project—Installed at Wetland Park
- Opened pool 2021 after being closed in 2020
- Worked with DAR on Tomb of the Unknown Soldier Garden at Veteran's Park
- Replaced A/C unit @ Public Works
- Department assisted with The Moving Wall Event set up and tear down
- Set up Christmas Tree Recycle drop off at Veteran's Park. This is a cooperative program with Sedgwick County to turn the trees into wood chips for the public to pick up.
- Applied for assistance with the Every Green Team to assist with trail construction at Wetland Park.
- Re-striped parking lots and curbs at all public buildings and parking lots.



Service Description: This is the overall department for the Police and Fire Departments. The core services of the department are to preserve the peace, protect citizens and their property, investigate crimes for prosecution, enforce the laws of the city, state and federal government, and respond to emergencies, traffic accidents, medical emergencies, and crimes in progress.

Accomplishments

- **Fire Department**
- Firefighters trained on new air packs
- Received a grant and began purchases on Wildland Fire-fighting Equipment
- Hired Nick Banning as the new full-time Captain
- Purchased and placed to Conex boxes for live fire training
- Began working toward utilizing the house at Ford and Seneca for live fire training
- New laptops for the vehicles



- **Police Department**
- Promoted Glen Davidson to Sergeant
- Promoted Ceara Metzger to Detective
- Hired two new officers
- Purchased ballistic helmets and face shields and gas masks for all officers
- Purchased protective equipment for officers
- Purchased and trained on RMR red dot sights on hand guns for eleven officers
- Added two Flock cameras
- New laptops for vehicles
- Conducted Citizen's Police Academy



Public Works

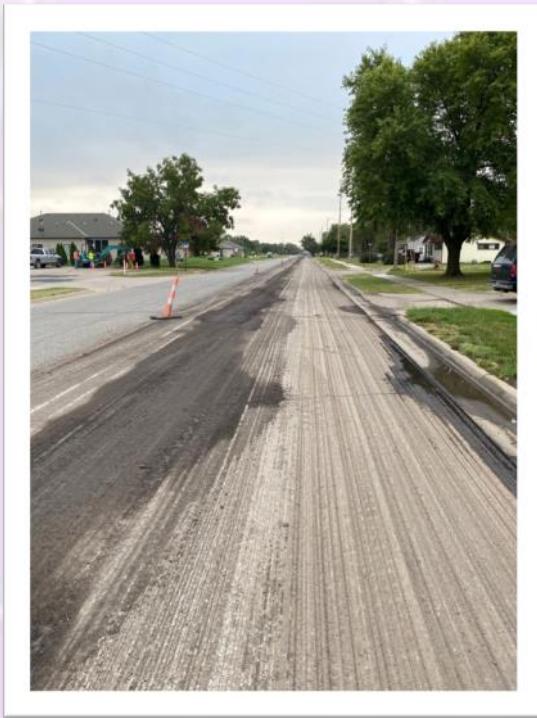
Service Description:

Water, Waste Water, and Streets departments are all under the public works umbrella. These departments provide many different services that keep the city moving as well as maintain the city's infrastructure.

Water: Provides safe and healthy water to our community by maintaining and testing the city's water distribution system, while simultaneously providing excellent service to our residents, doing water shut offs and turn ons, leak checks, and meter reads.

Sewer: Keeps things flowing across town through maintenance of sewer lines and lift stations around town. They are also responsible for treating and testing water before it is discharged.

Streets: Our Streets department is crucial to keeping traffic moving across the city. They coordinate road projects, patch cracks and pot holes, keep the lines fresh, and keep the storm drains clean.



Accomplishments

- Mill & Overlay:
 - N. Meridian from North city limits to the middle school.
 - W. 5th street from Meridian to Redbud.
 - W. Main from Birch to West Street.
- Landia Mixer for the anoxic basin at the waste treatment plant.
- Standby Generator for Colby lift station.
- First well maintenance on Well #10
- Cleaned floor control facilities– removed tons of debris
- New grinder pump at Valley Creek lift station



Debt Management



Debt Management

The City of Valley Center Debt Policy states:

The City shall comply with the debt limits of the state of Kansas, and seek to minimize debt when it is used.

The City will not engage in debt financing unless the proposed obligation, when combined with all existing debts, will result in debt ratios throughout the life of the proposed obligation that are less than the following benchmarks:

Per capita direct debt will not exceed \$500

Per capita direct, overlapping and underlying debt will not exceed \$3,000

Direct debt as a percentage of estimated full market value will not exceed 1.5%

Direct, overlapping and underlying debt as a percentage of estimated full market value will not exceed 6.0%

Annual debt service will not exceed 20% of budgeted expenditures

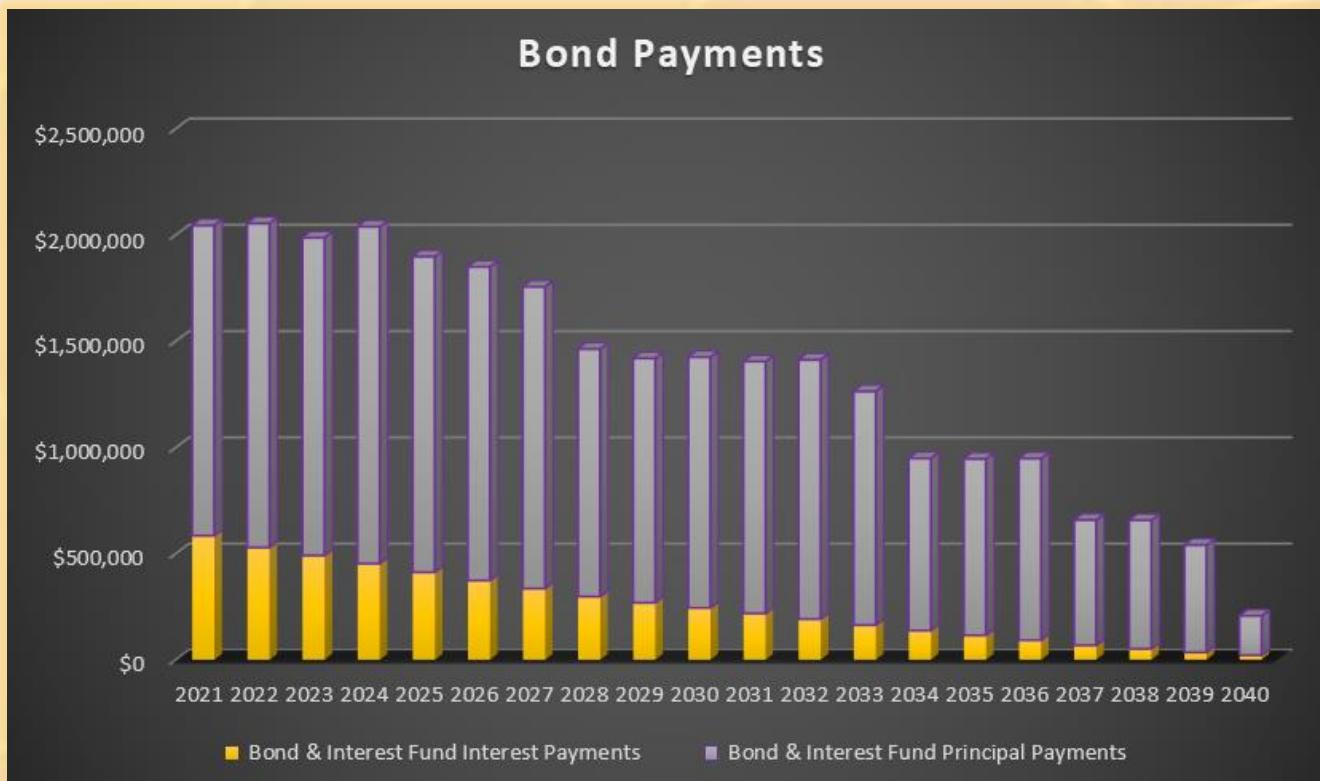
The legal debt limit for a municipality in the state of Kansas according to K.S.A. 10-308 is 30% of the municipality's assessed valuation. Exceptions to this rule are stated in K.S.A. 10-309 which states:

"Notwithstanding the provisions of K.S.A. 10-308, and amendments thereto: (a) Bonds issued by any city for the purpose of acquiring, enlarging, extending or improving any storm or sanitary sewer system; or (b) bonds issued by any city for the purpose of acquiring, enlarging, extending or improving any municipal utility; or (c) bonds issued by any city to pay the cost of improvements to intersections of streets and alleys or that portion of any street immediately in front of city or school district property, shall not be included in computing the total bonded indebtedness of the city for the purposes of determining the limitations on bonded indebtedness provided in K.S.A. 10-308, and amendments thereto."

Type of Debt	Date of Issue	Date of Maturity	Interest Rate %	Date Due		Amount of Issue	2022 INTEREST	2022 PRINCIPAL	Outstanding Balance
				Interest	Principal				
2016-1-G.O. Bond	6/1/2016	12/1/2036	3.00	6/1	12/1	\$ 4,490,000	87,350	210,000	3,630,000
2017-1-G.O. Bond	11/1/2017	12/1/2032	4.00	6/1	12/1	\$ 3,030,000	58,946	285,000	2,090,000
2018-1-G.O. Bond	8/23/2018	12/1/2038	3.00	6/1	12/1	\$ 1,470,000	48,603	65,000	1,470,000
2019-1-G.O. Bond	5/23/2019	12/1/2039	3.00	6/1	12/1	\$ 3,980,000	122,550	160,000	3,740,000
2020-1-G.O. Bond	2/6/2020	12/1/2044		6/1	12/1	\$ 4,675,000	113,518	105,000	4,415,000
2020-2 G.O. Bond	9/2/2020	12/1/2033		6/1	12/1	\$ 6,540,000	98,168	700,000	5,815,000
Total GO Bonds						\$ 44,310,000	\$ 529,135	\$ 1,525,000	\$ 21,160,000
Other									
2007 KWPCRLF Sewer	7/26/2007	3/1/2029	2.51	3/1	9/1	\$ 3,299,870	\$ 29,109	\$ 176,319	\$ 1,331,790
Total Other						\$ 3,299,870	\$ 29,109	\$ 176,319	\$ 1,331,790
Leases									
2020 RAVO 5 Street Sweeper	1/24/2020		3.125				3,855	29,015	\$ 121,690
Total Leases						\$ 187,500			
TOTAL ISSUED DEBT						\$ 47,797,370	\$ 558,244	\$ 1,675,773	\$ 20,790,471



Debt Schedule to Maturity—G.O. Bonds



Total Debt Service Payments for all General Obligation Bonds Per Year

In 2020 the city refinanced four existing bonds, creating the 2020-2 bond. This move will save the city over \$900,000 in interest.

Fiscal Year	Beginning Balance	Bond & Interest		Total
		Fund Interest Payments	Fund Principal Payments	
2021	\$22,620,000	\$584,990	\$1,460,000	\$2,044,990
2022	\$21,160,000	\$529,134	\$1,525,000	\$2,054,134
2023	\$19,635,000	\$491,548	\$1,495,000	\$1,986,548
2024	\$18,140,000	\$453,626	\$1,585,000	\$2,038,626
2025	\$16,555,000	\$412,981	\$1,485,000	\$1,897,981
2026	\$15,070,000	\$374,336	\$1,475,000	\$1,849,336
2027	\$13,595,000	\$335,988	\$1,420,000	\$1,755,988
2028	\$12,175,000	\$298,243	\$1,165,000	\$1,463,243
2029	\$11,010,000	\$269,435	\$1,150,000	\$1,419,435
2030	\$9,860,000	\$244,981	\$1,180,000	\$1,424,981
2031	\$8,680,000	\$219,162	\$1,185,000	\$1,404,162
2032	\$7,495,000	\$192,384	\$1,220,000	\$1,412,384
2033	\$6,275,000	\$163,853	\$1,100,000	\$1,263,853
2034	\$5,175,000	\$138,463	\$810,000	\$948,463
2035	\$4,365,000	\$115,913	\$830,000	\$945,913
2036	\$3,535,000	\$92,713	\$855,000	\$947,713
2037	\$2,680,000	\$68,628	\$590,000	\$658,628
2038	\$2,090,000	\$52,338	\$605,000	\$657,338
2039	\$1,485,000	\$35,526	\$505,000	\$540,526
2040	\$980,000	\$22,255	\$185,000	\$207,255