

RESOLUTION NO. 1143

A RESOLUTION ESTABLISHING BUDGET POLICIES FOR THE CITY OF OSAWATOMIE FOR FISCAL YEAR 2024.

WHEREAS, the City of Osawatomie's overriding goal is to provide its residents with a superior level of services with a budget that the community can afford; and

WHEREAS, the City of Osawatomie's City Council through multiple resolutions over the years has put into place a financial framework to assist them in managing the financial resources of the City; and

WHEREAS, it is only appropriate for the City Council to establish a broad set of budgetary policies that will guide this community over the coming decade; and

WHEREAS, the City Staff wishes to continue building a Fund Balance Reserve equivalent to 90-days of the City's General Fund expenditures (**25% of Annual Expenses**); and

WHEREAS, it is only appropriate that the City not simply adopt an annual budget but also set multi-year budgetary and financial policies to ensure the ongoing operation of the City; and

WHEREAS, the City staff prepared a Five-Year Financial Forecast for the General Fund that allows for the balanced operation of the City; and

WHEREAS, the City staff has nearly completed work at the Wastewater Treatment Plant, and has finished all necessary work at the Water Treatment Plant to ensure it can continue producing potable water to the end of its useful life, and nearly completed the preliminary design of a new water treatment plant and distribution system; and

WHEREAS, the City continues to work towards replacing the worst streets in the community including 6th Street and Brown Avenue from 7th to 12th; and

WHEREAS, City staff works to subsidize the cost of all of these improvements with grant dollars where possible (Transportation Alternatives grant for trails, cost share grant for 6th street, and BASE grant for water and sewer improvements to the northland); and

WHEREAS, City staff has worked to diversify and broaden our tax base whether it be through annexation of new territory or assuming new electric customers within our existing city limits from other utility providers.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:

SECTION ONE: That the following will serve as the Budgetary Policies of the City of Osawatomie, KS for the 2024 budget:

- A. The city will maintain a mill levy that is only necessary to meet its obligations in the Bond & Interest Fund and Employee Benefits Fund.
- B. The City will eliminate its mill levy in the Industrial Promotion Fund and Public Safety Fund from the 2024 budget.

- C. With regard to the general fund, the city will be guided by our five goals when it comes to budgeting expenditures for the 2024 fiscal year. While always working towards achieving these five goals, this city council directs city staff to continue to work towards expanding our tax base so a reduction in the property tax levy can be achieved. While we will not be able to be revenue neutral for 2024, a 2-3% reduction in the levy is set as a goal.
- D. With regard to transfers from utility funds, the city directs city staff to only budget for those transfers necessary to meet the obligations of those utilities as dictated by the payments due for the 2024 Fiscal Year and any related bond covenants. Any additional transfers from utilities in order to aid in meeting the policies in Section 1A, 1B or 1C above should not exceed 5% of estimated revenues in that utility.
- E. The City will continue the Solid Waste Utility consistent with Resolution 785 payable through annual property tax payments adjusting for the increase in the Waste Management Contract and accounting for the appropriate franchise fees and service charges during the next two (2) years -- 2024, 2025 and 2026. With year 2026 being the last year of the contract, City Council directs city staff to begin evaluating the agreement and identify areas in the agreement that can be made better for the citizens of Osawatomie.
- F. The City Council approved utility rate increases for water and sewer during 2022. City Council directs staff to continue monitoring all utilities and engage 3rd party services to review the city's utility rates every 5 years to ensure the costs of the utility, any capital needs, and debts of the utility continue to be covered through the monthly utility rate structure.
- G. All fees and charges for services outside of the City's utilities will be reviewed annually during the budget process and any necessary changes be made effective on July 1st during the budget process.

SECTION TWO: This Resolution will form the basis for all future *Budgetary Policy Resolutions* and serve as the "overall" Budgetary Policy of the City of Osawatomie, KS.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, this 8th day of June, 2023, a majority voting in favor of.

APPROVED and signed by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk