

RESOLUTION NO. 1145

A RESOLUTION OF THE CITY OF OSAWATOMIE, KANSAS REGARDING THE GOVERNING BODY'S INTENT TO LEVY A PROPERTY TAX EXCEEDING THE REVENUE NEUTRAL RATE

WHEREAS, the Revenue Neutral Rate for the City of Osawatomeie was calculated as 71.321 mills by the Miami County Clerk; and

WHEREAS, the budget proposed to the Governing Body of the City of Osawatomeie will require us to levy of a property tax rate exceeding the Revenue Neutral Rate; and

WHEREAS, the Governing Body's intent is to *reduce* the mill levy, but not in an amount sufficient to meet the revenue neutral rate; and

WHEREAS, the Governing Body intends to use the property taxes generated by these mills for specific purposes.

WHEREAS, the Governing Body intends to hold a hearing and hear testimony from all interested taxpayers desiring to be heard as required by state law.

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

Section 1. The Governing Body of the City of Osawatomeie, Kansas having directed staff to budget for a reduction in the city's mill levy and in so doing, identify what the property tax dollars we levy for the 2024 Fiscal Year will be spent on. Those areas are identified as follows:

- *Debt retirement.* One hundred percent (100%) of the debt currently being retired with property taxes is related to street improvements. The mill levy associated with the Bond & Interest Fund is **21.822**.
- *Employee Benefits.* Statutory and contractual obligations to cover benefits of employees include: KPERS and KP&F, Health Insurance, FICA, SUTA, and Workers' Compensation. The way to reduce these obligations is to reduce the number of employees and when positions become vacant, the question always becomes: "Is this position critical to the city providing what we are obligated to provide under state law or is it critical in achieving our five goals? If the answer to both of those questions is "no", then the position will not be filled. The mill levy associated with the Employee Benefits Fund only covers those positions that are not employed in an enterprise (utility or golf course) fund and is: **24.961**.
- *General Fund.* We should not pass governance of this city to the next generation if we are not continually planning for and executing the next phase of Osawatomeie's reconstruction and rebirth. So, in keeping with our pledge of adherence to the Athenian Oath, we have budgeted in the general fund to provide those services that we are required to provide under state law. We have also provided for continued pursuit of achieving the five goals that were outlined by the community and the Governing Body a little more than three years ago. The mill levy associated with doing both of these through the General Fund is: **31.217**.
- *Utility Fund Revenues.* Outside of the debt obligations of any of our utilities, we are not going to budget transfers from our utility funds that exceed 5% of that utility fund's revenues. Our utilities must continue to be in a position that they can reinvest in themselves and relying on utility funds to artificially keep property taxes low prevents them from doing so.
- *Other Revenue Sources.* Property taxes in the 2024 Budget as it currently stands and under the aforementioned constraints is 19% of the total budget. We will continue to seek out ways to expand our sales tax base, encourage new residential home construction, work to recruit commercial development, and otherwise identify other revenue enhancements that can help finance this community's goals, but do so with outside (non-resident) dollars.

Section 2. The Governing Body of the City of Osawatomie hereby directs staff to notify the Miami County Clerk that the City of Osawatomie intends to levy a mill that DOES NOT exceed: 78.000.

Section 3. The Governing Body of the City of Osawatomie further directs the City Manager to finalize the 2024 Budget and provide the required Notices of Public Hearing to the Miami County Republic for publication no later than August 9, 2023, all in accordance with existing state law.

Section 4. This resolution shall take effect and be in force immediately upon its adoption and shall remain in effect until future action is taken by the Governing Body.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, this 22nd 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