

## RESOLUTION NO. 1314

### 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 Osawatomie was calculated as 72.236 mills by the Miami County Clerk; and

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

**WHEREAS**, the Governing Body's intent is to begin rebuilding fund balances in a such a way that will prevent levying the revenue rate, but also will not require an increase in the mill levy; and,

**WHEREAS**, the Governing Body intends to use the property taxes generated by the mills levied in excess of the revenue neutral rate for the purpose of rebuilding fund balances; and

**WHEREAS**, the Governing Body intends to hold a revenue neutral rate 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 Osawatomie, Kansas, having directed staff to build a budget that begins to rebuild fund balances and in so doing, identify what the property tax dollars we levy for the 2026 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 estimated to be at: **30.000**.
- *Employee Benefits.* Statutory and contractual obligations to cover benefits of employees include: KPERS and KP&F, Health Insurance, FICA, SUTA, and Workers' Compensation. 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 estimated to be: **16.000**.
- *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 Osawatomie'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: **30.000**.
- *Industrial Promotion Fund.* Levied dollars in this fund are intended for assistance to businesses to update and improve the appearance of their facilities along 6<sup>th</sup> Street. This program will be structured similarly to the business assistance program that was implemented during construction and will be a reimbursement to eligible businesses. The levy for this fund shall not exceed **2.000**.
- *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 2026 Budget as it currently stands and in keeping with prior years' budgets, should not exceed 20% 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 2026 Budget and provide the required Notices of Public Hearing to the Miami County Republic for publication 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 26<sup>th</sup> day of June, 2025, a majority voting in favor of.

**APPROVED** and signed by the Mayor.

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Nick Hampson, Mayor

(SEAL)

ATTEST:

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Tammy Seamands, City Clerk