

**RESOLUTION NO. 919**

**BY THE CITY OF OSAWATOMIE, KANSAS**

**A RESOLUTION ESTABLISHING BUDGET POLICIES FOR THE CITY OF OSAWATOMIE FOR FISCAL YEAR 2022.**

**WHEREAS**, the City of Osawatomié'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 Osawatomié's City Council through Resolutions 778, 779, 784 and 794 have begun to put in 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 begin creating a Fund Balance Reserve equivalent to 90-days of the City's General Fund expenditures (**25% of Annual Expenses**); and

**WHEREAS**, the COVID-19 pandemic has put even more pressure on the City's budget both in the short- and long-term; 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 also begun the replacement and repair of the Waste Water Treatment Plant, and has begun the study of repairs, replacement or alternatives to the Water Plant; and

**WHEREAS**, the City staff upon completing the Five-Year Financial Forecast identified both the need and potential funding of a ten-year street repair and replacement program using a combination of revenue sources.

**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.

- A. The City will increase its mill rate in the Debt Service Fund from the Revenue Neutral Rate (RNR) of 15.910 to 31.674. This increase in mill rate will generate will be dedicated to street repairs, replacement and maintenance. **This rate increase has a self-imposed 10-year sunset.**
- B. The City will increase its mill rate in the General Fund from the Revenue Neutral Rate (RNR) of 27.669 to 28.669. This increase of one mill will be used to help offset the cost of managing the "Paving the Way" street program. **This rate increase has a self-imposed 10-year sunset.**
- C. The City will maintain the mill rate in the following funds equivalent to the RNR (for 2022) as calculated by the Miami County Clerk,
  - a. Employee Benefit Fund: 18.549
  - b. Special Law Enforcement Equipment Fund: .923
  - c. Industrial Development Fund: .185
- D. 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 three (3) years -- 2022, 2023 and 2024. Year 2025 will be held to the 2024 rate per the contract with Waste Management.
- E. The City will be updating Utility Rates that will become effective January 1, 2022 based on a rate study (update) that all utilities are charging an appropriate rate to both replace and maintain the existing infrastructure and cover normal operating costs.
- F. All Fees and Charges for services outside of the City's utilities will be reviewed during the fall of 2021 and any changes made effective on the 1<sup>st</sup> day of the new calendar year.

G. The Governing Body hereby adopts the 2022 Recommended Budget as presented tonight by the City Manager and consistent with the Budget Hearing noticed published in the Miami County Republic on September 1, 2021.

**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 16<sup>h</sup> day of August, 2022, a majority voting in favor of.

**APPROVED** and signed by the Mayor.

---

L. Mark Govea, Mayor

(SEAL)

ATTEST:

---

Tammy Seamands, City Clerk