



City Commission Agenda Item

Meeting Date: September 5, 2023
From: Jennifer Waggoner, Finance Director/Treasurer
Item: Public Hearing to Exceed the Revenue Neutral Rate (RNR) for the 2024 Budget year.

Purpose: 1) Hold a public hearing to receive public comment relating to the Revenue Neutral Rate.
 1a) Consider a Resolution to exceed the Revenue Neutral Rate. **(Roll Call Vote)**

Background:

Senate Bill 13, passed in 2021 by the Kansas State Legislature, provides that by June 15th of every year, each county clerk shall calculate the revenue neutral rate (RNR) for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its RNR, it must first publish notice of a public hearing and notify, by July 20th, the county clerk of the taxing subdivision’s intent to exceed the RNR.

The RNR was provided to us by the Cowley County Clerk. The rate given was expressed in mills and would generate the same property tax revenue in dollars as levied in the 2022 tax year using the City’s 2023 assessed valuation. The City’s valuation increased from \$70,046,068 to \$77,788,608 or 11%. Per the RNR, the mill levy was set to decrease from 70.044 to 63.074 mills if we had not informed the County Clerk of our intention to exceed this RNR rate by July 20th. A Resolution of our Intent to Exceed the RNR was passed on July 5, 2023, and the Cowley County Clerk was subsequently notified on July 10, 2023. We publicized the notification of a public hearing for exceeding the RNR on August 5, 2023 in the *Courier Traveler*, as well as on the City’s website.

Two budget work sessions have been held with the City Commission and all department heads. All sessions were open to the public. Each department has put forth their best analysis of what the City needs to include in the 2024 budget. Staff has worked diligently to cut costs and expenses, delay projects and maintenance where possible and extend the life of vehicles and equipment, while maintaining a level of service our citizens deserve and expect. Despite our best efforts, and due to record inflation and commodity costs, it is not possible to sustain the same services we have provided to our citizens at the current RNR rate. For this reason, staff recommends approving the Resolution to Exceed the Revenue Neutral Rate with a projected mill levy of 68.000.

Commission Options:

The Commission has the following options:


1. Hold the public hearing and then approve the Resolution to Exceed the RNR.
2. Open the public hearing and then continue the public hearing to the next regular commission meeting on September 19, 2023 to allow for additional public input at which time the Resolution would be approved.
3. Disapprove the Resolution at which time the mill levy for the 2024 proposed budget cannot exceed 63.074 mills.

Fiscal Impact:

Amount: None

Fund: Department: Expense Code:
 Included in budget Grant Bonds Other (explain)

Approved for Agenda by:



 Randy Frazer, City Manager