



City Commission Agenda Item

Meeting Date: September 2, 2025

From: Jennifer Waggoner, Finance Director/Treasurer

Item: Public Hearing to Exceed the Revenue Neutral Rate (RNR) for the 2026 Budget year.

Motion:

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

Background:

Kansas Senate Bill 13 (2021) requires taxing entities to hold a public hearing before levying a property tax rate higher than the calculated Revenue Neutral Rate.

- The Cowley County Clerk calculated the City's 2026 RNR at **57.478 mills**, a reduction from the prior year's **62.590 mills**.
- This rate would hold property tax revenues at 2024 levels despite a **9% increase** in the City's 2025 assessed valuation (\$85.3M → \$92.9M).
- On **July 15, 2025**, the City Commission adopted a Resolution of its Intent to Exceed the RNR, and the Clerk was subsequently notified July 16, 2025. Required notice of the public hearing was published August 19, 2025.
- Two public budget work sessions were held with the Commission and department heads. Despite cost-cutting and deferred projects, inflation and commodity costs make it difficult to sustain current service levels under the RNR.
- Staff recommends approval of the Resolution to exceed the RNR with a proposed levy of **58.274 mills**.

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 table to continue the public hearing at the next regular commission meeting on September 16, 2025 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 2026 proposed budget cannot exceed 57.478 mills.

Fiscal Impact: None

Attachments: Resolution

Approved for Agenda by:

Randy Frazer, City Manager