MEMORANDUM

To: Mayor & Board of Aldermen

From: Christine Millard, City Clerk

Re: Fiscal Year 2026–2027 Budget
- Adopt a Resolution Fixing the Tax Levy for FY 2026–2027

Section: PUBLIC HEARING

Meeting Date: September 1, 2026

This item is presented as information regarding the Fiscal Year 2027 Budget Proposal and as a recommendation to set the millage at 95.97 for 2027.
This includes the OS School District millage of 66.05, Municipal Bond of 4.77, Library of 1.10, and an increase to General Fund at 24.05.

Highlights:
Proposing a 1 mill increase in the General Fund as a thoughtful adjustment to keep up with rising costs and equates to an additional $273,046 to the City. This adds about $20 per year to a taxpayer with a $200,000 assessed value of property.

The proposed budget also includes an improved employee pay-scale process, as committed to during the prior budget year:
-- 2.9% Cost-of-Living Adjustment (COLA) — Increase across the board
-- Additional 1% on each employee's anniversary with the City
-- Service-recognition bonuses at 5, 10, 15, and 20 years of City service

Additional challenges include, the 0.5% increase in PERS retirement contributions, which increases for the next several years, sales tax is coming in lower than last year (about $200,000 less), and the Jackson County Utility Authority bill is $935,000 more than the previous year.

Food & beverage tax (2% fund) is coming higher than last year at about $25,000 a month.

Recommended Motions:

1. The Board motion to approve the Fiscal Year 2027 ad valorem tax levy at 95.97 mills, including a one-mill increase in the General Fund millage from 23.05 mills to 24.05 mills.
2. The Board motion to approve the new pay scale concept and approve a 2.9% Cost-of-Living Adjustment for City employees and the Mayor for Fiscal Year 2027.
3. The Board motion to approve a 2.9% cost-of-living adjustment to the salaries of the members of the Board of Aldermen for Fiscal Year 2027.