STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, JUNE 1, 2023**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, June 1, 2023, with ten members present: Burroughs, Commissioner At-Large Second District; McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Stites, Commissioner Seventh District (arrived at 5:35 p.m.); Davis, Commissioner Eighth District; Bynum, Mayor ProTem presiding; Garner, Mayor/CEO (arrived at 5:33 p.m.). Townsend, Commissioner First District; was absent. The following officials were also in attendance: David Johnston, County Administrator; Bridgette Cobbins and Alan Howze, Assistant County Administrator's; Angela Lawson, Deputy Chief Counsel; Brett Deichler, Unified Government Clerk; Monica Sparks, Deputy Unified Government Clerk; Debbie Jonscher, Acting Chief Financial Officer; Reginald Lindsey, Budget Director; Mike Grimm, Research Manager; Michael Peterson, Assistant Budget Director; LaVert Murray, Economic Development Advisor in Mayor's Office; and Jeff Fisher, Executive Director of Public Works.

Mayor ProTem Bynum said Mayor Garner is delayed and I will ProTem until his arrival. Before I call the meeting to order I want to announce that we do have individuals attending remotely as well as on-site. If you're participating by phone, we ask that you mute your phones when not speaking to avoid background noise. During the meeting, make sure you announce yourself by name and title when you speak so the public knows who is speaking. This is critical given the number of remote participants and is also current guidance from our Kansas Attorney General. Make sure you are speaking into your microphone to ensure your comments are heard and that we have an accurate record of the meeting.

Mayor ProTem Bynum called the meeting to order.

ROLL CALL: Johnson, Kane, Markley, Davis, Bynum, Burroughs, McKiernan, Ramirez.

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held on Thursday, June 1, 2023, at 5:00 p.m. in the fifth floor conference room of the Municipal Office Building for a Budget Workshop.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor ProTem Bynum said tonight is a Budget Workshop and I'm going to recognize David Johnston, our County Administrator, for his remarks and then a presentation from our staff.

David Johnston, County Administrator, said taking us down this journey to refresh our understanding of where we get our revenue, the resources to provide the public services, and we have a presentation put together by Reggie and the rest of the Budget staff. Reggie, I'll turn the floor to you.

Reginald Lindsey, Budget Director, said what we plan to do tonight is Michael Peterson, our Assistant Budget Director, and Mike Grimm, our Research Manager, will give you an update on where our property tax comes from and also give you a little background on what some of the other municipalities around us, what their property tax rates are and then we're also going to do the same thing for sales tax.

We're going to start the presentation off to look at how the dollar bill is distributed across the different municipalities within the Unified Government. First, we have the city of Kansas City, Kansas. It pays property tax into the city of Kansas City, Kansas and Wyandotte County, which both are part of the Unified Government.

If you are a resident in Kansas City, Kansas, you also pay into school districts. If you're a resident in Kansas City, Kansas, there's a possibility that you pay the property tax either into the Kansas City, Kansas School District, the Turner School District, or also the Piper School District. The dollar we're looking at on the screen breaks out what you pay as a Kansas City, Kansas resident living in Wyandotte County.

How it's broken out here is, you pay .23 cents to the city of Kansas City, Kansas from your property tax dollar and then you also pay .23 cents to Wyandotte County as part of your property tax dollar. Some of the property tax dollar goes to USD 500, which is .37 cents and I would like to add that 20 mills of all the school districts within the state of Kansas goes directly to the state and then they redistribute those back to them, but there are also some mills depending on what that school districts rates are that go directly to them. Then, the Kansas City, Kansas Community College, .17 cents of a dollar goes to it—of that dollar—of the pie is 17%.

The current slide we're looking at is the city of Bonner Springs. One of the things with the city of Bonner Springs, the Unified Government it only pays taxes to the county side, so no taxes goes to the city of Kansas City, Kansas as that part of the Unified Government. It goes to the county. The portion that goes to Wyandotte County is .23 cents of that tax dollar and then the city of Bonner Springs get .26 cents of that tax dollar, USD 204 which is the Bonner Springs/Edwardsville School

District, they end up getting .33 cents of that dollar and then Kansas City, Kansas Community College gets .17 cents of that dollar.

The city of Edwardsville, the school district there gets .31 cents of the property tax dollar, the city of Edwardsville gets .25 cents of the tax dollar, and Wyandotte County ends up getting .22 cents of the tax dollar that goes towards property tax in Wyandotte County and then the community college ends up .16 cents.

Residents that live in the Turner School District that live in the city of Kansas City, Kansas, they end up paying .22 cents to the Unified Government for Kansas City, Kansas taxes and then they end up paying .22 cents to Wyandotte County for Unified Government taxes. They also pay .36 cents to the USD 202 which is the Turner School District and then they pay .16 cents to the Kansas City, Kansas Community College.

Residents that live in Kansas City, Kansas that live in the Piper School District, taxes they pay to the Piper School District are .36 cents of the dollar and then they pay .22 cents of the dollar to the city of Kansas City, Kansas which comes to the Unified Government's city portion of the budget. Then, they also pay .21 cents to Wyandotte County which comes to the Unified Government on the county side of the budget and then they pay .16 cents to the Kansas City, Kansas Community College.

I'm going to turn it over to our Assistant Budget Director Michael Peterson and he's going to talk a little bit more about property tax.

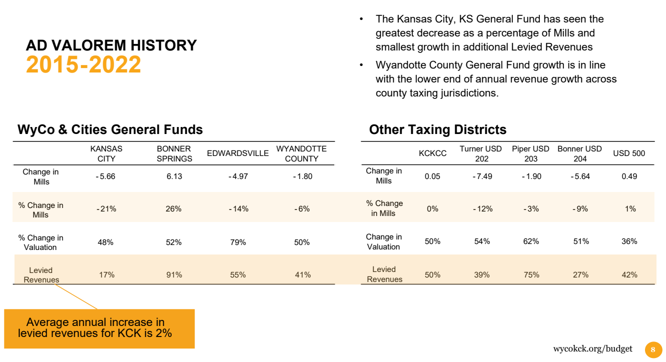
Commissioner Johnson said I just want to give one piece of clarity. There are, I think, three entities that pay into the County Library, but Kansas City, Kansas does not—there are certain counties that do—or certain cities that do and certain cities that don't. Kind of just explain the library portion of that and how that works with the different cities.

Mr. Lindsey said there is a certain portion of Kansas City, Kansas that does pay into the County Library and so Bonner Springs, Edwardsville, and residents in the Kansas City, Kansas School District that live in Piper and residents in Kansas City, Kansas that live in the Turner School District, they do end up paying into the County Library. The reason is because they don't have libraries that are funded through the school districts there, so that's the reason for that.

Bonner Springs, the city does offer funding to the library there. **Commissioner Johnson** said thank you. I appreciate that clarity.

Mr. Lindsey said I don't know, Angie, is there anything you wanted to add to that? **Angela Lawson, Deputy Chief Counsel,** said no, it's referred to as the PET District, the Piper, Edwardsville, and Turner that sets the mill levy because they don't have their own library. Bonner also pays, perhaps through sales tax, but they have a funding mechanism for their library.

Commissioner Kane said (inaudible) something they don't get? **Mr. Lindsey** said when you say that—**Commissioner Kane** said (inaudible). **Mr. Lindsey** said I do participate with a County Library Board and I know there is some action being taken with that Board to get a county library within Piper in the future. I do know that is something they are working on.



AD VALOREM HISTORY
2015-2022

- The Kansas City, KS General Fund has seen the greatest decrease as a percentage of Mills and smallest growth in additional Levied Revenues
- Wyandotte County General Fund growth is in line with the lower end of annual revenue growth across county taxing jurisdictions.

WyCo & Cities General Funds

	KANSAS CITY	BONNER SPRINGS	EDWARDSVILLE	WYANDOTTE COUNTY
Change in Mills	-5.66	6.13	-4.97	-1.80
% Change in Mills	-21%	26%	-14%	-6%
% Change in Valuation	48%	52%	79%	50%
Levied Revenues	17%	91%	55%	41%

Other Taxing Districts

	KCKCC	Turner USD 202	Piper USD 203	Bonner USD 204	USD 500
Change in Mills	0.05	-7.49	-1.90	-5.64	0.49
% Change in Mills	0%	-12%	-3%	-9%	1%
Change in Valuation	50%	54%	62%	51%	36%
Levied Revenues	50%	39%	75%	27%	42%

Average annual increase in levied revenues for KCK is 2%

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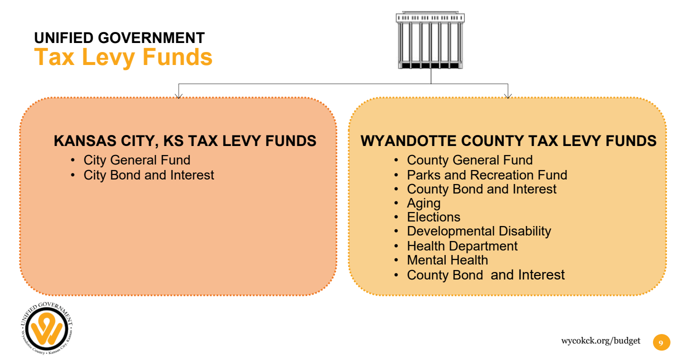
Michael Peterson, Assistant Budget Director, said one of the things that the Budget Office has done in the past year or so is to try to take a look at how we benchmark against other communities as far as our property taxes and sales taxes go and so we wanted to spend some time going over that information with you all tonight.

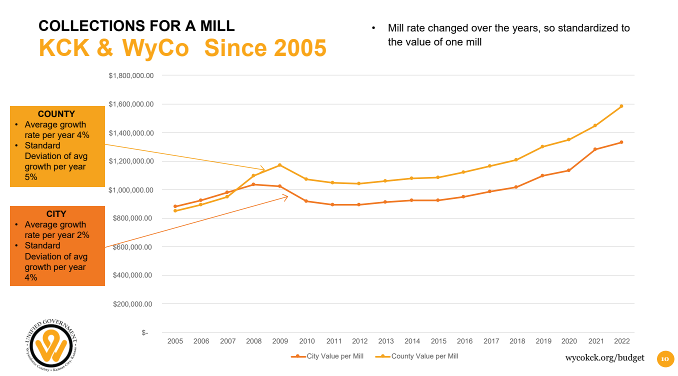
We frequently hear that our property taxes are some of the highest taxes in the state. What we did is we pulled information and we looked at the collections, so basically, we looked at the difference between mills, mill rates. We looked at the difference between valuation and we also looked at the difference and collections between the different taxing entities.

On this chart we show across the dollar bills that we had that Reggie went through the different percentages of growth and change and mills as well as revenues across the different taxing entities. One of the key things that stood out to us when we went through this information was Kansas City, Kansas, so the fund that we're struggling in the most we changed—we dropped our value—our mills by 21% in the last seven years, since 2015, so basically, we were trying to identify a point in time prior to the STAR Bond payoff that we could kind of look at for comparative purposes. Since that point we've dropped the mills on the City side by 5.66 mills. That's a 21%

decrease and since that point we've only seen an average growth in revenue of about 2% in property tax for Kansas City, Kansas. I will point out that the County side we did not drop as much. We dropped about 1.8 mills, but it is one of the lower growths out of the different taxing entities at 41% across the same time span.



Our different Tax Levy Funds across the Unified Government, we have 11 different Tax Levy Funds. Two of those funds are on the City side, the City Bond & Interest and the City General Fund. Nine of those funds are County Tax Levy Funds that go to support County services.

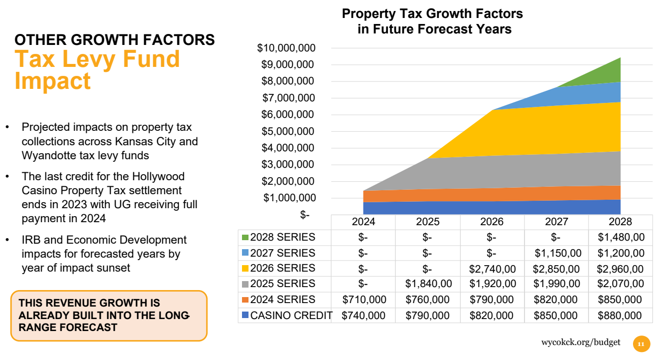


To show you a trend of growth over time, this was presented to the ED&F Committee earlier in the year, but property tax tends to be a less volatile source of income. We can see that the average percent growth on the County side was about 4% a year and the average percent growth on the City side was about 2% per year. Now, this is collections, so this is the value of a mill actually, so this is the collections for a mill that were received in each of those years. You can see that there was a little bit more volatility in the recent years with COVID and property valuations increasing as much as they have in the last—in 2021 and 2022 with the real estate market.

Commissioner Burroughs said thank you for that comment. When you say these are the dollars that a mill is rated—or reflective of on taxes collected or revenue collected, what about delinquencies. Is that number figured in with the mill rate (inaudible) total amount? **Mr. Peterson** said yes. A lot of times what we've shown in the past is the value on the full assessed value of a mill. This is the value that is actually on collections, which includes the delinquency rate. **Commissioner Burroughs** so this includes the delinquency rate. **Mr. Peterson** said this is how much we would actually anticipate collecting as the UG for the City and the County mill rates. **Commissioner Burroughs** said at that 100% collectability. **Mr. Peterson** said no, with the delinquency factor built in, so after the delinquency factor is built in. **Commissioner Burroughs** said yeah, they're not included. That's what I was trying to get figured out.

Mayor ProTem Bynum said I have a question to follow up on that. On the graph then the County graph is the one on the top line and in 2022 one mill would raise $1.6M. **Mr. Peterson** said that is correct. **Mayor ProTem Bynum** said the City side, one mill is going to raise—**Mr. Peterson** said roughly about $1.3M.

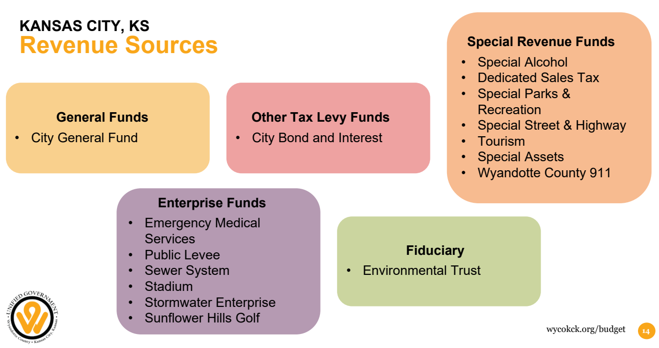
Commissioner McKiernan said to go back to Commissioner Burroughs question for just a moment on collections. Historically I was told that we used to budget in or calculate, figure 7% uncollected, when we constructed the income side of the budget. Is that about what we're still calculating? **Mr. Lindsey** said yes. **Commissioner McKiernan** asked, is the actual uncollected fairly close to that figure. I mean I'm assuming if we're continuing to use it, it must be, so we're at about 7% uncollected. **Mr. Lindsey** said I don't know that number for 2022. I don't know that number yet. **Commissioner McKiernan** said but historically, that's been about what the uncollected has been which then drives that number to the calculations for the next year. Alright.



	2024	2025	2026	2027	2028
2028 SERIES	$-	$-	$-	$-	$1,480,00
2027 SERIES	$-	$-	$-	$1,150,00	$1,200,00
2026 SERIES	$-	$-	$2,740,00	$2,850,00	$2,960,00
2025 SERIES	$-	$1,840,00	$1,920,00	$1,990,00	$2,070,00
2024 SERIES	$710,000	$760,000	$790,000	$820,000	$850,000
CASINO CREDIT	$740,000	$790,000	$820,000	$850,000	$880,000

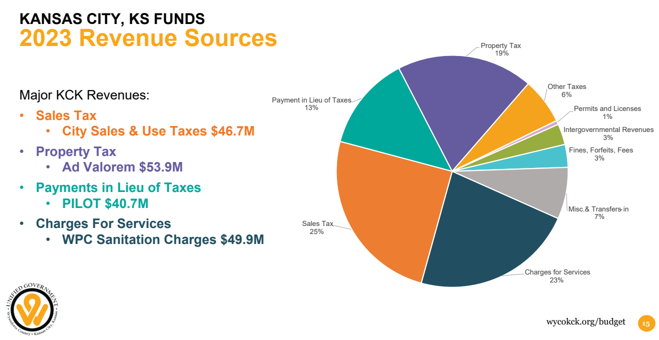
Mr. Peterson said we've been asked about what the impact economic development growth would be across the Unified Government, so Mike Grimm, our Research Manager, has helped put together some analysis of the additional growth that we would see due to the expiration of economic development deals and IRB's.

So, basically, what we can see here is over the next five years through 2028, we're expecting additional $9.4M in revenue in property taxes through the change in receiving those additional funds. This is across all the UG funds, so this would be about half City, half County and then would be further distributed into the various individual mills. I will definitely point out that these are already built into the long-range forecasts that you guys have already seen in prior workshops. This additional growth is built into our forecasts.



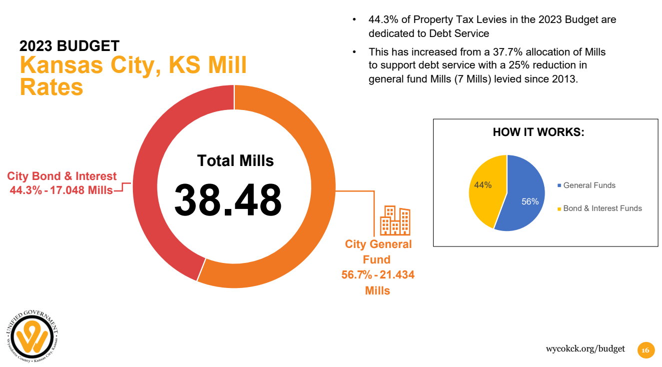
When I go specifically into the City and County funds, we are a Unified Government, but we have two different budgets. We have a budget for Kansas City, Kansas which is the budget that supports all the different city services and then we have a budget for Wyandotte County. First, we're going to spend some time going over the comparisons and mills for the City side of the budget amongst Kansas City's.

Kansas City, Kansas has 16 funds that we manage in the budget process. Two of those are Tax Levy Funds, seven Enterprise Funds or business type funds that are supported by primarily by charges for services and six Special Revenue Funds, which are designated use funds that we get revenue from specific designated sources.



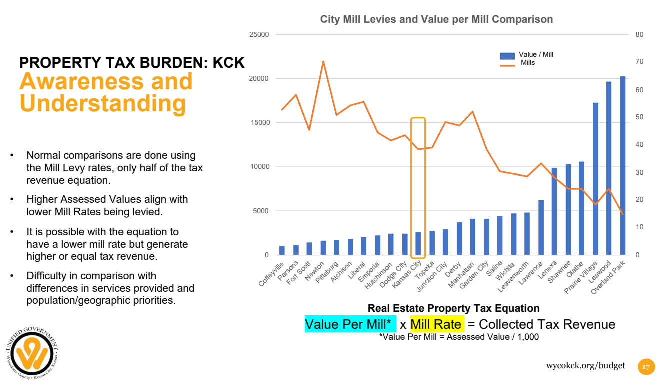
Of that budget, that's a $318.4M revenue budget, we can see that specifically Property Taxes makes up about 19% of that budget. That's substantially different than the County side of the budget that we'll talk about a little bit later. The largest revenue generator's for the City side of the budget are Sales Tax at 25% and Charges for Services at 23%. The primary reason for Charges for Services being so large are our business type funds of which Water Pollution Control by itself generates about $15M just with their sanitation charges.

Some of the substantial revenues that we get from the City side of the budget are Sales Tax at $46.7M, Property Tax is about $53.9M, Payment in Lieu of Taxes that we receive from BPU at about $40.7M a year.



When we look at the 19% of the City budget that is received from property taxes, that is collected on the mill rate that's levied on the City side of the budget, which is 38.48 mills right now. So, of those mills about 44.3% goes to support the City Bond & Interest Fund which is the fund that pays the principal and interest on our debt. Then, 56.7% supports the City General Fund, which is where we pay our general city services out of.

On an earlier slide we saw a 21% decrease in mills and so all of those mills that we took on the City side came out of the City General Fund side of the budget, so that was a 25% reduction in mills on the City General Fund side of the budget since 2013. That has changed the proportion of the mills that are going to support our debt service from roughly 38% to 44% of the mills to levy on the City side of the budget.



When you look at property taxes, property taxes are calculated and generated with a combination of the valuation of the community and the mill rates that are assessed. What this chart shows is it shows the relationship between the number of mills that are levied by a community and the value of that community. What you can see here is, these are the first-class cities in Kansas. The orange line is the number of mills that each community is levying and the blue bars are the amount of value that each organization is receiving for one mill. You can see Kansas City, Kansas is roughly in the middle of the chart towards the left side and you can clearly see the relationship between the value and the number of mills. So, basically, the more value that a community has, the less mills they have to levy to support the services that are provided to their community.

Commissioner McKiernan said I appreciate the data and this is going to set up what's going to come in two slides from now, but looking at this, do I understand correctly that, for example, we're going to compare Kansas City against Overland Park, that the mill rate or the multiplier against every dollar of value is higher in Kansas City than it is in Overland Park, correct? Yes, it's correct, right?

Debbie Jonscher, Acting Chief Financial Officer, asked, you said the mill rate, correct? **Commissioner McKiernan** said the mill rate, the multiplier. I mean the mill rate is simply the multiplier against value, so the mill rate is higher in Kansas City, Kansas—**Mr. Lindsey** said the mill rate is higher. **Commissioner McKiernan** said okay. So, that means that for every dollar of property value a larger chunk of that dollar comes because the multiplier, the mill rate, is larger and so a person in Kansas City, Kansas pays a larger chunk of every dollar of value. Even if the total bill might be lower, they pay a larger chunk of every dollar of value than the person in Overland Park. Would that be correct? **Mr. Lindsey** said yes.

Commissioner McKiernan said but Overland Park by virtue of having astronomically higher value, collects much more revenue than we do. So, a person in Kansas City, Kansas would say my mill rate is so high I'm getting charged so much out of every dollar of value, but the actual payment is lower because the value of the property is lower. Am I correct? **Mr. Peterson** said yes.

Commissioner McKiernan said I just want to make sure that we all understand that a mill rate does not equal how much money is paid because it's multiplied against value and sometimes we get caught on mill rates and we forget that it's multiplied against value and a lower value is a higher multiplier to get the same amount of money to run city and county services. I just want to make sure that we all understand—that I understand it and that we all get that out there, that it's not just the mill rate, but it's the mill rate against value that we ultimately want to take a look at.

Commissioner Johnson said just to dovetail on what Commissioner McKiernan is saying, you can see that—and we get into a lot of discussion about the value of our property taxes going up because of the market factors, but you can clearly see that we're nowhere near comparison to the county—that county data is right next to us if you look at the various cities of Lenexa, Overland Park, Leawood obviously, Prairie Village, Olathe; their values are significantly higher than the value that we have in Kansas City, Kansas. When persons come to me and they are talking about their taxes are so high, I say how much would it cost for you to build a house like you just built in

Wyandotte County over in Johnson County and if they would do the comparison, they would find out it would be significantly higher to build the same property. We have to be realistic in how we respond to community factors and voices when it says that we need to continue to lower taxes.

Commissioner McKiernan has already explained much better than I ever would, but we really need to make that a marker as we have this conversation with the community at-large.

Commissioner Markley said I just want to echo what Commissioner Johnson said. I mean it's something I say to new commissioners frequently, part of our job is education. We have to be sharing this information with our constituents so they understand what we're talking about and how things are calculated and how their bill gets the way it is.

Commissioner McKiernan said, again, I'm setting up two slides down the road here, but I mean if you consider out of every dollar of value, our residents are paying a little bit higher out of every dollar of value and that certainly is going to be felt on the taxpayers end, but that's necessary for us to gather the money to deliver high quality city and county services. So, ultimately, that's what we need to do and if we compound that need for a higher mill rate with potentially a lower median household income, then there are a lot of factors that make it feel like a lot of money is coming out of every piece of property, every household, but that's what's necessary for us to deliver the high quality city and county services that people want to receive or at least that's how I interpret it.

PROPERTY TAX BURDEN: KCK
Awareness and Understanding

- Kansas City, Kansas has half of the population density of other similar range Kansas 1st Class Cities
  - Significantly less population supporting city services per square mile
- Levied revenues are on the lower end of revenues generated per person to support city services
- Kansas City, KS generates half the revenue of other jurisdictions to support city services and infrastructure for our geographic footprint.

CITY	1 MILL REVENUE	POP PER SQUARE MILE	TAX PER CAPITA	TAX PER SQUARE MILE
Wichita	$4,398,161.37	2,459	$329.73	$810,880
Overland Park	$4,177,745.42	2,619	$308.45	$807,778
Olathe	$2,275,127.35	2,375	$385.63	$915,694
Topeka	$1,384,251.65	2,070	$433.01	$896,370
Kansas City, KS	$1,329,358.73	1,224	$334.91	$409,820
Lawrence	$1,169,509.26	2,933	$394.48	$1,157,207

REAL ESTATE PROPERTY TAX EQUATION
Value Per Mill* x Mills
= Collected Tax Revenue
*Value Per Mill = Assessed Value / 1,000

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Mr. Peterson said from this information we pulled out a handful of the largest cities that are in the state of Kansas on the 1st Class City list to do a little bit further detailed analysis. Here you can see the value of one mill, so this is the amount of revenue that's generated for one mill for each of these communities. I don't have the actual mill rates on here, but they're on the chart on the previous slide, so you can see that Kansas City, Kansas is towards the low end of this chart, substantially lower than Wichita, Overland Park, Olathe, some of the other communities that we can be comparable to.

Our population density, that's one thing that definitely set out to us is the amount of people that we have for land area, so the amount of people that we have to support our tax base is roughly half of what all the other cities on this list have for their geography. What that leads to is with our mill rate per capital taxation so that's the amount of revenue that we're generating per person, we're definitely towards the low end of this list. We're amongst the bottom three and then the amount of tax that we're levying per square mile in our community, we're generating half the revenue of the other communities on this list, if not more, to support our city services.

Mayor ProTem Bynum asked, can you go back one slide. On the graph, what do the numbers on the left and right-hand side represent? **Mr. Peterson** said the numbers on the left-hand side are the amount of revenue that we collect for one mill and then the numbers on the right-hand side are the number of mills that are levied by each community. **Mayor ProTem Bynum** said on the very far right, Overland Park, the top of the blue bar at 60 is what, 60 what, mills? **Mr. Peterson** said that would be the yellow—or the orange line, so that would be about somewhere in the range of 13-14 mills—**Mayor ProTem Bynum** said the blue bar is the value, assessed value of—**Mr. Peterson** said the value of a mill in that community. **Mr. Peterson** said the right side is corresponding to the orange line, so the right side is the number of mills that are levied and the left side is corresponding to the blue bars, which is the value that's in a mill for that same community.

Mayor ProTem Bynum said I'm sorry, I do not know, on the far right blue bar representing Overland Park, it's sitting right at the number 60. **Mr. Peterson** said that 60 is corresponding to the orange line. It's the opposite. The values on the—the blue bar is corresponding to the $20K number on the left, which is not $20K, but the orange bar is about the 14 on the right, so they're opposite. We can give you the data behind this.

Mayor ProTem Bynum said yeah, I mean I get the concept. I just—**Mr. Lindsey** said the line is saying that Overland Park, they are paying probably around 17 mills and then their assessed value with the blue line is amount $20M that's assessed value for each. **Mayor ProTem Bynum** said for each mill. So, you're telling me—this is where I'm going and I don't have to dwell on this chart, but our city one mill is worth $1.3M and then Overland Park one mill is generating what, $4.1M. That's what your next slide says, but I didn't know if this graph was trying to illustrate the same thing, but I guess it's not. I'll move on. **Mr. Peterson** said it is and we can doublecheck the graph for sure.

Commissioner Burroughs said I'm going to go back to the delinquent tax issue. I see what we generate here per mill, but do we know what the industry standard is across the board for cities of the first-class on delinquency rate? Do we have any idea? Is our rate within the industry norm if there is such a thing, are we high on delinquency and unpaid taxes? I'm just trying to get a handle on how we can increase that value of that mill if we're not discounting or forgiving property tax value on delinquencies or what we can do to address delinquencies because that is income that we're not able to calculate. If we're going to appropriate dollars through policy for programs, then I would like to know how much we're not collecting in revenue and then how much we're giving away in revenue before we even have it or if we ever have it. **Mr. Lindsey** said we don't know what the other first-class cities delinquencies rates are. We do base our delinquency rate historically on what we have collected. That is a number that we can look into, but our rate is based on what we have collected in the past and currently we do—we haven't visited what our delinquent rate was actually for 2022.

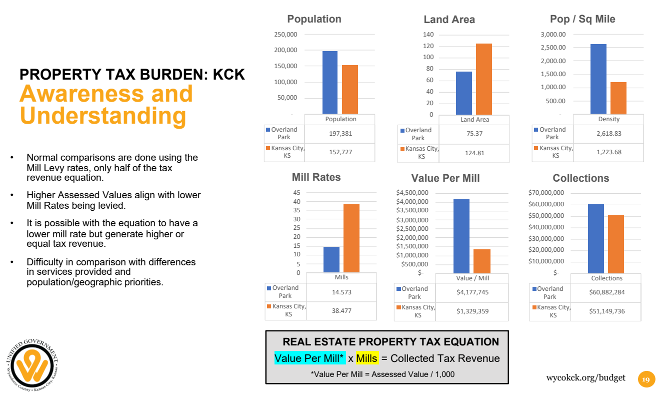
Commissioner Burroughs said great and I appreciate that, and if I may Madam Chair, the reason why I ask that is because if we look at a standard delinquency rate of 7%, we just get used to seeing 7%, we're going to mark 7% delinquency, we don't address it, but if we see it jump to 8, we might say we might want to look at it. If we see it jump to 10, now we know we've got an issue, but if it's 7 and it stays at 7 and we continue to put it in, then it shares with us, it shares with me, that we're not addressing the delinquency issue rather we sell it in a portfolio to an industry to go out and sell it for 50 cents on the dollar and we get something for it and let them go out and collect it and foreclose or whatever so we don't have to be the bad guys. I would like to kind of understand what our delinquency rate is and how much money that may entail. It would give us an idea at a future meeting, that's fine. I don't need an answer tonight.

Mr. Peterson said I know that is something that we have addressed in the past. That was one of the things that was specifically targeted through the SOAR initiative and we did a lot of work on delinquent revenue collections. I am not—this is the first year that Budget specifically is handling the revenue side and so I'm not very familiar with all that at the moment, but we can definitely look into it.

Commissioner Burroughs said (inaudible). That may be one that we can grab quickly.

Mayor ProTem Bynum said welcome Commissioner Stites.

Ms. Jonscher said I just wanted to say that in the past, prior to COVID, I believe we were in the 5% range on delinquency. I'm trying to remember back. I think it was in 2021 that we may have bumped that up to 7% and then held it in 2022 at 7% and I believe from our Fourth Quarter Budget-To-Actual Report we were at just a little over 100%, so I think we may be a little less than 7%, but we'll be looking at that before we finalize all of our numbers for the 2024 Budget.

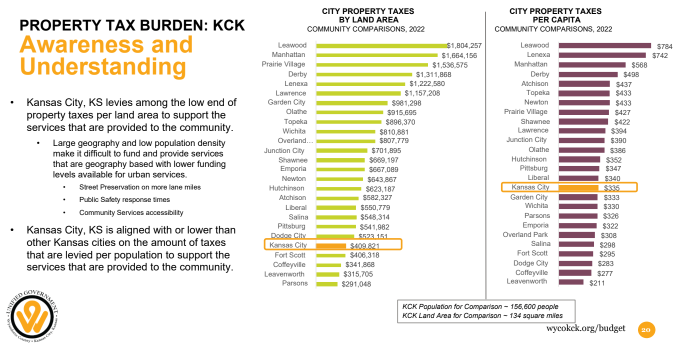


Mr. Peterson said just for one specific example, we wanted to pull out one of the communities (inaudible) specifically here ourselves referenced to show the relationship between the value per mill and the collections and the mill rates. This is a direct comparison between Kansas City, Kansas and Overland Park. What you can see on the chart population wise, we're fairly similar, 150 to 200 population, land area they are substantially smaller in size than we are in Kansas City, Kansas, so our population density is less than half of what—they have more than doubled the number of people per their land area than we do in Kansas City, Kansas. So, mill rates, their mill rate is about 38% or it's substantially less than ours. Their mill rate is about 14.5, ours is 38.5. However, the value per mill, their value per mill is about three times what ours is, so for every mill of revenue—every mill that they levy they generate about $4.2M in revenue. For every mill that we levy we generate about $1.3M in revenue, so basically, the end result of that is that they end up generating 19% higher revenue than we do in Kansas City, Kansas for a mill that's less than half of ours, that's 38% of ours.

Commissioner Ramirez said this map or this tells what Commissioners McKiernan, Bynum, and everyone was trying to get to, so I'm just going to, for my brain, to clarify. Overland Park has a much lower mill rate than we are, but their mill is generating a lot more than ours. My big question may have been answered, why, more value, more people, alright. **Mr. Johnston** said the assessed value of the city's pool is far higher than ours and so that's the basis. Then, when you look at the charts that are up there now, it kind of paints the broader understanding of—they have a larger population, your density and their density is a little higher than ours. You can drive through our Kansas City, Kansas area, there's a lot of undeveloped land that has a lower assessed valuation than a building has on it. You go to Overland Park, they're right next to each other and has a higher value, so one mill of that because of a higher assessed valuation, they get more revenue into the coffers.

Commissioner Ramirez said from that, and please correct me if I'm wrong staff or colleagues, what we need to do then is increase our population and increase assessed valuation to help lower the mills. **Mr. Johnston** said you need to increase the assessed valuation. **Commissioner Ramirez** said yes, that's what I said, assessed valuation and increase our population. **Mr. Johnston** said your property tax isn't driven by your population. It's based on your assessed valuation. **Commissioner Ramirez** said okay.

Mr. Johnston said one thing—we all get kind of into the weeds on property tax. It's a very simple algebra equation. It's assessed valuation times by your tax rate equals the levy, the amount of money that you get. It's very simple when you do it that way because that's the basis. That's what our appraisers do across the country to get to your levy, so it's very simple to do that. If you have that understanding, it's that simple of an equation.



Mr. Peterson said going further, we went and did the benchmark against all the different first-class cities as to where the revenue that we collect for our land area compared to other communities and then the revenue that we generate with property taxes per person compared to other communities, so what we found is that for Kansas City, Kansas the revenue that we're generating per person is roughly middle of the road. We're fairly low on the end of the scale especially compared to some of the higher end communities like Leawood or Lenexa that are generating almost double—or double what we are per person on their revenue collections.

On the land area comparison we are almost towards the bottom, so we're generating substantially less revenue to support our geography than other communities. We're down there with Coffeyville, KS., Fort Scott. We did notice that Leavenworth stands out because it is one of the larger communities, but as we—I'll point out again when we go through sales taxes, they specifically have levied a 1% sales tax in their community to offset property taxes for property tax relief. That's probably one of the reasons why they're at the bottom of the chart.

Commissioner Johnson said I love this chart and by the way, I love this presentation. My hats off to you all. You've done a great job. You're not finished yet, but I wanted to let you know already, thank you for this work.

What this does not really measure for—maybe Commissioner McKiernan might be able to help skew a little better for me is, our people are working in the southern—in Johnson County, a lot of our people are while people from other counties are coming into Wyandotte County and getting our higher paying jobs. Somehow that's kind of fitting in here and I don't know how or where, but I do know there's this transfer of income so that we are continuously at the lower side of the household median income and so when this dialogue about paying too much taxes, I want to take this to everybody and flip it over and say this is what's happening. This is the dynamic of what's happening in our community. You don't just flip these things. These things take place over generations and I think we're slowly moving in the right direction, but it's hard to explain to the persons that don't have access to this information. You're right Commissioner Markley. We have to do a better job of communicating to our constituents about the dynamics that are happening in our city because it's not just as simple as well, just cut the taxes though we can do that, but we're going to have to fire a whole lot of people. All of that is fixed up into these bars and, again, I'm going to stop. I just tore it out so I can take this around with me, put it in my wallet.

Commissioner Davis said I echo everything you all are saying. If I remember correctly, just for the public, for you all to be aware, every year the Appraiser pulls us off to the side, we all have meetings, on-threes, where we are given an analysis on the housing market in Wyandotte County. If my memory serves me correct, the median home value in Wyandotte County is $185K and growing. The median home value for Johnson County is $425K if I recall that information correctly. That is having an impact on what we are seeing because we talked about the value. That's what Commissioner McKiernan, what Commissioner Ramirez, and others are alluding to. For us to solve this, we need more people, but I can also hear Mr. Kindle, the Wyandotte County Economic Development Council, also saying our people need to be lifted up, higher paying jobs, higher household incomes that can handle the increase in assessed value so that when there's an increase you got it. There's education, there is access to good jobs, there is investment in people and young people.

When we talk about the need for more people and we talk about density, I think we have to be mindful of what everybody wants to see for livability in Wyandotte County, that we have to be mindful and have a generational approach to economic development because—love our seniors, right, but the average Wyandotte Countian is about in their early 30's and so there's this question of how do we appeal to everybody. How do we appeal to everybody.

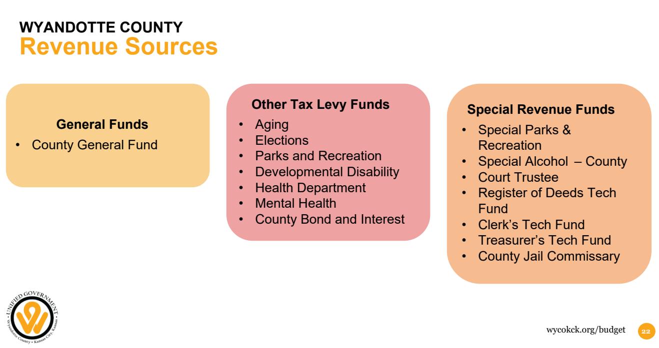
Here's the other thing, I was hearing this podcast about the Silver Tsunami and the fact that baby boomers are retiring and there's this question of how are millennials, (inaudible), how are we going to support our parents, how are we going to support our grandparents as they are entering into retirement. We will have to be very thoughtful about that, but we need to grow this city back to pre-consolidation levels, particularly for KCK.

I would love maybe in another presentation for us to get the history of the population for Wyandotte County and for KCK because I'm sure, colleagues, if you have not seen that information, you will see we lost a lot of people in the 80's and 90's prior to consolidation because of various issues and that has resulted in the numbers of what we're looking at today.

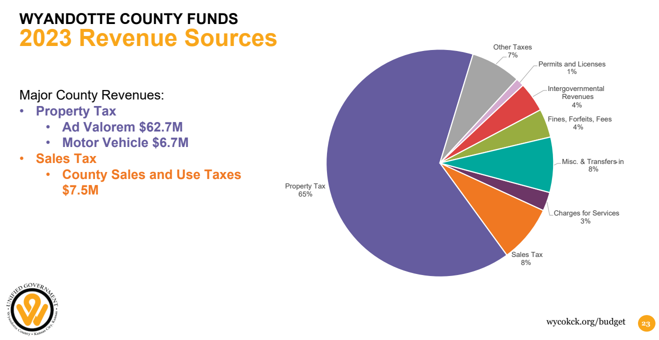
Commissioner Bynum said I just wanted to say that the population decline began in the 70's and so after consolidation is when we saw the population begin to trend back upwards. I think it's very interesting, we've had this conversation many, many times over these years of budgeting through these difficulties, so there's no doubt that when you speak of things being generational, you're 100% on target because everything that we're working on this year we worked on last year and the seven years prior to that, that I have been here. It's a very incremental thing.

I think it would be interesting for us to revisit these population trends that you speak of because they are critical to what's happening here. Thanks, that's all I wanted.

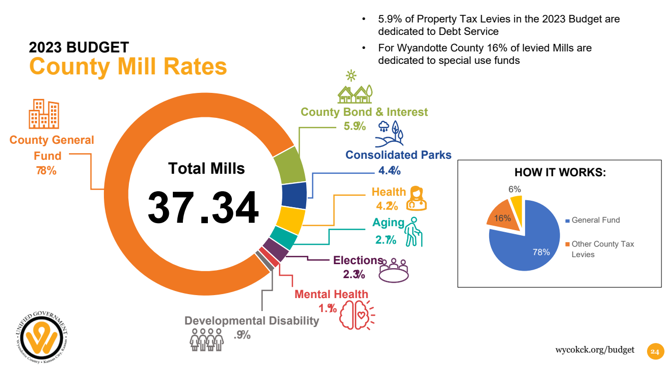
Mr. Peterson said I will just point out that the land area one is particularly interesting to us because a lot of our city services are geography based so if you think about our city parks, you think about police response times, fire response times, where our fire stations are located, the amount of road infrastructure that we have, curbs and sidewalks, all of that is geography based, so it's all—if you have a bigger geography, you need more of it to sustain the same area. When we're generating as little revenue as we are from property taxes, that kind of illustrates why we're having so many struggles on the City side of the budget.



I'm going to transition over to the County side of the budget. The County side of the budget for Wyandotte County is made up of 15 different funds. Significantly and substantially different from the City side of the budget. Eight of these funds or over half are Tax Levy Funds and they make up the largest portion of the Wyandotte County budget.

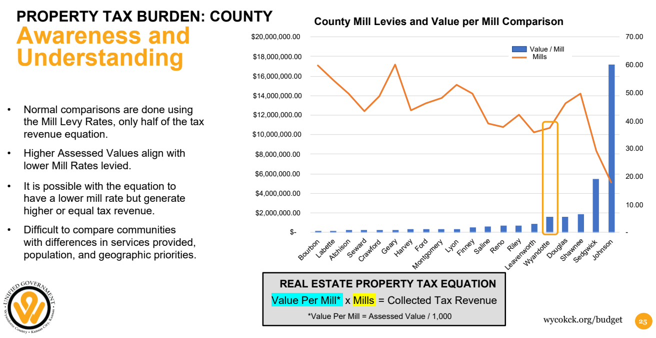


Property Taxes was about 19% of the City budget, it's 65% of the County side of the budget which is about a $109M budget.

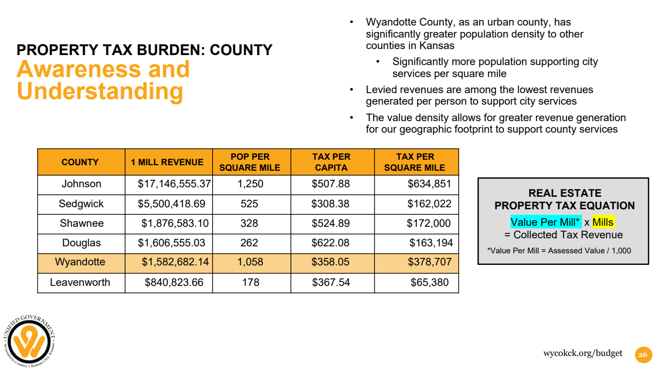


The County side of the budget is roughly about 37 mills, so it's somewhat equivalent to the City side of the budget as far as the mill levy goes. A substantial difference to the City side of the budget is only 5.9% of the budget—of the mills that are being levied on the County side are going to support the County Bond & Interest Fund, which means different than the City side of the budget, 94% of the mills that are levied on County side of the budget are going to support services that we are providing to the community and that we're able to leverage against operations.

Also, significantly we have about 16% of our mills that are levied to different various Special Use Funds that are unique from the City side of the budget. Those range from the Health Levy, Aging Levy, Elections, Mental Health, Developmental Disability, and Consolidated Parks.

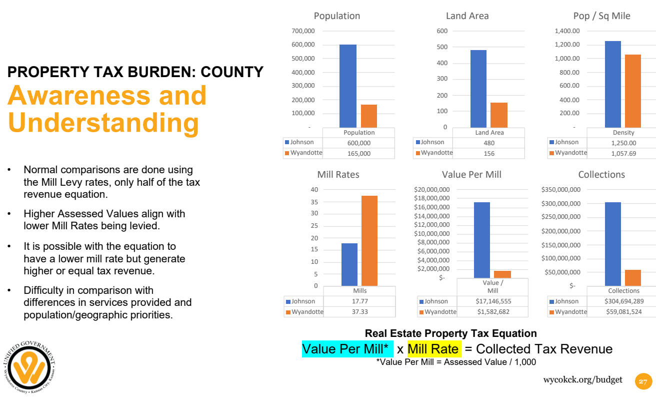


Again, here is a view of the relationship between the mills—the mill rates for the different counties and so there's substantially more counties than what are shown on this chart in the state of Kansas. What we did is we pulled out the counties that contain the first-class cities, so these are all the counties in the state that contain some of the first-class cities, the 25 first-class cities that we saw on the first chart. This is, again, the relationship between the value of a mill and the number of mills levied. You can see words toward the right side of the chart.

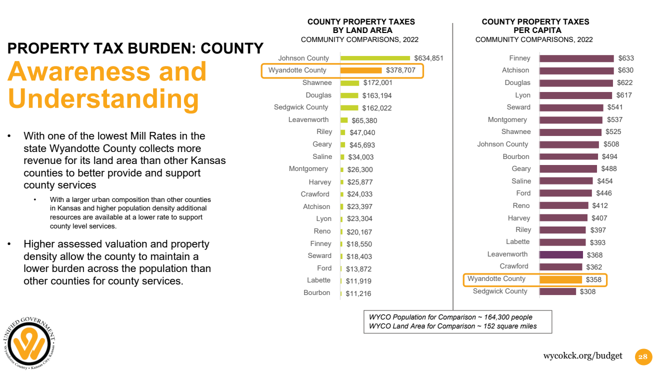


COUNTY	1 MILL REVENUE	POP PER SQUARE MILE	TAX PER CAPITA	TAX PER SQUARE MILE
Johnson	$17,146,555.37	1,250	$507.88	$634,851
Sedgwick	$5,500,418.69	525	$308.38	$162,022
Shawnee	$1,876,583.10	328	$524.89	$172,000
Douglas	$1,606,555.03	262	$622.08	$163,194
Wyandotte	$1,582,682.14	1,058	$358.05	$378,707
Leavenworth	$840,823.66	178	$367.54	$65,380

Wyandotte County is substantially different on the comparison for our population density and our tax per capita and tax per square miles than the City side of the budget. We are definitely a more urban county than the other counties in the state of Kansas, so our population density is double or more what the population density is of other counties that we're looking at. These are the counties that contain some of the major cities in the state of Kansas. What that means for the county residents of Wyandotte County is that we're able to levy substantially lower tax collections per person than other counties are for their county services and even though we are levying substantially a lower tax per person, we're able to generate a lot more revenue to support our county services, which are the services that are demanded by an urban population.



This is the same chart that we saw for Overland Park. This is specifically Johnson County versus Wyandotte County just because, again, we frequently get compared to our neighbor. What we can see, Johnson County has substantially a higher population than we do. Their land area is also larger. Our population density is roughly similar just because we're both largely urban counties. The mill rate, they're levying roughly half the mills that we are in 2022, so their mill rate in 2022 was 17.77 mills, ours was 37.33; however, they're able to generate about ten times the amount of revenue that we do for one mill of property taxes and that results in about five times more revenue that's generated for that half—half the mill.



Again, comparing to similar what we did on the City side, this similar type chart, so what we're seeing here is for our geography we're able to generate substantially more revenue than other counties are in the state of Kansas just because of our assessed value, just a different picture. Just because of the urban nature of our county compared to other counties we have a higher assessed value so we can generate more revenue for our mills and that results in a lower tax burden on our average citizen compared to the other counties in Kansas for the county services that we provide.

That ends the property tax portion of our presentation.

Commissioner Ramirez said with this showing—saying our County side is collecting more revenue, correct? Is that what's it's saying? **Mr. Peterson** said on the City side, because we have so few people per our area, we were on the low end of the collections for a land area because we have a higher population density than other counties do in the state of Kansas. We're on the higher end of—we have more value density than other counties in the state of Kansas, we're on the higher end for the amount of revenue that we're able to generate for our geography.

Commissioner Ramirez said okay. This kind of correlates to what we've been saying as our County side of the budget is a little more healthy, more stable than our City side, so this shows the data and this gives us the actual data to say for a fact that our County side is a little more stable than our City side.

Commissioner Davis said I would just like to say that I know that Johnson County is our neighbor, you know, it's south of us, but comparing us to Johnson County is just not fair and I think it's very helpful just because that's what we see, but I think we've just got to find peers that are far more comparable to our history, to kind of the level of wealth, in access, in education and growth. I tell residents this all the time, it's just apples and oranges just considering the—**Commissioner Markley** said apples to pizza. **Commissioner Davis** said different food groups at this point. Just given that the level of wealth—and let's be honest and we've talked about it and the H.E.A.T. Report has talked about it, redlining also played a role here. The redlining happened in Wyandotte County, but the green lining and the blue lining where federal investment went in and said yes, we will go ahead and subsidize that investment for homes and for community building that went south of us. So, there is a role that the federal government plays in this as well.

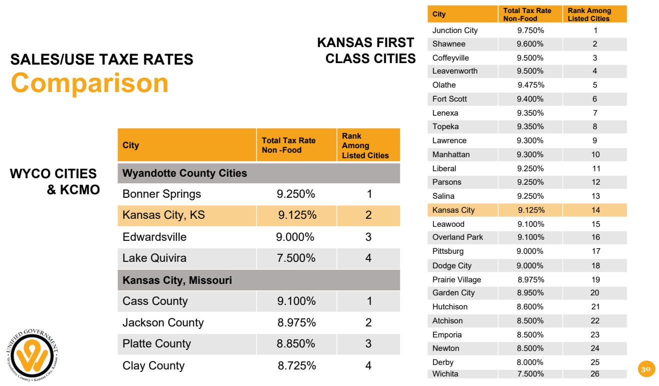
Commissioner McKiernan said I think you all have done a great job of pointing out to us the—how much value plays into driving the mill rate to generate the revenue that it takes to provide city and county services. I want to go back to something that Commissioner Johnson said earlier and that is the fact that I think if I get Greg Kindle correctly here, we have about the highest salary per job in Wyandotte County, but our citizens have one of the lower per capita incomes in Wyandotte County and I think that compounds the challenge because people who expect high levels of city/county services in a county where there was low valuation overall, when you add a low household income on top of that, it just increases how much that payment hurts, so to speak, out of any households income.

So, one of the other things, generationally, that we have to do is figure out how to get those more high paying jobs that are already here occupied, taken by citizens who are already here and I get it, that's a big heavy lift, but that's one of the things that we need to be thinking strategically about as we move forward.

Mr. Peterson said I'm going to turn it over to Mike Grimm, our Research Manager.

Commissioner Stites said more of a statement. I will tell you, you know, it's interesting, we have a lot of unfilled high paying jobs in our county right now, so I don't know if it's that we're not getting the proper training to those folks to get those jobs. There are jobs everywhere. If you want to work in this county, there's a job for you. If it's training that we need to maybe focus on to get those folks trained up to get those jobs, maybe just something to chew on there.

Mike Grimm, Research Manager, said I'm going to spend some time and talk about Sales Taxes and the Tourism Tax, specifically focusing more so on the rates of the Sales and Tourism Tax.



City	Total Tax Rate Non -Food	Rank Among Listed Cities
Wyandotte County Cities		
Bonner Springs	9.250%	1
Kansas City, KS	9.125%	2
Edwardsville	9.000%	3
Lake Quivira	7.500%	4
Kansas City, Missouri		
Cass County	9.100%	1
Jackson County	8.975%	2
Platte County	8.850%	3
Clay County	8.725%	4

City	Total Tax Rate Non-Food	Rank Among Listed Cities
Junction City	9.750%	1
Shawnee	9.600%	2
Coffeyville	9.500%	3
Leavenworth	9.500%	4
Olathe	9.475%	5
Fort Scott	9.400%	6
Lenexa	9.350%	7
Topeka	9.350%	8
Lawrence	9.300%	9
Manhattan	9.300%	10
Liberal	9.250%	11
Parsons	9.250%	12
Salina	9.250%	13
Kansas City	9.125%	14
Leawood	9.100%	15
Overland Park	9.100%	16
Pittsburg	9.000%	17
Dodge City	9.000%	18
Prairie Village	8.975%	19
Garden City	8.950%	20
Hutchison	8.600%	21
Atchison	8.500%	22
Emporia	8.500%	23
Newton	8.500%	24
Derby	8.000%	25
Wichita	7.500%	26

This first slide, just a little bit of context, the table on the right looks at Kansas first-class cities and the total sales tax rate in that city. We're not including any special taxing districts, CID—Community Improvement Districts or Transportation Development Districts. We're not carving out any of the state's reduction on the Food Sales Tax, so just in general what somebody would pay if they buy an item that's nonfood.

We see Kansas City, Kansas 9.125%. That rates fourteenth. Out of the 26 first-class cities, the top of the list is Junction City 9.75, the bottom Wichita. I'll point out they do not have a city sales tax being Wichita.

On the left we see the cities of Wyandotte County and Bonner Springs 9.25%, there's Kansas City, Kansas ranks second, Edwardsville at 9% and a little bit of Lake Quivira in Wyandotte County, again, no city sales tax there.

We put a little bit of information on our neighbors across the state line, Kansas City, Missouri just because people do have a choice of where they go shop. As you may know, Kansas City, Missouri lies in four counties, so therefore, they're going to have a little bit different sales tax rate. You can see the rates there. Just generally a little bit lower when we look at—compared to Kansas City, Kansas. There's some other metropolitan communities on the Kansas side.

Mr. Lindsey said if you go back to that slide, one of the things—we also compare Kansas City, Missouri because some of the social needs we have in the city of Kansas City, Kansas are some of the same social needs that Kansas City, Missouri has, so we wanted to make sure we look at their sales tax as compared to us also. We have more information on that as Mike goes through comparing the tax rates.

SALES TAX DETAIL

Kansas Counties/Cities

WYANDOTTE COUNTY

KANSAS CITY, KS	Current Rates
State of Kansas	6.500%
Wyandotte County	1.000%
Kansas City, KS, City	
General Fund	1.000%
EMS (no sunset)	0.250%
Public Safety/Infrastructure (10-yr tax; expires 6/30/2030)	0.375%
Total City Rate	*1.625%*
Total Current Sales Tax Rate	**9.125%**

Bonner Springs (Wyan. Co. pt.)	Current Rates
State of Kansas	6.500%
Wyandotte County	1.000%
Bonner Springs, City	
General Fund	1.250%
General Capital Improvements	0.250%
Public Safety & Emergency Services Capital	0.250%
Total City Rate	*1.750%*
Total Current Sales Tax Rate	**9.250%**

Edwardsville	Current Rates
State of Kansas	6.500%
Wyandotte County	1.000%
Edwardsville, City	
General Fund	1.000%
Roads, Park, Fire/EMS	0.500%
Total City Rate	*1.500%*
Total Current Sales Tax Rate	**9.000%**

JOHNSON COUNTY

Olathe	Current Rates
State of Kansas	6.500%
Johnson County	
General	0.500%
Public Safety	0.250%
Public Safety Capital & Operations Tax	0.250%
Courthouse	0.250%
Storm Sewers	0.100%
Education Triangle Tax	0.125%
Total County Rate	*1.475%*
Olathe, City	
General	1.000%
Street Maintenance Sales Tax	0.375%
Parks	0.125%
Total City Rate	*1.500%*
Total Current Sales Tax Rate	**9.475%**

Overland Park	Current Rates
State of Kansas	6.500%
Johnson County	
General	0.500%
Public safety I	0.250%
Public safety II	0.250%
Courthouse	0.250%
Stormwater	0.100%
Research triangle	0.125%
Total County Rate	*1.475%*
Overland Park, City	
General	1.000%
Street Improvements	0.125%
Total City Rate	*1.125%*
Total Current Sales Tax Rate	**9.100%**

Lenexa	Current Rates
State of Kansas	6.500%
Johnson County	
General	0.500%
Public safety I	0.250%
Public safety II	0.250%
Public safety III	0.250%
Stormwater	0.100%
Research triangle	0.125%
Total County Rate	*1.475%*
Lenexa, City	
General	1.000%
Parks, roads, civic center project	0.375%
Total City Rate	*1.375%*
Total Current Sales Tax Rate	**9.350%**

Shawnee	Current Rates
State of Kansas	6.500%
Johnson County	
General	0.500%
Law Enforcement	0.250%
Public Safety	0.250%
Courthouse	0.250%
Stormwater	0.100%
Research triangle	0.125%
Total County Rate	*1.475%*
Shawnee, City	
General	1.000%
Parks, Trails, Stormwater	0.125%
Public Safety	0.125%
Streets, Curbs, Sidewalks	0.375%
Total City Rate	*1.625%*
Total Current Sales Tax Rate	**9.600%**

Mr. Grimm said this next table we just focus on Wyandotte County, the three cities less Lake Quivira, and the sales tax rate. Sales tax rates kind of have three components level of governments. We have our state rate at 6.5%. Of course, that's going to be the same for all entities or cities. Here in Wyandotte County we have a 1% county tax and then the cities have their own sales taxes and then that's where, at least in Wyandotte County, we start to see what we call Specials. Here in Kansas City, Kansas we have our EMS quarter cent sales tax, our Public Safety Infrastructure Dedicated Sales Tax, so when you add up the three entities state, county, city, you get your total.

Sales Tax rate, Bonner Springs and Edwardsville also have some Specials on the City side as well as, you can see, there's a General Sales Tax rate for each of those cities.

When we look at Johnson County, I just chose four of the more frequently discussed cities that we're aware of. Of course the state rate is going to be the same. We start to see on the County that they actually have what we call some Specials. There are three of them that are Public Safety related. They've had three different referendums over the years. There's a Storm Sewer and an Education Triangle, that Research Triangle Sales Tax rate, and then also for each of these cities there are some Specials mainly focusing around Public Works, Streets, Sidewalks, etc. and then Parks.

SALES TAX DETAIL

Kansas Counties/Cities

Other Communities

Lawrence	Current Rates
State of Kansas	6.500%
Douglas County	
Jail & Health Buildings	1.000%
Mental Health	0.250%
Total County Rate	*1.250%*
Lawrence, City	
General	1.000%
Streets & Infrastructure	0.300%
Public Transit	0.200%
Affordable Housing	0.050%
Total City Rate	*1.550%*
Total Current Sales Tax Rate	**9.300%**

Leavenworth	Current Rates
State of Kansas	6.500%
Leavenworth County	1.000%
Leavenworth, City	
General	0.500%
Community Center & Capital Improvements	0.500%
Property Tax Reduction	1.000%
Total City Rate	*2.000%*
Total Current Sales Tax Rate	**9.500%**

Topeka	Current Rates
State of Kansas	6.500%
Shawnee County	
General	0.700%
Washburn University	0.650%
Total County Rate	*1.350%*
Topeka, City	
General	1.000%
Street, curb, gutter, sidewalks	0.500%
Total City Rate	*1.500%*
Total Current Sales Tax Rate	**9.350%**

Wichita	Current Rates
State of Kansas	6.500%
Sedgwick County	1.000%
Wichita, City - *No city sales tax rate*	0.000%
Total Current Sales Tax Rate	**7.500%**

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Just to look at a few other communities on the Kansas side, so Lawrence we do see on the county they have their Specials. They have Jail and a Mental Health. As referenced earlier for Leavenworth, you see they have their Property Tax Reduction Mill Levy on the city side, but also in Lawrence or Douglas County, I'll say, they have a Mental Health Mill Levy where, of course, all of our Mental Health Services are provided by the property tax funding. Also, the city of Lawrence has a Public Transit Sales Tax. That's coming out of our General Fund, so you start to see some variation on sales taxes and, again, that can be used to offset perhaps, you know, property tax mills.

Topeka, just some Specials. Wichita, and again, they have a County 1% and then no sales tax for the city.

Commissioner Stites asked, would you be able to explain on Leavenworth, the Property Tax Reduction Sales Tax, how does that work. What does that exactly mean? I'm not sure I know. **Mr. Grimm** said I don't have a definition, but I would presume that it's just what it is, that it's revenues that—on the city, and we'll get into this in a little bit, on the City side you can add a Special and define it for whatever you want, to a point I presume. You could have sales tax generated that you would help offset—or it would go into your General Fund like we do our property taxes—**Commissioner Stites** said County sales tax, right? **Mr. Grimm** said this is on the City side. **Commissioner Stites** said Leavenworth City. **Mr. Grimm** said City, 1%. **Commissioner Stites** said those allocated funds would go to the City of Leavenworth, not the County of Leavenworth. **Mr. Grimm** said I would presume, yes. **Commissioner Stites** said interesting. So, they're using tax dollars generated by other, hopefully, people that are shopping from outside the city limits of Lansing, right, because they're not trying to put the tax burden on the residents to use those funds to offset a property tax. **Mr. Grimm** said correct and that's an argument with sales tax. You get folks coming in from outside the county to help pay for potentially some other services. **Commissioner Stites** said got it.

Mr. Lindsey said also, Commissioner Stites, a little earlier in the presentation we did cover the city of Leavenworth where they did have one of the lower property tax rates compared to other cities, so that's one of the reasons they were able to do that because they have this Special Sales Tax. **Commissioner Stites** said I apologize that I missed that, but I was sitting on I-70 at 78th Street with a flat tire, so I'm sure it was valuable information.

SALES TAX DETAIL
KCMO

KANSAS CITY, MISSOURI	Jackson Co.	Clay Co.	Platte Co.	Cass Co.
State of Missouri	4.225%	4.225%	4.225%	4.225%
General	3.000%	3.000%	3.000%	3.000%
Education	1.000%	1.000%	1.000%	1.000%
Conservation	0.125%	0.125%	0.125%	0.125%
Parks & Soil	0.100%	0.100%	0.100%	0.100%
County Rates	1.500%	1.250%	1.375%	1.625%
County	0.500%	0.500%	0.500%	0.500%
County Law Enforcement	n/a	0.125%	0.500%	0.250%
General County, Misc.	0.250%	0.250%	n/a	0.500%
Children's Services Board	0.250%	0.250%	n/a	n/a
Transportation	n/a	n/a	0.375%	n/a
Stadium	0.375%	n/a	n/a	n/a
Zoo	0.125%	0.125%	n/a	n/a
Emergency Services	n/a	n/a	n/a	0.125%
Law Enforcement	n/a	n/a	n/a	0.250%
Kansas City, Missouri - City Rates	3.250%	3.250%	3.250%	3.250%
Capital Improvement	1.000%	1.000%	1.000%	1.000%
Public Mass Transit	0.500%	0.500%	0.500%	0.500%
KCATA	0.375%	0.375%	0.375%	0.375%
Firefighters	0.500%	0.500%	0.500%	0.500%
Public Safety	0.250%	0.250%	0.250%	0.250%
Parks	0.500%	0.500%	0.500%	0.500%
Central City Economic Development	0.125%	0.125%	0.125%	0.125%
Total Kansas City, Missouri Sales Tax Rates	8.975%	8.725%	8.850%	9.100%

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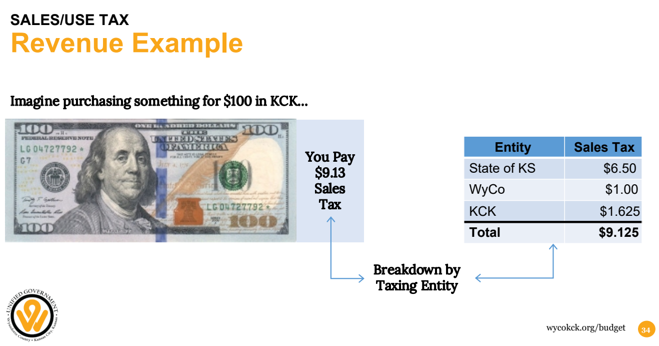
Mr. Grimm said we'll just take a little bit deeper look at Kansas City, Missouri and again the city of Kansas City, Missouri lies in four counties. The state has a sales tax rate of 4.225, so a little over 2% higher than Kansas—lower, I'm sorry, thanks Michael. The County Rates average about 1.4. On the counties that we looked at on the prior slides is about 1.8, so close. The cities—well, you see that's going to be the same in each County 3.25 and then the cities that we looked at previously, an average of 1.6. So, you kind of net all those out and the state is a little bit lower for Kansas City, Missouri. The County is about the same as the City, it's a little bit higher, so all in all it's just a little bit lower sales tax.

We'll point out what's been mentioned, we see quite a few more Specials on the County and City side from Transportation and, of course, the County has the zoo and the stadium. On the City we do see Public Transit, for example, so they do have a little bit more of a funding mechanism coming from sales tax, a little more broadly than we do on the Kansas side.

Mr. Lindsey said one thing I'll add is this is an example with the Special Sales Tax on the City side in Kansas City, Missouri, they have two Special Sales Tax for Transit. I'll just give an example, our Transit is about $7M within our City General Fund, so if we did have a Special Sales Tax for Transit, I mean that's like $7M we could remove from our budget that could go to other services or to reduce a mill. This is just an example of what different Special Sales Tax could do.



Mr. Grimm said if we start to focus on—when we get these sales taxes in, you know, what do those monies look like, where do they go. So, if we had a $100 purchase in Kansas City, Kansas, the state would get total sales tax rate 9.13%, the state would get $6.50, Wyandotte County would get $1.00 and the City would get about $1.63.

Commissioner Ramirez asked, Reggie, could you repeat what you said a minute ago about Special Sales Tax and what that could do? It was towards the end before we moved on. **Mr. Lindsey** said Kansas City, Missouri has two Special Sales Tax for Transit and we fund our Transit out of our City General Fund while their Transit is funded by Special Sales Tax and so our Transit budget is about $7M out of our City General Fund and some years that's what our deficit has been in the City General Fund, that is about what it is now, but it grows in future years. If we had the possibility to fund it, our Transit, from Special Sales Tax, we could almost eliminate our deficit and we could make—**Mr. Johnston** said you just add a little extra on your sales tax and it's going to pay for that service. You can take that service out of your Property Tax General Fund.

Commissioner Ramirez said and this where—internally—it's an internal battle for myself because sales tax is a very regressive tax. Our lower income feel it more than our higher income individuals. I mean Wyandotte County is already a lower income community and so, yeah, we're off-setting lowering—we may be lowering our—off-setting from our property tax, but we're increasing our sales tax. In my mind doing that we're paying Peter to pay Paul or we're robbing Peter to pay Paul at that point in my mind. That's how I'm reading it. **Mr. Johnston** said usually where you see the sales tax supplanting property tax revenue is where you have a significant tourism business, where you're betting that you're going to have more outside consumption than internal consumption. That's why you see a lot of cities that have airports say we're going to have airport ticket tax, we're going to have a local sales tax on rental cars because it's outsiders paying that, not our local residents, and then they will take that money for specific uses so you don't have to raise the property tax to provide those local services. **Commissioner Ramirez** said okay.

Mr. Johnston said but your point is, and I think it's a point that was made when we were looking at housing values and all that, you do have to take in consideration value discussions. That when you have a significant population that we have that is lower income, will an alternative like using an increase sales tax to supplant property tax revenue actually be good for that population in our community. So, that really is a value discussion that the elected officials need to have with the community if we think about going down that route.

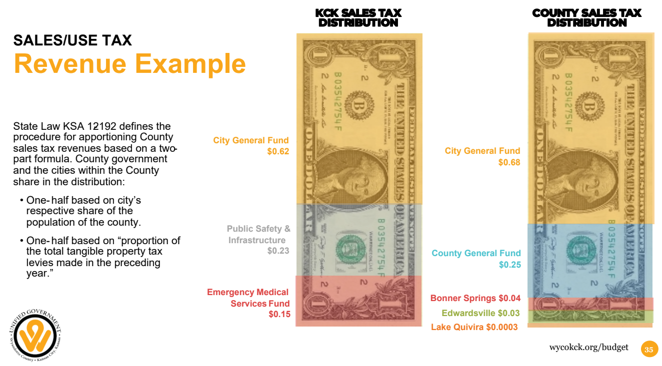
Commissioner Johnson said the other thing that you have to consider is if you go out to the Legends, I like to drive around the parking lot and look at the license plates. There are license plates almost as much I see Wyandotte County, I see equal portion from Jackson County and all counties around Wyandotte County that are paying into that sales tax.

The other piece that I was going to state considering what you were talking about, Commissioner Ramirez, was you also have to consider the lack of density that we have. We just kind of talked about that, as relative to the other communities when we talk about—so it's really probably a fine line, maybe an art, maybe a science, I don't know, but we do need to have I think a real thorough vetting of that conversation because I do think there is some value in adding something in this sales tax piece that might be a value to us overall.

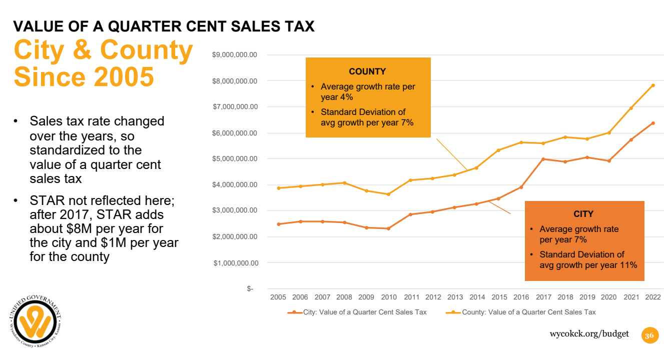
Commissioner Bynum said I have a question and I think a statement. When you reference our transit operation being around $7M, is that the amount that we pay to KCATA or is that the total amount that it costs us to run transit because we operate some of those routes ourselves. **Mr. Lindsey** said that is the total amount that we pay to contract with KCATA and what our own routes are. **Commissioner Bynum** said the amount that we pay KCATA for like the fixed route of State Avenue, KU, 7th Street, and whatnot, is within the $7M. **Mr. Lindsey** said yes.

Commissioner Bynum said I'm not suggesting necessarily a sales tax for transit, but to Commissioner Ramirez's comment, I wonder if you would have any way of giving us an analysis based on an average consumer that if we did contemplate some kind of sales tax for some special purpose, let's say that we contemplate a quarter of a cent, in order that we can possibly reduce a payment somewhere else, would there be any way to analyze—I'm just an average consumer, how many quarter cents am I going to pay over a year. Is that $100 of real money to me versus savings that I might get because you used that sales tax to reduce something on another side like property tax. I'm just curious if that's an analysis that could even be attempted because while a sales tax is regressive, if in real dollars a quarter cent sales tax is actually less money out of my pocket because you gave me a reduction somewhere else, that might be a conversation worth having.

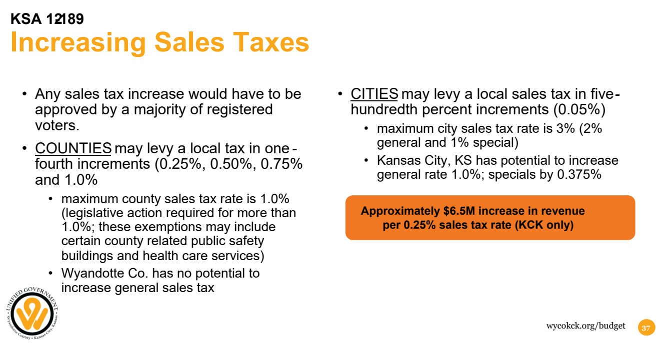
Commissioner Davis said I'll just say on the sales tax piece, I'm for exploring the conversation because it would behoove us to explore all revenue options given the financial forecast of our community. For the city of Lawrence, during the time I was living there while I was in school, they passed a sales tax on affordable housing and on providing mental health services. This is a community that is far more progressive than us and they chose to make the investment and the argument that was made is if we invest, kind of like what you were saying Commissioner Bynum, if we invest more from a preventative standpoint on housing folks, we will save money on EMS, we will save money for firefighters, we will save money for police officers if we solve some of these issues that are poverty related. I haven't seen necessarily any studies on whether or not that has been the case, but from a morale standpoint it was less about how much it's going to be and where it's going—it's less about how much it's going to be and more about where the investment is going to go. If the investment is going to go towards our seniors, if it's going to go towards providing affordable housing, if it's going to go towards childcare, absolutely, I would love to explore that conversation.



Mr. Grimm said on this slide, if we—we're just looking at tax revenue, so on the left on the City side, Kansas City, Kansas, if we have $1.00 in tax revenue, you can see on the left where that would go, .62 cents to the City General Fund, .23 cents to Public Safety & Infrastructure, and then .15 cents to EMS. As you recall, the County Sales Tax rate is 1%, so if we had a sale that generated $1.00 in tax revenues—on the County side it's split up a little bit differently. The state of Kansas says that we have to split that dollar up and then that language is on the left there with the bullets that it has to be split up based on population and taxing effort, basically, your valuation, your taxes levied basically in those times as assessed value. So, when we do that we see Kansas City, Kansas gets .68 cents of that $1.00 County Sales Tax. The County General Fund gets a .25 and that's where, if we add those up, sometimes we say the Unified Government gets .93 cents of that dollar. You can see that Bonner gets .04 cents, Edwardsville .3 cents, and Lake Quivira a very small amount.



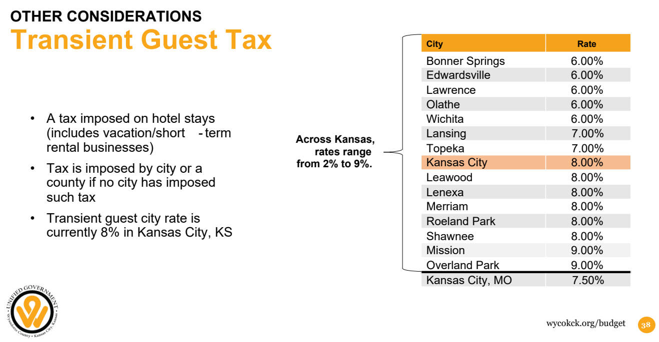
This graph looks at the value of a quarter cent sales tax since 2005. We split out the County and the City, so we do see the county's average growth rate of 4% per year over that period and the City 7%. We do see on the City side that—that's a little more involved. What's shown here and we see bumps on the City side. There's also a Use Tax, so it's kind of what—it's not a retail sales tax, it's what a business might have to pay for equipment. It's just a little more volatile, but this just kind of gives you the trend of County and City Sales Tax over time and the growth shown there, 4% and 7%.



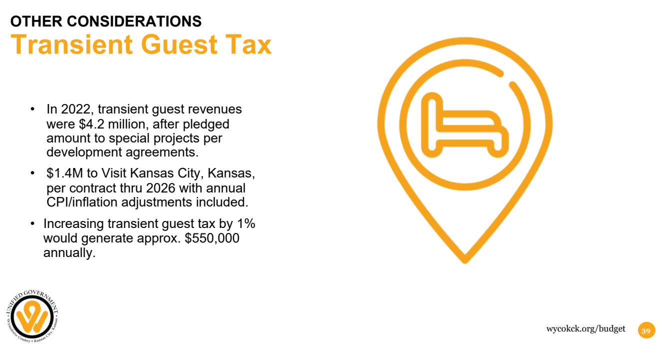
Where are we if we want to think about increasing sales taxes here in Wyandotte County and the cities in the county. First, I'll state that any sales tax would have to be approved by a majority of registered voters. On the City side, any city in the county, the sales tax levy rate could be increased five-hundredth percent increment. The maximum on the City side is 3% and then that's split up 2% in General and then 1% for Specials, so we already have in Kansas City, Kansas a General rate of 1%, so we have that potential to increase 1%. The Specials existing or already total .625, so we have room to grow .375% to get us to that 1%.

On the County side, we're already maxed out at the 1%. There's some legislative action required for anything over 1% and it's already identified in state statute for Wyandotte County that for Public Safety type buildings, improvements, new buildings, we could increase that and then have a Special on the County side for that where health care services is already defined and we could have a Special on that one also.

We note there that for each quarter cent sales tax increase, and we're just talking Kansas City, Kansas here, that's about $6.5M in revenues. I'll note that's historical trends. I think we're looking—considering probably in the future—we did a little research in trending, sales tax is trending down, so it might be a little less than that, but that gives us a ballpark of what a quarter cent would do if we increase the sales tax.



I have a few slides on Transient Guest Taxes. This is a Dedicated Sales Tax. It can only be used for convention, visitor type functions as defined in the state statute. The tax imposed on hotels, a short-term vacation type rentals, we already have a city rate so we cannot tack another rate on for, you know, like on the County side. It's an either/or. Our rate is currently 8% and you can see where that is on the cities. I have on the chart Bonner Springs, Edwardsville 6%, kind of the high end mission in Overland Park at 9%. At the very bottom you see Kansas City, Missouri at 7.5%.



To just give you some context, in 2022 revenues were $4.2M and that's after we backed out some amounts that we had pledged for some development agreements and hotels. We do give the Convention & Visitor's Bureau $1.4M. We have a contract through 2026 and that's adjusted annually for the CPI. If we do increase the Transient Guest Tax rate by 1%, that would generate about $550K annually.

Commissioner Bynum said I've got a request for our County Administrator. Through our ordinance work on the short-term rentals we were informed that the short-term rentals pay the Transient Guest Tax and that those are collected through whatever the online portal is that they're using to book them and then they go to Topeka and then they come here somehow. We didn't have clarity on identifying how much money that is and I feel like somebody in Topeka has to be able to drill down. Somebody in revenue has to be able to drill down and get us the answer on what dollar amount of Transient Guest Tax is being generated by short-term rentals and I would like to know just more out of curiosity, but it would also give me comfort and verification that that is actually happening.

TRANSIENT GUEST TAX

1% Increase Scenario

	2021 Actual	2022 Amended	2023 Forecast	2024 Forecast	2025 Forecast
Gross Revenue	$41,314,113	$52,264,200	$53,772,014	$54,847,455	$55,944,404
Current Tax Rate 8%	$3,305,129	$4,181,136	$4,301,761	$4,387,796	$4,475,552
Increased Tax Rate to 9%			$4,839,481	$4,936,271	$5,034,996
Increase in Revenue			$537,720	$548,475	$559,444
Total Forecast Increase			$537,720	$1,086,195	$1,645,639

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Mr. Grimm said just one more slide and this kind of drives the point home on the revenues on the Transient Guest Tax from 2021, 2022 Amended and then some outyears. What 8% tax generates and then if we were to increase that 1% in the forecast years, you can see the increase in revenues, $537K, $548K and $559K in that accumulative effect over the forecast period.

That's all we have for slides.

Mr. Lindsey said, Commissioner Ramirez, last week you asked about how many hotels paid into the Transient Guest Tax and there are 24 of them.

Mayor Garner asked, can you repeat that Reggie? **Mr. Lindsey** said 24 hotels pay into the Transient Guest Tax.

Commissioner Ramirez said thank you to Mr. Johnston, our Administrator, and our Budget staff and Finance for putting this very eye-opening presentation up and compiling all the data. I feel like now I finally have the hang of it and what our issue is and what we need to work on. The two big takeaways from today is one, we need to increase our assessed valuation and then two is the possibility of offsetting costs by a sales tax.

Again, I believe two or one budgets ago when we were going through this, you know, sales tax, we had a brief discussion about it and again I reiterate, if we're going to go down that route or have that discussion, we're going to have to educate, educate, educate because if we just have the conversation here, pass it and put it on the ballot, it's not going to pass. We have to go out into the community and talk to them. Have those discussions about what the sales tax is going to be used for and why we're using the sales tax. It's not going to work if we just have the conversation here, pass it, put it on the ballot, it will not pass. It's going to take time to educate and to talk to the community. It's not going to be a quick, in my opinion, it shouldn't be a quick fix. It should not be.

I'm hesitant on using the sales tax, I am hesitant, but if it's what helps us, I'm for it, but only if we do and put in the time of educating the community of what that sales tax will be used for and how and why we're using that sales tax to upset other costs and to lower something else.

Again, I just thank staff for all of this information. Mr. Johnston, thank you for this. It's very, very, very informative. I feel like now going into the budget cycle I have more knowledge and more ability to deal with the budget that we have and make the tough decisions that we need to do.

Commissioner Stites said good luck with that because I'm going to tell you right now, everybody that's out there that's complaining today on the amount of taxes that we're paying and then you're going to turn around and say, hey, let's go—we want you to vote for more taxes and pay more, we'll help you. If that's the route it goes, I am encouraged to know or I'm glad to know that it will go in front of a full vote of all the constituents because I think I know which way that would go and I know which way it would go probably if it was voted on in here and I think that's two different directions.

I don't think—again, we're not going to tax our way out of this. We've got to look deeper into—and I know it was discussed that paper plates and paper clips, or what was it, pickup trucks and paper clips aren't going to fix our problem. Well, I don't know. I know that we had a consultant come in and I have yet to see where any of that information that talked about our top to bottom evaluation of where we can cut, where we can't cut and where we look at. I am not in favor of one-half of any penny of a sales tax increase. Again, I don't think we're going to tax our way out of this and I don't think shifting this burden to our taxpayers now is the right answer.

Mayor Garner said thank you staff, thank you Administrator.

Mr. Johnston said when we started this discussion with you three weeks ago I stated that we're going to focus first on revenue. I need to know how much revenue, what approach do you want to take on creating revenue so I can then apply that how we deal with the expense side of the budget. What I heard is, this was kind of a new approach for you. You start with revenue as opposed to start with the individual department budgets, but what I heard here today was a robust discussion on tax policy. That's something that I don't—what I'm hearing you've not really had that enriched discussion. You have personal philosophies and all that, but I'm bringing it into a practical realm that I'm responsible for, working with you to generate a pot of money to be able to use to provide public services, simple as that.

We will still work on—we'll always work on the expense side, but for you to have a deeper understanding about the revenue side and be able to articulate to your citizens, to our citizens about the dynamics that we have here, it needs to be part of that. You saw where we—how taxes are affected by your individual community dynamics, assessed valuation, population, etc., etc., how tax policy is actually a reflection of community values. Some of you have said we're going to have to talk about that, but that's in essence what it is, a value statement, for your community.

It really gets down to understanding where the pool of money comes from for us to pay for the services. The next step is the part of the budget process where, okay, we're estimating a pool of money, now how are we going to apply that on the expense side. Given the interesting dynamics that we revealed where the City side is structurally imbalanced to a point where there's got to be a hard look at our operation costs, but you can also discuss options on tax policy.

That was our hope in approaching the budget this way is that you understand where the pool of money comes from and what challenges we have to provide that—those resources for us to use. I'm just greatly encouraged to hear the discussion that you had today as we kind of conclude the revenue side of these discussions in Special Sessions as we then go full bore into the other part of the budget process.

One of the things that you saw up there is how much of our General Fund is used to pay debt, 44% of our General Fund pays debt. Now, that needs to be examined because that's way too high for a viable community. I have a feeling just in reading the history is we've traded things off to balance our budget. We have put jobs into Special Funds so it's not in the General Fund ledger. These are tricks that I learned in grad school, it's used everywhere, but eventually it comes to bite you. We really need to have a more fundamental approach to budgeting in this area because what I hear from advocates like Commissioner Bynum, there are folks that are begging for a less tax burden one way or the other, but the tradeoff is at what expense to the levels and quality of service. That's going to be the next interesting discussion we're going to have with you as I present a balanced budget for you. Like I said last time, I'll do my work with our staff to create my recommended balanced budget for you to do whatever you want with it, but it still has to be balanced at the end.

That's all I have to say. This is an exciting—budgeting doesn't have to be difficult, but you need to understand all the factors that go into it.

Commissioner Bynum said thank you Administrator. I really appreciate your comments and I think some of my questions are semi answered by your comments that the things I would like to know are coming, it sounds like I'm hearing you say. Here's where I am Mayor. At some point I want to know, and I'm sure we will know, the dollar amount that is anticipated at the current mill levy rate and the current valuation rate as in, if nothing changes, and we have increased valuations, what does that dollar amount look like because it's obviously more than last year. I'm assuming we're going to have that answer sooner rather than later.

Mayor Garner asked, Reggie, do you have that information just on what that estimate is because I know you don't have exact. I think I may have asked that question before. We're looking at a 15% increase, I believe, in taxes based on the valuations. Have you all translated that to what the expected revenues would be? **Mr. Lindsey** said we're estimating about $1.9M right now. **Commissioner Bynum** asked, how many .9? **Mr. Lindsey** said $1.9M. **Commissioner Bynum** said $1.9M more—**Mr. Lindsey** said no. That's how much a mill is. **Commissioner Bynum** said oh okay. So the question I'm asking is how many total more dollars—assuming we do nothing, no mill levy rate reduction and the valuation is higher, how many more dollars is that? **Mr. Lindsey** said no and we did show that in one of the presentations that we have done in the last few weeks, but it was $15M. I thought you were asking how much was each mill worth. **Commissioner Bynum** said 15M—**Mr. Lindsey** said $15M. **Commissioner Bynum** said

County and City? **Mr. Lindsey** said yes. It's about $8M each. **Commissioner Bynum** said okay, thank you, I missed it, I'm sorry.

The other stuff I need to be churning is we know that potential total higher dollar amount that we have to work with, let's say, we know, I'm assuming, what the increased costs will be based on, you know, 13 bargaining units, raises, health insurance, whatever the increases are, we kind of know what those will be. I want to return again to the PILOT relief conversation and I want to have a deep, deep dive into the budget line items and all of that to say that if we're going to have any success, we've got to have very specific concepts, all of us, for where the reductions would take place. So, I'm putting my PILOT reduction on the table which cuts into the pie. What are the other very specific expense reductions that we would make and I just don't know—I'm just hoping that's part of what's coming. That's all I'm trying to spit out. We need all that data in order to have that really hard conversation.

Mr. Johnston said we intend to do that. The approach that—I guess when I got this job and I kind of had an idea that we were going to have some budget challenges, as I got into this tenure, it's now 10 weeks, is that it's a little deeper than I think we all wanted to hear. Because I went into this in week two thinking we can get by if we just do a status quo budget with the raises that the CBA is putting in place and all that, but as we work in the budget process and saw kind of the severity with the City side is in, it's like this year's budget—if you remember that chart that said in '26 where the Reserves go away, if we do status quo budgeting, the first step is to delay that '26 and put it to '27.

Then comes a process where we're doing significant deep dives in efficiencies and processes in priorities. Maybe we can't do everything we've done in the past, but to eventually work toward eliminating that red and it needs—really having this desire to have discussion from the elected officials are going to be—this budget process isn't going to end when we pass it. It keeps going for a couple years where we're going to have deep discussions on new ways of doing things, different ways, not providing certain services because it's one thing to manage per year, but we can't afford to manage a local government like a checkbook, can I afford it today, but in three years it's going to hurt us. We need to have that landscape.

We have a longer range budget model that Michael and Reggie put together that helps us provide context that maybe we've not used before. It's got to be part of that discussion and, you know, if I was a state regulator and we were in '26 and I saw what the '26 profile was, I say I'm putting the City side of this budget in receivership and you would lose all authority to manage the City side of the budget. I'll be damn if I'm going to be the County Administrator where that happens, but that's the reality that we have here. We don't have the ability to say we're going to borrow from the county to deal with our city problem anymore because the city budget is stable, reserves are where it should be, around 20%. It's not like it's 40% and we can borrow and make that tradeoff. No, the City side needs significant examination over the next two years because if I'm a state regulator, I'm going to say the city knew that this problem existed and you did nothing about it, you get the desserts that the state government is going to do to you because you didn't take your responsibility seriously.

We don't have this tradeoff anymore and, you know, some of this stuff is how can I—example, we said we have positions funded by Special Funds, those positions aren't in the department budget, it's in the Fund Budget. So, for me to articulate what is the cost of providing this service to our cities, if I didn't have staff telling me that you might have 25 EMS people funded by the EMS Fund, I would assumed it's in the Fire Department budget. In most places it is in the Fire Department budget and the fund is an internal transfer into the General Fund to pay that service, not pay directly out of that fund. So, it's those mysteries that have been able to creep up into our budget processes that need to be uncovered.

I said in one of my interviews one of the things that I've always had to run into in cities that I've managed, I always ultimately have eventually make order out of chaos and I think that's mystery that we're all going to undertake over the next few years. It will be fascinating because you're going to be talking about tax policy to solve expense side. You're going to say what can we do on the expense side, the processes, money savings, and priority of programs to meet what revenue we project. That is exciting. I mean that's one of the reasons why I'm in public service. You know I'm only 40 years old and I'm losing my hair and I have gray, but that's why it's exciting. It will be a good ride.

Commissioner Ramirez said something. As we go down these processes there has to be a communication and education component to explain not only to our citizens, but to the stakeholders who rely on our funding to provide services too because they're going to be in the mix. What you'll find, and when I read about communities that go through such a thing, you get at the end a stronger community and I think that's what we want. When we know we're a stronger community, outsiders will see the confidence that we've developed over that time, investors will want to say they got their act together, this is a good place to do business. I will help create jobs to provide a higher income than what exists in the community today. Everything is interrelated when you're in government. Sometimes we get too focused on our own little area. That's what being a County Administrator/City Manager is so fascinating, I don't have that luxury. I have to take a look at the umbrella, the entire thing and see how they're interrelated and I look forward to working with you on that journey over the next two or three years.

Commissioner Johnson said all I say is this is the way to look at it. Revenue first, we've got to look at our revenues first and I'm so glad that we're finally doing that. I know the three years we lowered the mill levy on the City side by two mills, I remember saying at that time we've got to be careful that we're not cutting too close to the bone and I think we did and I think that's part of the situation we find ourselves in. I will double down on what Commissioner Bynum said. I would like to take a look at the PILOT, I would like to look at it over a 10-year cycle versus a 6-year cycle, I would like to look at taking smaller increments. I think Commissioner Markley said taking small bites at maybe at a half of one percent over the course of 10 years or until we get to the point where we're within industry standards in terms of what we charge for that. I will double down on that.

I'm going to say it like I should have before, the only way to grow the community is through economic development. The only way to do it is through economic development and somehow we've got to make sure we've get our people those jobs, those good jobs that are bringing—those companies are bringing. In order to do that, we've got to be competitive and we had a discussion I think last Thursday where we're having a potential opportunity, but they're saying they are looking at how many dollars of abatement they've been looking at over the course of years. So we have to be mindful of, if we're going to grow the community, what all goes along with that.

I want to continue to talk about a community benefits ordinance so that we can kind of offset some of those dialogues, if they want x then you need y, but we have to be community driven in terms of bringing in more businesses that can employ our people because we're upside down right now. There's a transfer of wealth that's going on and it's leaving Wyandotte County. The transfer of wealth is leaving Wyandotte County. We have it here, these good paying jobs, so we need to make sure we get good paying jobs, we need to make sure we're bringing economic development in and we understand that this is a generational cycle. You know I'm doing this for my kids and my grandkids, that's why I have all these gray hairs, but anyway I thank you for that Mayor, but this has been a great conversation. I appreciate staff for all the work that you all have done. This has been a very appropriate, responsible dialogue.

Commissioner Davis said along with the PILOT, because I know that is going to be kind of some shifting and some moving, but there is something very, very positive and I will keep ringing the bell on this, I got an email from Commissioner Bynum this morning about it, expanding our Senior Sales Tax and our Utility Tax Rebate is going to be huge. If we go through with that and align that with the state, more of our seniors who are in need will have access to this rebate, they will have access to get financial relief. It is not all gloom and doom. There is money that is being left on the table. Our staff has been working very, very hard to ensure that seniors are getting the relief and I'm excited that even in the mix of all of this there is still great work that is being done by Commissioner Bynum that we can all endorse and ensure that relief is provided to our seniors in need.

Commissioner Bynum said, Mayor, I submitted that request today for those two ordinance revisions to come forward to us, so thanks for the reminder. **Mayor Garner** said in concept I have no objection to that moving forward and I know the Administrator is going to work on that.

Mayor Garner said thank you to staff, thank you to our Administrator. If you haven't figured out by now, I mean we should all feel really something special with David Johnston really managing this organization with our well-qualified staff here at the Unified Government taking us through this challenge that we know we can overcome. Yeah, there's red there, we all know that, but that's something that the public, and hopefully those that are watching, and the message will get out, this Commission and this staff is committed to avoiding 2026 and we've got staff and we've got an Administrator and we've got the commitment from this Commission to make sure that we have a balanced budget and that the red does not exist and we're going to do everything to get there.

I want to applaud Ashley Hand and staff that were at the Dotte Talks as we had several community members, some of them are here tonight that really shared the challenge of working with the budget simulator on how to get to a balanced budget and it's not easy. It's not easy at all when you look about how do you define what essential services are and when you really look at that, you can almost say everything is an essential service, but hard things have happened along the way and challenges exists for this Unified Government. We should all be optimistic that we are all working together.

One thing that I told the public at a few of the meetings that I went to is that, yeah, there are a lot of challenges. We're going to identify what the priorities are, this Commission is and hard decisions will be made and, yes, there is going to be shared sacrifice because we do have challenges to overcome. I like what I'm hearing tonight and hopefully others do. I know there's some debate about the sales tax, but it is a conversation that I think needs to be had because when you're talking about bringing in revenues, all options should be put on the table so this Commission can make an informed decision on how best to proceed forward when they make their vote and that's part of that discussion because revenues are really key.

I know last year staff worked and that's something that if this Commission is interested in looking at again on—I know Commissioner Ramirez talked about, and he's right, we've got to sell that to the public, we've got to know what those projects are going to be, how we're going to benefit the community and then let the community decide if that's something of value to them.

I've heard Commissioner Stites talk about a lot of folks in the community may be against taxes. I think part of the argument I made last year was that if this Commission is going to be asked to find ways to be more efficient as a government and find those efficiencies and to lower taxes, when you talk about shared sacrifice, really when you talk about the things that were brought out last year from staff as far as the sales tax, which is Public Safety, Infrastructure, Parks & Rec, some of those priorities that were listed from the community and all four corners of Wyandotte County benefited from that, that decision is ultimately left up to the taxpayers. It's really not so much this Commission making the decision, it's really community, do you want to pay more for these things you said you want and the benefit is that people that shop here and visit here will also share in that cost as opposed to trying to find those revenues to give those services or resources or infrastructure needs and putting that on the back of hardworking property taxpayers here in Wyandotte County. That's something to think about as well.

Commissioner Johnson hit it right on the nose. We've got to expand our tax base, we've got to anchor new residents here and to do that, we've got to give people a reason to want to move and live here and number one, we've got to have good paying jobs to raise income levels hopefully to create generational wealth and then we've got to create processes, and I know Commissioner Johnson has worked hard over the year with his task force on trying to find ways to streamline doing business here at the Unified Government because if you talk to most developers they tell you that continues to be a challenge. I know our administration and staff is looking at that along with Commissioner Johnson, but at the end of the day I can say expanding that tax base and bringing more types of amenities, good service, and resources is really what we need. So, economic development is, and I agree with Commissioner Johnson, has to be one of those top priorities moving forward.

So, yes, Commissioner Stites, our Administrator is looking at that and that is a priority for him as well and economic development and he has a plan for that. Yeah, but you looked, so I have to answer that look with a yes, give you a thumbs up.

To move that even forward, that's one good thing about our Administrator. He comes from ICMA, he has that background in finance and in economic development, so we're glad to have him, we're glad to have him at the helm, we're glad to see what staff is doing. This is a great discussion. I'm excited about the budget talks moving forward and, hopefully, that this community, those within sight and sound watching, please tell people to watch these budget meetings, to come out, be involved, talk to your commissioners, talk to me so we can kind of know what your priorities are and that would really help this Commission make the informed decisions because they are going to have to make some hard decisions over the next couple of years. But, at the end of the day, Wyandotte County is going to be okay. The essential services are going to be provided, police are still going to patrol your streets, fire is still going to show up, people are still going to answer the phones, staff is still—the good employees working here are still going to be here, but some services and some things that we can all agree on might have to be curtailed just a little bit until we can stabilize our fiscal help here at the Unified Government.

Thank you all. That's pretty much all I have to say. At this time I'll adjourn the Special Session. Do I have a motion?

Commissioner Burroughs made a motion, seconded by Commissioner Davis, to adjourn. Roll call was taken and there were nine "Ayes," Johnson, Kane, Markley, Stites, Davis, Bynum, Burroughs, McKiernan, Ramirez

MAYOR GARNER ADJOURNED
THE MEETING AT 7:00 p.m.

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Brett Deichler
Unified Government Clerk

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