STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, WEDNESDAY, SEPTEMBER 6, 2023**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Wednesday, September 6, 2023, with six members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; McKiernan, Commissioner Second District; Johnson, Commissioner Fourth District; Stites, Commissioner Seventh District; Garner, Mayor/CEO, presiding. Townsend, Commissioner First District; Ramirez, Commissioner Third District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; and Davis, Commissioner Eight District; were absent. The following officials were also in attendance: David Johnston, County Administrator; Bridgette Cobbins and Alan Howze, Assistant County Administrators; Wendy Green, Assistant Counsel; Monica Sparks, Deputy Unified Government Clerk; Debbie Jonscher, Interim Chief Finance Officer; Reginald Lindsey, Budget Director; Mike Peterson, Assistant Budget Director; Jeff Fisher, Executive Director of Public Works; LaVert Murray, Economic Development Advisor to the Mayor; and Irene Caudillo, Chief of Staff in Mayor's Office.

Mayor Garner said before I call the meeting to order I want to announce that we do have individuals attending remotely as well as on-site. All participants joining by phone, should please mute your phones when not speaking to avoid background noise. During the meeting, make sure you announce yourself by name and title every time you speak so the public that is participating knows exactly who is speaking. This is critical given the number of remote participants and is also current guidance from the Kansas Attorney General's Office. I would also like to remind, especially here on the 5th floor, that you please be sure to speak loudly and clearly into the microphone to ensure that your comments are being captured by the Clerk for an accurate record of the meeting.

Mayor Garner called the meeting to order.

ROLL CALL: Stites, Bynum, Burroughs, McKiernan, Johnson, Garner.

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in a hybrid format on Wednesday, September 6, 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 Garner said I will turn this meeting over to our County Administrator, David Johnston, and he will facilitate the presentation from this point.

David Johnston, County Administrator, said about a week or so ago we had a meeting similar to this with the Commission and the process of working toward a final recommendation of a budget to be voted on, on the 14th for fiscal year '24. After that meeting a few of the commissioners requested another meeting with staff to really talk about a couple other options. We had that meeting late last week, which resulted in the calling of this meeting to talk about the option presented during that meeting.

Commissioner Bynum and Commissioner Burroughs were the two commissioners that requested that meeting with our Budget Director and our Interim Finance Director and myself and we did talk about a few things. A couple of items that were reiterated in that meeting is, regardless of options chosen by the Commission, we are still too heavily reliant on drawing down from our reserves to balance the operating budget and that is not a good management practice, so that was an understood component of that meeting.

The other, I think, was the substance of why the meeting was called. A few of the commissioners from their comments, particularly the last three weeks, said some things that were very germane they heard from the public. There was a desire for some sort of relief from the tax bill and I think there is a struggle how do you do that at the same time that we're going to try to meet the expectations from the public of services that we are providing already, but they wanted to investigate how to move on.

There were a couple commissioners in the last two meetings that said, look, for the last three years we've been looking about trying to save money, cut the budget, doing deep dives, but it's always next year, it's always next year, it's always next year. So, we heard their frustration voiced at the table. So, with all that laying before us, there was discussion on how to proceed and there was an additional, I guess, recommendation that came out of that meeting to have for consideration of all the Commission that showed up at tonight's meeting and, commissioners, if I say this incorrectly, please correct me. There was an option that I think met the desires of what we've heard through meeting the need of relief to the public that's been voiced at the public meetings, the frustration of some commissioners, but saying that we've been trying to do—wanting to do something every year, but we never did it and they were frustrated there, but also the need to provide services to our citizens.

Here is the synopsis of that. If the goal is to provide relief to our citizens with the mill relief, we're going to be talking about one or two mills reduction to the City General Fund tonight. There's got to be corresponding cuts to the expenses in the budget and I think to meet the frustrations voiced by a couple of the commissioners, you can only do that if in any resolution that says you're going to do mill relief, you have to force action. How we discussed that in that meeting is that you would pass a budget, this is the option, with a desired mill relief reduction with the language that says directing the County Administrator to go through a process over the next few months culminating with the final presentation of a working budget for fiscal year '24 at the last Commission meeting of November. During that time from when a budget to meet state regulations that would be passed on the 14^{th} of September to that date in November, we would show progress of how we were doing. We threw out the sexy words, deep dive, closer examination of departmental budgets on the City side of the budget, whatever you might want to call that, an update would be presented and this is part of the motion if there is one, part of the motion is every monthly Finance, not called subcommittee, what's it called, Standing Committee, from the Finance Standing Committee, progress monthly through to meet that November date.

So, the deep dive instead of maybe starting in October-November for the fiscal year '25 Budget, it's starting immediately after passage of a budget on the 14^{th} to fill that gap that is reduced through a mill rate reduction and it means it's immediate.

I believe, commissioners, that's what is on the table for discussion and I guess I would defer to you two to carry on the conversation with your peers.

Commissioner Bynum said I don't think I could have done that any better than Administrator Johnston just did. I think he laid it out pretty clearly and also—I just want to—for those of you that are here, I appreciate that very much. I appreciate the staff continuing to look at this with us even though at a session on the 24th we had the straw poll so we know what many of the commissioners think about the mill levy rate. What I appreciated the most, in the meeting, was David Johnston saying to us what if we looked at it through this lens, what if we stopped saying next year, next year and we started saying tomorrow I will work with staff and we will see if those cuts can be made. We talked, I don't want to put words in Commissioner Burroughs mouth, I do want to let him speak to it. We talked about if this road is taken, that it would be by resolution and it would include the monthly updates and that it would include no cutting of people positions or salaries, that those are protected and held harmless. But, through the deep dive work, we might possibly unearth something that's not been on a laundry list that's been provided to us as of yet and I was just trying to remain open among the Commission knowing that we had the straw poll with the majority, I completely understand and respect that. But again, as David Johnston said, still trying to find a way to provide relief.

The only other thing I really want to say is that I'm delighted to have a couple of wins in this budget that I personally have worked on, but also that I think does help the community, at least a particular targeted segment of the community, and that is the Sales Tax & Utility Tax Rebate Program as well as preserving in this budget the PILOT Relief. Then, for me, the mill levy reduction was a way to give some gesture toward all taxpayers, that we are committed, it is serious, we want to take a step toward relief for those taxpayers.

I'm grateful for what's occurred truly and, Mr. Johnston and Mayor, I would hope that next week regardless of the outcome of this conversation, that next week when we have a budget adoption, if perhaps we could itemize some of the good things that are going to come from that budget. I think we can identify some pluses that are going to come as a result of the budget that you bring and I just think it would be helpful for our commissioners and our community to see what is good with this. With that, Mayor, I'll yield.

Commissioner Burroughs said I sincerely appreciate having an opportunity to work with the County Administrator, staff, and my colleague Commissioner Bynum trying to find some relief. Listening to the heartfelt comments that the public made at our prior public session in reference to the budget, it's the same message that I've heard for a number of years here and we seem to, I don't want to say not hear them, because we're listening, but I don't know that we're really hearing what it is they're saying. The compassion and concern that was given in the pleas to do something on the tax relief is something that has set with me since I've been elected and it was one of the things I chose to run on six years ago was to bring our valuation process—the appraisal process in with the mill rate and what we've been able to do is very little on either side. We've reduced a mill here, but we continue to raise the taxes because we're not lowering the mill to the extent that the valuations are going up and the public is feeling that.

Then, we're coming off of a COVID time when many families have been impacted by job loss or loss of wages due to the loss of a loved one or a wage earner in the family and they need assistance, financial assistance and what a better opportunity for us as a local unit of government and as leaders in this community to say, hey, we hear you. Revenue neutral, we can absorb that for one year. We had the federal funds that we went through quite quickly to address many needs, but we'll always have needs in this community and sometimes I'm not so sure we don't go searching for them, but at the same time we need to be mindful that we have a responsibility and ask to put forward a budget that is sustainable, one that is responsive, and one that is responsible and that can be the challenge.

I know that there's things in this budget that have been in this budget for decades. I don't want to call them sacred cows, but they're programs that get started for good causes, but over the years either phase out or we find that we're not getting the return on investment because the money is either not addressing the issue or it's not enough money and that's where that deep dive comes in. We, as leaders, could have made a statement this budget process by going with revenue neutral. We've seen the increased valuation. This would have been a great opportunity and I don't want to rehash things, but I do want to commend the commissioner and the Administrator and staff for at least listening to the concerns I bring forward.

I'm going to represent those taxpayers that have been crying out loudly for reduction and this budget at the same time we're lowering a mill, we're taking in an additional $12M and that $12M is already slated and spent and my question is when I look at the budget forecast for four years, we're looking to bring in just on the city alone an additional $27M and that's with the proposed, I believe you call it your reduction for utilities and Homestead. Even with that included, we're still going to bring in an additional $27M over the next four years. That $27M is a lot of money and I don't want to see us sit here another two years from now looking back at what happened two to four years ago when we brought in tens of millions and what do we have to show for it. I mean some of us are pleased that some of the organizations received some funding, but I believe those organizations are going to be needing additional resources moving forward. We are not on a sustainable path financially. We can ill-afford to continue to dig into our reserves to balance our budget every year.

If we were to take and cut the mills a couple years back and set an example to the other entities and we've stated this a number of times while we're here, the other entities continue to raise their mills or they choose not to take any action. They are accountable to the public just like we are. Unfortunately, we are the face of the government when it comes to the billing because it comes from us. So, if we could find a way to cut expenses in other categories that would allow us to, if not lower the mill, to at least look at how we can stabilize our valuation to the point that it's not up and down and trust me, I will be talking with our legislative colleagues in Topeka about the LABTRF. We submitted a bill 2.5 years ago for $49M to try to get that back, but in the meantime we have a fiscal responsibility to this community and to our Administrator and to our employees and that's why I was pleased in talking with Commissioner Bynum in bringing this forward that no cuts to employees, no salary cuts, nothing like that because there's money in this budget. There's always money in the budget to find savings and that deep dive has not occurred because of external factors, COVID, continued extensions of the health concerns that we have as a state, so those things come into play.

I'm here tonight to say that I'm pleased that there's an opportunity to have this discussion. I know there's been a straw poll. Whether we pass this or not, we know what the budget is going to be moving forward, but we all have a chance to have our voices heard and I just appreciate the opportunity to have one last opportunity to find some relief for our ratepayers, taxpayers.

Mayor Garner said thank you Commissioners Bynum and Burroughs and our Administrator. I was approached by Commissioner Bynum to have a little more time for the Commission to at least have more options available to them that, hopefully, could provide needed relief to our residents that have been demanding and pleading for tax relief. I think most people by now know where I stand. My position is simple. We cannot continue to tax, spend, borrow and continue to dip into our savings to fund our governmental operations and balance our budget. Most successful businesses in the corporate world or even if you have a small business don't operate that way, most people that do their public finances don't operate that way. At some point you have to make hard decisions when you're facing hard times, to tighten your belt, like I've always said, and cutback on things that maybe you want, but not necessarily you need and sometimes those can be hard decisions whether it's the individual making personal choices in their finances or for corporate world executives and boards that have to make those hard decisions. But, nevertheless, that's where we're at especially when you're talking about being in the red, moving past '26 into '28 and looking at our massive debt.

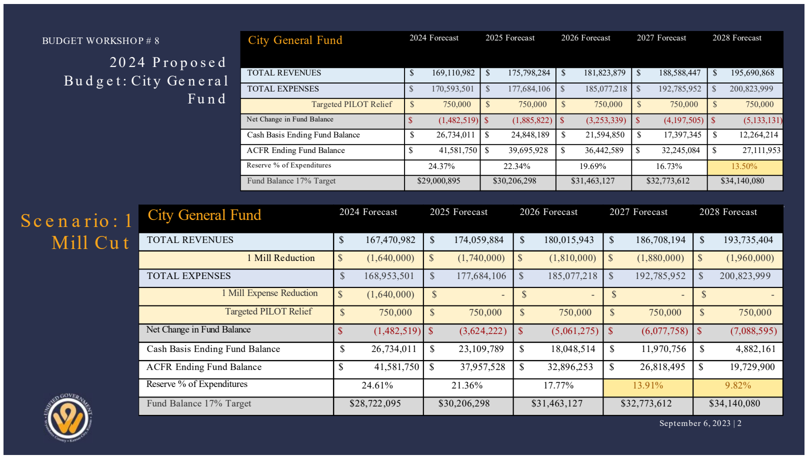
Our Administrator has already revealed to us this year that, I believe, it's 44% of our budget goes to pay off debt right out of the gate. So, that's where we're at and so listening to the residents at the revenue neutral hearing, again, for two years that I've been Mayor and listening to people literally beg this Unified Government, this Commission to please take a pause and find a way to bring them necessary relief that they've been demanding. Why is that so important? We still have some poor zip codes anywhere you would find in the state of Kansas right here in Wyandotte County. We have over 4,500 Land Bank properties as a result of people losing their properties. We have a high homeless population that is moving into our city. When you do that, the fear is—because I experienced it when I first started working here in my prior profession and I got laid off, when the city was facing budgetary constraints, they continued to raise taxes to try and make up the difference. What happened is, a lot of the businesses and individuals, the working class, they started to move out and the government continued to raise taxes again to try and make up the difference and the money wasn't coming in because you just didn't have that foundation of revenues from taxpayers that was there previously. Hence, I got laid off as a city employee because of budgetary constraints. It's amazing how history repeats itself.

What we don't want to do, we don't want to tax people into poverty, into hopefully not homelessness. Like some people had came up to me and talked about prior to the last budget workshop that literally if we raise taxes, they were going to be on the streets and our tax businesses that otherwise might provide expanding tax revenues which we need as well as families and residents that may want to see Wyandotte County as a place to live, work and raise a family not wanting to do so because when you look at BPU rates that people complain about, specifically the PILOT, which this Unified Government has control over, and you look at the ongoing tax increases, it makes it unaffordable for people to see Wyandotte County as a favorable place to live. Those are things that we've got to change.

I know we've talked about, we've heard over the course of budget workshops, that the mill has been reduced in certain aspects since consolidation, but I've done my own research and there's data out there to show that since consolidation, property taxes have increased over 230% and that's out there and that's far exceeding the other rates that we look at when you talk about our finances here at the Unified Government. So, when that question was brought to me, I didn't hesitate to say, yes, we can hold this budget decision off, which was supposed to occur on the 31st of August and hopefully give staff and our commissioners—and I commend Commissioners Bynum and Burroughs for taking that time to just try and see if there's a way we can give our residents not just the relief that they deserve in property taxes, but the relief that they've been demanding and some people have literally been desperately pleading for far too long.

With that being said, I'm going to turn it over to our Finance Director and our Budget Director and they're going to give a short presentation on some of the conversations that occurred with Commissioners Bynum and Burroughs.

Reginald Lindsey, Budget Director, said this evening we're going to present mill reduction scenarios that have been built in on the revenue side. As part of this we've also built the mill cut on the expense side that County Administrator Johnston will have deep dive sessions with the Finance Standing Committees during the fourth quarter of 2024 to make necessary adjustments to adjust the budget down so that we can have a sensible fund balance. These adjustments will then be brought to the full Commission during the fourth quarter also.


BUDGET WORKSHOP # 8

2024 Proposed Budget: City General Fund

City General Fund	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 169,110,982	$ 175,798,284	$ 181,823,879	$ 188,588,447	$ 195,690,868
TOTAL EXPENSES	$ 170,593,501	$ 177,684,106	$ 185,077,218	$ 192,785,952	$ 200,823,999
Targeted PILOT Relief	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
Net Change in Fund Balance	$ (1,482,519)	$ (1,885,822)	$ (3,253,339)	$ (4,197,505)	$ (5,133,131)
Cash Basis Ending Fund Balance	$ 26,734,011	$ 24,848,189	$ 21,594,850	$ 17,397,345	$ 12,264,214
ACFR Ending Fund Balance	$ 41,581,750	$ 39,695,928	$ 36,442,589	$ 32,245,084	$ 27,111,953
Reserve % of Expenditures	24.37%	22.34%	19.69%	16.73%	13.50%
Fund Balance 17% Target	$29,000,895	$30,206,298	$31,463,127	$32,773,612	$34,140,080

Scenario: 1 Mill Cut

City General Fund	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 167,470,982	$ 174,059,884	$ 180,015,943	$ 186,708,194	$ 193,735,404
1 Mill Reduction	$ (1,640,000)	$ (1,740,000)	$ (1,810,000)	$ (1,880,000)	$ (1,960,000)
TOTAL EXPENSES	$ 168,953,501	$ 177,684,106	$ 185,077,218	$ 192,785,952	$ 200,823,999
1 Mill Expense Reduction	$ (1,640,000)	$ -	$ -	$ -	$ -
Targeted PILOT Relief	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
Net Change in Fund Balance	$ (1,482,519)	$ (3,624,222)	$ (5,061,275)	$ (6,077,758)	$ (7,088,595)
Cash Basis Ending Fund Balance	$ 26,734,011	$ 23,109,789	$ 18,048,514	$ 11,970,756	$ 4,882,161
ACFR Ending Fund Balance	$ 41,581,750	$ 37,957,528	$ 32,896,253	$ 26,818,495	$ 19,729,900
Reserve % of Expenditures	24.61%	21.36%	17.77%	13.91%	9.82%
Fund Balance 17% Target	$28,722,095	$30,206,298	$31,463,127	$32,773,612	$34,140,080

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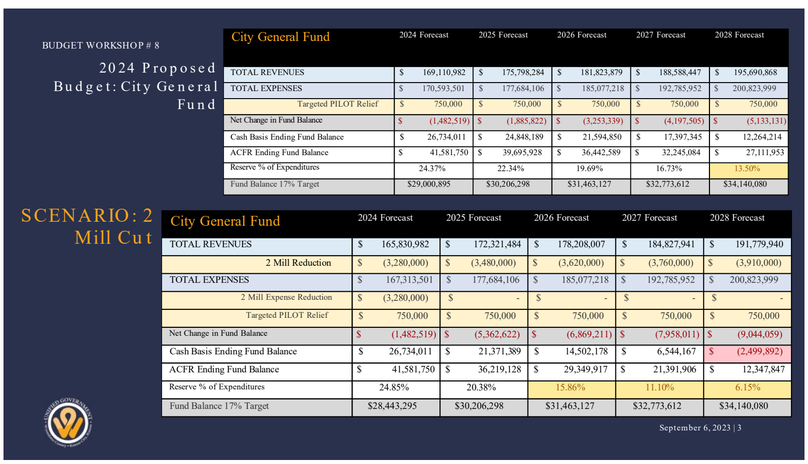
Our first slide what we’re doing is showcasing our City General Fund, the 2024 Proposed Budget with the targeted PILOT Relief in it, $750K there and I’m reading from the top financials. One of the things that’s important about looking at the City General Fund is that we were structurally imbalanced when we presented the budget back in May. We had like a structural imbalance of about $10M when we first started looking at the budget and then as we proposed the budget, we got it up to where we had a 25% fund balance and we also had only a structural imbalance of $700K. With the targeted PILOT Relief, looking at 2024 it did raise to about $1.4M for the net change in fund balance, so we’re balancing our budget based on pulling from our fund balance and we end up having almost 25% fund balance and then when you get out to 2025, we do pull again from our fund balance to balance the budget and that ends up being the case getting all the way out to 2028.

We do end up having a fund balance that is more than a floor of the fund balance that we recommend of 17%, but our top is 25% that we recommend, but you see when we get out to 2028, it ends up being like 13.5%.

So, the bottom financials, we get into Scenario 1 for mill cuts, and what we do there is in the 2024 column, we can see that we have one mill cut which is about $1.6M and then we also take that same amount and deduct it from the expense side of about $1.6M. This is where County Administrator Johnston will work internally to reduce the budget by $1.6M by the time we end the year, so we can see that fund balance with deducting expenses on the expense side ends up being about the same as what we have with the targeted PILOT Relief and that's because we deducted that expense amount. The reason for doing this is because we have definitely improved our structural imbalance. We still have a structural imbalance, but based on what we were looking at when we first started this budget season, we did not want to balance the budget even more on fund balance that was existing. So, what we're doing is lining up the expense revenue cuts in 2024 with the expense cuts on the expenditure side.

We can see going out to 2025 the fund balance ends up being like $3.6M in the net fund balance change and we do have a 21% fund balance which is below our recommended fund balance of 25%. As we get out to 2026 we do have a structural fund balance of $5M and as we get out to 2028 we've got a structural imbalance of $7M which also gets us down to below 10% for our fund balance percentage.



City General Fund	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 169,110,982	$ 175,798,284	$ 181,823,879	$ 188,588,447	$ 195,690,868
TOTAL EXPENSES	$ 170,593,501	$ 177,684,106	$ 185,077,218	$ 192,785,952	$ 200,823,999
Targeted PILOT Relief	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
Net Change in Fund Balance	$ (1,482,519)	$ (1,885,822)	$ (3,253,339)	$ (4,197,505)	$ (5,133,131)
Cash Basis Ending Fund Balance	$ 26,734,011	$ 24,848,189	$ 21,594,850	$ 17,397,345	$ 12,264,214
ACFR Ending Fund Balance	$ 41,581,750	$ 39,695,928	$ 36,442,589	$ 32,245,084	$ 27,111,953
Reserve % of Expenditures	24.37%	22.34%	19.69%	16.73%	13.50%
Fund Balance 17% Target	$29,000,895	$30,206,298	$31,463,127	$32,773,612	$34,140,080

City General Fund	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 165,830,982	$ 172,321,484	$ 178,208,007	$ 184,827,941	$ 191,779,940
2 Mill Reduction	$ (3,280,000)	$ (3,480,000)	$ (3,620,000)	$ (3,760,000)	$ (3,910,000)
TOTAL EXPENSES	$ 167,313,501	$ 177,684,106	$ 185,077,218	$ 192,785,952	$ 200,823,999
2 Mill Expense Reduction	$ (3,280,000)	$ -	$ -	$ -	$ -
Targeted PILOT Relief	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
Net Change in Fund Balance	$ (1,482,519)	$ (5,362,622)	$ (6,869,211)	$ (7,958,011)	$ (9,044,059)
Cash Basis Ending Fund Balance	$ 26,734,011	$ 21,371,389	$ 14,502,178	$ 6,544,167	$ (2,499,892)
ACFR Ending Fund Balance	$ 41,581,750	$ 36,219,128	$ 29,349,917	$ 21,391,906	$ 12,347,847
Reserve % of Expenditures	24.85%	20.38%	15.86%	11.10%	6.15%
Fund Balance 17% Target	$28,443,295	$30,206,298	$31,463,127	$32,773,612	$34,140,080

Looking at the second set of slides that we have here, our 2024 Proposed City General Fund, same slide at the top, as I went over earlier, where it looks at the targeted PILOT Relief that's in there, which Commission all came to a consensus on the add that into the budget, so that's the same dollar amount. But when we get down to the second financials, that's where we have the two mill reduction in and the two mill reduction equates to about $3.2M for 2024 and it grows out to 2028 to about $3.9M.

So, concentrating on the 2024 forecast, we do have the mill reduction to the revenue side of $3.2M and we did also include the $3.2M on the expenditure side. So, what happens is with us taking it out on the expenditure side, fund balance does not really change and the reserve as expenditure of fund balance doesn't really change. Since we're not taking out the $3.2M over the mill reduction on the expense side from 2025 to 2028 we can see there is a difference and the reason we're not taking out the expenditure side from 2025 to 2028 is because we don't know exactly what the adjustments will look like. We don't know if they will be one-time adjustments or if there will be recurring adjustments yet, so that's the reason we haven't taken those out.

One key thing to concentrate on is that we are still balancing the budget, digging in the fund balance and we can see in 2025 digging in the fund balance of about $5.3M. We get out to 2028 we're digging a fund balance of about $9M and out in 2028 we're in a negative cash situation where we wouldn't be able to pass a budget because we're in the negative with the cash balance.

The one thing that I will add is while these scenarios like in 2024, it does show that on both two mills and the mill cut was taken out expenses, it does show that we'll have like the same fund balance almost, but one of the things that we need to keep in mind is that there are things in other funds that need to be within the City General Fund that we don't have over there yet. Some things I'm talking about like in our Special Street & Highway Fund we're paying people out of it when we should be paying them out of the City General Fund and there's also debt projects that are being debted that we should be paying out of the City General Fund. Those are some things to keep in mind with taking away revenue and putting additional expenditure cuts within the City General Fund. Those are things that I want to discuss about the financials.

I don't know if Debbie Jonscher or Michael our Assistant Budget Director, I don't know if they have anything they want to add.

Debbie Jonscher, Interim Chief Financial Officer, said one comment I think I just wanted to make, Reggie had mentioned that you'll see in the scenarios the cut in 2024, but we don't show any cuts going out into the future years. I did just want to note that as you see in 2026, as that fund balance—I mean this was in both scenarios that as that fund balance drops below our minimum amount of 17% that we have in our fund balance policy that was adopted by the Commission, that we would need—in order to keep that fund balance at or above that limit, we would need to make additional cuts within those years. We've shown the cut for the mill levy, but we would probably also need those additional cuts out in future years so that we don't go below our fund balance policy.

Commissioner Burroughs said, Debbie, I appreciate that because as we look forward and do the deep dive, that's where I believe we will find the ability to make cuts moving forward or at least to find out what we can stabilize our budget that is respectful, responsible and responsive and sustainable. You just made the statement I think that has been lost maybe to some in the community is that we can lower the mill and that gives you immediate gratification by seeing a little bit of a drop, a monthly drop. It might only be a few bucks on your property taxes. We see it on a larger scale because we're talking over a million dollars, but we could see that same savings within the budget by paying down debt, by enhancing some of the contracts we may have that's more favorable to the Unified Government, by identifying grants through Economic Development for those projects that are going to come online and be paying their fair share.

I do know that in talking with the State Department of Revenue that we did find that our evaluations we are now in compliance on the residential side, but we're not in compliance on the commercial side. Without drilling down specifically to find out is it more money that we're expecting from the commercial side because we're not in compliance because that's usually the case, but I don't want to speak for the Department of Revenue. Those things all come into play in the next 18 months as to how it will impact our budget and when we go through those things, those dollars add up. If it's $50K there, $100K there, that allows us to start looking at, not necessarily, lowering the mill and taking it out of ending balance to make people feel good that we're lowering the mill even though we're taking $6M-$12M we're going to cut 1.5M out of that and say we gave you a break. Well, no, we're still taking money and we're still not being what I call fiscally responsible in stabilizing a budget that keeps robbing the ending balance because there's still expenses that are going out.

So, I appreciate that and I would hope that we could all work collectively on a message that we can immediately lower your mill and take that savings out of ending balance, but it's still not forcing us to look at the deep dive or present the deep dive numbers that we were hoping we would have today. I believe that's what the County Administrator is hoping to get at when we have this discussion this evening.

Commissioner Bynum said a question and you've told us this repeatedly, as we look at the forecasting into the outyears regarding the revenue, is there a set percentage increase, for example, that you use for sales tax revenue. Are you applying some formula that's capturing like potential increases in sales tax collections, things like that? **Ms. Jonscher** said yeah and I might let Michael Peterson get to what's built in, but yeah, there is a—going out into the forecast we've estimated a certain percentage of increase assuming that we would get that based on the trends that we have in the current year. I'll let Michael speak to that.

Michael Peterson, Deputy Budget Director, said we have three basic assumptions we've made to the revenues, so on the property tax side we have gradually dropped that percentage growth so we know that it's about 15% this year, so next year we have a dropping of 6% and then we have it stabilizing at closer to 4% in the outyears just because we're not entirely sure what the property market's going to do.

On sales taxes, we have it growing at about 2% in the near future and then we have it growing back up to around 3-4% and in outyears just because we're projecting—we've heard a lot of talk about our recession, we didn't want to be overly aggressive on the sales tax side and then all other revenues we're projecting just a basic 3% inflationary increase each year.

Commissioner Bynum said I think it's helpful for us to have that in our minds and I appreciate it because I'm one that I just don't carry that information around with me. You have to tell that to me repeatedly and so as we look to the future years, you know, we may see changes greater than those percentages and we can't necessarily predict something greater because that probably wouldn't be wise, but at that time then could be very beneficial if something were to come back greater than what we had predicted.

This is why, commissioners, I was hoping that you would be able to hear us as we talk about what I consider a compromise that our Administrator has put on the table for the deep dive over the next basically 85 days that he's willing to look at these things and see what can be brought that we could live with. What cut could be brought if we did one mill, again, you know $1.6M that we would be looking for to reduce expenditures by such that we could handle and live with the $1.6M reduction.

That's all really that I was hoping to share with everybody today and just have folks be willing to hear it and possibly contemplate it and I think we're trying to bring a budget next week that we're going to vote on and adopt and either it's going to be maintaining the mill levy rates as they are or you know, hopefully, one mill at least. I'd be really curious what some of the quiet commissioners are thinking, those that haven't spoken.

Commissioner McKiernan said this is fine, we're nibbling around the edges. Yeah, people want to pay less in taxes, okay, and I'm sorry, I'm going to be my same oh Eeyore broken record that I've been for all these years, and you won't have to put up with my Eeyore next time around, but at the same time the people want to pay less in taxes, they want more and better services from local governments. That comes at a cost. What do we want to pay for excellent service delivery. People want better roads, they want more police protection, they want better and more timely response from fire departments to both fires and medical calls, they want better enforcement of municipal codes by keeping your grass cut and keeping your property in good repair, they want more parks and more community centers and more activity programs and more timely return phone calls from government offices and the list goes on. Beyond that, the cost of everything that local government buys to support service delivery to the community is going up.

The UG is a service organization. For most service organizations, personnel costs are the single biggest category budget expense and if we want to continue to hire the best and brightest employees who are capable of delivering the highest level of customer service, then we need to be prepared to make our pay competitive with other local governments who could give you the same job to do as we can. As I've said before, we're not going to cut substantial amounts of expense by only looking at paperclips and pickup trucks and if we're willing to make those big cuts, then we can make substantial change. I think until we are ready to make those big cuts, and that's not something I would expect by December 1st or whenever it is, that's not enough time to do that, but we've got to seriously consider how we hire, compensate, and otherwise reward employees from whom we expect exemplary, excellent customer service and that's really all I have to say.

I have no problem with this whatsoever, but if we're going to make bigger cuts, then we're going to have to look very deeply and anyway, that's it.

Commissioner Stites said I have the unique position that I represent three cities in Wyandotte County. The only commissioner, other than the At-Large, that represents three cities, Bonner Springs, Edwardsville and KCK. The unfortunate thing is when I look at this, and we talk about the deep dive in 85 days and the mill reduction and tax relief and the PILOT Relief Program, that doesn't affect two out of the three cities that I represent. I don't want to diminish or overlook the fact that on the County side that we proposed the CIFI which is going to be a much needed infrastructure funds to go to Bonner Springs, Edwardsville and also KCK. When we look at tax relief and that this won't affect all of Wyandotte County, it affects KCK. I don't want the people that I represent in KCK to think, well, wait a minute, what about us. I agree, I agree we need that tax relief for KCK folks too, but I also have two other cities that are in the county that aren't receiving any tax relief. They've been asking also and they're again being left out in the cold and I would like when we are looking at this deep dive, that it's not just the KCK deep dive, it's the county deep dive so that we're looking at how the folks that aren't in KCK can benefit from tax relief also.

I agree with Commissioner McKiernan on this, that we're scratching the surface here. We're really just kind of—I'm okay with it. I mean I like anything that's going to give some relief, but we haven't really addressed it. I was elected because people in my district said man, we are tired of it, we are tired of not being represented and getting our seat at the table and we need somebody to speak up and this can has been kicked down the road so many times that it's unfortunate that they feel like their voices aren't heard. I hope, like I said, that this will include the county deep dive also.

Commissioner Burroughs said if I may, on the back page staff, you included this on the back page, the key budget dates. Am I to understand that those six and the full Commission meeting Thursday for the Wyandotte County Library, that's when it will be presented with the mill levies that those entities have brought forward and the fee increases that those entities have brought forward in addition to the new mill rate? **Ms. Jonscher** said the six would be brought on the 14th, next week and then the library would be the only one that would come forward on the 28th and that's due to the fact that the library is holding their public hearing next week on the 19th.

Commissioner Burroughs said if I understand correctly, I believe they're moving forward with the mill increase, so we will have that mill increase in addition to the other items that'll be on here that will be fee increases also to the residents. I'm just curious as to how much more that will be in fees and stuff. Do we have an idea what they will be, the fee increases collectively. I don't need that now, maybe the 14th would be a time to present that as to what the new fee increases would be so that the public knows the transparent part of that as we do the resolution.

I know they're concentrating on property tax relief, but you know a lot of times they don't get to see the hidden fees and charges and stuff that are going to be coming forward through the budget resolution. **Ms. Jonscher** said we can provide that.

Commissioner Johnson said I guess since I'm here I should say something. David, I don't think it's fair to you, I don't think it's reasonable, I don't think it's practical to send you down this path of mill reduction to see if you can pull the proverbial rabbit out of the hat so to speak. Personally, I apologize that you've been put in this position. To you, to Debbie and Reggie, you all showed us a cadre of discretionary expenses last week and not one of us said let's take a look at that one and cut—see if there's some cuts in that. I mean you gave them to—I'm talking about at that particular time. Debbie, correct me if I'm wrong. I want to make sure I say this right. We all have already received a warning from one of our credit rating agencies that lowering our mill levy and the resulting tapping of our reserves will bring us to the point of lowering our credit rating, which then increases our interest costs that are then tasked upon the shoulders of our residents.

Ms. Jonscher said we haven't received a warning this year. You know we were lowered in the past by one of the rating agencies due to the low reserves, but that is something that they note each year on their report. Right now the outlook is stable for both credit ratings; however, they have noted that a reduction in reserves could lead to a downgrade in the rating.

Commissioner Johnson said okay, so I'll change my word from warning to note. They've noted to us to do that and if it is true that we are losing residents that are being forced out of our community, there must be more persons moving into our community because our population continues to increase year over year here recently. David, the best way as far as I'm concerned to right size this budget is to hire an Eco Devo Director post-haste and the corresponding staff so that we can be about driving good business into Wyandotte County. That always comes up as the stepchild in any of our conversations and it is the one area that we know will drive—Katherine Carttar did a great job. She kept the cadre full of prospects for us to continue to look at. Did we do all of them, no, but that's the way that you do business. You've got to have the pipeline full of prospects, the likes of which that we can do business with and the more full that pipeline is, the more will come out and the more we can expect to create the kind of economics in Wyandotte County that will allow us to look at, you know, reducing our mill levy to our constituents without seeing all these red lines all over the place. Every time I see red lines and red numbers, that tells me to slow down, change your path. I cannot legislate based on a bunch of red lines and that's all that we see and I think, David, you gave us our recommendation a week ago or so. It was not pretty, but it was the best we could do at this particular time and I'm ready to roll with it because you gave us the strategy behind it. You didn't make it look one way, throw a rock and hide your hand. You said this is exactly what it is folks and this is how I propose that we can get out of our situation, but the hiring of an Eco Devo Director will be our saving grace at some point when that finally happens. They can get into the community.

Also, you talk about going after grants. We have to have grant writers on staff in order to get those kinds of things. So, those are just my thoughts.

Commissioner McKiernan said, Mr. Johnston, I would be in favor of looking for a mill. That would be fine, but structurally how's this going to happen next week. Are we going to bring two different motions because I could anticipate that if we say on the basis of this meeting with five of the ten of us here, one mill, what happens if that doesn't pass. Would we then bring a motion that would reflect last week's zero. I mean is that how it would go?

Mayor Garner said what I was planning on doing is putting both of these on the agenda because there are five commissioners not here. It would allow them to weigh in to this conversation and I apologize to staff that you may have to go over this presentation to answer questions from the five that aren't here. What that would do is to give this Commission two options and I would entertain a motion on an option that would be favorable to the Commission and I would call for the vote and the majority of vote would prevail. **Commissioner McKiernan** said thank you, I would appreciate that.

Mayor Garner said I agree with Commissioner Johnson, we've got to expand our tax base. We've got to bring in business, we've got to bring in residents and that can provide jobs to these businesses or have jobs at these businesses and anchor them in Wyandotte County to expand our tax base. One thing I would caution, not just the Commission, but even staff as we move forward is I've always been an advocate of when we do bring businesses into Wyandotte County, especially big business, I don't believe in corporate welfare. I believe that these businesses should be obligated to pay their fair share of taxes and so we need to be intentional and responsible with the type of incentives that we give these companies. Yes, I'm not—we need incentives, I'm not against incentives, but we just need to be mindful of that because if we give away the farm and you have this big business sitting next door to me that pays little to nothing, but my valuation goes up, I could end up paying more property taxes in some cases, and it's dependent on the incentives, than a big box business and I think that's unfair and has been unfair to a lot of our taxpayers here recently.

So, we've just got to change how we do business here in Wyandotte County and expand our tax base and I think the more businesses we bring in, it will alleviate some of the tax burden from our residents and from those businesses that are here and make it more favorable for those businesses that do want to be here. I just want us to be mindful of that.

Yes, we want to bring in economic development. That is what is going to help us claw ourselves out of this hole, but we just have to make sure that we're intentional and responsible with the types of incentives that we get to have those types of businesses. Then we need to make sure that the jobs they provide are actually going to Wyandotte County workers in a way that can be reflective of what we see in our data gathering tracks throughout our area zip codes because it's no secret Wyandotte County has a lot of high-paying jobs, but there's a lot of data out there to indicate that about 70+ percent, from what I've heard and being told, those high-paying jobs a lot of those folks don't even live in Wyandotte County. They come in, they work and they take their dollars and they take them back to other communities. Some communities that are more fluent, doing better, so you've got one of the poorest communities propping up some of the more affluent communities that don't need our tax dollars and are really thriving on the backs of poor folks here in Wyandotte County and for me therein lies some of the problem.

I think our Administrator has made it clear to all of us that he is working to put a plan together for a deep dive and really changing how we do business here at the Unified Government and I'm anxious to see what he comes back with. That's why we hired him. We all have a lot of confidence in him and we have confidence in staff because what I've seen staff do, staff has stepped up time and time and time again to give this Commission exactly what they said they've wanted and I know and I'm confident that whatever that call to action to staff is moving forward, they're going to shine and they're going to step up to the plate and they're going to give this Commission and, hopefully, this community something that will be not just reasonable and responsible, something that I think can help sustain Wyandotte County in the foreseeable future.

So, that's what will happen at the next meeting. I just ask that staff makes sure that we get the information to the rest of the Commission so they can review it and digest it. Maybe, I don't know if three on three is in order for those that weren't here or two on three, whatever the case may be, just to bring them up to speed, answer their questions and that way they can be better informed and prepared so when we do have this final budget discussion, because this is it on the 14th. This Commission will have all the information they need to make an informed decision and we can move on to the deep dive as we move into 2024.

This meeting was just for information. There's no further items on the agenda. I'll call for a motion to adjourn.

Commissioner Bynum made a motion, seconded by Commissioner McKiernan, to adjourn. Mayor Garner said we have a motion and a second. Clerk, roll call please. Roll call was taken and there were five "Ayes," Stites, Bynum, Burroughs, McKiernan, Johnson.

MAYOR GARNER ADJOURNED
THE MEETING AT 6:05 p.m.

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Monica L. Sparks
Deputy Unified Government Clerk

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