STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL MEETING, THURSDAY, MARCH 21, 2024**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Meeting, Thursday, March 21, 2024, with ten members present: Bynum, Commissioner At-Large First District; Townsend, Commissioner First District; Burns, Commissioner Second District; Ramirez, Commissioner Third District; Hill, Commissioner Fourth District; Kane, Commissioner Fifth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District; and Burroughs, Commissioner At-Large Second District and Mayor Pro Tem; presiding. Garner, Mayor/CEO; was absent. The following officials were also in attendance: David Johnston, County Administrator; Alan Howze, Assistant County Administrator; Angela Lawson, Interim Chief Counsel; Reginald Lindsey, Budget Director; Debbie Jonscher, Interim Chief Financial Officer; Michael Peterson, Assistant Budget Manager; Mike Grimm, Research Manager; and Monica Sparks, Interim Unified Government Clerk.

Mayor Pro Tem Burroughs 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 Pro Tem Burroughs called the meeting to order at 5:02 p.m.

ROLL CALL: Ramirez, Hill, Kane, Lopez, Stites, Davis, Bynum, Townsend, Burns, Burroughs.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in a hybrid format on Thursday, March 21, 2024, at 5:00 p.m. in the fifth floor conference room of the Municipal Office Building for a Budget Workshop regarding Revenue Neutral.

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.

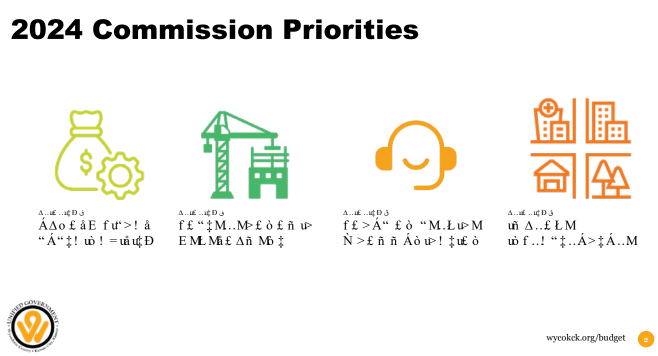
Mayor Pro Tem Burroughs said tonight we're starting a series of Budget Workshops. This session we will be discussing the Revenue Neutral process. I'll ask David Johnston, County Administrator, if he has any opening remarks.

David Johnston, County Administrator, said just a few. As you know every year we have to do a budget process to establish the next fiscal year, so fiscal year '25. This time around—I know this is the first step of many that we will be working with you as our commissioner policymakers and, again, we welcome our Budget Director and his staff to help make sense out of a complicated situation and what we have to do here. I'm going to pass it off to Reginald Lindsey and he'll take it from there.

Reginald Lindsey, Budget Director, said I want to knowledge staff that is here with me tonight. Michael Peterson, Assistant Budget Manager; Mike Grimm, Research Manager; and Debbie Jonscher, Interim Chief Financial Officer. What we plan to do tonight is talk about timelines with going revenue neutral and timeline of not going revenue neutral. We would like to define revenue neutral and then we're going to provide forecast of what going revenue neutral looks like and what possibly not going revenue neutral looks like and then we're going to look at property taxes in different taxing jurisdictions, which in Kansas, which includes those in Wyandotte County.

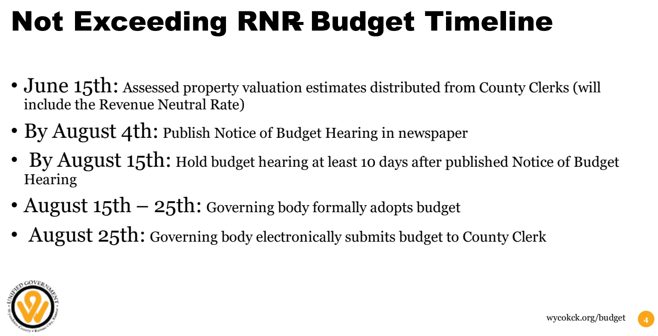
As we go through this what we would like to have you all do is help us define and get kind of maybe a consensus from you all if you would like to follow a revenue neutral calendar or not follow a revenue neutral calendar, which means if we're not going revenue neutral or if we're going to go revenue neutral, so that's what we'd like to help get you all thinking about tonight. If we're not able to make a decision tonight, we do have a Budget Workshop set up on April 4th for about 45 minutes before Police Awards where we can maybe get a final decision from you all if we go revenue neutral.

Mayor Pro Tem Burroughs said before we go any further, if we can pull the microphones closer so that we can hear to make sure that we have it be a matter of record.



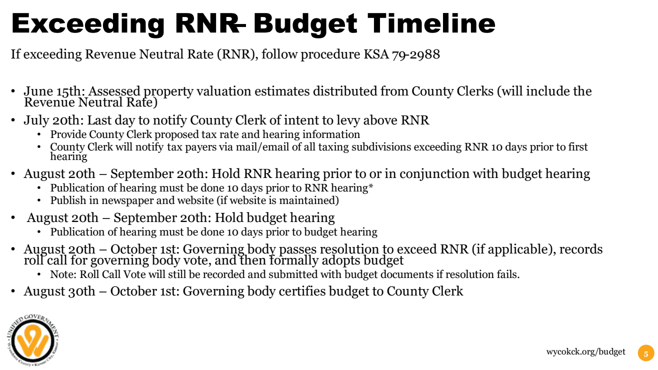
Mr. Lindsey said the first slide here is our 2024 Commission Priorities and these are the priorities that we're going to be using to build the 2025 Proposed Budget. We've got four priorities here; Uphold Fiscal Sustainability, Foster Economic Development, Focus on Service & Communication, and Improve Infrastructure. Tonight we will be more so concentrating on upholding a physical sustainability which in the long run impacts all the other three, so with physical stability what we're aiming to do is get a better understanding of our revenue and our sources and our costs here at the Unified Government and adapt to changes such as possibly shrinking revenue and how we'll adapt service levels to that.

Also, one of the things we have going on is we're overextended in debt and then we're relying on our reserves to balance a budget, so those are some things that we're trying to step away from as we build budgets going into the future. Debbie Jonscher, our Interim CFO, is going to cover the revenue neutral timeline.



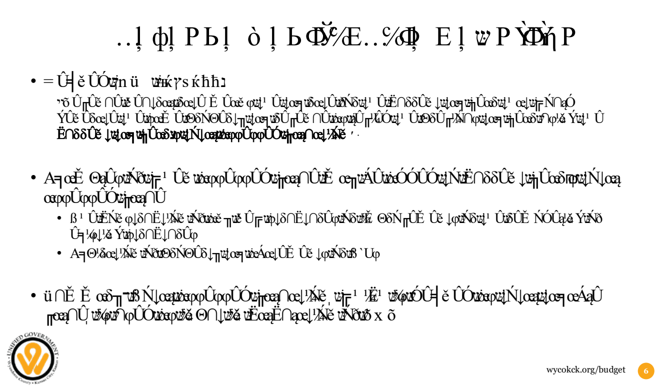
Debbie Jonscher, Interim CFO, said the next two slides are going to cover the budget timeline that we have because they are different depending on whether you exceed or do not exceed revenue neutral. I just wanted to note in case anyone wasn't familiar with what revenue neutral was, we're going to have a few more slides going into a lot of detail, but the revenue neutral rate is the rate that generates the same amount of property taxes that you received in the prior year using the current assessed value. So, that's what we're looking at with the increase in assessed value, what is the rate that we want to set for the mill levy.

I'll just talk about the timelines here. So, if we opt not to exceed revenue neutral, our budget timelines would be the same budget that we had prior to ever having revenue neutral established, the timeline that we used to follow. The Clerk's Office will certify the property valuations on June 15th and then I'm going to skip down to the very bottom. If you do not exceed revenue neutral, you have to have your budget approved and submitted to the Clerk by August 25th. That's the last date you can submit. So, we kind of backed into the rest of the calendar, by August 4th we would publish a Notice of Budget Hearing. That has to be done 10 days prior to holding the budget hearing, so then by August 15th we could hold the budget hearing for the revenue neutral—or for the budget hearing and then between August 15th and the 25th we would formally adopt the budget. Recommendation would probably not to be adopt the budget on the 25th because that's the same day we have to give it to the Clerk, so we need to make it if there were any final adjustments, we'd want to have a little bit of time to make those.



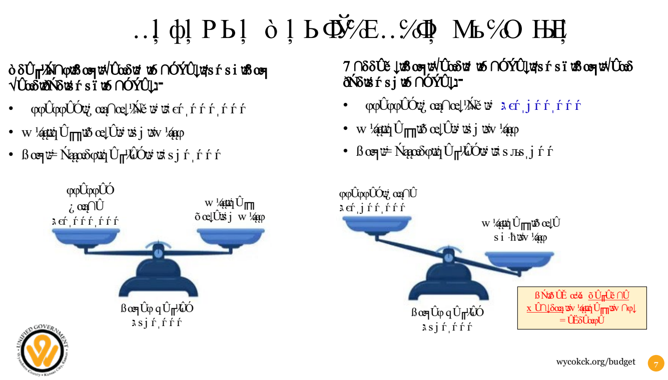
The next slide is if we opt to exceed revenue neutral. The Clerk's Office still certifies the assessed valuation on June 15th, that doesn't change. What we do have to do if the governing body decides they want to exceed revenue neutral, we have to notify the Clerk by July 20th of our intent to exceed the revenue neutral rate. If you did not send anything to the Clerk or you missed the July 20th deadline, then you would be forced to go revenue neutral. So, those are the dates that we need to keep in mind.

If you decide to go revenue neutral, then between August 20th and September 20th you would need to hold a revenue neutral rate hearing and during that meeting you would have to adopt a resolution that states that you are going to exceed revenue neutral if that's the decision at the public hearing. The regular budget hearing would also be held between August 20th and September 20th and you can hold them on the same day. You just have to make sure that for the revenue neutral rate, you do have to pass that resolution the night of that meeting if you are exceeding the revenue neutral rate. Once the budget is approved, we would have to certify the budget to the County Clerk by October 1st. With that, I'm going to turn it over to Mike Grimm to talk a little bit more in detail about revenue neutral rate.

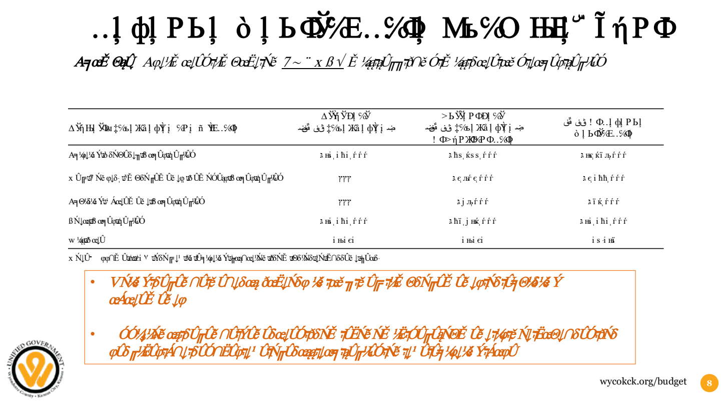


Mike Grimm, Research Manager, said I'm going to spend some time going over revenue neutral rates and definitions and examples. As we can see by State Statute, revenue neutral means the tax rate for the current tax year that would generate the same property tax as levied for the prior tax year or last tax year using the same—or the current year's assessed valuation and we'll get into all that, but bottom line, as Debbie mentioned, the revenues in the past year have to equal the revenues in the current year.

Examples of when assessed value may be added to a current year's total assessed value, it could be new structures coming onto the tax rolls, improvements, remodeling, existing structures—remodeling of existing structures. You could have expiring IRBs or TIF's for example and then we do look at economic development projects as a whole. If we go revenue neutral, we would realize that revenue coming onto the tax roll to help pay for services for the government. So, in summary, total assessed valuation is defined as total taxable value and is put for the calculation of revenue neutral rate.



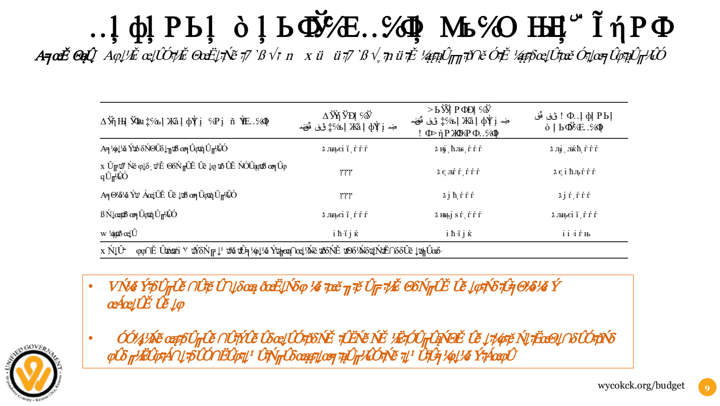
We are going to look at an example of revenue neutral rate. If we look at the previous—or the last tax year and the Budget 2023 tax year, if we assume, just an example, we have $10M in assessed value, the mill rate was 25 mills. That ultimately would generate $250K in taxes levied, so just to illustrate that on the scale, you kind of see the assessed value and the mills kind of equal there and that would generate to the $250K in taxes levied. If we look to the current tax year, which would be the '24 tax year, the '25 Budget, if we assumed, and it has, values have increased, we have $10.5M in assessed value. If we keep that mill levy the same, we would now be generating $262,500. If we look at that scale on the bottom, we see with that increased assessed valuation we would have to cut the mills to 23.8 to get the same tax levy, so we look at the bottom—I mean taxes levied in the current year, you know, the '24 tax year '25 Budget, you all are going to be working on has to equal the previous tax year.



We're going to continue with an example of revenue neutral, little more detail, little more in the scope of what we'd be looking at here at the Unified Government. If we look at the County Mill Levy Funds, in the first column we see the prior tax year or the last tax year, that would show us that 2023 taxes levied so we see that $73.4M and we assumed those other lines that are blank, the value that might be added is already in that number, but we get to those revenues by way of a mill rate of 37.313. As we look to the current tax year we see that with the increased valuation we're assuming a 13% increase in this example. We now have taxes levied at $82.9M, so about $9.5M more. Then we see we are adding about $1.7M in new construction improvements, any economic development projects that might be coming online and on the tax rolls, any expiring abatements and so we add all those up, we're up to $84.6M.

Now, that's getting there with the same mill levy rate as we had in the last tax year and that's kind of the not going revenue neutral column. If we look at going revenue neutral in that far right-hand column, I'll just cut to the bottom. You see the taxes levied, the 73.4 are the same as in column one, the total taxes levied, but to get there we had to cut mills to 32.374, but what we're missing out on is if you look at the rows above that, we're actually decreasing our tax base. So you see the existing taxes are now down about $72M and the other line items are down also.

In summary, on the bottom bullets if we go revenue neutral, we're still factoring in any new improvements, economic development projects coming online, expiring abatements, but we just don't realize those taxes for the services for the government to operate. That last bullet, just to reiterate, that additional taxes, revenues generated from economic development wouldn't be captured for services, but ultimately as we see in that last column would reduce the existing tax base.



Similar example, I'll go through this a little more quickly, now we're just looking at the impact on the City side, the City Mill Levy Funds. So, column one we're looking at about $67M in tax revenues. That mill rate 38.459…

Mayor Pro Tem Burroughs said we have a question in reference to the County presentation you made. I don't want to have to go back, maybe you can answer the question as we move along.

Commissioner Bynum said I can hold my questions. I'm sure I'll have more or I can ask now, but like on your County example right there, in order to capture the new construction and things that are rolling onto the tax roll, we have to lower the amount collected by existing parcels. **Mr. Grimm** said ultimately. **Commissioner Bynum** said how do we determine what to lower the existing taxes on? **Mr. Grimm** said that would just be—someone can correct me if I'm wrong, that would just be across the board, so if the assessed value is coming in at a certain level, we have to apply that lower mill. **Commissioner Bynum** said let me state it a different way because revenue neutral would capture the same dollars this year as last year, but this year we have 15 projects, last year we only had 10, so we've got to get to the same dollar amount, but now we have more projects worth more money, so one of the things is the lowering of the mill levy and if I'm understanding your answer, by lowering the mill levy is how we would collect 71M on existing versus 73 last year. **Mr. Grimm** said that's correct. **Commissioner Bynum** said okay and I'll try to hold my questions.

Mr. Lindsey said it's definitely fine if you all ask questions. **Mayor Pro Tem Burroughs** asked, do you mind if we stop and ask for questions. I don't want to interrupt people when you're doing such a good job.

Commissioner Ramirez asked, can that be explained again because I got lost in what your question was Commissioner Bynum. I tried to follow along, but I think I got lost somewhere and I don't exactly know where. **Mayor Pro Tem Burroughs** asked Mr. Grimm, would you explain it again, if you don't mind.

Mr. Grimm said Michael Peterson wants to try it. We'll say it a different way and see if that works.

Michael Peterson, Assistant Budget Manager, said I'm going to try to just say it a different way. So, basically, if we have new improvements, if we have new construction, if we have economic development agreements that are dropping off, typically those would increase our tax revenue. If we go revenue neutral, we collect the same amount of money on our end, but what that does is it lowers taxes for everybody else. So, instead of us capturing the additional revenue, it would reduce the taxes for everybody that was already part of the tax base.

Commissioner Bynum said right because there's more people in the swimming pool. There's more people in the pool, so if you have more stuff to tax, everybody gets to pay a little bit less. Is that fair? **Mr. Peterson** said I think that sounds right. **Commissioner Ramirez** said okay, I think I get it now.

Ms. Jonscher said here we're just showing the breakout of the new and expiring abatements that are coming on, but ultimately, yeah if you lower the mill levy, it lowers it for everyone, but we're showing the reduction on the existing, but it's really going to lower it for everyone.

Commissioner Davis said just to clarify, we're talking about the rate, the mill levy, we are not talking about the appraised value. There can still be an increase in the valuation even if we were to lower the rate. I just want to kind of provide that clarity.

Monica Sparks, Interim Unified Government Clerk, said I think maybe this will help from the Clerk's perspective. We get values certified to us in March from the Appraiser. Those are estimated. By the time we actually get to the process of setting the levies we have the final values and those could change based on exactly what you're talking about, exemptions that have been allowed from the State, tax appeals that have come through, so those values may change a little bit and then that's what we use, those final values, to set the mill rate when we do that. So, that's why you may see a difference.

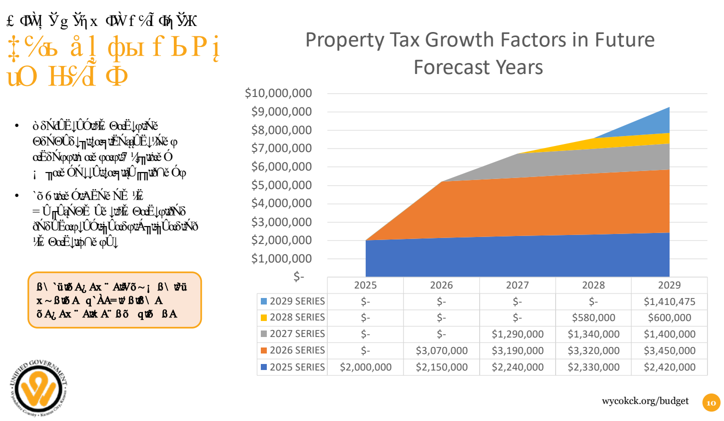
Mayor Pro Tem Burroughs said would it be fair to say that most of those new improvements and remodels that come on are usually at a little higher appraised value than some of the existing properties that have the value already on them because the new values haven't been protested yet and/or are newer models and are sometimes bigger and/or more modern amenities which is a higher appraisal? **Mr. Grimm** said yeah, I think that's a fair general statement. I'm not wearing the Appraiser's hat, but I think we—**Mr. Lindsey** said we think that might be more of a Matt question. Matt can probably answer that question better than us. **Mayor Pro Tem Burroughs** said please continue.

Mr. Grimm said we were on the City slide. Again, similar example, numbers are a little bit different. This is the City of Kansas City, Kansas mill levy, so we see $67M. In the prior tax year mill levy rate 38.459, we add increased value and new items coming on like we discussed and we're up to 77.7 mills—5M and that's at the same mill rate. If we went revenue neutral you can see again in that last column, the revenues 67.1 match what they were in the prior year, but we have to lower the mill levy rate to get there.

Commissioner Stites said it's a statement. I've got two texts now that people can't hear at home at all and one of them says they have their TV turned up to 85 and can't hear, so I don't know if that is us or if that is with the system, but they can't hear at home. **Mayor Pro Tem Burroughs** said we'll take just a minute to make sure that we've got enough volume on the other end. It's hard to hear over here in this corner because I have a vent fan that runs constantly and hums, so it's harder to hear over here over that noise. Again, I just want to remind everybody when you speak, pull the microphone up closer. Those of us that are hearing challenged find it difficult anyway, but to ensure that we can get an accurate record. It's important that we're able to hear. Please continue.

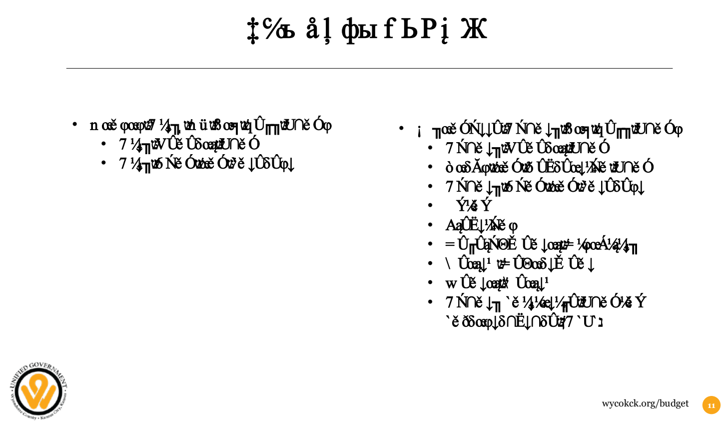
Mr. Grimm said I think we're done with these slides. They're just estimates, they're examples, just to give you the scale and scope. Revenue neutral on the City side, you would be cutting about $10M. I think it's $11-$12M on the County side, so just an example.

Mayor Pro Tem Burroughs said if I may, with these examples, in those two examples one on the County and one on the City in the piece you just shared with us, down from 37 to 32 mills that would be a 4.93 mill levy possible reduction and for the City it'd be a 5.152 mill reduction. **Mr. Grimm** said correct. **Mayor Pro Tem Burroughs** said so it would be a total of right around, close to 10 mills. **Mr. Grimm** said yeah, we're right there.



This chart looks at—kind of focuses more on the IRB Industrial Revenue Bonds coming on the tax rolls, economic development, and the potential impact if we go revenue neutral and we don't capture some of these new revenues coming on. So, for example, and this is just looking at the Kansas City, Kansas Wyandotte County Tax Levy Funds again. For example, in 2025 we see that about $2M is due approximately to come online and we did look at some detail. That represents a couple of IRB's with their last tax payments—or PILOT payments in '24, so the JE Dunn down on Kaw Drive and I think the GM paint shop, their 10 years is up, so that's a couple examples of abated projects that would be coming online.

In terms of economic development in 2025, the 39th & Rainbow development across from KU Med for the first 12 years they were getting part of a TIF. They were getting 100% of their real property back to them. We're starting to stairstep that down. I think this year they're going to get 80, we get 20, and after another eight, nine, ten years we'll be getting 100% of that. You can see the impact of that through the years, so after five years or in 2029 that's 9.5M, but it's accumulative, so potentially you could add all those up to over 30M. I'm not suggesting we're going to go revenue neutral for that many years, but it just shows you the impact that if we don't add this value to the tax rolls and don't go revenue neutral, we are capturing, I'll say, you know significant dollars coming back on for services.



Just a quick lead into some other tables, just to show you the Tax Levy Funds. I guess as a reminder on the City side we have two, the General Fund and Bond & Interest, and all those listed on the right, and nine on the County side and these are the Mill Levy Funds that are funded through and associated programs and services through property taxes.

Tax Levy Fund	Property Taxes Levied in 2023	2023 Mill Rate	Estimated Property Taxes Levied in 2024	Additional Revenue	Revenue Neutral Mill Impact
City General Fund	$37,392,840	21.421	$42,253,909	$4,861,069	-2.46
City Bond & Interest	$29,741,432	17.038	$33,607,818	$3,866,386	-1.96
City Funds Totals	$67,134,272	38.460	$75,861,727	$8,727,455	-4.42
County General Fund	$55,420,076	28.180	$62,624,686	$7,204,610	-3.24
County Bond & Interest	$4,364,346	2.219	$4,931,711	$567,365	-0.26
Consolidated Parks Fund	$3,248,187	1.652	$3,670,451	$422,264	-0.19
Health	$3,091,735	1.572	$3,493,661	$401,926	-0.18
Aging	$2,035,765	1.035	$2,300,414	$264,649	-0.12
Elections	$1,730,999	0.880	$1,956,029	$225,030	-0.10
Mental Health	$842,591	0.428	$952,128	$109,537	-0.05
Developmental Disability	$682,995	0.347	$771,784	$88,789	-0.04
County Infrastructure Fund	$1,965,865	1.000	$2,221,427	$255,562	-0.11
County Funds Totals	$73,382,559	37.313	$82,922,292	$9,539,733	-4.29
Total	$140,516,831	75.773	$158,784,019	$18,267,188	-8.72

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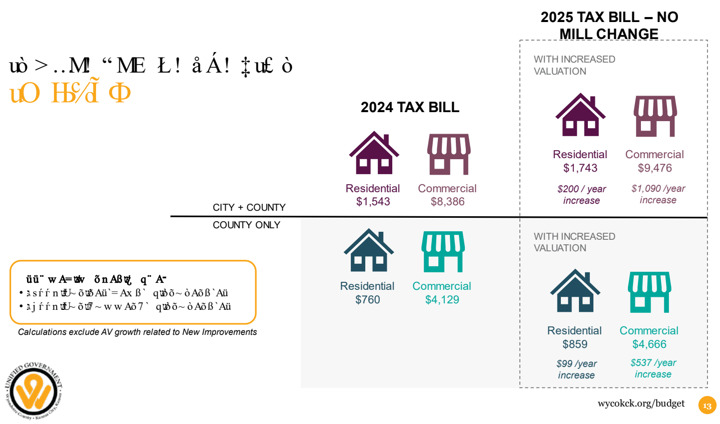
On this table we're showing line item detail for the mill levy funds. The two, City on top and then the County below. What we're showing are the property taxes levied in 2023 so we're kind of looking at that last year, previous year, and if we add all those up in the column you see that bottom $140.5M, those were the taxes levied and then we got there with the 75.773 mills. If we assume that increased valuation of 13%, we're now up to $158.8M in taxes levied so we've gained $18.3M.

If we go revenue neutral, we're back to trying to get to that $140.5M and we have to cut 8.7 mills and that equates to about a 12% mill reduction.

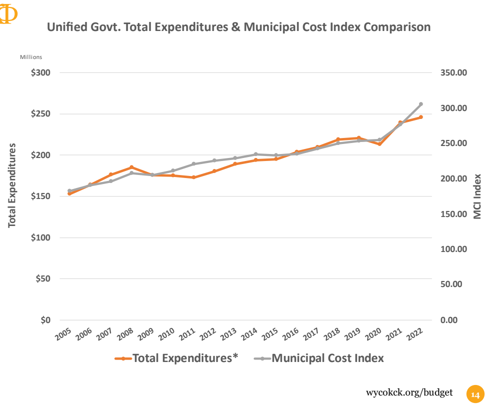


We'll build on that in a little bit, but just to give you an example of a potential impact for a median residential property of a single family home $200,000 and commercial property $500,000, so we're looking just at the UG mill levy rate. The City and County above that dark line, so in 2024 that residential property would have a tax bill, just for the UG taxes, $1,543. That would be similar to going revenue neutral. If we don't go revenue neutral on the right up top, you see that residential property is now paying a UG tax bill of $1,743 or $200 more. For the commercial we're going a little over $8,000 to a little over $9,000 where that tax bills about $1,000 higher and we did split out the bottom just the County portion of the mill levy to show that impact, so that residential property $760 to $859 so about $100 a year on the County side. On the commercial side about $537 higher not going revenue neutral.

Commissioner Bynum said stopping on this page just to make sure I'm getting the example correct, we're saying that a home valued at $200,000 in 2024 just the City mill levy and the County mill levy is $1,500, so no school district, no library, no college, just ours. **Mr. Grimm** said correct. **Commissioner Bynum** said okay, we're saying in 2025 you're saying with increased valuation, but are you still figuring the tax dollar amount due based on the current mill levy rate. What mill levy rate are we using to calculate a $200 a year increase? **Mr. Grimm** said I knew somebody was going to ask, I can pull the detail, but in this example it was a little different, we just wanted to keep the value of the home the same. In this example, kind of behind the scenes, we're just playing with the mill levy. Does that make sense? So, we're trying to get the mill levy back to what it was for a $200,000 home. So, in this example, hopefully not confusing, but a little different, we just wanted to keep that value the same in this example.

Mayor Pro Tem Burroughs said if I may Mike, I think I follow what Commissioner Bynum is asking. I would have looked at it a different way. What percentage were you increasing the 2025 mill rate on, but her question was what mill rate are you using to come up with that. I think we're almost asking the same thing. If you're asking if the 2024 is with revenue neutral, because I think that's what our example is here this evening—**Mr. Grimm** said right—**Mayor Pro Tem Burroughs** said it is revenue neutral, then the increase in value is set on a percentage for next year, but it's also based on the revenue neutral rate of 2024. Would that be an accurate statement? **Mr. Grimm** said I think so. **Mr. Lindsey** said no, it would be the current mill rate. **Commissioner Bynum** said right and I'm sorry I'm getting lost because the reason my tax bill would go up $200 is because my valuation went up because I left the mill levy the same. So, the $200,000 house next year is more than $200,000 and I just want to make sure I'm tracking with the example. Okay, I'll leave it.

Commissioner Lopez said I was kind of doing the math a little bit and it looked like your mill rate on this each mill was like $1,966,687 per mill. Is that right? **Mr. Grimm** said I'd have to dig that—**Mr. Lindsey** said that is—for the County it is like $1.9M and then for the City is like $1.7M. **Commissioner Lopez** said is that what we're trying to answer that everybody's looking for like which each mill was per mill. **Mayor Pro Tem Burroughs** asked, Commissioner, could you speak up? **Commissioner Lopez** said I just want to make sure that when I was doing the math that's what I was coming up with, was each mill was at $1.9M. **Someone** was inaudible. **Commissioner Lopez** said yeah.



Mr. Grimm said this chart looks at the cost of operating the government. Just like at home, our costs have gone up, same with the government. Cost of goods and services have increased, so this Municipal Cost Index, the organization American City & County for nearly 50 years has developed this index. It's just an example of a benchmark that exists to help elected officials track the cost of services for governments to operate.

On the chart on the gray line, that's the Municipal Cost Index and we did put our total expenditures on there in that correlation, that trend line is pretty good. What we've done is looked at that Municipal Cost Index and in the past five years it's increased 5%.

Tax Levy Fund	Property Taxes Levied in 2023	2023 Mill Rate	Property Tax Municipal Cost Index 5% Benchmark	Additional Revenue	Municipal Cost Index Mill Impact
City General Fund	$37,392,840	21.421	$39,262,482	$1,869,642	-1.517
City Bond & Interest	$29,741,432	17.038	$31,228,504	$1,487,072	-1.206
City Funds Totals	$67,134,272	38.460	$70,490,986	$3,356,714	-2.723
County General Fund	$55,420,076	28.180	$58,191,080	$2,771,004	-1.995
County Bond & Interest	$4,364,346	2.219	$4,582,563	$218,217	-0.157
Consolidated Parks Fund	$3,248,187	1.652	$3,410,596	$162,409	-0.117
Health	$3,091,735	1.572	$3,246,322	$154,587	-0.111
Aging	$2,035,765	1.035	$2,137,553	$101,788	-0.073
Elections	$1,730,999	0.880	$1,817,549	$86,550	-0.062
Mental Health	$842,591	0.428	$884,721	$42,130	-0.030
Developmental Disability	$682,995	0.347	$717,145	$34,150	-0.025
County Infrastructure Fund	$1,965,865	1.000	$2,064,158	$98,293	-0.071
County Funds Totals	$73,382,559	37.313	$77,051,687	$3,669,128	-2.642
Total	$140,516,831	75.773	$147,542,673	$7,025,842	-5.364

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So on the next slide what we did on this one are the first two columns are the same as what you saw on the prior slide that looks like this, so $140.5M in taxes levied with that '23 rate, but as opposed to cutting 8 mills, 8.7 mills to go revenue neutral, what if we just cut 5.4 mills and that would create taxes levied of $148M, $147.5M for an additional $7. So this is just one example of something that’s not revenue neutral that the Commission could think about and discuss just to increase revenues just to really keep those services at a status quo.

Commissioner Ramirez said I want to thank Reggie earlier for helping me through this because this was I believe, and I asked him, I believe this is the first time we’ve used or seen this Municipal Cost Index in the budget. Using this, as Reggie said earlier, as a tool, if we use this tool instead of revenue neutral, please correct me if I’m wrong, we’re at the same time able to capture some additional revenue while also being able to cut the mill levy. Is that correct or am I completely wrong and off? **Mr. Lindsey** said that is correct and also I will add the 5% is what we need to increase to do the same level of service in 2025, so that would be not adding anything new. It would just be keeping things status quo is what we forecast right now. **Commissioner Ramirez** said so it’s kind of the same thing, but in a more responsible way you could say. The expenses go up 5%, does that mean we’re only taking 5% more of revenue to—**Mr. Lindsey** said yes, that is—that’s exactly—we would only be raising the mill levy to adjust to 5% more revenue because that’s what we need as a government because of our expenses going up each year because of inflation, commitments we’ve already made. **Commissioner Ramirez** said okay.

Alan Howze, Assistant County Commissioner, said I might just add Commissioner, I guess one other way to think about it is revenue neutral is a binary choice. Either you stay revenue neutral or you don’t. If you don’t go revenue neutral—I mean the Commission has wide latitude to set the mill rate. I mean you can leave it the same, you can cut it one, you can cut it five. So the revenue neutral is the only thing that’s really binary in your decision and the rest of it as the budget process unfolds is fully within the control of the Commission in terms of what you choose to set the mill rate at based on whatever infrastructure or based on salaries, but whatever you choose to make investments in or to spend money on. I don’t know if that helps.

City General Fund	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
TOTAL REVENUES	**$ 169,110,982**	**$ 173,689,284**	**$ 180,860,769**	**$ 187,586,812**	**$ 194,649,168**	**$ 201,443,099**
TOTAL EXPENSES	$ 170,593,501	$ 177,684,106	$ 185,077,218	$ 192,785,952	$ 200,823,999	$ 209,205,651
Net Change in Fund Balance	$ (1,482,519)	$ (3,994,822)	$ (4,216,449)	$ (5,199,139)	$ (6,174,831)	$ (7,762,553)
Cash Basis Ending Fund Balance	**$ 26,734,011**	**$ 22,739,189**	**$ 18,522,740**	**$ 13,323,601**	**$ 7,148,770**	**$ (613,783)**
ACFR Ending Fund Balance	$ 41,581,750	$ 37,586,928	$ 33,370,479	$ 28,171,340	$ 21,996,509	$ 14,233,956
Reserve % of Expenditures	24.37%	21.15%	18.03%	14.61%	10.95%	6.80%
Fund Balance 17% Target	$29,000,895	$30,206,298	$31,463,127	$32,773,612	$34,140,080	$35,564,961

City General Fund	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
TOTAL REVENUES	**$ 169,110,982**	**$ 178,258,784**	**$ 185,772,981**	**$ 192,695,513**	**$ 199,962,217**	**$ 206,968,670**
TOTAL EXPENSES	$ 170,593,501	$ 177,684,106	$ 185,077,218	$ 192,785,952	$ 200,823,999	$ 209,205,652
Net Change in Fund Balance	$ (1,482,519)	$ 574,678	$ 695,763	$ (90,438)	$ (861,782)	$ (2,236,983)
Cash Basis Ending Fund Balance	**$ 26,734,011**	**$ 27,308,689**	**$ 28,004,453**	**$ 27,914,014**	**$ 27,052,232**	**$ 24,815,250**
ACFR Ending Fund Balance	$ 41,581,750	$ 42,156,428	$ 42,852,192	$ 42,761,753	$ 41,899,971	$ 39,662,989
Reserve % of Expenditures	24.37%	23.73%	23.15%	22.18%	20.86%	18.96%
Fund Balance 17% Target	$29,000,895	$30,206,298	$31,463,127	$32,773,612	$34,140,080	$35,564,961

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Mr. Lindsey said current slide. What we have is a view of a revenue neutral rate financial statement and then we also have a financial statement where we look at full valuation. With the City General Fund looking at the revenue neutral rate, some of the assumptions that are built into both of these financial statements we're looking at property tax possibly going up for the full valuation estimate 13% and then in 2025 property tax going up 7% and then each year after 4%. Then we're looking at sales tax going up about 3% in 2025 and then from each year after that going up 2% and we're looking at our Personnel cost going up about 3% and then Operating cost going up 3.5%.

In the first model with the revenue neutral rate estimate, I mentioned property tax going up 13%, but in this particular model it's going to stay flat, but we have other revenues that do go up so when you do see the revenues go up, that's because we have other revenues such as sales tax and charges for services that let the revenue go up.

Looking at financial statement, we see total revenues and total expenses. In our 2025 Budget we're about $3.4M unstructurally balanced there. One of the things that we want to step away from is not balancing our budget on our fund balance, so we want to eliminate outer years of dipping into our fund balance. We see each year going out until 2029 we're dipping in fund balance if you go revenue neutral.

Also, when we drop down to the cash basis ending fund balance, we can see we do have a fund balance, but each year it tends to dwindle down with the revenue neutral rate estimate, so we start in 2025 with almost $23M, but by the time we get to 2029 going revenue neutral just for 2025, we end up with a negative fund balance of $613,000.

Commissioner Kane said if we went out to—revenue neutral went all the way out to 2029, we'd be in the hole by $613,000 because we'd have to dig into our reserve. **Mr. Lindsey** said at that point right there we wouldn't even have a—we wouldn't even be able to dig into our reserve. We would have to cut expenses. We wouldn't even be able to—**Commissioner Kane** said and that's what I'm saying that there would be no fund balance, we'd be in the hole and we would be in trouble.

I just want to add something, a couple things on here, has fuel went down, concrete, asphalt, no pay raises, overall expenses and has insurance went down because these are all things we have to add up as we're going through this stuff and to my knowledge none of that has went down. In fact, it's went up a lot. I think that's something we need to think about as we're going through here that things aren't staying the same; milk, bread, gas, beer are all going up. None of it is going down, so I think that we need to keep that in mind as we're going through the budget.

Commissioner Stites said I just have a quick question. I want to make sure I'm clear on. If the mill—the example, if we were revenue neutral, is that if we went revenue neutral every one of those years? **Mr. Lindsey** said no—**Commissioner Stites** said that's if you meant revenue neutral just this one year you would end up with your forecast at that number? **Mr. Lindsey** said yeah, just this one year.

Commissioner Davis said following up on what Commissioner Stites said, so the revenue neutral mill levy would be what 32.7. **Mr. Lindsey** said yes. **Commissioner Davis** said so that would be 32.7 mill levy applied each year on our revenues, correct? **Mr. Lindsey** said yes. **Commissioner Davis** said I just wanted to make sure I understood that. **Mr. Lindsey** said subsequent years. I mean we would have the choice to go revenue neutral. **Commissioner Davis** said gotcha, but for this example, for this estimate you're saying we are applying a 32.7 mill levy every year. **Mr. Lindsey** said yes. **Ms. Jonscher** said because that number compounds. Even though you reduce it one time, that reduction continues to go every year unless the mill levy goes back up.

Mr. Lindsey said also pointing out with the revenue neutral rate estimates, in our fund balance policy we like to keep like a 17% fund balance, so looking at the Reserve Expenditure Fund balance we can see in 2025 we are above that 17%, 2026 we are above that 17%, but each year after that it starts to dwindle, so starting in 2027 each year it starts to go down. So, in 2027, you have almost a 15% fund balance and then you drop to almost a 11% fund balance in 28 and then 2029 we drop to a 7% fund balance.

Moving on to the next financial model we have like a full valuation estimate and we're using this full valuation estimate to give you a glimpse of what not going revenue neutral looks like. We haven't cut any mills or anything from here, but going into the future there's a possibility to cut mills, but we want to show you what full valuation looks like. Looking at the net change in fund balance, we can see in 2025 things look pretty positive. We were not dipping into fund balance. We almost have a $600,000 net change and more revenues coming in and then in 2026 we almost have $700,000 more revenues coming in than expenditures. In 2027 we do run into some issues where we are spending into fund balance and, basically, what's going on there is even though we are looking at full valuation, our expenses are going up faster than the revenues that we're bringing in across the board. As we get down and look into the cash basis fund balance, we can see that it's pretty healthy and we can look at the reserve percentages where we would like to keep like a 17% fund balance and we can see each year out to 2020—each year in this model we were able to keep that fund balance at 17%.

Next we're going to look at the County General Fund unless there are some questions. **Mayor Pro Tem Burroughs** said, Reggie, we have a number of questions.

Commissioner Ramirez said more of a statement really than question. I mean at the beginning of this presentation our first priority is uphold fiscal sustainability. Looking at these two charts and possibly the next two, I don't see how revenue neutral is maintaining and upholding fiscal sustainability by 2029. We are in layman's term broke whereas in full valuation by '26 we can take some correct—or this year and '26 and '27 we can take corrective measures as a body, as staff, to make some tough decisions to cut here and there, to make some tough decisions as we said we would and as we should every year moving forward. Remember, our first priority uphold fiscal sustainability and looking at those two charts there's only one that upholds that priority.

Mr. Johnston said I guess I would like for you to—those who were on the Commission last year, go back to the example of these models in your mind's eye and we saw that 2026 was the year where the color red became prominent on this. I do want to remind you that when we got to the end of the budget process, the recommended budget was to go full valuation and why we did that is we said we can push back some of our fiscal challenges out. The fact that you see in 2026 black in full valuation, it achieved that. You're not getting more nervous until we get to 2027 and all that. In last year's model, 2026 in both the County and the City, in all the models whether it's neutral, whether it's full valuation, it sounded the alarm that we had to take and the Commission last year decided to buy time by accepting the full valuation. We did get considerable criticism from our public because that meant their tax bills went up, but it provided us time to do some things and we'll talk about toward the end of this presentation some of the things we're doing in house.

Commissioner Ramirez is correct, I think we are facing where we're going to have to make some tough choices on programs that we traditionally fund 100% for outside of government, how we fund ourselves inside a government and that only comes with close dialogue with you folks. Like this is just the first salvo of information. As we progress over the next few months we will have those discussions and get further direction from you from those discussions, but my point was last year we were facing some dire information that we had to act on. You recommended go full valuation and we said it would push it out and buy us time and this is evidence of that, so just FYI.

Mayor Pro Tem Burroughs said but we're still mandated by state statute to have this discussion. **Mr. Johnston** said exactly. **Mayor Pro Tem Burroughs** said and that's why we have to have it as we had to have it last year which in turns forces us to look at our projections moving forward as to either cut our expenses or increase our revenues. That's the option that the legislator has put in our laps on the local end.

Commissioner Burns said, Reggie, am I correct in assuming that Public Safety is about 69% of our budget? **Mr. Lindsey** said yes, that is correct. **Commissioner Burns** said then the balance of that we would have to find cuts, right? **Mr. Lindsey** said to balance our budget, yes, we definitely would have to cut some service levels. **Commissioner Burns** said of the 31%. **Mr.**

Lindsey said we would—I mean, hopefully, we would be looking at the whole budget. **Commissioner Burns** said it makes it very difficult. **Mr. Lindsey** said yes and actually if you like the 31%—I mean depending on if we were going revenue neutral, the 31% that would be left outside of Public Safety, we probably wouldn't even be able to come up with enough cuts from those. I mean something would have to come from Public Safety I'm sorry to say.

Mayor Pro Tem Burroughs said, Reggie, just for clarification, you did say Public Safety is 69% of the budget. **Mr. Lindsey** said it's somewhere around the 69 to 72% or so, somewhere around there. It may not be exactly 69%, but it's in that neighborhood. **Mayor Pro Tem Burroughs** said do we know what percentage all personnel costs are? **Mr. Lindsey** said it's around about 73% also.

Commissioner Lopez said would like all of our tax abatements that we give out, could that have put this in this spot? **Mr. Lindsey** said it definitely contributes. I can't say that's the whole reason, but it definitely contributes to it.

Also, one of the things I've been talking about is fund balance that we—we have a fund balance policy where we have a 17% fund balance, so one of the things Debbie Jonscher and I were discussing, because she meets with our rating agencies and I'll let her talk about some of the guidance they gave her when she met with the credit rating agencies this past. **Ms. Jonscher** said I was just going to make the comment, because it's probably more pertinent to this fund, you know we have the fund balance policy that says our minimum is 17%, but you know our goal is 25%. If you recall during the presentation I did a couple weeks ago on the bond when we had the bond sales, that one of the things that the credit ratings cited in their report was reasons—things that could contribute to an upgrade would be fund balance in excess of 30% or a downgrade could be the fund balance going down below 20% and staying below. So, if you look at where we are, even on full valuation we're kind of hovering around that 20 to 22%, so we are within target there, but if you look at revenue neutral, we are well below that target.

Commissioner Stites said I guess I didn't have a question. I know, Christian, you were probably in front of me, sorry, but then why would we have a policy that said if you're saying that a possible downgrade would be if we're below 20%, but we have a fund balance target of 17%? **Ms.**

Jonscher said that was when the policy was approved, that was the minimum because that was kind of an industry standard. Best practices that the GFOA didn't want fund balance going below 17, so we set that as the minimum with the goal to be up closer to 25% which is also a best practice recommendation. The 30% came directly from the credit rating agency when they reviewed our debt profile.

Mr. Johnston said I guess to follow up on that, we've always followed the GASB standards and that's where the 17% comes from. It's in essence a two-month reserve and that was set well before COVID and I think as we experience things, we get new awarenesses to pay attention to, and that's what Debbie is saying, is that the market saw a lot of cities—public agencies suffered due to COVID because of reduced revenue and got them precarious in the financial market and, therefore, they're saying almost like what Matt May told us in Emergency Management training is emergencies will happen, you have to be prepared. Therefore, they're saying we learned a lot during COVID, it's better for municipalities, local governments, to have a higher than 17% range because you never know when you'll have an emergency like the Great Recession that we had at the end of the first decade of this year. Then came the two to three year chaos that COVID did and so they're saying learn from that and have a goal which means shoot for having higher reserves than you normally have.

So, if you want better rates in bonding, have a higher level close to 30 plus percent, otherwise you're going to be status quo in the 20s. That's not bad. They're just saying if you want to reduce borrowing costs, the market says have higher rates, but also, you're going to get downgraded if you're lower as standard. That's what the market tells us to do and we are bringing that to you tonight just to say that's just another layer for us to think about when it comes to our budgeting. We then have to make decisions at this level that then have to be explained to department heads that they may have to adjust their service level, their quality of services, we then have to talk to another level called our citizens. Why are we reducing services, why are we increasing services and it's just to show you that budgeting is not like your checkbook anymore. It is far more complicated and we have to pay attention to many different things that go into crafting an annual budget.

Commissioner Ramirez said this comes from Commissioner Lopez's question, I think I finally understand what you were talking about Commissioner Bynum, it's going to affect everybody. He brought about tax abatements so that means developments that are going to finally be coming onto the roll. If we go revenue neutral, they will also lower—their tax will be lowered as well. I want the community to really realize that because the community is—again, a lot of our community members are against tax abatement and economic incentives and to encourage they think developments and projects aren't paying their fair share of taxes. If we go revenue neutral, they will once again not pay their fair share of taxes because they will be affected by the revenue neutral rate as well when their projects start coming onto the tax rolls. Just wanted to put that out there.

County General Fund	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
TOTAL REVENUES	$ 81,975,030	$ 84,096,271	$ 89,949,616	$ 93,757,852	$ 97,837,702	$ 101,358,815
TOTAL EXPENSES	$ 84,008,832	$ 87,376,597	$ 90,883,532	$ 94,535,530	$ 98,338,734	$ 102,299,555
Net Change in Fund Balance	$ (2,033,802)	$ (3,280,326)	$ (933,917)	$ (777,677)	$ (501,032)	$ (940,740)
Cash Basis Ending Fund Balance	$ 5,603,305	$ 2,322,979	$ 1,389,062	$ 611,385	$ 110,353	$ (830,387)
ACFR Ending Fund Balance	$ 8,734,831	$ 5,454,505	$ 4,520,588	$ 3,742,911	$ 3,241,879	$ 2,301,139
Reserve % of Expenditures	10.40%	6.24%	4.97%	3.96%	3.30%	2.25%
Fund Balance 17% Target	$14,281,501	$14,854,021	$15,450,201	$16,071,040	$16,717,585	$17,390,924

County General Fund	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
TOTAL REVENUES	$ 81,975,030	$ 90,868,604	$ 97,229,874	$ 101,329,321	$ 105,712,029	$ 109,548,115
TOTAL EXPENSES	$ 84,008,832	$ 87,376,597	$ 90,883,532	$ 94,535,530	$ 98,338,734	$ 102,299,555
Net Change in Fund Balance	$ (2,033,802)	$ 3,492,007	$ 6,346,341	$ 6,793,791	$ 7,373,295	$ 7,248,560
Cash Basis Ending Fund Balance	$ 5,603,305	$ 9,095,312	$ 15,441,654	$ 22,235,445	$ 29,608,741	$ 36,857,301
ACFR Ending Fund Balance	$ 8,734,831	$ 12,226,838	$ 18,573,180	$ 25,366,971	$ 32,740,267	$ 39,988,827
Reserve % of Expenditures	10.40%	13.99%	20.44%	26.83%	33.29%	39.09%
Fund Balance 17% Target	$14,281,501	$14,854,021	$15,450,201	$16,071,040	$16,717,585	$17,390,924

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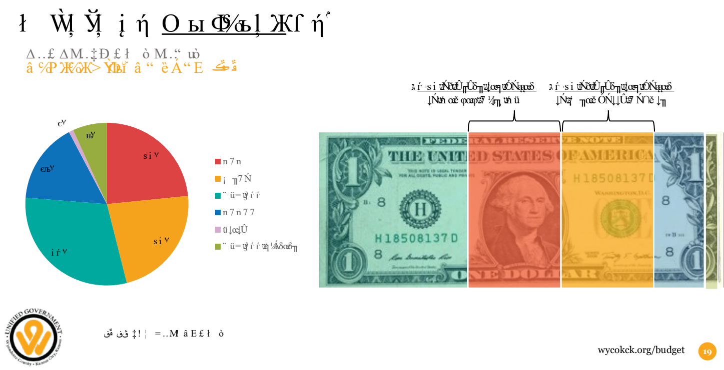
Mr. Lindsey said the current slide, we're looking at the County General Fund. The prior slide was the City General Fund, so what we're looking at here again is the same as the prior slide. Top is revenue neutral rate estimate and the bottom financials are a full valuation estimate. Here again we have similar assumptions where we're looking at Personnel expenses going up 3%, Operating expenses going up about 3.5% each year and then in the revenue neutral model we're looking at property tax staying the same in 2025 and then each year after that. So, in 2026 it would go up like 7% and then each year after that 4%. Then in sales tax, we're looking at going up 3% each year and then we're looking at our PILOT going up like 3% each year.

So, looking at the revenue neutral rate estimate financials, we can kind of see where looking at total expenses and revenues in 2025 we do have a $3.2M where we're dipping into fund balance, so we have $3.2M more expenses coming in than revenues we have coming in. As we look going into the outyears, I mean we can basically see each and every year we're spending in the fund balance. As we look into the reserves that we just kind of talked about, we can see 2025 we're down below 7% for a fund balance and then each year after that moving out we're definitely like—fund balance is going down each year. One key thing that sticks out in 2029 is we spend into the red and we wouldn't even be able to approve a budget in 2029 because we would have spent all our fund balance.

Moving into the full valuation estimate and by no means are we saying that we're going to go full valuation or anything like that, we just want to use this as an example, but one of the things with full valuation is we are recognizing property taxes going up 13% in 2025 and then in 2026 they go up like 7% and then each year after that we're looking at going up 4%. So, we can see in 2025 we do have—revenues do exceed the expenditures coming in about almost $3.5M and we can see when we get out to 2029 we have a $7.2M where we still have $7.2M of more revenue coming in than expenditures and we end up having a fund balance of like $36M which is like 40%. Starting in 2025 we are spending a little bit more money, so we do have like a 14% fund balance, but each year after that it starts to rise steadily with one full valuation.

Commissioner Stites said, Reggie, when we approved the budget last year or when the budget was approved last year, what were we predicting that the valuation would increase this year because you're saying next year you're predicting a 7%, so what did we predict? **Mr. Lindsey** said 6% last year. **Commissioner Stites** said so we predicted 6 and it went up 13. **Mr. Lindsey** said yes. **Commissioner Stites** said so it more than doubled in valuation. **Mr. Lindsey** said yes. **Commissioner Stites** said so what makes us think that next year, 2026, valuations are going to be 7? **Mr. Lindsey** said in some cities, because of commercial real estate, valuation is going down a lot. I mean you have some cities that have office buildings in their downtown areas where the valuation has gone down like 50%. **Commissioner Stites** said valuations last year went up how much? **Mr. Lindsey** said 15%. **Commissioner Stites** said last year they went up 15 and this year went up 13, so nearly 30% in two years. I mean 28%, right, and then in two years we're projecting a 7% for the following year. **Mr. Lindsey** said yeah. Also, I'll add, there are some things going on at the state level and one of the reasons we're using the 4% is because they're working on a bill in Topeka now where we may not be able to go over 4% in the future.

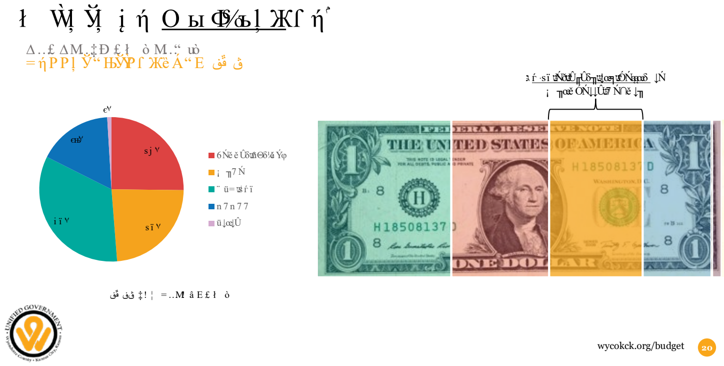
Mayor Pro Tem Burroughs said I would just state that even though we chose to not go revenue neutral last year and took up the percentages that were just discussed, we're still deficit spending and that's concerning. I think it's important that we're starting this budget process early because we've all—most of us have committed to doing a deep dive and I really appreciate the thoroughness of the discussion this evening. It's enlightening.



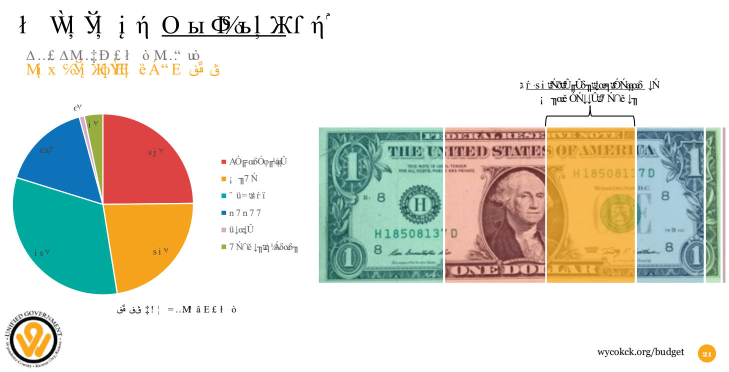
Mr. Lindsey said I'm going to turn it over to Debbie Jonscher. She is going to talk about where do our taxes go.

Ms. Jonscher said these next several slides, what we're doing is breaking down the property tax dollar for the different school districts and showing how much, depending on which school district you live in, there may be a different portion that the City and County gets for every dollar. This first slide here is USD 500 and so what we've done is broken out—I will just note on each of the slides each school district—the different taxing entities will be the City, the County, the Community College, the State, a school district, and a library, so that will be the same; however, the City, when we get to the Bonner Springs School District, the city will change.

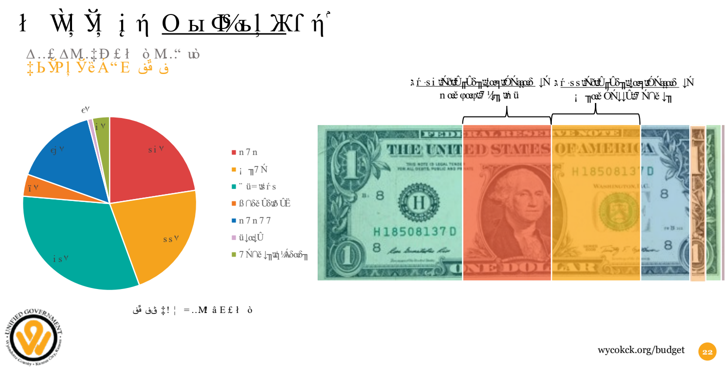
The first one is District 500, so you will see the amount of tax dollars for the City is .23 cents of every dollar goes to the City and .23 cents of every dollar goes to the County and then the other 54% of that dollar goes to the other taxing entities and we've kind of broken that out on the pie chart based on the percentage of how much goes to each district if you live within USD 500.



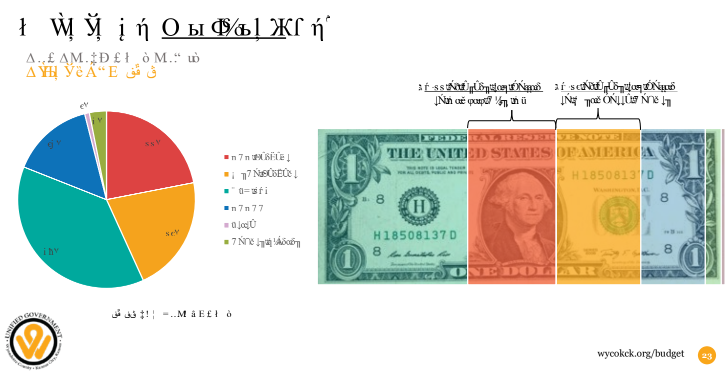
The next slide shows Bonner Springs USD 204. You will see on here we've got the same information. The breakdown of each taxing entity within the Bonner Springs School District. For the City if you live in Bonner Springs, the City would get .25 cents of every tax dollar and the County would get .24 cents of every tax dollar and then the other—that's 49% and then .51 cents of every dollar would go to all the other taxing districts.



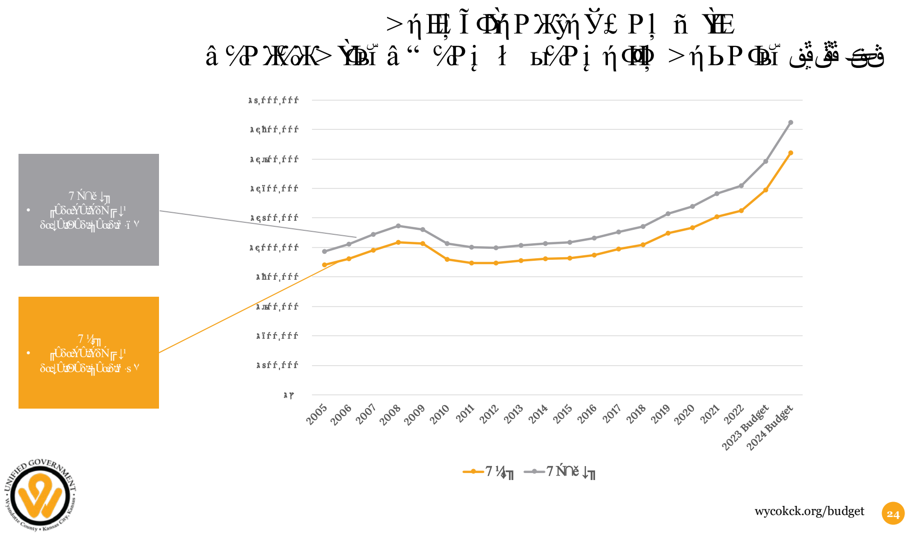
The next one is Edwardsville which is also School District 204. It also is—the city of Edwardsville gets .25 cents of every dollar and the County gets .23 cents, so for the City and the County it's .48 cents of every dollar and then .52 cents goes to all the other taxing entities. This is all based on the 2024 taxes.



When we get to Turner, there is one difference here. Turner also has a levy for their Turner Recreation Commission, so that is the one difference from all of the other districts. In Turner .23 cents goes to the City and .22 cents goes to the County, so .45 cents of every dollar goes to the city and to the Unified Government and then the other .55 cents goes to all the other taxing entities.



The last one is Piper USD 203. For them a total of .43 cents of every tax dollar goes to the City and the County and .22 cents is to the City and .21 cents is to the County. The other .57 cents would be distributed to all the other taxing entities.

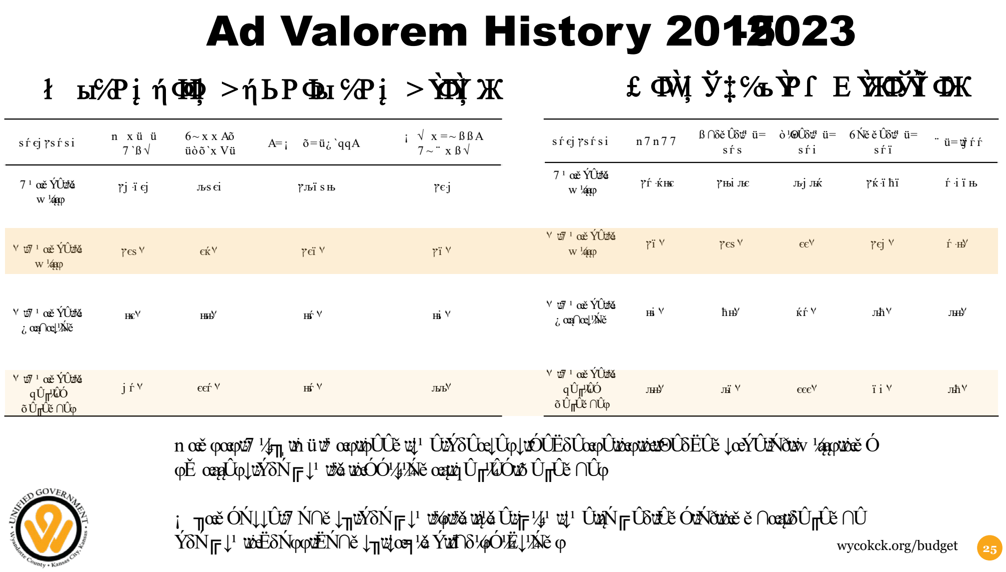


I'll turn this over to Michael Peterson.

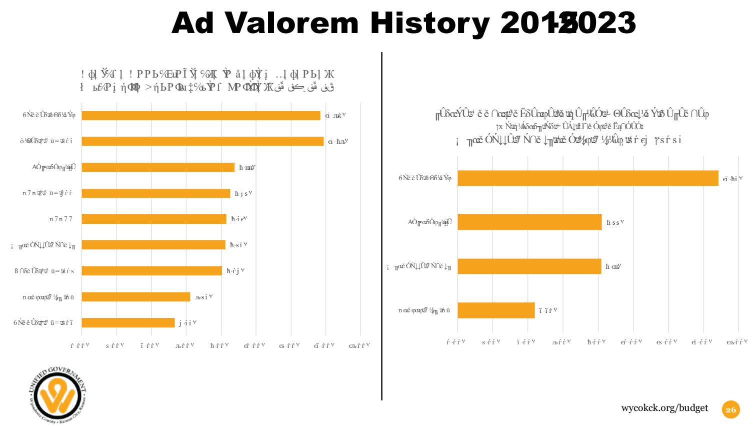
Mr. Peterson said on this slide what we're trying to illustrate is just the history of how much value a mill brings in for the City and the County. The top line is Wyandotte County. There's a difference between the amount that we levy and the amount that we actually collect, so the difference there is going to be dependent on delinquency rate as well as any type of tax appeal or anything that we have to pay back in any given year, so the last three years or so we've had to deal with Hollywood Casino payments we've had to pay back due to a tax settlement there, so that did drop off. So, basically, what we're showing here is we've taken out the mill rate so this is entirely the value of one mill, so over time over the past—since 2005 our average growth for our mill rates is about 3.4%. I didn't go back and recalculate the bottom one. The bottom one is a little bit off. It's basically 3.4% for both.

Commissioner Stites, when you were asking about our projection, so actually our projection is higher than what our average has been of growth in the past, so on the other hand, as you pointed out, the last five years we've had about an average of 9.7% growth in our property tax rate. We don't anticipate that continuing into the future and we would anticipate returning back down towards prior levels and I know if people have paid attention to the news, people have talked about drops in the property market or some sort of downturn in the property market. That would—I mean potentially even get us back to 2008-2009, hopefully not, but I mean we definitely don't want to see that. That's why we try to be more on the conservative side in the outyears.

This is just kind of illustrating that, so right now we're projecting about $1.6M on the County side for a mill in 2024 and $1.4M on the City side for a mill and actual collections and then that'll go up to a little bit over $1.6M and $1.8M in 2025 with 13% assuming—actually no, this is based on—sorry, this is based on our current budget. Another thing that we can point out is the City Ad Valorem is part of the County Ad Valorem, so just something to keep in mind when we're talking about the County taxes, about 90% of the County taxes come from Kansas City, Kansas, so about 90% on average of the value in the County resides within Kansas City, Kansas and that's the difference between those two lines.

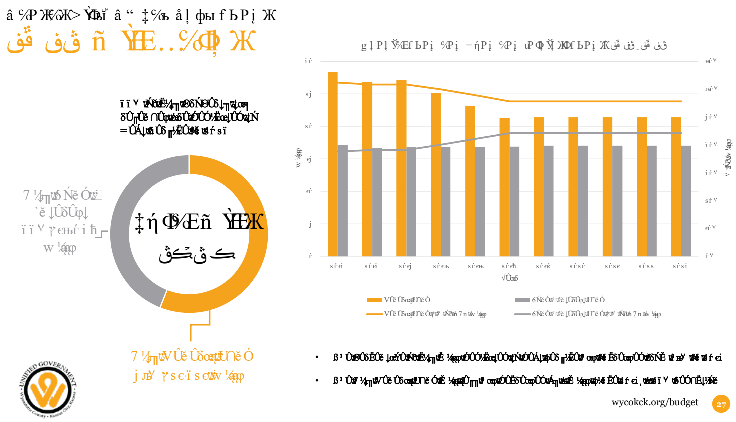


We did go and compare ourselves to the other taxing entities in the community in Wyandotte County. What we can see here is that Kansas City, Kansas is the first column on the left. We have the Wyandotte County cities and counties and then Wyandotte County is the far right, so on average as far as the percentage change in levied revenues, so that's how much revenues we're collecting from 2015 to now. For Kansas City, Kansas we've had the smallest growth outside of Bonner USD 204 and our revenues that we've—additional revenues that we've collected in Wyandotte County is kind of in line with what we see kind of in the mid-range of collections.



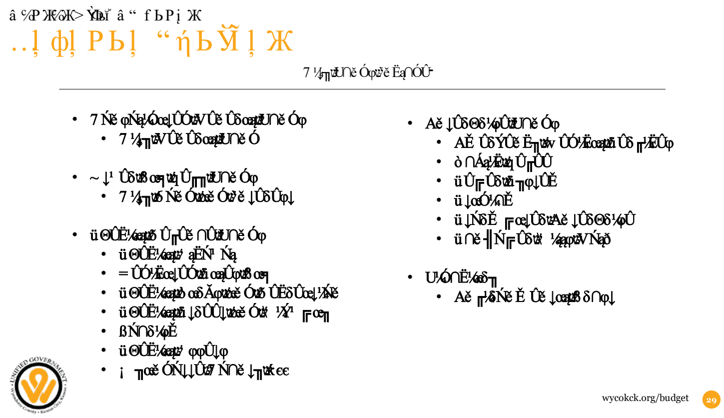
As far as what our average annual increase in revenues has been, here we can compare ourselves again with just the average amount that we've increased in levied revenues. Wyandotte County and Kansas City, Kansas are towards the bottom of the left chart. This is the total amount for all levies, so this would include all the different Tax Levy Funds and the Bond & Interest Funds, so on average since 2015 we've increased the Wyandotte County Levy about—or revenue about 8.24% a year and that is right in line with most other entities within the County. Kansas City, Kansas is one of the lowest with about 6.23% overall growth. We did go ahead and take out the Bonner Springs Library Levy as well as the Bond & Interest Levy's just to compare our Operating Funds and that's on the right side.

On the Operating side Kansas City, Kansas and Wyandotte County are at the bottom with Wyandotte County kind of matching Edwardsville for about 8% growth overtime in our Operating Funds and then Kansas City, Kansas revenue has only increased about 4.4% on average since 2015. That is substantially lower than all the other taxing entities, about 3.8% lower than the County.



To illustrate that, one of the things we've looked at and one of the reasons for that is in the past few years we have reduced mills from the City side of the budget. We've reduced about 7 mills from the City side of the budget and this is just something that we wanted to point out when we're talking about revenue neutral too. When we're trying to reduce budgets and reduce revenues, so we're statutorily obligated to cover our Debt Service, so the Debt Service Fund currently makes up about 44% which is City Bond & Interest Fund of our City Mill Levy, so we have to levy—the main source of funding for our Debt Service payments is property taxes. If we drop our revenues, there's a significant lag time between changes in our debt and when we can actually impact that levy, so the main levy that we can touch is the City General Fund. What we can see here is since 2013 we've reduced the mills in the City General Fund by 23% and that shifted the percentage of revenue that's going to our Bond & Interest Fund from 37% to 44% today. Even though we haven't made as drastic of a change in the City overall, we've had a very substantial change in the City mill rate, which is kind of one of the contributors to why the City General Fund is in the shape it's in today I guess.

Commissioner Ramirez said to simplify kind of what you said Michael, since we've reduced the mills we've had to in turn that means the mills for the Debt Service increases, is that correct? **Mr. Peterson** said the mills in the Debt Service Fund have stayed constant. **Commissioner Ramirez** said but the amount of what (inaudible) for—**Mr. Peterson** said the percentage, the distribution, the Debt Service Fund is getting a greater percentage of property taxes than what it had in the past. **Commissioner Ramirez** said that's what I meant to say.

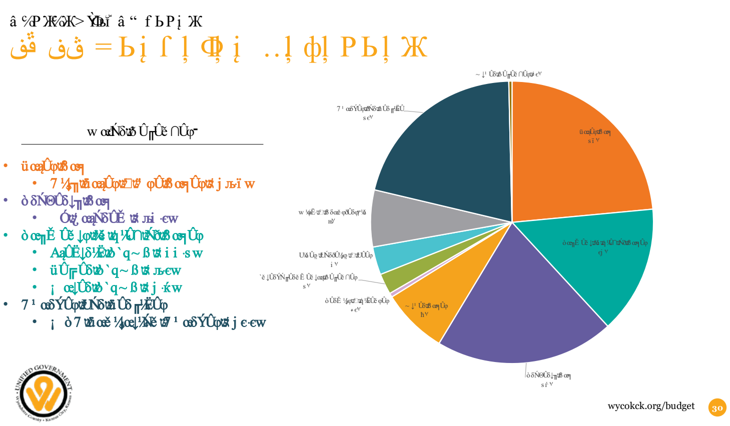


Mr. Lindsey said the next information we're going to go through, we're going to talk about revenue sources and we have been talking about property taxes, but we're going to look at the different revenue sources on the City side and the County side with us being a Unified Government. City funds include and revenue comes to different City funds based on the reason for having that fund. For instance, we have a City General Fund and then also we have the City Bond & Interest Fund. One of the things to keep in mind is we can't move money between these funds, so like City Bond & Interest we can't take any money and spend on any Operating items out of the City Bond & Interest Fund. Then, when you move into Special Revenue Funds like our Special Alcohol Fund and our Dedicated Sales Tax, they all have certain purposes for their spending.

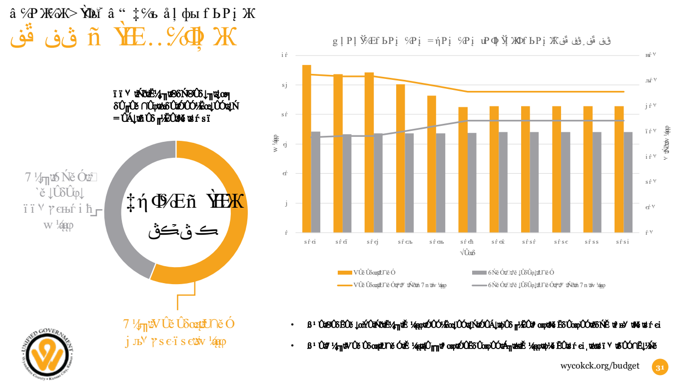
Some of the things that we spend money on in the City General Fund we couldn't spend money on in the Special Alcohol Fund or the Dedicated Sales Tax or the Special Parks & Recreation Fund. We also have our Enterprise Funds that are on the City side and these are funds—they're more so run like a business and they provide a service that they're paid for. So, for instance, like our Emergency Medical Services, which is our EMS, ambulances, they provide a service to the community and the community helps pay for those and then we have our Public Levee where most of the funding there comes from leases at the Public Levee and then we have our Sewer System where charges for service are paid to our Sewer System from the community. We also have Stormwater Enterprise Fund and Sunflower Hills, which all bring in their own revenue. Also, with the Special Revenue Funds some of those are from special taxes, so that's how they get their revenue.

Commissioner Hill said thank you staff for the information. It's like a foreign language to me, but I'm trying to catch on. Just help me to understand, you said you can't take funds out of one to put it somewhere else, so under the Special Revenue Funds once we get those funds, where does it go? **Mr. Lindsey** said, for instance, like the Special Street & Highway Fund, that is from taxes on what we sell for fuel and basically we use that money to improve our streets and buy equipment to work on our streets and right now there are some employees that are being paid from there that we would like to move out of there. So, those are some of the things that are being paid from there. When I say we can't take things, just anything, from the City General Fund and put into some of these Special Revenue Funds, we couldn't take—like we work in Budget and Finance, we couldn't take our salaries and pay from there or we couldn't take Police salaries or Fire salaries and pay from those funds. They have a distinct purpose for why we use those funds and so we can't just do any—spend any kind of money out of those funds. It has to be for distinct purposes.

Commissioner Hill said so what you're saying is these have designated spaces that those funds go into. **Mr. Lindsey** said yes.



So kind of look at the different revenue sources. On the City side, just all the different revenues coming in, they're about $320M that come in out of a total of $460M of revenues that come in for the whole Unified Government. We see Sales Tax is about 24% of that, Property Tax is about 20% of that and then our PILOT is about 15% of that and then Charges for Services is about $51M and most of that comes from Water Pollution.



This slide is pretty similar to the slide that Michael just covered a few slides back and we just kind of wanted to bring it out again since we had talked about the different revenue sources coming on the City side. Once again, as Michael pointed out, we can see total mills are about 38.46 and, again, as Michael pointed out, the City Bond & Interest is 44% of those mills and if we were to go revenue neutral, one thing to know about here, it would be hard. We already have cost in the Debt Service that we have to pay, so if we were to go revenue neutral, most of the mill cut would come from the City General Fund. Any mills that we cut right now probably would be coming from the City General Fund when you're looking at property tax mills on the City side just because we're already at capacity on our debt and need all the money over there for it until we get it shifted around.

Kansas 1st Class Cities	Population	Land Area	2022 Mill Rate	2022 Value per Mill	2023 Mill Rate	2023 Value Per Mill	2022 to 2023 Change: Mill Change	Mill Change %	Levied Revenue	Tangible Valuation
Overland Park	197,726	75.37	14.57	$ 4,599,967	14.53	$ 5,102,115	-0.05	-0.3%	10.6%	10.9%
Prairie Village	22,947	6.20	18.31	$ 552,760	18.33	$ 639,791	0.02	0.1%	15.8%	15.7%
Olathe	145,616	59.66	24.01	$ 2,424,775	23.04	$ 2,752,622	-0.98	-4.1%	8.9%	13.5%
Shawnee	69,198	41.85	24.05	$ 1,194,655	23.05	$ 1,332,502	-1.00	-4.2%	6.9%	11.5%
Leawood	33,713	15.06	24.08	$ 1,183,486	23.51	$ 1,323,627	-0.57	-2.4%	9.2%	11.8%
Leavenworth	37,081	24.04	28.33	$ 278,320	25.35	$ 310,949	-2.98	-10.5%	0.0%	11.7%
Lenexa	58,617	34.10	28.12	$ 1,583,036	27.47	$ 1,715,722	-0.65	-2.3%	5.9%	8.4%
Salina	46,231	25.11	30.35	$ 503,880	29.62	$ 531,448	-0.73	-2.4%	2.9%	5.5%
Wichita	396,192	159.29	29.37	$ 4,368,529	30.52	$ 4,761,563	1.15	3.9%	13.3%	9.0%
Lawrence	95,794	33.56	33.21	$ 1,320,418	33.21	$ 1,427,719	0.00	0.0%	8.1%	8.1%
Topeka	125,449	60.17	38.96	$ 1,337,569	36.95	$ 1,458,664	-2.01	-5.2%	3.4%	9.1%
Dodge City	27,422	14.44	43.45	$ 187,499	38.23	$ 209,771	-5.22	-12.0%	-1.6%	11.9%
Kansas City	153,345	124.81	38.48	$ 1,552,250	38.46	$ 1,779,779	-0.02	0.0%	14.6%	14.7%
Garden City	27,519	8.82	38.38	$ 274,737	38.49	$ 306,779	0.11	0.3%	12.0%	11.7%
Hutchinson	39,699	22.69	41.56	$ 341,155	40.33	$ 362,465	-1.22	-2.9%	3.1%	6.2%
Fort Scott	7,615	5.55	45.24	$ 49,851	44.21	$ 51,633	-1.03	-2.3%	1.2%	3.6%
Emporia	23,941	11.83	44.43	$ 201,472	44.60	$ 225,686	0.18	0.4%	12.5%	12.0%
Derby	25,939	9.55	46.98	$ 286,135	46.07	$ 318,679	-0.91	-1.9%	9.2%	11.4%
Atchison	10,730	7.82	54.37	$ 88,438	48.55	$ 95,059	-5.83	-10.7%	-4.0%	7.5%
Manhattan	53,829	18.76	52.15	$ 650,961	48.93	$ 717,241	-3.23	-6.2%	3.4%	10.2%
Junction City	22,264	12.15	48.31	$ 197,555	49.24	$ 214,024	0.93	1.9%	10.4%	8.3%
Pittsburg	20,658	12.80	50.90	$ 148,210	50.89	$ 162,428	-0.01	0.0%	9.6%	9.6%
Coffeyville	8,690	7.43	52.79	$ 51,594	52.88	$ 56,230	0.09	0.2%	9.2%	9.0%
Liberal	19,274	11.61	55.64	$ 126,923	53.08	$ 132,976	-2.56	-4.6%	0.0%	4.8%
Parsons	9,382	10.61	58.11	$ 57,077	59.68	$ 57,280	1.57	2.7%	3.1%	0.4%
Newton	18,392	12.60	70.38	$ 143,011	72.36	$ 154,133	1.98	2.8%	10.8%	7.8%
	AVERAGE		39.79	$ 911,702	38.91	$ 1,007,726	-0.88	-2.3%	6.9%	9.4%

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Mr. Peterson said talking about property taxes specifically, we wanted to give you an update on what we've seen across the first class cities from 2023 to 2024. Just to explain this table, the first column is the first class cities that exist within the state of Kansas. There's 26 first class cities, so population, we track the population of each city, the land area, so this table is organized by the 2023 mill rate, so basically, the city at the top has the lowest mill rate, the city at the bottom has the highest mill rate as of 2023. You can see Kansas City, Kansas and the lightly green shaded row, right in the middle, so we're right about the middle so the average mill rate for 2023 is about 38.9 mills and we're at about 38.46 is our mill rate for 2023. We also dropped the value per mill so the amount of revenue that you collect is the revenue—the value for a mill times the mill rate and then you factor in delinquency after that, so basically, the formula for tax revenue is the value of a mill times the mill rate. We're tracking both of those things together, so if you look at the mill change, out of the first class cities, eight cities over the last year have held their mill rate relatively constant with very, very, very minor changes. Four cities increased their mills and 14 dropped their mills, so we would be one of the eight that held their mill rate constant.

On average, cities have dropped about .9 mills. On average, cities have reduced their mills by about 2.3% on average. They've increased their revenues by about 7%, so you can see on here we increased our revenues generated by 14.6%. That is one of the highest increases besides Prairie Village, but we can kind of go through where we sit as a result of that in the next few slides and then I will just point out, again, outside of Prairie Village, I guess we could definitely see this as a positive thing. We had one of the highest tangible valuation increases over the last year out of all the first class cities, so the average tangible valuation increase across first class cities last year in the state of Kansas was 9.4% and our valuation increased by 14.7, so it's a positive thing. Our community is definitely experiencing growth and that's about 5% above the average growth across first class cities.

Commissioner Bynum said on this chart the very top line is Overland Park and the land area 75.37. Is that miles? **Mr. Peterson** said that's square miles. **Commissioner Bynum** said square miles and we're bigger than that? **Mr. Peterson** said yes. **Commissioner Bynum** said I had no idea, but what's frustrating is certainly their population I imagine is larger, but one mill in Overland Park generates $5.1M compared to one mill in Kansas City, Kansas generating $1.7M and if you look at Lenexa, they have a land area of 34 square miles generating $1.7M per mill similar to us.

It's a very interesting chart. Thank you for including it. I wish we were at the top, but the middle is better than the bottom. **Mr. Peterson** said and we would not treat ourselves as comparable to Johnson County cities. We don't do that when we compare ourselves to other communities, but we will show an example of the difference that brings because we frequently are compared to Johnson County.

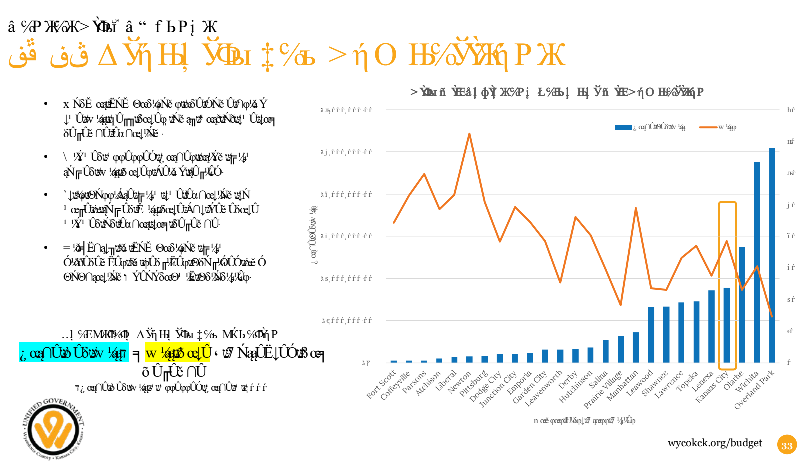
Mayor Pro Tem Burroughs said it's a challenge when you're living next to the most prosperous county in the state. It is a difficult challenge for us.

Commissioner Ramirez said kind of piggybacking off Commissioner Bynum because I remember this exact conversation happening last year when we were going through this, Overland Park, all of these Johnson County cities, their mill levy is lower, but generates more money because they have a higher assessed valuation. The way for us to get there is housing, housing, housing. We grow our population and develop. As Commissioner Bynum said, I would love for us to be there, to get there, where we can lower the mill levy but still generate enough revenue to provide services, but we just have to find that perfect equation, that perfect balance for us to get there.

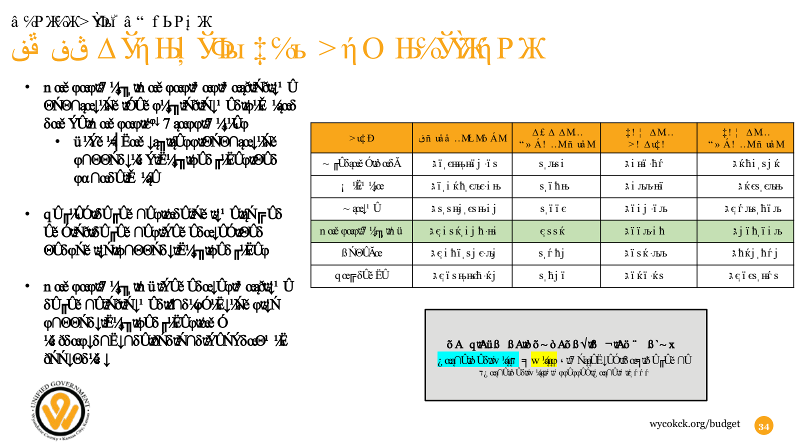
Mr. Johnston said I think the other thing that we need to understand is, as Michael said at the end of his presentation, regardless whether or not we like being compared to Johnson County, we are because of our proximity compared to Johnson County. We all drive through Johnson County. Johnson County, in essence, is a new community and their infrastructures are new, they have new businesses cropping up because of the more affluent population that lives down there. We don't have that presence. What we have is older infrastructure. We talk about how the economic times of the 70s and 80s shifted a lot of our economy southward to Johnson County and now we're left to try to make sure that we're still vibrant and it is a struggle, but I think we're doing a pretty good job to stay in the middle of our first class cities. It is work, but I do want to—I've really just been here a year now, to commend the dedication of our staff to be good public stewards of our resources. Yeah, it is unfair that our citizens and the other region citizens compare us to Johnson County when we are a totally different community than they are, but we're still doing well.

Commissioner Davis said I'll just kind of add on to that. I don't know if you all saw that article from WalletHub. They had ranked the 20th happiest cities in the country. Overland Park was second. You can't make this up and it's something that we deal with. These are our neighbors to the south and it's nothing against them, but the history of our cities are different too. We're an older city. We were aggressively redlined and we are dealing with the ramifications of that while our neighbors to the south were aggressively greenlined. The federal government really invested to build up the suburbs and places like Johnson County very much benefited from that and so we have to be very realistic. That doesn't mean we can't aspire to, but it does mean that, especially in conversations, we have to be fair and we have to be honest and we have to have a balanced analysis about how we came to be and that isn't to say that the Unified Government—that we cannot improve and that we cannot do better. We also have to be realistic about who got kind of a leg up in this race and some of the advantages that come with that.

Mayor Pro Tem Burroughs said well we're quoting a lot of data. I was reading one the other day where Wyandotte County has had an out migration of 3,800 residents in the last two years and that's something that's concerning that we should be very concerned about because with that goes wealth, so we need to be mindful. As it was stated earlier, housing is an important issue, but so is economic development, so is watching our budget, so is being more efficient and all of those things come into play to ensure that we can move forward collectively. Not to compare ourselves with anybody, but just to find that fiscal stability.



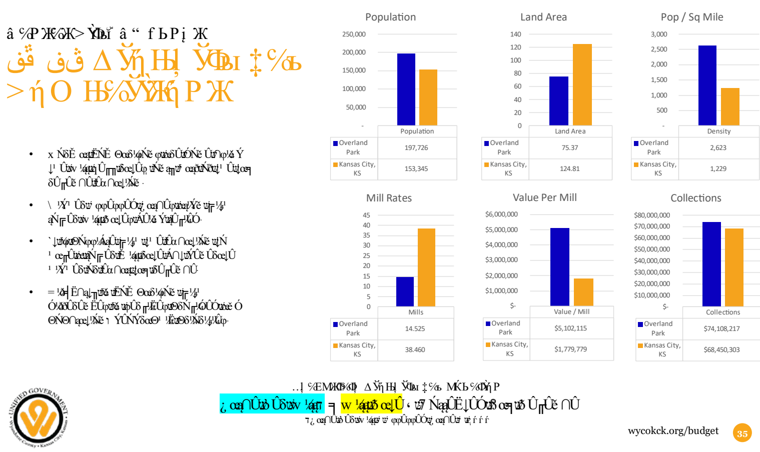
Mr. Peterson said this chart once again kind of illustrates the relationship between the value of a mill and the mill rate, so historically we've tended to only compare ourselves with other communities on mill rate alone. We just again point out that that's only half of the equation, so the amount of revenue that you generate is the value of a mill times the mill rate and what you can see in this relationship there is definitely a relationship between the amount of revenue that a mill generates and the mills that a community is generating to support themselves. So, the lower the value of a mill, which is the blue chart, so the blue lines are the value of a mill in a community, the higher the mills that typically a city is generating to support their services. So, again, Kansas City, Kansas is in the orange box towards the right and fairly in line with the communities around us.



In this table we've polled the top six cities in population and these are really—once you get past this in the state of Kansas, the population tends to decrease quite substantially, so these are kind of the cities that are more in line with us. Here you can see one of our challenges as a city. One mill of revenue does generate—we're in the bottom group along with Topeka and Lawrence as far as what one mill generates for the community. However, if you look at the population per square mile or our population density, we're about half of what the other communities are which means that we're just substantially more spread out than other communities similar to our size in the state.

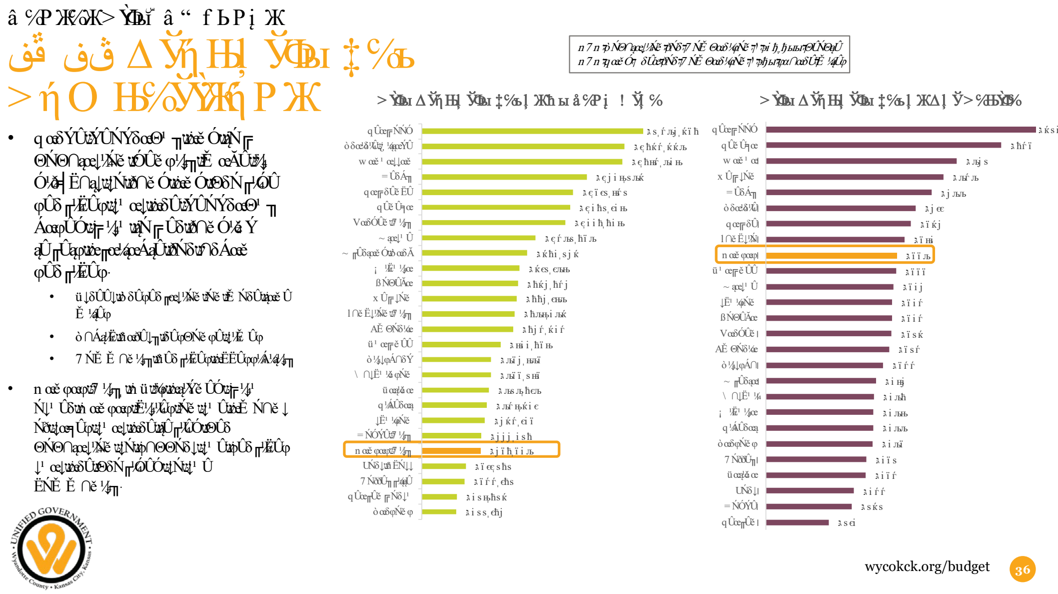
I will just point out that one of the reasons why we stick with the state is tax structures are different in other states so it's much easier to compare ourselves with other Kansas cities at least on property taxes.

Two measures that we've been trying to look at to compare ourselves that are not mill rate alone is the tax per capita and the tax for our land area which is basically the amount of revenue that's generated per square mile to support city services. What you can see here is Kansas City, Kansas is fairly in line with the amount of revenue that we're generating per person to support city services. We are a little bit higher than what you see in Wichita and Overland Park, but on the flip side we're 60% of what the next lowest community is and the amount of revenue we're generating for our land area. That definitely has an impact on our ability to support services such as Police, Fire response times, Parks and Transit availability or Public Works and infrastructure spending because we still have with our bigger footprint to maintain response times and services to the community within a geographic footprint that they would expect to receive those services with our lower level of density.

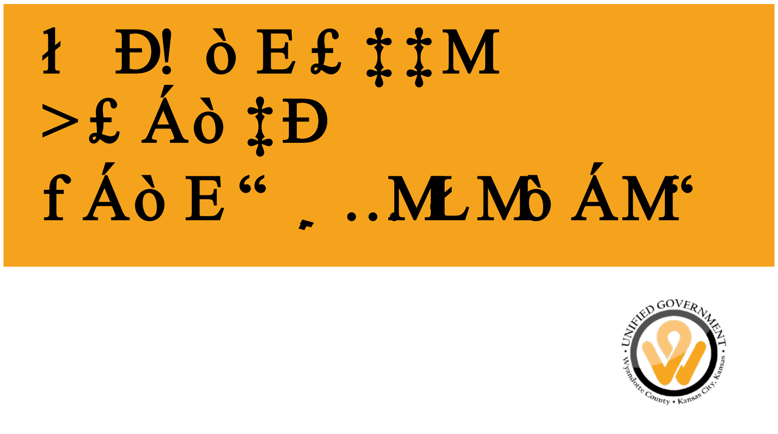


This just goes back to illustrate again the equation and the comparison between just looking at mills alone and then when you factor in density and also when you factor in the valuation of a community. This looks at us compared to Overland Park specifically, so just one example, we could pull any of the cities, so population, they're a little bit bigger than us. They're about 1.3 times our size in population; however, they have about 60% of the land area that we do. What that results in is their population density is over twice as much as ours, so they have two times more people for their square miles than we do.

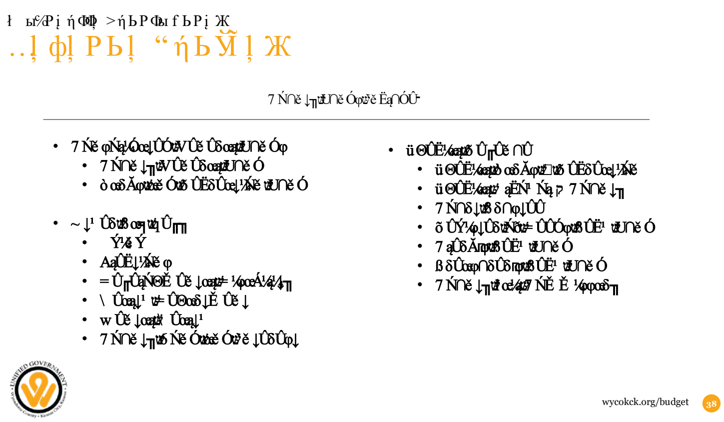
Mill rates, if somebody wants to look at tax rate alone, their mill rate is 38% less than ours, so it's a little bit more than half of what our mill rate is; however, they're generating almost three times more tax revenue for each mill than we are, so their mills generate about $5.5M and ours generate about $1.8M for our community. When you add all those factors in, even though they have almost half the mill rate, they're generating more revenue to support their city services than we are in Kansas City, Kansas.



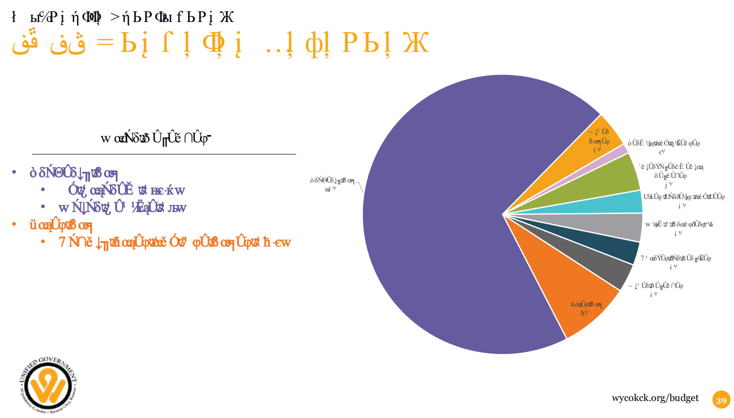
You can see that on this chart as well. This kind of shows how we rank compared to other cities in our 2024 property tax mill levy as far as by land area and per capita. On this Kansas City, Kansas is circled in orange on both charts, so as far as the property taxes that we're generating by our land area, we're definitely on the lower end. We are generating kind of a similar level of revenue for our land areas in some of the more rural cities in the state of Kansas. I will point out that we discovered last year that Leavenworth actually has a specific sales tax that they passed to be able to lower their property taxes, so that's one of the reasons why we believe that they're fairly low on the chart. As far as per capita, we're kind of in the middle range of about $446 per person that we're levying in property taxes.



Mr. Lindsey said now we're going to look at the County side of the books and look at revenues that come in there and look at different statistics related to the mill rate over on the County side.

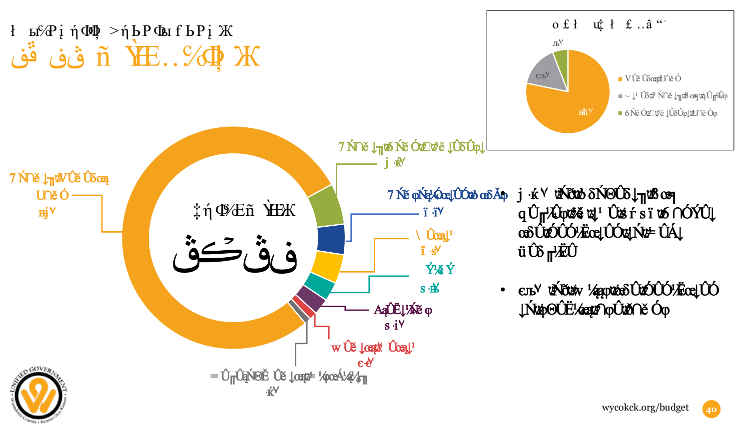


Some of the revenue sources on the County side include the County General Fund, the Parks & Recreation Fund, and then we have other tax levies. I don't know if you all recognize over on the City side we had two tax levies which were the City General Fund and the City Bond & Interest Fund where over on the County side we have about eight different tax levy funds that include the County General Fund, Parks & Rec, Aging, Elections, Developmental Disability, Health Department, Mental Health, and the County Bond & Interest Fund. We do have some Special Revenue Funds over on the County side also and some of them come from different fees. We have Technology fees for the Register of Deeds and then also the Clerk's Tech Fund and then the Treasurer Tech Fund and the County Jail Commissary.



Looking at the budgeted revenues on the County side, they're around $140M that comes in there and as you look at the revenues there you can see it's vastly different from what comes in on the City side where it's mainly property tax and sales tax and property tax being the biggest one and then you have sales tax. Over on the County side we have multiple revenue sources with charges for services. Also, we have Enterprise Funds that brought in revenue over on the City side. One of the big things with the revenues on the County side is property taxes. They're 70% of that and sales tax is 8%, but over on the City side, City and property tax kind of—we're very close both at about 20 something percent or so. Here we can see all the revenues for the County mostly come from property tax, so making a revenue neutral decision on the County side, you greatly impact the revenue there because there's not a diverse amount of revenues coming in.

Commissioner Burns said I should know this better than anyone, but would you refresh my memory as why under the Special Revenue is the Court Trustee in there because that's an Enterprise Fund that generates their own being. **Mr. Lindsey** said just as far as like in our General ledger, we don't have it classified as an Enterprise Fund and I think it's because of the nature of the fees that it collects, but we don't have it as an Enterprise Fund, but you're right, it definitely is self-supporting. **Commissioner Burns** said but why is it under the Special Revenue area? **Mr. Lindsey** said that's something I would have to look into. **Ms. Jonscher** said isn't the revenue—it could be because the revenues—I mean the revenue is restricted. The money that comes in is restricted to a certain purpose. **Commissioner Burns** said right, but why is it in the City/County budget? **Mr. Lindsey** said it is, so when you—it is on the County side of the budget. We have multiple funds over there and that's why it is considered one of the County funds and it's part of the County structure, but we can't—the money has its own purpose. Like we do not move money out of it to move any place else or move money from any other fund into it. **Commissioner Burns** said that's my question. I'm wondering why is it listed then. **Mr. Lindsey** said because it is a fund that we do manage on the County side, so that's why we have it listed. **Commissioner Burns** said the management of it. **Mr. Lindsey** said yes, we do manage the revenues that they do bring in. It does run through our general ledger and everything. We build a budget and we have to report the amounts to the state, so it is one of our certified funds that we have to report to the state each year.



This next slide is a breakout of the mill levy for the County funds. So, basically, here we see the total mills of 37.32. The County General Fund is 75% of that. The next largest piece is the County Bond & Interest Fund, which is almost 6% and 5.9% of the Property Tax Levy in the 2024 Budget are dedicated to Debt Service and 16% of the bills are dedicated to Special Use Funds.

KS Counties Containing 1st Class Cities	Population	Land Area	2022 Mill Rate	2022 Value per Mill	2023 Mill Rate	2023 Value Per Mill	2022 to 2023 Change: Mill Change	Mill Change %	Levied Revenue	Tangible Valuation
Johnson	619,195	480	17.77	$ 13,477,230	17.53	$ 14,981,778	-0.25	-1.4%	9.6%	11.2%
Sedgwick	525,525	997	29.37	$ 5,901,351	28.99	$ 6,433,935	-0.38	-1.3%	7.6%	9.0%
Reno	61,516	1,255	37.81	$ 676,410	35.76	$ 714,844	-2.05	-5.4%	0.0%	5.7%
Leavenworth	82,892	462	35.92	$ 937,507	35.78	$ 1,065,589	-0.15	-0.4%	13.2%	13.7%
Wyandotte	165,746	156	37.33	$ 1,709,577	37.31	$ 1,966,667	-0.01	0.0%	15.0%	15.0%
Saline	53,596	720	38.86	$ 671,008	39.87	$ 708,086	1.01	2.6%	8.3%	5.5%
Riley	71,108	609	42.21	$ 720,775	39.90	$ 793,861	-2.31	-5.5%	4.1%	10.1%
Seward	21,358	639	43.46	$ 263,417	42.84	$ 267,826	-0.62	-1.4%	0.2%	1.7%
Harvey	33,801	540	43.60	$ 345,866	43.59	$ 369,514	-0.01	0.0%	6.8%	6.8%
Montgomery	30,996	644	48.18	$ 351,022	44.20	$ 382,624	-3.98	-8.3%	0.0%	9.0%
Douglas	119,964	455	46.22	$ 1,763,594	44.21	$ 1,957,775	-2.01	-4.3%	6.2%	11.0%
Ford	33,848	1,098	46.16	$ 347,426	45.93	$ 373,338	-0.23	-0.5%	6.9%	7.5%
Crawford	39,078	589	48.87	$ 307,596	46.92	$ 329,865	-1.94	-4.0%	3.0%	7.2%
Finney	37,650	1,301	49.87	$ 545,616	47.37	$ 587,983	-2.51	-5.0%	2.4%	7.8%
Shawnee	177,480	544	49.86	$ 2,019,751	48.65	$ 2,209,378	-1.21	-2.4%	6.7%	9.4%
Atchison	16,108	431	49.60	$ 203,256	51.57	$ 214,115	1.97	4.0%	9.5%	5.3%
Geary	35,691	384	60.11	$ 273,450	56.75	$ 293,167	-3.36	-5.6%	1.2%	7.2%
Lyon	31,898	847	52.98	$ 395,449	57.51	$ 424,765	4.54	8.6%	16.6%	7.4%
Labette	19,757	645	54.46	$ 148,366	57.75	$ 152,951	3.30	6.1%	9.3%	3.1%
Bourbon	14,493	635	59.90	$ 119,029	59.82	$ 126,197	-0.08	-0.1%	5.9%	6.0%
	AVERAGE		44.63	$ 1,558,885	44.11	$ 1,717,713	-0.51	-1.2%	6.6%	8.0%

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Mr. Peterson said we wanted to provide another update on how we compare to other counties in the state of Kansas on what we did on property taxes from 2022 to 2023. Basically the ‘23 Budget to the 20—or, yeah, confusing, but the ‘22 levy is for 2023. The ‘23 levy is for ‘24 if that makes sense. There’s over 100 counties in the state of Kansas, so we did not compare ourselves in this table to all those counties, but we did pull out the counties that contain a first class city. That was our methodology for this table. We have the population of each county again. Again, the land area in square miles, so the average mill rate is 44 mills on the County side for counties that contain first class cities. We are towards the top of that list as far as how low our mill is. This is organized lowest mill rate top, highest mill rate at bottom. We’re fifth on the list from having the lowest mill rate on this table. Out of the different counties, about five counties kept their mills relatively stagnant including us. Four counties raised their mills and eleven counties dropped their mills, so on average counties dropped half a mill, on average counties changed their mill—they reduced their mill by about 1%, increased their revenues by 6.6% and assessed valuations increased by about 8% out of this list.

Actually on this list we are the fastest growing county as far as tangible valuation, so we did have the highest valuation increase out of the counties that are listed here. Again, a positive thing. Our county is growing in value. We did accept all that value, so we are the next to highest county as far as the amount of revenue that we—additional revenue that we generated last year. I will note that some of the things that led to that being necessity, we did increase—we did fully establish the CIFI Fund which has a dedicated mill. Now we've shifted mills to increase our commitment to Parks & Rec and also one of the biggest contributors to cost increases on the County side is the initiative to do pay parity with the Sheriff's Department—from Sheriff to Police Department, so those are some of the contributors to the 15% increase that we levied in 2024.

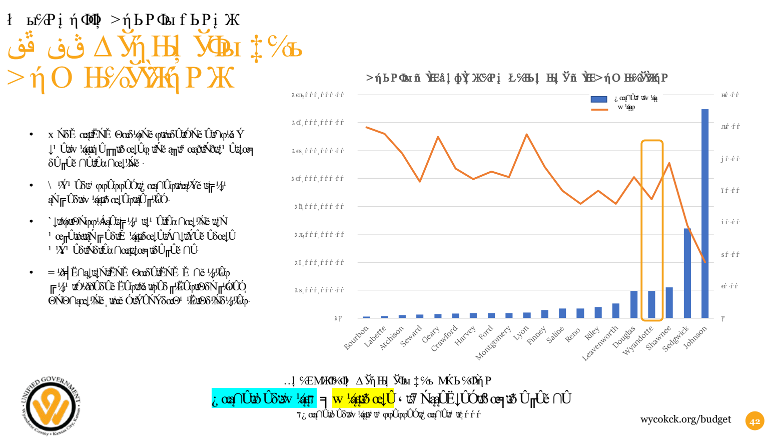
Commissioner Bynum said I thought a city of the first class was a city with population of 100,000 or more, but that must not be it. What are you using as the definition of a first class city? **Mr. Grimm** said I have to review that. I looked at that a while back. I think we see like Fort Scott is on there. Oh counties, counties and I think it's with the cities too, but it's based on a population when they would have applied to the state to become a first class county or city and that opens up different ways you can maybe issue debt and different tools you have, but if you drop below that population, you can stay in that first class, second class city designation.

Mr. Peterson said I'm not sure off the top of my head what the requirements are, but clearly you don't have to have 100,000 population because some of the cities on the list have list than 10,000 in population. **Someone** was inaudible. **Mr. Peterson** said I think there's cities on here that have 7,000 population. **Commissioner Bynum** said yeah, I just was curious. **Mr. Peterson** said we pulled our information from the League of Kansas Municipalities and they have a list of first class cities that they provide. **Commissioner Bynum** said we should go look at the League of Kansas Municipalities and see what their definition is.

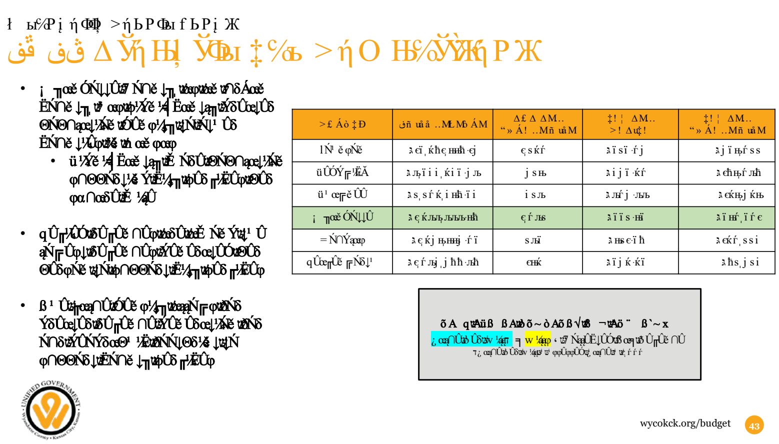
Mayor Pro Tem Burroughs said it's a city that has a population of 15,000 or more and second class cities are 2,000 to 15,000.

Commissioner Ramirez said I doubt this will give any information to us, just as a clarification, as a reminder with Johnson County, you know, with us we allocate mills for our Parks, they have their own Park District which they have their own mill levy on top of what Johnson County is. So, it's even still here on the chart, their one county mill still generates a lot more than ours do and so we have work to do. Commissioner Davis said it perfectly, we can compare, but we need to be realistic of what our community is—who our community is. We need to make sure we adapt. Whatever measures we do is adaptable to our community and what's best for them.

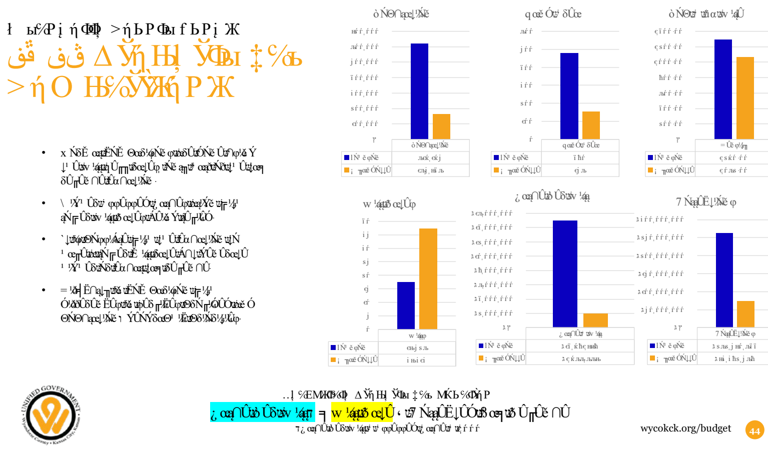
Mr. Peterson said I will say that when you specifically call that out, so the mills that are on these tables are the mills that are specifically being levied by these counties for their county use, so in Wyandotte County this would include our Parks levy. In Johnson County this does not include the Special Parks District.



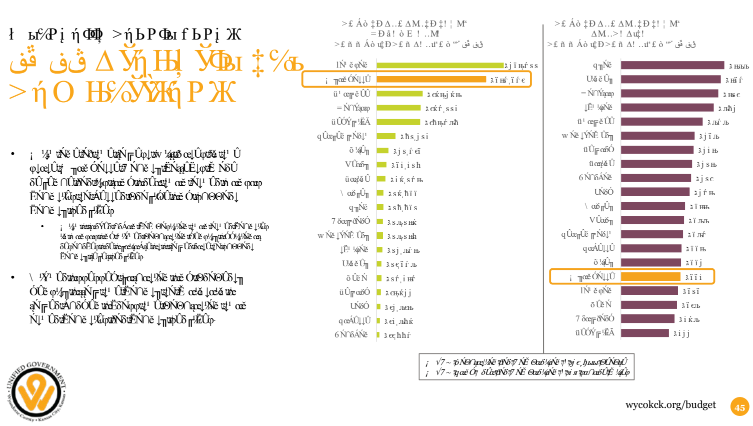
Again, this just shows the relationship between the value of a mill and the amount of mills that are levied. Wyandotte County is towards the right of the chart, again, in the orange box.



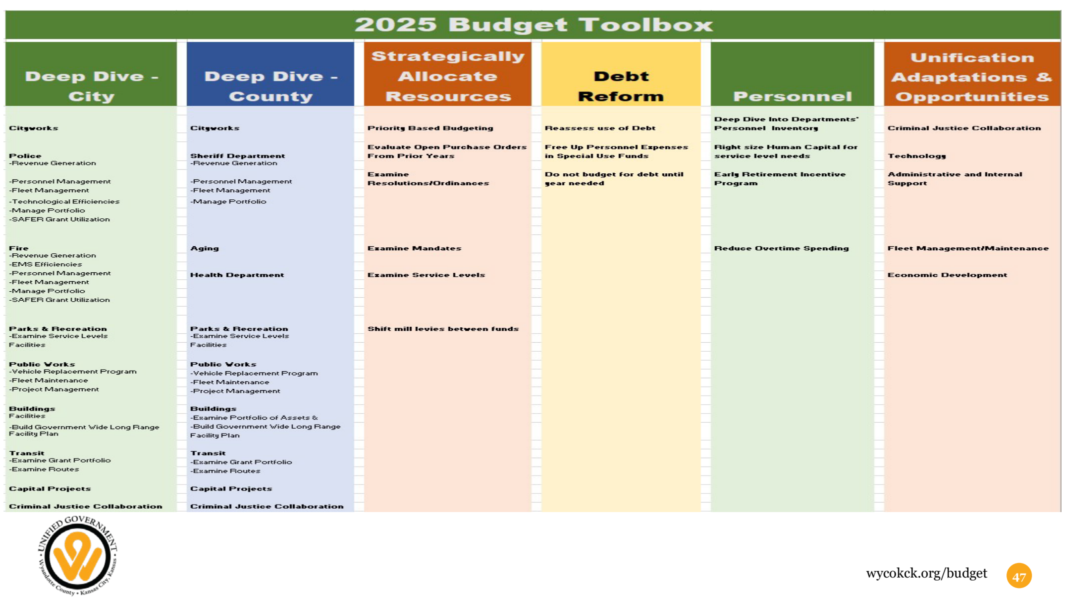
We pulled the counties that have the highest populations out of the lists that we compared and so from here it's actually a different story than the City, so us being a more urban county with a substantial part of Wyandotte County being Kansas City, Kansas we actually have one of the higher population densities so we have substantially higher population for our land area which means that our tax per capita is actually on the lower end on the County side for the amount of revenue that we're generating, so our County taxes are comparatively low. We don't have to—in order to support the services that we're providing and then we're able to generate more revenue for our land area so we're second only to Johnson County and the amount of revenue we can generate for our land area to support County services such as the Courts, the Correctional System, Aging Services, Health Services, Parks & Rec. We're towards the lower end of counties.



Again, just another comparison. We frequently get compared to Johnson County. We would again argue that it's not comparable, but just to show since they have such a dramatically different mill than we do, so their population is almost four times higher than Wyandotte County, land area is almost three times as much, their population density is about 1.2 times more than ours, so their mills roughly—half of our mills they're able to levy about half of our mills and generate about 3.5 times more revenue than what we can generate even though they're only generating half the mill rate—they're only levying half the mill rate that we are so just a comparison on the relationship between mills and assess value again.



Where we're at as far as our County tax comparisons, so being a more urban county we do have more services that are demanded of the County as far as—at least we have the ability to support a higher level of services than a rural county would be able to support with our tax levy, so we do have one of the highest amount of taxes that we generate for our land area. Again, we're second to Johnson County and we're over twice as much as any of the other counties on this list as far as the amount of revenue we're generating per square mile and what that means per person is we're generating one of the lowest amounts of revenue per person. We're levying one of the lowest amounts of revenue per person out of the counties that we compare ourselves to, to support those services since we have more value per square mile than other counties do.



Mr. Lindsey said as we talked about going revenue neutral or realizing full valuation or if we do something in between, any route we go we probably would have to adjust our budget. Some of the things that we are doing, we have this 2025 Budget Toolbox that we're using. We've talked about doing the deep dives, which we're currently doing. This is like a six-pillar structure where we're doing deep dives. We're also going to be strategically allocating our resources throughout this 2025 budget season and every budget season after this and then one of the things that we're definitely going to be doing is looking at reforming the way we use debt and then also really digging into our Personnel and then also we've talked about Unification that came up after we finished the budget last year, so one of the things we want to look at is Unification Adaptations & Opportunities that are there in Unification.

Just to kind of dive into some of these pillars, on the City side with the deep dives, one of the things we're doing we're bringing in an organization City Works. I don't know if someone from the County Administrator's Office wants to touch on City Works.

Alan Howze, Assistant County Administrator, said City Works is a non-profit organization that works with cities across the country. They're funded in part by the Kauffman Foundation and they're really focused on promoting entrepreneurship by reviewing and helping cities reduce the barriers to starting businesses. This small business formation review, how many steps does it take to open a restaurant, to set up a barber shop, those sorts of things, what are the costs associated with that and then having a data set to compare that to other cities around the country, how many steps again, how much is the cost. One of the things we've also asked them to look at is around our development processes as well to get additional assistance in reviewing that. One of the areas we'll be looking at is administrative processes and how are those aligned to the ordinances that are on the books, and hopefully, they are in alignment. In areas where they're not, they will be aligned as well as a review of those ordinances and those ordinances that may be in place that are barriers or inhibitors to business formation. As well, considering recommendations around things like reciprocity, so if a business has operations in Johnson County, is there reciprocity for Wyandotte County. A good example of that is contractor licensing. Johnson County has reciprocity with Miami County, we don't have reciprocity with Johnson County, so if you're a contractor, you're going to set up—you're going to get your license in both places. That's just sort of an example of the things that make it that much harder to do business and so having this review and working with them on an ongoing basis. It's not a kind of a one and done but an ongoing basis to help us get better at creating greater opportunities for entrepreneurs across the community.

Mr. Lindsey said also as part of the deep dive on the City, we'll definitely be digging into the Police Department, Fire Department, Parks & Rec, Public Works, Buildings, Transit and then we'll also be looking at our Capital Projects, and the Criminal Justice Collaboration, which is made up of multiple departments that include District Courts, District Attorney, Sheriff's Department, Police Department, Municipal Courts, and Community Corrections. As part of the deep dive on the County side the Sheriff Department, we'll be digging into Aging, Health Department, Parks & Rec, Public Works, Buildings and Transit, which all provide services to both the City and the

County. Then, strategically allocating our resources, we will be restarting priority based budgeting. We'll be working with a company that we worked with before, ResourceX. What we will be doing here is prioritizing our programs and we already have some of the programs prioritized. We'll be working with departments and we'll also be working with you as a Commission when we get these priorities set, so some of the things we plan to do over the next two to five years with priority based budgeting is we plan to bring priorities to you as far as like programs and service levels to help us make decisions on what is a priority. So, we'll bring those to Standing Committees for the next two to five years, but we also will bring some back during this budget process, but it'll definitely be a process that we'll be working for multiple years.

Some of the other things we're doing as far as allocating our resources, we're looking at open PO's or purchase orders from prior years. We'll be looking through all of our resolutions and ordinances and state mandates and then we'll examine our service levels and then we'll look to like shift with us—one of the things that we have done as far as when we have cut mills, we always usually just cut mills from the City or the County. We haven't cut mills from some of our other levy funds like the City Bond & Interest Fund or the County Bond & Interest Fund or the Aging Fund. We haven't cut from those, so those are some funds we either want to look to if we're going to be cutting mills. If you all decide as a Commission to look at cutting mills from some of those funds also and then—I did say Aging, but not single out Aging, but just using that as a Property Tax Levy Fund. Also, there may be some room to shift some mills from some of the funds so that we don't have to cut funds.

Then as far as the next pillar, Debt Reform, we're definitely going to be accessing our use of debt across the organization. We're definitely going to be also freeing up personnel in some of our funds so that we can—for instance, like our Special Street & Highway Fund, we're looking to move all the people out of it so that we can pay for strictly all projects out there and that way we won't have to issue as much debt on the City side. Then we're looking to—as far as like what our debt—so one of the practices we've gotten into is we budgeted debt projects in certain years and we know we weren't going to use them until a couple years out. We're definitely going to be looking to get away from that.

Also, with Personnel, as we move into the next pillar in our budget toolbox, we're going to be doing deep dives into all city departments looking at their personnel and then based on some of the things that comes out of City Works and ResourceX we'll be looking to right size our organization to the amount of people we really need based on the service level that we want to provide. One thing we will be looking at and have already started actively looking at is an early retirement program to take effect in the 2025 Budget and then we're looking to reduce overtime just across the organization.

Moving into the last pillar, Unification Adaptations & Opportunities. I brought up the Criminal Justice Collaboration a little bit earlier and basically what this is, is kind of a system that helps us move individuals through our Criminal Justice Center. There's possibly things that we can do there to make it run more efficiently and it definitely has run efficiently over the years, so before we unified some of those departments didn't talk, but after we unified there was a lot of collaboration that went on with those departments. Now we want to look to see if there's more collaboration that could still go on.

Then, technology, definitely part of the Unification. Computers weren't what they were now when the Unified Government combined, so we want to look at the way technology is being used and we think it's being used well, but want to just see if there's more efficiencies that could be found.

Fleet Management and Maintenance, before we unified we probably had about six or eight different Fleet garages and now we've unified into one big garage, but we definitely do have more specialty vehicles and apparatus that we have and we want to make sure that we're still working efficiently. One of the things that has been created in the past years, which Michael Peterson worked really hard on, is we have a Fleet Internal Service Fund now where departments pay into a Fleet Fund to make sure that their vehicles get purchased sufficiently and then also that their maintenance is sufficient. That is something that we still want to build upon and maybe look to do with other departments that provide services throughout the whole Unified Government. For instance, we may be looking at a IT Service Fund, so IT will charge different departments and we always will be upgraded with IT. Those we just wanted to kind of let you all know some of things that we are definitely doing right now and will be doing for the next few years to kind of dig into this budget and just make sure we're offering the service levels and also making sure that property taxes are fair within the community. Are there any questions or anything about any of those?

Commissioner Ramirez said, staff or Mr. Administrator, do you want direction tonight or are we just listening to presentation? **Mr. Johnston** said that's entirely up to you. You know you've been here for two hours now and you've absorbed a lot of information. Maybe you want to take time and come back for that—what was that time, Reggie, we were talking about? **Mr. Lindsey** said April 4th we will have another Budget Work Session before the Police Award Ceremony, so there would be time. **Mr. Johnston** said that's probably what I would do and then if you have any questions between this recommendation between now and then, feel free to call and talk with Reggie and his team to provide any answers that you're looking for.

I'm just going to echo, I think we're at a crossroads here. We learned a lot during the last budget season and the concerted effort is to kind of steer the ship to a different direction and if you've ever known ship steering, you can't just do it on a dime. It takes time to get that new course charted and I think its starts tonight on how we do that. Our staff made a commitment, there's going to be many discussions involving you. I mean this is setting a major policy document every year and policymaking is your job, but we have to give you good information to make the best most informed decisions and that's our job. So, we're here to be a partner in making our community the best it can be with the resources that we have and sometimes we have to deal with change, sometimes we have to change working relationships and that's just the name of the game. Fiscal stewardship has to—you've stated it, one of our four major priorities we take it seriously and as they said early in the presentation as we become good public stewardship it involves the other three priorities and our general operations of the services we provide our citizens, so that's all I have. That's my recommendation. Take your time, absorb it, ask questions between now and the 4th and then be ready for a quick session on the 4th.

Commissioner Bynum said Ms. Jonscher, Mr. Grimm, Mr. Peterson, and Mr. Lindsey, I just want to say thank you because I can only imagine the time that you spent preparing this for us tonight and it's really valuable information and it's very much appreciated and I think it's a great way to kick off these conversations. There's a lot here to think about and be aware of, so I just really appreciate the work you have done.

Commissioner Kane said, Mr. Administrator, I appreciate you starting early. We talked about this last year, but this is what we wanted. We want to be able to talk about this. You're right, we shouldn't make a decision tonight. We should look at it, suck it in, get as much knowledge as we have and, obviously, call the folks that have the answers, but I would like when the next time we come up here, in the last 12 years how many times have we lowered the mill levy? I think it will surprise you. **Mayor Pro Tem Burroughs** said we didn't hear you up here Mike. **Commissioner Kane** said I would like to know in the last 12 years how many times and how much we've lowered the mill levy. Actually for staff, if you could get it, since I've been here that would be even better and that's 2005. **Mr. Johnston** said you guys will get that information to all the commissioners.

Commissioner Davis said thank you all staff. This was really, really good information. I will say it's difficult for me to make a decision regarding this because we're just having a conversation about revenue, not necessarily about expenses. We've not talked about the potholes and deferred maintenance and the need to build fire stations and the conditions of our community centers and the other kind of service things that we hear from our community all the time and their needs. So, I don't want to add more homework, but if we can just get even a birds-eye view of what are the needs, what are the projects, what are the costs, that will be really helpful because for every cause, there's an effect. If we lower revenue, that means there's less money to pave roads, there's less money to open a bridge, there's less money to build new fire stations, there's less money to help with code enforcement and things of that nature.

The other thing I'll add is because we are making this decision in August, if we can have some sort of refresher or primer, August is quite some time away and I don't know about you all, but I will probably forget some of these things and this amazing information and so as we get closer to that vote on revenue neutral I think it will be really important just to refresh the community on what information has been presented so that we can get the information presented closer to a vote.

Commissioner Hill said I would just like to say thank you to the staff also. I said earlier it was like a foreign language to me, but you have helped me at least almost get to English, so I appreciate that. What I'm hearing tonight, and I'm not sure the right way to say this, but is a lot of what the constituents are saying is that every year the taxes go up and we don't listen to the constituents. As I look at this, for instance, I have heard over the years we pay more taxes than anybody in the metro area and then when I look at this I see that we are challenged and that some of the other areas have more income per capita, so that potentially is part of the reason for how they pay taxes versus how we pay taxes. I'm very much in awe of all the detailed work that has gone into this and I'm hoping to be able to understand a lot better some of the questions that the other commissioners asked and some of their comments. I circled it so it kind of helped me to understand what questions to even ask. I'm not quite six months in yet, but I'm learning under the pressure of a fire hose, so I appreciate this and I'm looking forward to more conversations and understanding it even more. How do we get the word out to our constituents that may garner a better understanding from them so that it doesn't look like again we're just doing the total opposite of what they are looking for, they being our constituents. I appreciate this information and looking forward to learning more.

Commissioner Stites said one of the things I was wanting to ask, whenever you asked about getting the mill rate over since—whatever that timeframe was, if it goes back to '05 or whenever it was that you said, is that on the City and County or just the City, so City and County and what I would like to know to add onto that, not to put more work, but I'd also like to know what the mill increased during that time organically. I mean there was a reduction, I mean there was also an increase, so I'd like to have those same numbers. I mean the mill levy went up, we have reduced a number, if it went up organically by a 100 since '05, then we've reduced how much of that 100 is what I would like to know. That's one thing that I'd like to know and then I think I do appreciate the presentation and I think that we have opportunities here to try to do those deep dives and find out how we can reduce our spending.

I'm going to go back and kind of quote and you guys will remember or some of you guys will remember, previous Commissioner McKiernan, we're not going to save this budget with paperclips and pickup trucks and he said that many times. That's not going to get us there. We've got to make wholesale changes that's going to get our budget back in line to where people can afford to stay here.

Commissioner Hill, I totally appreciate what you're saying as far as our constituents being informed and letting them know. We're not just—we are listening to you, but at the end of the day here's what their saying, you can listen, but at the end of the day the amount of money that's going out of my pocket is more than is coming in and I can't afford to live here any longer because of all the costs and the raises that are increasing in everything. Just like Commissioner Kane said bread, I mean it's everywhere, bread, milk, beer, car, insurance, whatever; but there's folks that are being forced out of—I've talked to several this week. One gentleman called me and he is in my district, an older guy, and he said I don't know what to do anymore. I'm making decisions now based on what I am paying—and it's not just the Unified Government. You know what was it, we're 46% of that dollar, there are a lot of other taxing entities and with that being said, I would like to say I've asked since I've been here now for three years that we have a collaborative meeting with all taxing jurisdictions, you know, so we can continue to have that conversation about what are they doing in their budget cycle and I'd like to continue those. But the gentleman that I spoke to he said I'm making decisions whether I buy my gas, not have medication or pay my taxes and I can't sustain it any longer. I don't know what to do and I know each and every one of us take it very serious and you guys are all hearing the same kind of calls that they can't afford it any longer. I'm just hoping that we really do take those deep dives and find out how we can relieve taxes—the burden on the constituents.

Commissioner Kane said well this should be no surprise, Alan and I and Angel have been working with the Piper School District to get some events out there. Pickleball Courts and stuff like that in conjunction with the school district, so sometime during this budget Alan and Angel will give a presentation on what we done, what the expectations are, right Alan, and thank you in advance. Here's the deal, this is serious. We have nothing. We can't ride a bike to anywhere we're at out there. There's no parks west of 435 and then what I'd like you to do is look at your own district and see how many parks you all have, you'll be surprised. I'm going to pursue this to the hilt. I've asked for it for 19 years and I'm hoping that this Commission will listen.

Mr. Johnston said I just would like to address the interesting comments from Commissioner Hill. During the last budget process I witnessed the community engagement effort that goes parallel to our budget process and it's called GoDotte and our Strategic Communications Department runs that and holds town meetings into the neighborhoods. One of the interesting things of those meetings is we bring in a simulator and say okay, here's our budget, what are you going to do to balance it. So some similar tough choices that you are going to be asked to look at, they're going to be asked to look at and address and talk about the tradeoffs and that's one interesting element to get them familiar with the complexity of our budgets, but also I think the last couple of years we had a couple great ideas that came from the citizens to implement into the budget process and some of the work that our departments do. So, there is a corresponding parallel community engagement process during our budget process as well.

Mayor Pro Tem Burroughs said Mr. Lindsey, Mr. Peterson, Mr. Grimm, Ms. Jonscher, thank you so very much for the presentation this evening. It was thorough, it's one that very few of us had an opportunity to fully get into to the extent that we did this evening. Kudos to you and the work that you put forward to prepare us going into this budget cycle. With that, that's the end of the agenda. That's all I have on the agenda this evening.

Commissioner Kane made a motion, seconded by Commissioner Ramirez, to adjourn. Roll call was taken and there were nine "Ayes," Ramirez, Hill, Kane, Lopez, Stites, Davis, Bynum, Townsend, Burns.

MAYOR PRO TEM BURROUGHS AJOURNED
THE MEETING AT 7:22 p.m.

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Monica L. Sparks
Interim Unified Government Clerk

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