STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL MEETING, THURSDAY, JUNE 27, 2024**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Meeting, Thursday, June 27, 2024, with nine members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; Burns, Commissioner Second District; Hill, Commissioner Fourth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District (arrived at 5:35 p.m.); and Garner, Mayor/CEO; presiding. Ramirez, Commissioner Third District; and Kane, Commissioner Fifth District; were absent. The following officials were also in attendance: David Johnston, County Administrator; Angela Lawson, Interim Chief Counsel; Alan Howze, Assistant County Administrator; Shelley Kneuvean, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Director; Michael Peterson, Assistant Budget Director; Mark Dupree, District Attorney; Susie Nelson, Register of Deeds; Daniel Soptic, Sheriff; Anita Peterson, District Court Administrator; and Monica L. Sparks, Interim Unified Government Clerk.

Mayor Garner said before I call the meeting to order I want to announce that we do have individuals attending remotely as well as on-site. All participants joining by phone, should please mute their phones at this time 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. Please make sure to speak clearly and at an audible level into the microphone to ensure that your comments are heard and an accurate record of the meeting can be made.

Mayor Garner called the meeting to order.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in a hybrid format on Thursday, June 27, 2024, at 5:00 p.m. in the Fifth Floor Conference Room of the Municipal Office Building for a Budget Workshop. Roll call was taken and there were eight "Ayes," Lopez, Stites, Bynum, Burroughs, Townsend, Burns, Hill, Garner.

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

Mayor Garner said this evening we're continuing the work regarding our budget for 2025 and throughout our series of budget workshops we'll have different items for consideration for the Unified Government Board of Commissioners. I'm going to turn it over to our County Administrator David Johnston, to open up the presentation.

David Johnston, County Administrator, said as we continue down our budget workshops, today we're talking about the issues of revenue neutral versus non-revenue neutral and I'm going to turn it over to our Chief Financial Officer, Dr. Kneuvean, and our Budget Director, Reggie Lindsey.

Shelley Kneuvean, Chief Financial Officer, said we will have copies of our presentation here shortly. We were busy making copies on the copies, so they will be here just shortly, but if we can go ahead and pull up the presentation, I'll wait just a quick minute. I'll go ahead and just kind of give you an overview. A little bit, as the Mayor mentioned, we've had quite a bit of work that's being done on the budget working with you all as a Mayor and a Commission. We have had five workshops since February. The end of February was the first one. We've had one public hearing. We had the Dotte Talks and that was an invitation, of course, for public comment. Tonight we're going to have another workshop to discuss the proposed resolution of the intent to exceed revenue neutral rate.

Budget Process

Mayor & Commission Budget Workshops	
• Budget Workshop #1	2/29/24 – Capital Improvements Plan Update
• Budget Workshop #2	3/21/24 – Review of Revenue Neutral & Budget Forecast
• Budget Workshop #3	4/4/24 – Continued Discussion of Revenue Neutral Rate & Process
• Budget Workshop #4	4/18/24 – Operating Budgets Overview
• Budget Public Hearing	6/4/24 – Overview of Dot Talks & Invitation for Public Comment
• Budget Workshop #5	5/16/24 – Proposed Capital Improvements Plan
• Budget Workshop	6/6/24 - Cancelled
• Budget Workshop #6	6/27/24 – Discussion on Proposed Resolution of Intent to Exceed Revenue Neutral Rate

That's just an overview of all the dates and the meetings we've had before and the presentations. There's been a wealth of information provided by the Budget Office to help inform the process throughout.

Purpose of Tonight's Discussion

Requesting the Mayor & Commission approve the Resolution with the Intent to Exceed Revenue Neutral Rate for the City and County Property Tax Rates (Mill Levies) in the regular session

- Approval of the resolution ONLY keeps the budget process moving forward so that additional information can be provided to inform the ultimate decisions of the Mayor & Commission.
- This does NOT set or approve the tax rate tonight– revenue neutral is still an option for the City and County mill levies
- This does NOT approve any specific policy decisions including information which will be presented tonight
- This does NO commit to fund expenditure requests by the Constitutional Offices which will be presented tonight

The purpose of tonight's presentation is to request that the Mayor and the Commission approve the resolution with the intent to exceed revenue neutral for the city and the county property tax rates. Those property tax rates are our mill levies. Those terms are interchangeable and that will be considered in the regular session.

We're hoping that tonight we can provide you with information as to why we're making this request, but the only action that we are asking for is that this resolution be adopted by the Mayor and the Commission. What we are not requesting is any kind of tax rate tonight. We are not asking you to set the tax rate. There's a lot of information that needs to be brought before you before you could actually do that in an informed way.

This does not approve any specific policy decisions including information that will be presented tonight. For example, our Constitutional Offices are going to present information. We are not asking you to make a decision. It's just receiving the information and this does not commit to any expenditure request that you may know of or that have come before you before. All we are requesting is the resolution which keeps the budget process moving forward so that we can provide you information, the County Administrator gets an opportunity to present a budget and then at that point is when you would actually set the tax levy, decide what the tax levy would be.

It does not prevent you from ultimately going revenue neutral if that should be the direction that the Commission wanted to go. The resolution does not commit you to anything except allows for the process to continue.

Overview of Budget Workshop #6

- Presentation by Constitutional Offices for FY25 Budget Needs
- FY25 Projected Revenues for City and County General Fund
- Present BPU Pilot Relief Information
- Discuss Annual Property Tax Mill Levy Process & Next Steps

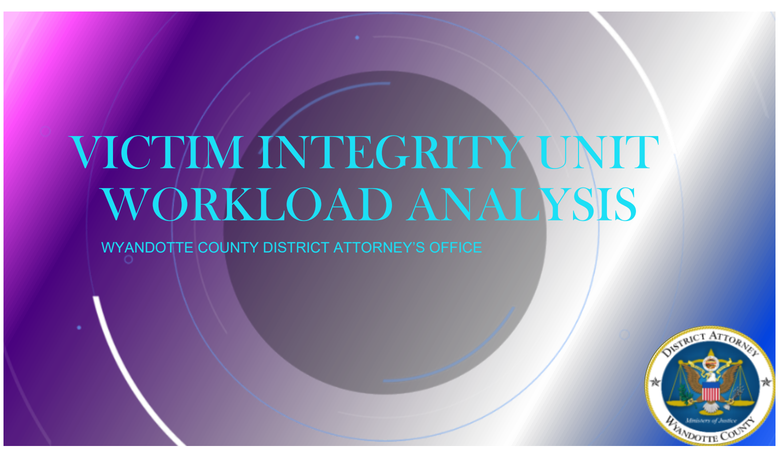
In order to cover a few things tonight, we're going to have the presentation by the Constitutional Offices. We're going to give you an overview of some projected revenues for the city and the county, in particular the General Fund tonight, because it's good, illustrated purposes. We want to highlight some thoughts that we have on the BPU Pilot Relief and then we want to talk about the next steps in the process.

Constitutional Offices Presentations

- District Attorney *
- Recorder of Deeds *
- District Courts *
- Sheriff *
- Election Commission (written memo)

With that, we've got the entities up above on the board and they have indicated they would like to speak. We've asked them to keep that to about 10 minutes each. Again, they will be sharing information with you about their current budget, about their budget requests for next year. It's an opportunity for you to dialogue with them, but we are not asking for a decision on any of these requests at this time. It just gives them an opportunity to present that information to you all directly. With that, I'll ask the District Attorney to come forward.

Mark Dupree, District Attorney, said I appreciate the opportunity to speak with you. I will say in advance thank you. I'm looking at my clock. When I practiced I don't know if I was thinking 10 minutes. Usually it's about 20 or 30, but I'm sure I can make this happen.

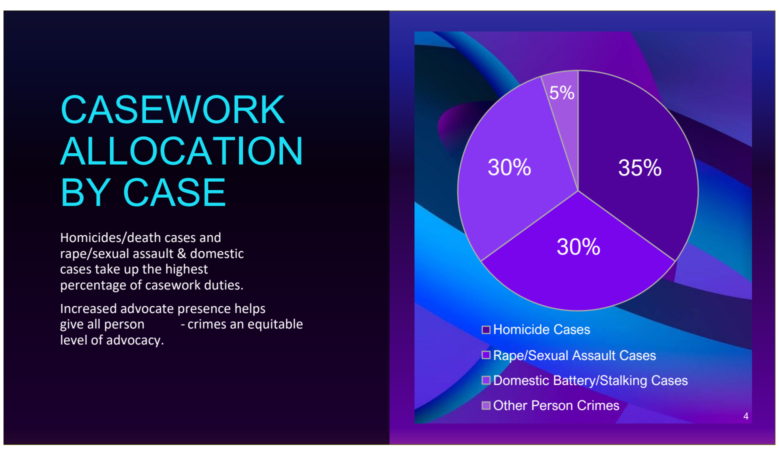


I want to first appreciate all of you commissioners and staff for all that you do. I try my best to stay on my side of the street, but I thought it was very important to come and talk to you today specifically concerning this matter. We are requesting funds this year. This is something I think is extremely important, so when I got into office in 2017 there was two Victim Advocates. Victim Advocates are the individuals who are the liaison between victim of crimes as well as the District Attorney and the courts. It is their role and in their jobs to make sure that victims of crimes in this community have information on what's going on in the case that they are part of.

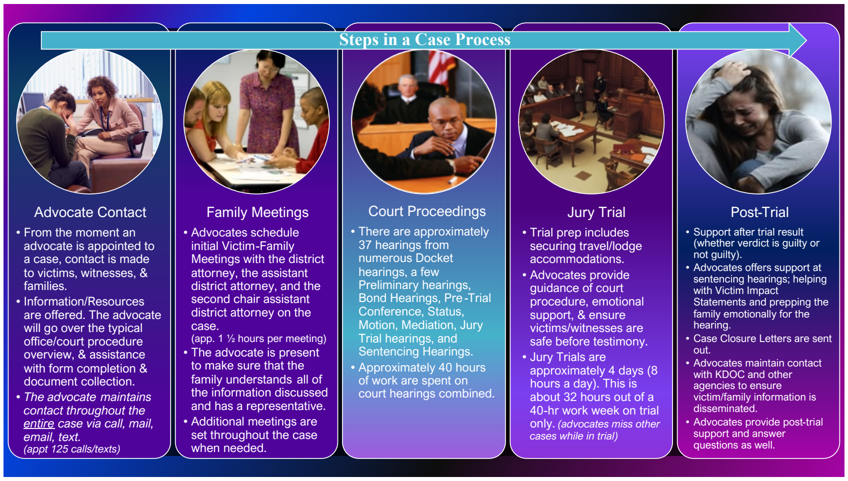
With that, I'll start with what the law says. This is so important that the Kansas Legislature many decades ago made it a statute. According to KSA 74-7333, and I would encourage all of you to go ahead and take a look at that, but ultimately it is the victims Bill of Rights and when individuals have a crime that occurs to them, there are multiple things that the District Attorney's Office is statutory obligated to make sure that we do. The number one thing is making sure that victims are treated with courtesy, compassion and respect. That information regarding the case from the beginning of the case to the conclusion of the case is told to them. Any services that are available to them, any assistance wraparound services, treatment and so on and so forth, the law says by statute that the District Attorney's Office is obligated to make sure that it is done.

Advocacy is bottom line what Victim Advocates do.

Sufficient advocacy present or presents ensures equitable advocacy for all victims.



I want to talk to you real quickly about what the Victim Advocates do in our office. They handle homicide cases, death cases, rape and sexual assault, domestic violence cases and ultimately it breaks down to the percentage of case loads that we have right there. You can see homicide, rape and domestic violence takes up a vast majority of the cases that we have going on in our office.

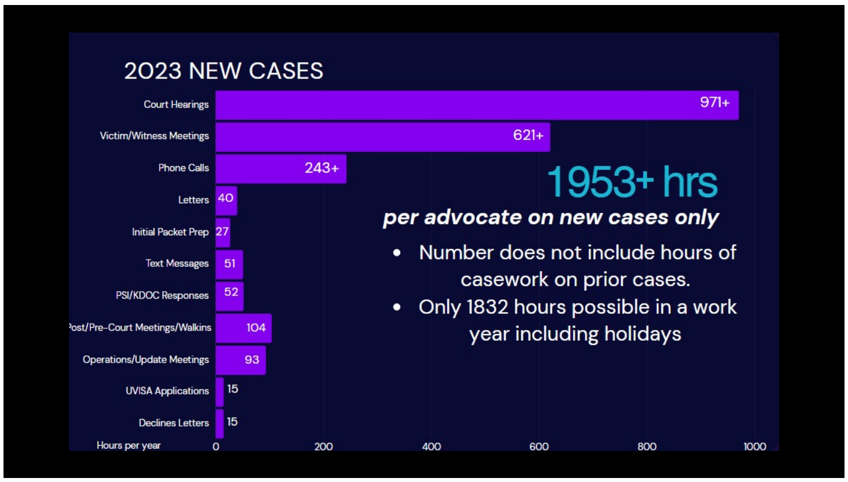


From start to finish, and I would like to state to the folks that may be watching online, you as commissioners have this in front of you and if you don't, we can make sure you get an email, but I put all this in the presentation. I'm not going to read all of this, but I wanted you to have from start to finish what a case looks like in our office. The Victim Advocates, the moment that the police are called and the cases referred to our office after the investigation happens, it's our Victim Advocates role and responsibility to have direct contact with the victims and with the families of crime.

In any case that occurs in our office is when you're dealing with victims you're not just dealing with the person who was the victim of crime, but you're usually dealing with the entire family and you're dealing with all the folks that have any type of first, second or third secondary trauma that comes with being a person connected to the person that has been victimized. Their job is to connect with them, to meet with the families, to set up meetings with the Assistant District Attorney and likewise with myself. When I got into office I made it a priority and a mandate that every person who loses a loved one to crime in this community meets directly with me. It is the Victim's Advocate role to make sure that all of those folks meet directly with me as well as the Assistant District Attorney.

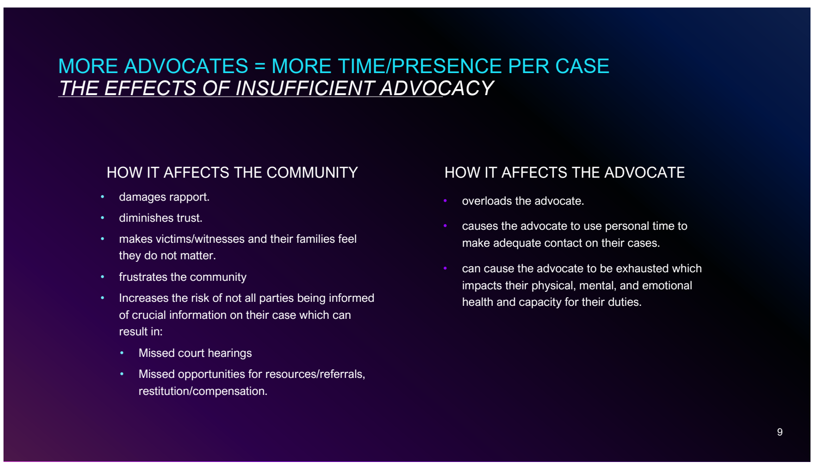
Their job is also to make sure that all of these folks according to statute know when the hearings are and you can see through the court proceedings we got over 37 hearings from numerous dockets hearing meaning from the time that a case is filed to the time that a case goes to trial.

There are dozens upon dozens of court appearances and by statute we have to make sure that all of those victims and witnesses are aware of those hearings and proceedings and if we do not, then it violates the statute all the way through jury trial. Then, likewise what happens, is once the trial is done we have post-conviction. You have appeals courts and appeals to the Supreme Court and so on and so forth. Hence, these cases never go away for our Victim Advocates. They continue to reach out and talk to our office and get the information.

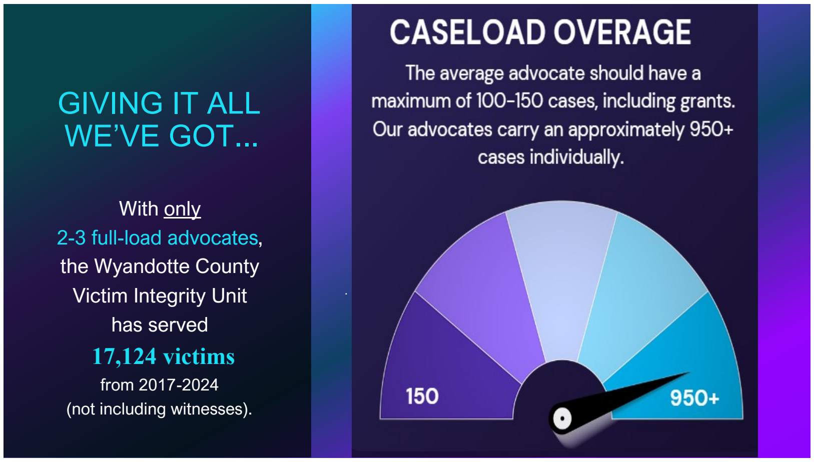


I made this slide because it's important to know and I want to give kudos to the four Victim Advocates that we have in our office who worked tremendously hard to make this presentation and put it together. But ultimately, after we put our numbers together there was a guesstimation ultimately of every hour that we have in a 40-hour work week and 52 weeks in the year, you're looking at about 1,800 plus hours of available work. Well, our Victim Advocates work over 1,900 hours and that means that they're coming in on their days off, that means that they stay late, that means that they get in early and it's because they take their responsibility, their statutory responsibility very serious to make sure that they have contact with these folks so that cases won't go on without everyone knowing.

I'm going to rush through this part because I see that my time is down. I'm to about 5 minutes, so you can look at the rest of this yourself.

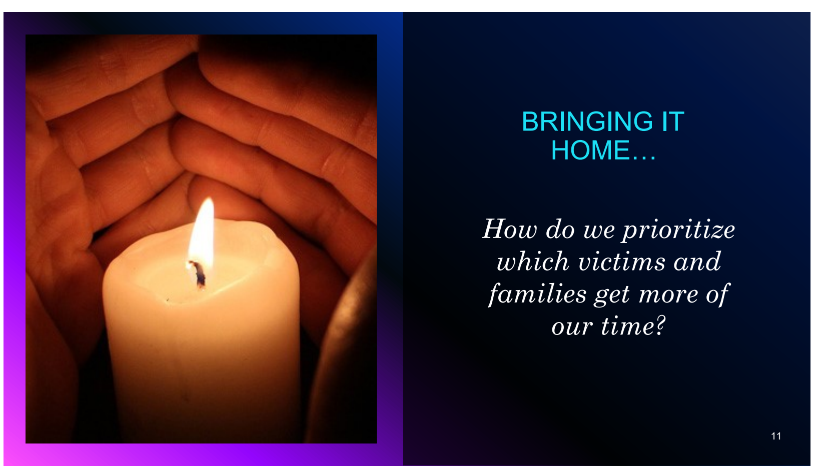


But ultimately, what you have here is when we don't have enough Victim Advocates, then you don't have the information given to the victims of crime and to the witnesses of crime and it affects the relationship with the District Attorney's Office and the community and thereby affects how law enforcement and the community's relationship is. When we have victims who are not connected, who doesn't have that advocacy, who doesn't feel like anyone is explaining to them what is happening and how the process works, then they are less likely to cooperate. They're less likely to show up to court, they're less likely to be the witness that we need them to be to get the bad people off of the streets, which is why it's so important that we are here today.

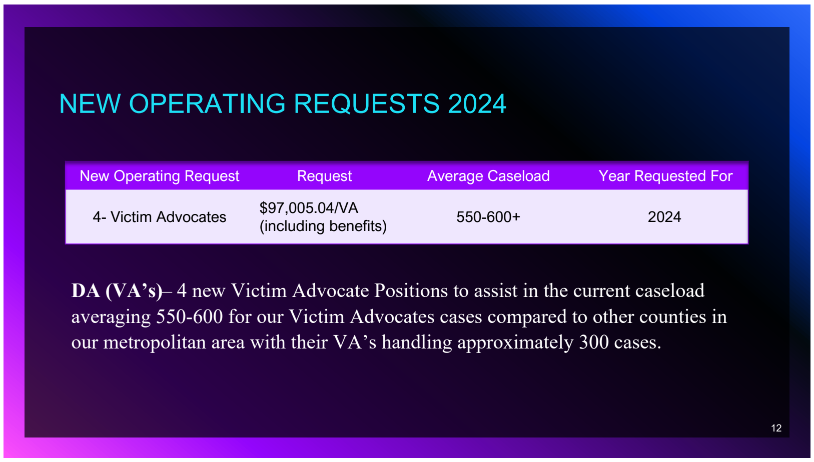


In our office we have four Victim Advocates and we have two to three full load advocates on the screen because when I got here it was two Victim Advocates and in 2018 I believe we came back and we said okay, clearly, we need more advocates than this. We requested more funding. We didn't get it that year, but in 2019 you all gave it to us with the Conviction Integrity Unit Assistance and so the Victim Advocate that goes with the Conviction Integrity Unit also assists with some of the cases that we have on the main level of cases.

Now, with that we then went out and we found a grant because we realized that we needed to find more money to get victims the support and help that we needed and we were able to get a grant that is now being sustained for the last, I believe, four years and that is a sex crime Victims Advocate and this individual deals with sex crimes that are from the age of 11 on up. She's able to assist in those cases, which is why we say we have really 3-3.5 Victim Advocates rather than the full four. So, that puts us at really 3.5 marks of Victim Advocates.

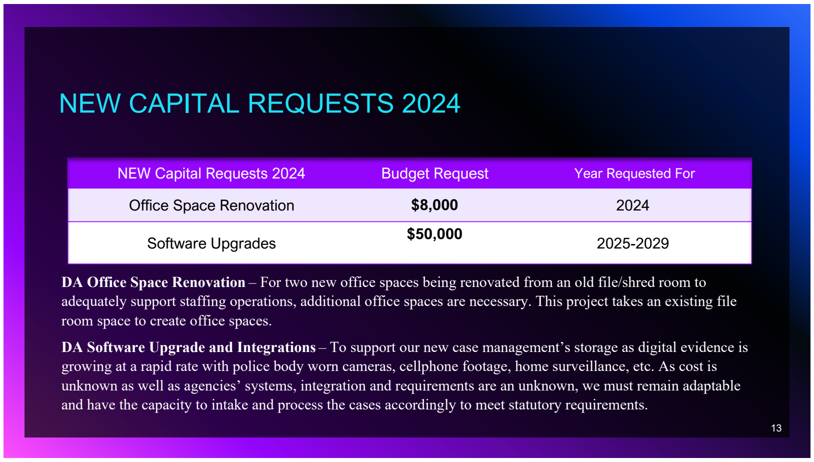


The best practices says that any DA's Office should have no more than 150 cases per Victim Advocate. On average our counterparts across the state and in the region are averaging about 300 Victim Advocates at this point per case. We are 950 cases per Victim Advocate.



So, what we're saying is not only are we ridiculously outnumbered by the amount of victims that we are serving, but it is absolutely affecting the way that victims are seen in our office and how they feel because at the end of the day when it comes down to prioritizing, how do you prioritize one victim over the other. Let me tell you the answer, you don't. Every victim is important, so every victim needs the services.

What we're requesting is four additional Victim Advocates. That will not get us to where we need to be via best practices, but it will get us down to about 500-600 cases per Victim's Advocate that will then get us to the position where I believe we're not violating the statute and hence doing what the statute requires for us to do, which is meeting with all of these victims and witnesses and making sure that they have the information that they need. The dollar amount is on the screen there. That $97,000 per Victim's Advocate includes the benefits that they would have and ultimately that would be reoccurring.



As I conclude in my 30 seconds, to give you any time that I have for questions, is for office space because we are in a wonderful, wonderful old building. We would take a file room that we have and we would renovate it and that would take about $8K to renovate to give us more offices there in our location.

The software upgrade, it is there. I would like to say to all of you, because I know I have talked to many of you, if you look back in my '22, '23 budget, '21 budget as well, there was $100K for software upgrade. We have worked with the tech folks over here, names are leaving me as I speak so fast and did an analysis and we do not need $100K as we have generally done for the last several years minus last year because of all of the software upgrades. We need simply the $50K moving forward and so that's not something new, it's in fact something that we have continued to do, but it is a 50% decrease and so I thought wherever I could say we're asking for less, it would be good to show off for the commissioners on that. Alright, I'm done. Alright, she said good job. Any questions that you have for me? Thank you Mayor, thank you commissioners, thank you for this opportunity. You all have a blessed evening.

Susie Nelson, Register of Deeds, said I just want to give you a brief overview of what our office does. The Register of Deeds is a custodian of land records for the county. I'm responsible for recording and preserving those land records. Currently we record over 100 different types of documents in our office. We record deeds, mortgages, plats, surveys, assignments and releases of mortgages just to name a few and it is through these recordings of the deeds that the tax role is built and maintained. The office is governed by state statute. We implement statutory changes, system upgrades, program and procedure evaluation and we're continuing to develop our staff to assure a high level of customer service for our citizens.

The Register of Deeds Office is a revenue generating office. The revenue we generate each year, for the entire year, more than covers our budget annually and out of our budget 3% is for operating expenses. We also have a special fund for the Register of Deeds. It's called a Technology Fund and we've used that in the past to do a data migration where we pushed over 214K documents into our primary search software called Laredo and we're currently working on another data migration where we will push 368K documents into Laredo and that will give us documents back to 1955 and that will be 69 years in our primary search engine. Typically, the title companies, they search back 40 to 50 years when they're doing title searches and sometimes they go back further and our Laredo is a subscription. They can purchase a subscription to use so they don't have to come in the office and we have noticed that there aren't as many title people that do come in the office. They have subscriptions to utilize that.

I'm just going to close with this just so you all know, this year we have seen a decrease in recordings and I compared it to last year, we're down about 800 documents, same time as last year, and we attribute that to mortgage rates are higher than they were and cost of housing and everything else. Do you have any questions for me? Thank you.

Anita Peterson, District Court Administrator, said Chief Judge Robert Burns had another commitment this evening, so he asked me to come over here and he had some thoughts that he wanted me to let you guys know about. The District Court is unique in our budget relationship with the Unified Government given that we are not one of your departments. Pursuant to KSA 20-348, however, the UG Board of Commissioners is statutorily required to provide all operating expenses incurred for the operation of the District Court.

The vast majority of our overall budget is for salaries and those are exclusively paid for by the state of Kansas. The remainder of our budget is the responsibility of the UG and includes items such as office equipment, computers, interpreters, contract attorneys, pro tem judges, jury costs and facilities to conduct court. These items are simply what is necessary for the court system to function as intended and necessary to protect and promote justice.

The District Court has historically made a concerted effort to operate with fiscal restraint and has only requested the minimal budget necessary to operate an efficient and effective court system for the people of Wyandotte County. We are not seeking any significant increase in our budget for 2025 as we strive to continue to practice fiscal responsibility.

I'm particularly proud of the dedicated non-judicial employees who constitute the heart and soul of our court system. Since I became Chief Judge in 2019 we have adapted and survived the challenges presented by COVID, the UG cyber attack in April of '22 and the statewide cyber attack of the Kansas court system in October of 2023. Our employees have been resilient throughout this period and we have persevered to make sure that everyone has access to the court system while also strengthening the security of our computer systems.

These challenges though have not come without added financial cost. Naturally the enhanced computer safety measures we have instituted are not cheap or simple, but are necessary and warranted expenses for the operation of the court system. We have established our own secured computer network and continue to implement additional safeguards and licenses to protect the privacy of the personal information contained in many court filings. I anticipate an increase in our budget request in future years and it will be unavoidable given the rising cost of maintaining a secure computer system, but I am optimistic that we can get through 2025 without asking for additional funds.

I also wanted to alert you to the distinct possibility of somewhat significant increases in costs for jurors in the near future. While the volume of jury trials has decreased over the last several years, the number of jury trials conducted in a given year is a variable that we cannot predict. In addition, there are capital murder cases presently set for both February of 2025 and February of 2026 which could pose significant costs if they indeed do proceed to jury trial.

Again, we do our best to minimize the expense of jury trials, but that is something beyond our direct control. Once again, thank you for this opportunity to discuss the budgetary needs of the Wyandotte County District Court and please know that I will make myself available to meet with you and discuss the local budget for the court or any other matters associated with the operation of our Judicial District. Sincerely, Chief Judge Robert P. Burns. Any questions? Thank you.

Daniel Soptic, Sheriff, said I've had the pleasure of sitting here several times and addressing this group and on many occasions we've got to have the conversation of what the Sheriff's Office does, why do we do it, the statutes that dictate what I do. Not necessarily how I do everything, but definitely what I do and we've also on numerous occasions had the conversation about what the responsibility is for the Commission and the Unified Government when it comes to funding the things that somebody else quite frankly is telling me that I'm going to do. I was a little presumptuous I guess and I didn't provide any numbers because I thought you guys would have our stuff in front of you. But what I will tell you about our budget when you get it or you get the chance to look at it, the numbers that we've put in, the increases that we've put in in Capital or Operating, aren't because I dictate what food is going to cost. It's not because I can dictate how many we're going to have in-house in the facility. I don't control any of those costs and when you look at the increases that come along with our budget for this year, that's what they are. They're increases that we are all seeing every single day.

I know I've said this to this group before, the Sheriff's Office is very unique in the functions that we serve. One of those is running a small city across the street and so as we see these increases in housing, medical, food, custodial; that's all stuff that I wish I could tell them nope, we're not going to do it. But all of those things that I just mentioned, there's one single statute that says the Sheriff, you are going to do it and we're going to do it in a way that is safe for not only the employees, but for the inmates that are being housed there and what is safe for the community. So, that's one side of it.

The other side of the budget, you'll see increases in things for equipment for vehicles, vehicles themselves, some updates to some computers, kitchen equipment. Again, there's probably not many departments coming in front of you that are having to buy kitchen equipment. A remodel to the jail intake area. Anybody that's ever been inside that area, it's been like that since the day it was built. Exposed wiring, at this point desks that were built-ins that have been taken out because they've been broken. There's been no remodel or improvements to those areas and so those are costly. Adding some more feeder doors to some cells in the facility, again, adds to—goes back to safety for not only staff, but inmates as well.

Those are just some things that—I mean high level that I wanted to bring to your attention. When you get that chance, when you look at our numbers, it goes back to—these are not things that we sat around and said well, I think we're going to follow this statute today, I think we're going to follow that one today. I have to follow all of them at the exact same time and do what they all say and so what that amounts to is increases in just about every single area. You know you can't go to the grocery store, you can't go buy a vehicle, you can't do anything now without there being an increase in that cost. That's the exact same thing that we see every single day.

The things that we are doing, the numbers that you're going to see in your budget information are things that I am required by state law to do and for years and years and years the Sheriff's Office along with many departments in the UG have been asked to make cuts 3%, 6%. I think there was a 7% one year maybe, and the Sheriff's Office has always risen to that and has worked with this Commission and this governing body to do that. The problem is there becomes a point when there's nothing else to cut. You have cut—you know if you want to call it fluff, fine. It wasn't even fluff at the time, but you've cut back to the minimum and that's where we're at. We're not—we don't exist to provide minimums. We exist to provide a service the right way and what's right for everybody involved. As we've cut things like training budgets and ammo budgets over the years, it's caused us to have to come back and ask for more as those things have increased.

So, what you will see in front of you when you get it, and maybe you have it, I don't know, is a list of the have to. The things that as the Sheriff I don't get to say I don't want to do. We're going to do them. We have to do them. Lots of things that factor into it. I know you all know this, but I always like to point it out, I don't control how long somebody comes to my jail or who comes to my jail, I don't control how long they stay there, I don't control what medical needs they may have while they're there. I don't even control when they get released although I think some people maybe think I do. I have no say over any of that. I become the middleman that has this requirement set in front of him. It's a great honor to have that, but at the same time we've got to do what's right and unfortunately that costs, it takes money.

Like I said, I didn't prepare anything for you because I thought you would have some stuff in front of you. What I would ask is as you guys go through the budget documents, if you have specific questions, bring them to me however that needs to be done. I would be more than happy to sit down and explain exactly how we got to where we got on any specific issue if you have it, but otherwise I would take any questions that you guys may have. Thank you.

Mayor Garner said before we move on, I have a question for the DA. You talked about Victim Services. I know that the Police Department has a Victim Services Unit. I don't know if you know what they do. Is there an overlap of services there? I know sometimes when I was on the Police Department the DA would sometimes service the same individuals that I'll just say my staff at the time would service. I don't know if that's a duplication of service that maybe we could look at, has it been looked at, how could we better maybe collaborate to enhance those services in a way to minimize any potential duplication. I just don't know where we're at with that question. **Mr. Dupree** said I thank you for that question Mayor. It's a very good question and one that I do know a tad bit about. I'll just use the example of the Kansas City, Kansas Police Department. As many of you know that the District Attorney's Office handles eight different agencies including, but not limited to Edwardsville Police Department, Bonner Springs Police Department, some cases from Lake Quivira , the Sheriff's Department, so on and so forth and so many task force and universities and colleges and all of them have their own different policing agencies and with them they tend to have their own Victims Advocates. Using KCK, since it is our biggest law enforcement agency locally, they have seven. In fact it's supposed to be eight, but they're down one, seven Victim Advocates and their role as Victim Advocates are to show up on the scene when a crime happens to assist with those victims.

The way a case works, as I indicated on that screen, it's not until a case is filed in my office that my Victims' Advocates are if you will, put into play. Up until the point that the case comes to my office the Victim Advocates with the policing agency are the ones who are being the liaison and they are the point of contact with law enforcement and the victims on those cases. It's their sole responsibility to make sure that they know what's going on and that they inform the victims and witnesses of that case and what's happening. Unless and until the case is brought to my office for charging, sometimes that may be three months, sometimes that may six months, sometimes that's six years. Until that case is brought over, my office doesn't know anything about that case until it gets there. On average, it's about a three to six months process for the Police Department and their Victim Advocates that they work with those victims and then they hand the victims over to my office.

With my office, once we take the torch, hence we have those victims, it goes on for years because now we have the trial, now we have the post-convictions, we have the preliminary hearings, we have the appeals and so on and so forth. Just to put into context the Kansas City, Kansas Police Department has seven Victim Advocates for the city of Kansas City, Kansas. The DA's Office has 3.5 Victim Advocates for all of Wyandotte County. The Kansas City, Kansas Police Department deals with three to six months of servicing those victims. The Wyandotte County DA's Office deals with three to six years of dealing with victims, families and witnesses.

I say that because of the compare and contrast. They need that many to do their job for their city, but as a county I have way more law enforcement agencies and way more victims of crime and not enough assistance and help.

So one, yes they have their own and two, their services do not overlap with mine because it is pre my charging and then thirdly, they need to keep theirs and we just need to give us more so that statutorily we can do what we're required to do by law.

Commissioner Townsend said some of the questions that I was going to ask, your answers were full enough that were taken into account from the questions the Mayor asked, but going back to how long your Victim Advocates on average deal with servicing a case from the time it's assigned to them you said it's from the time it's handed over. There's charges filed through them being held to the Sheriff or if they're on probation or whatever, but through the trial or sentencing, whatever that outcome is and through incarceration, is that as a result, it goes that long? **Mr. Dupree** said yes and beyond. There are, via the statute, so when an individual—let's take that instance, they go to prison, well if they're up for parole, then statutorily the DOC is supposed to let our office know that this person is coming up for parole and then it's our statutory responsibility then to alert the victims that this person is up for parole and to get their input on whether or not we should object or not object and/or simply letting them know this person who committed this crime is about to be back on the street so you need to know. If you need any help or assistance or if you feel like there's—so, point being is, quite frankly, until sometimes the death of the defendant or the victim, our office is in contact with these families all the time.

Commissioner Townsend said if there is say a sentence in a particular case of 10 years, a Victim's Advocate in your office would have that case for at least 10 years. Some Victim Advocate would have to be responsible for at least that duration as an example, right? **Mr. Dupree** said yes ma'am. **Commissioner Townsend** said okay. That was it. Thank you.

Commissioner Townsend said, Mayor, I also had a question that probably goes back to the court system. I didn't want to ask because Ms. Peterson is a sub, but if she could answer it, if possible, she talked about the cost or the likelihood of more trials coming up in the future. I would like to know what are some of the costs attended to jurors that go into the budgeting process. I for one had never thought about cost for jurors, so I'd just like to know what some of those costs might include if she can answer. **Ms. Sparks** said she has left. **Mayor Garner** said is anybody from staff—do we have kind of a roundabout estimate of that cost? **Reginald Lindsey, Budget Manager,** said I do know that when there are more court—like it's more court dates going on, they do have to call in more jurors, so that definitely is an increased cost and one of the things that she mentioned is that they're expecting more capital murder cases possibly and so they will have to bring in more jurors for that. When you have those capital murder cases, you do have to bring in a larger sample of jurors just to get down to who you may end up picking for those.

Mayor Garner asked, do we know what that budget is? **Ms. Kneuvean** said I was just going to share that the jury gets paid $10 per day, so if you have a capital trial, it's going to go on longer so that's part of why the cost goes up.

Mr. Dupree said one of the things I would indicate, we do not expect more capital punishment cases. I just want to clear that up, but we may expect capital cases going to jury trial of the ones that we already have. We don't want anymore just to put it out there, but with that, for instance, in our analysis we are having to guesstimate that we're going to bring up nearly a thousand individuals for each jury trial. Normally it's just anywhere from 60 to 150 jurors that we bring in for a jury trial whereas for a capital murder case you're looking at 500 to 1,000 because there's so many legal ways for attorneys to have to strike those jurors and going to the $10 per day per person whether or not they're on the jury or not will add up. It will also add up with the court personnel and the amount of time that happens.

Mayor Garner said you know I'm a data driven type person. Where are we gathering the data, are to—I guess reinforce the expectation that the jury pool will increase for these cases because I'm just looking at if you talk to the Chief of Police, crime is actually down historically. I'm just trying to get the correlation. **Mr. Dupree** said I agree with the Chief that the crime is down and violent crime specifically 27% and I believe that the law enforcement in this county is doing their job, so kudos for that, but I do think, Mayor, that when it comes down to the jury trials and I think the Chief Judge letter kind of stated that we can't guesstimate how many jury trials we will have because 85%, if not more of all cases, that come to—that are charged in our county and across the country end in a plea and they don't go. However, when we have right now two capital murder cases that have been on the books for several years now, and I will tell this Commission that the court, the District Attorney's Office, the Sheriff's Department along with the Unified Government staff and personnel have been working diligently to make sure that we're planning accordingly for that amount of jurors. When you're looking at a capital case versus a normal jury trial, let's say it's a normal burglary case and it's the simple 12, it will take maybe a half a day or a day to pick that jury. When you're dealing with capital murder and ultimately in Kansas death penalty is still on the table, the statute gives that defendant a lot more rights in that jury trial process and that picking of a jury is going to take minimally a week and sometimes it could take up to four weeks to even pick it versus a day for a regular burglary. Those are the factors that are included when we're talking about the number of jurors as well as the amount of time and dollars.

Mayor Garner said I guess all things considered and I didn't consider the costs from our juries and those citizens that put forth their civic duty to help our Criminal Justice System, but with crime being down and I know we're talking unknowns as far as those figures, I guess what would ease my curiosity just based on what Commissioner Townsend had asked about, that cost is the cost right now based on the estimates that we have currently, is that sufficient because I haven't heard anybody say we need more money for juries. **Mr. Dupree** said I'm standing in for the Chief Judge, but I will tell you that what we're looking at right now is the cases that are already on the books, so not looking or guesstimating on what may come in. Yes, crime is down, but we still have 1,400 cases, felony cases, that we're dealing with over there and we don't know whether or not they're all going to go to trial or, again, 85 to 90% of them going to play out.

Mayor Garner said I guess this is for staff. Have we budgeted accordingly based on those estimates that the District Attorney and the District Courts have given us as far as a potential possibility for the necessity to finance those jury pools? **Mr. Lindsey** said currently District Court hasn't asked for anything over their base budget for 2025. **Mayor Garner** said that answers that.

Commissioner Davis said my apologies to the public and colleagues. I'm not feeling the best and so I had to get home to make sure I'm well and still able to attend this meeting. DA, thank you so much for your presentation. I did want to ask you—because I know we had some conversation, the $97K which is both salary and benefits, that number, is that just metro wide or where did you come up with that figure for salary and benefits for these positions? **Mr. Dupree** said that was based off of the Victims Advocates that we have in our office now and the pay scale that the Unified Government has them on and so we try to keep a balance pay scale based off of what we already have them on. We didn't really look, though I will tell you that all of my Victim Advocates said that they wanted to do a regional pay grade and scale and I said that's a fight for another day, the focus is getting help. The numbers that you have is based off of what we have had in our office for the last several years and then the benefits and all of that likewise, again, has fallen in line with the scale that the Unified Government has utilized for our Victim Advocates. **Commissioner Davis** said okay. I mean these are really, really important positions and they do have the implication on just our society overall. I appreciate the work of your staff on this because this is nothing to play with and I know it's not easy work.

Commissioner Burns said I think you need to keep in mind on a jury budget I think the state law allows it to go up to $50 per day for jurors if you want to do that, so that's county optional though. It would have to be up to the Commission to do that. For example, if you went at $10 per day and then you go to $20, that $250K budget is now $500K, so I think we need to keep that in mind. I think the DA would agree with me, you never know when grand juries may have to go into effect too and they're not cheap. I think the Judge didn't mention that, but I will.

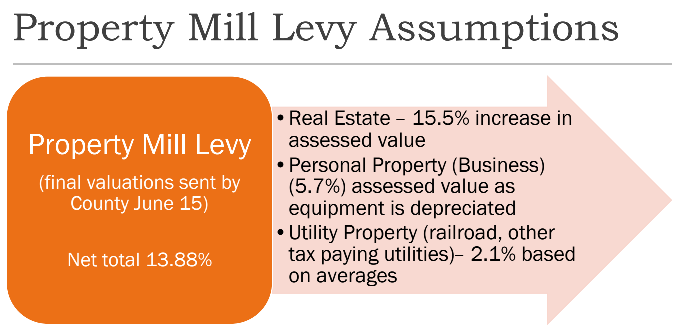
Ms. Kneuvean said just to note, you should have a copy from the Election Commission, a memo, that they provided and throughout the budget process you will be seeing the requests from not only these Constitutional Offices and the requests that they've made, but all departments will come forward to you throughout this process throughout the next couple of months so you will be getting all of those details. You'll see what was requested and then ultimately what's recommended by the County Administrator and then ultimately you all will make the decision as to what's funded.

As I said, the purpose of tonight's meeting is to provide you with some information because on the regular agenda we have the resolution for the intent to exceed revenue neutral and as I mentioned, that is not setting the tax rate, that is not committing you to not go revenue neutral, it's simply preserving the option.

Tonight you just heard a couple of requests from a couple of the offices that need more money and throughout my presentation I will be sharing information with you about some other things that we already know would be affecting the budget, but we're still going through the process and it's a bit unfortunate because the process that's set forth in state statute, which was adopted in '21 gets a little bit ahead of our typical process. So, we have to ask you to adopt a resolution before you've had all the information before we've had the opportunity to even finish forecasting all the revenues so that you can make an informed decision.

So, what happens in the state process that they've outlined for you all is that you are asked to approve this resolution or not approve it and if you don't approve it, that essentially means that we're going revenue neutral. That would be making a decision by not acting. We're simply asking you to defer that decision until you have all the information, so we want to preserve that right.

We have until July 20th which is when we have to file with the court—or with the UG Clerk and so we have a little bit of time, but not a lot of time. There is a firm deadline that's set for in state statute. Then there is a mailing to all taxpayers that also outlines when the public hearing will be held, so there's actually another actual public hearing on the revenue neutral rate and on tax levy as well as the UG budget for both the city and for the county. We tentatively have scheduled that public hearing for August 26th. This has been on the calendar that was provided to you all by the Budget Office and we're required statutorily to submit the final budget adopted by the Mayor and Commission by October 1st. We have this process set forth in statute that we're required to follow and so we wanted to provide a little bit of information.



As I've mentioned, we've had a number of workshops as well as gather community input through the Dotte Talks, through a public hearing, through the online resources, so we're working hard to get as much information as possible and sharing that with you in kind of smaller bites so that you can digest information and consider it as you ultimately have policy decisions to make.

On the property tax, so the property tax mill levy really is the point that you have the discretion over. You set the property tax rate. That's the mill levy. Those mean the same things and we get the final valuations from the Assessor on June 15th, that's statutorily required, and what was shown in the final valuations was a net total of 13.88%. We did feel like it was important you understand that when we look at those valuations it's by far the majority of it is the real property so that is the majority of the assessed value, but the real property increase was 15.5%. Personal Property for businesses and, of course, we had the presentation about how the manufacturing equipment was taken off the books by the state legislature, but you know these are just typical business personal property; computers, copiers, those kinds of things. Those actually went down in assessed value, so as the assessed value goes up, you're going to pay more in taxes. If your tax rates the same, the assessed value goes down like it is for business personal, you're going to pay less. It's a good analogy to think about when you pay more at the grocery store for a loaf of bread, your sales tax is going to go up because your base product went up in price. It's the same analogy when it comes to your property.

We also have a small component of our property that is for utilities. Primarily that's railroads, but it's also other tax paying utilities. These are only the tax paying utilities and they are going up 2.1%. When you net that all together the net total increase in assess valuation is 13.88% based on the final numbers we have. So, just sharing information.

City Property Mill Levy Scenarios

		FY25 Options for Property Mill Levy			
	FY24	Scenario 1 Revenue Neutral	Scenario 2 **Flat Levy**	Scenario 3 1.0 Mill Reduction	Scenario 4 2.0 Mill Reduction
Mill Levy	38.459 [1]		38.459	37.459	36.459
General Fund	21.4214	$35,149,270	$40,026,477	$39,092,213	$38,157,949
Debt Fund	17.0381[1]	$27,956,946	$31,836,168	$30,932,965	$29,997,762
Total Revenues Generated		$63,106,216	$71,862,645	$70,025,178	$68,155,711
Difference in Total Property Tax Revenue FY24 to FY25		$0	$8,756,429	($1,870,406)	($3,740,812)

1 city mill = $1,870,406

[1] 17.0381 of the FY24 mill rate is for debt, or 44%

In terms of the city side, it's more complicated because the Unified Government has city and county, so we've tried to equip you with some information and for you to digest, for you to have as a reference document. This kind of outlines information financially. We talk a lot about the tax rate, the mill levy, but we want to also focus on the dollar amounts that we're talking about.

For the City Property Tax Mill Levy there's two components is all, so it's a little more straightforward than on the county side which has multiple funds. There's a General Fund and there's the Debt Fund and the total mill levy tax rate was 38.459. The breakdown of that is 21.42 for the General Fund and for '24 the debt was 17.0381. We are in the process of updating that number to determine what our requirement is going to be for debt, but we don't have that final number and so some of this is for illustrative purposes only, but to just talk us through how this actually works.

Revenue neutral is what a lot of our conversation has been around and essentially what that means is if you look at the revenue that was generated from the property tax from the prior year and you back into what tax levy would be required because the increase in the assessed value which is from reassessment, but it's also from new development would be required to generate the same number of tax dollars. So, your revenues neutral. Your tax is the variable, but in the revenue neutral situation it's actually a fixed amount that you're then targeting and backing into.

If we were to do a flat levy, this means that your tax rate does not change. We talked about we've had reassessment, we've had new development. Those two things are what constitutes that 13.88% increase in assessed value. So, our assessed value has gone up, so if we were to keep our tax levy the same, but our assessed value, just like your loaf of bread, your assessed value has gone up, the net impact of that in terms of tax revenues would be $8.7M an additional revenue that's from the property tax specifically.

If we were to reduce—and I put illustrations on this table simply because they're easy for you to do calculations. This is not a recommendation for one or two or ten, but because it's an easy multiplier, so as you get information and as you digest what ultimately you want to see us do, this gives you the information to do those calculations. For the total tax levy if we were to do a one mill reduction, then compared to the flat levy option would be a decrease of a million eight and our mill levy would be decreased. You see how it goes 37.459. Last year it was 38.459. If we were to do a two mill reduction, we go down to 36.459 and the net effect of that is that compared to if we were a flat levy, it would be a reduction of 3.7M.

Obviously, depending on which scenario you compare against, when you look at the revenue neutral side of 63M you can see what the net effect of that would be, so it's you know in terms of doing the comparisons and what dollar amount we're talking about. This is intended to be able to give you information for every one mill that you reduce in the city levy, it's a million eight and this is in total. Again, this is just information.

I do want to highlight and I think our County Administrator has talked with you also about the mill rate for debt on the city side is very high. It's 44% of the total and that is something as your new CFO that I'm working on a debt policy to bring forward to you all so that we can look at how to right size that and what is the best practice and then a plan forward of how might we get there because that could also provide tax relief frankly if we're able to better manage debt. Debt is an obligation once it's issued. It's not discretionary. We are required to pay our debt payments, but there's an opportunity there if we do a little bit of strategic management on our debt that might be able to help us in the coming years.

City Total Revenue with Property Mill Levy Scenarios *(includes all revenue sources)*

		FY25 Options for Property Mill Levy			
	FY24	Revenue Neutral	**Flat Levy**	1.0 Mill Reduction	2.0 Mill Reduction
Mill Levy	21.4214	18.811	21.4214	20.4214	19.4214
Total General Fund Property Tax Revenues Generated	$35,149,270	$35,149,270	$40,026,477	$39,092,213	$38,157,949
FY24 to FY25		$0	+$4,877,207	+$3,942,942	$3,008,679
Total Revenues All Sources *	$169,522,061	$174,043,284	$178,920,491	$177,986,226	$177,051,963
TOTAL NET REVENUE CHANGE FY24 to FY25		**$4,521,223**	**$9,398,430**	**$8,464,165**	**$7,529,902**

* Other revenues expected to grow by $4.5 million which include sales tax, use tax, BPU Pilot, IRB/EcoDevo/Casino Payments, and other taxes and fees

When you look at, and this is only the General Fund, so I pulled the debt out of this. Again, these are just illustrations for you. When you look at the portion of the mill levy that is just for the General Fund, you can see that we had $35.1M in FY24, so revenue neutral means that we would still only have $35.1M. The revenue stays neutral. You can see how the tax rate would go down. It would go from the 21.4214 down to 18.8. At the bottom line when you see total revenues considering all sources, this is information you haven't seen yet, it's new information, but it gives you a context.

This is the General Fund in total. The property tax is one part of the General Fund, but it's not the only part of the General Fund. What we do expect in sales tax, use taxes, fees, all the other things that are included in the General Fund is that we are anticipating growth. Something that this slide tells you is that we will have a net change of $4.5M simply based on the other revenues that are part of the General Fund regardless of—so, if we were revenue neutral for the property tax, all the other revenue sources would generate more revenue for the county to meet its obligations, which we're going to talk about here in a few minutes.

The flat levy, same information there. This is if we were to say okay, we've had reassessment, we've had new growth, then we keep our levy the same, but we can calculate okay the assess value went up so how much more would be gained in the property taxes. It's the $4.8M plus that other revenue from the other sources, so the sales tax, the use tax, so you would have a net increase to your General Fund of 9.3, almost 9.4.

The math continues, so then if you do the one mill reduction, you can see what the impact is and that's a reduction off of the flat levy. For the taxpayer, they paid for the General Fund 21.4214, so to get a one mill reduction for the taxpayer, that's the net effect of what it would do in terms of the budget for the General Fund. For a two mill reduction, again, that's what the math shows in terms of the reduction. Again, this isn't a recommendation, but it's an easy multiplier for you so that you can think about—you know we talk a lot about the tax rate or the mill levy, but we need to translate that into how many dollars are we talking about that we're looking to either forgo or in some cases have to cut out of our Operating budgets in order to have a balanced budget. This is a resource document for you.

BPU Pilot Relief

RESIDENTIAL CUSTOMERS ONLY

- The cost to the City's general fund to reduce the PILOT from 11.9% to 9.9% for residential only is $2.3 million annually to the general fund
- Projected growth in revenue from general growth as well as the water rate increase of 6% is projected to be $1.1 million
- FY25 budget proposal – reduce PILOT by 1% to 10.9% on residential only offset by the projected growth in the revenue (revenue reduction of $1.1 million from the above projections)
- Alternative would be to eliminate the PILOT relief program which is budgeted at $750,000 per year plus an additional budget reduction and complete the PILOT reduction for a total of 2%

ALL CUSTOMERS (RESIDENTIAL AND NON-RESIDENTIAL)

To reduce the PILOT for all non-residential customers would cost:

Additional $2.2 million for 1% reduction (total of $3.28 million)

Additional $4.2 million for 2% reduction (total of $6.56 million)

[redacted]

One of the other things that affects the City's General Fund and one of the larger revenue sources is the BPU PILOT which we've talked about several times and the Commission's talked about and we've heard you as well as the residents and the desire to reduce that PILOT payment. The promise of getting to 9.9% is a $2.3M cost annually to the General Fund. One of the things that we have done is we've looked at just from new houses, new businesses, just general new growth as well as the water rate increase that's already been approved by the BPU Board of 6% for next year, that revenue projection is $1.1M. What we're building so far into the budget is to reduce the PILOT by 1%, so from the 11.9 down to the 10.9 to move into the right direction of reducing that amount in addition to other topics of conversation in terms of that's not really a user fee passed on to the customer. It's on the gross operating revenue for BPU, but just when looking at the math and understanding the common language that people have had, we're looking at trying to achieve a 1% reduction at least in the FY25 budget.

The way that we plan to do that is to offset by the growth, so in a way it's revenue neutral on the residential side only, but revenue neutral for the UG for the city's General Fund. So, the growth from just general growth, as well as the growth from the water rate increases, we would forgo and that would effectively achieve getting us down to 10.9%.

Through our discussions with the Commission, there's been other suggestions and so we just throw that out there. Again, not looking for a decision tonight, but just as a policy consideration over the coming couple of months until you have to approve a budget. Another alternative would be in lieu of the PILOT Relief Program that was established last year, which is budgeted at about $750K, we would have to adjust the budget a little bit more, but we could achieve the full 2% reduction to get us down to the 9.9% and be done with the discussion about the promise of getting there benefitting all people, not just the people that benefit from that program. Also with the understanding that BPU does have a Utility Assistance Program for people in need. They have a fund that they have available as well, so there is a resource available to people.

That's an alternative just to think on. Again, we're not asking for decisions, but we're putting together a budget that does at a minimum include that reduction. Down at the bottom reference information, if we were to do it for all non-residential customers, we're talking about quite a bit more that would be a cost to the General Fund. One of the thoughts that we have about that is a lot of our large customers are nonprofits and they don't contribute to the General Fund because they don't pay property taxes and because of that, because they're nonprofits, the way that they contribute to things like Fire and to Police or to the courts is through basically the PILOT payment, so it's a way that they do contribute for that. It's not something that we're looking at and feel like we could tackle this year, but certainly something that's on radar for future consideration and discussion and direction.

County Property Mill Levy Scenarios

		FY25 Options for Property Mill Levy			
	FY24	Scenario 1 Revenue Neutral	Scenario 2 **Flat Levy**	Scenario 3 1.0 Mill Reduction	Scenario 4 2.0 Mill Reduction
General Fund Mill Levy	28.1797	24.7977	28.1797	27.1797	26.1797
Total Revenues Generated	$51,964,634	$51,964,634	$59,283,963	$57,180,180	$55,076,398
Difference in Total Property Tax Revenue FY24 to FY25		$0	$7,319,329	$5,215,546	$3,111,764

* FY24 total mill levy rate 37.3132: 28.1797 is for general fund or 76%, 2.220 for debt or 6%, and the balance is for elections, aging, mental health, developmental disabilities, county health, CIFI, and Consolidated Park Fund

1 county mill = $2,103,783

The county side gets a little more complicated of course. I'm going to focus in on just the General Fund. I'm not going to do the total picture and then come down to the General Fund. I'm going to just do the General Fund because it's the largest portion of our property tax rates on the county side. The total mill is actually 37.3132. It's down at the bottom of which currently the property tax rate is 28.1797, so it's about 76% of the total. Again, this is information for you. It's illustrative. We will be bringing forward information for all the other funds as well and then the County Administrator will make a recommendation ultimately on that. This is information for you, but if we were on the General Fund only to reduce that levy, so it works the same as on the city side, but if we were to go revenue neutral, essentially our revenue stays flat because we were 51.9M this year, revenue neutral means we're at 51.9 and what happens is we back into a tax rate which is less than what our tax rate is now. Okay, it's revenue neutral.

If we were to adopt a flat levy, which means the tax rate—the levy rate doesn't change, then we take the full growth of reassessment and from new growth we can calculate that the net impact to the General Fund would be $7.3M. If we were to reduce from that point down by a mill or from the next for two mills, then you can see the net effect we are still gaining revenue in the General Fund, just not as much and in a moment or two I've got a slide that I hope to share with you. Some of the things we know so you have a context of what does that mean and is that a good thing or is that enough, but it's a context for you in terms of the decisions that you'll have to be making in the next several months.

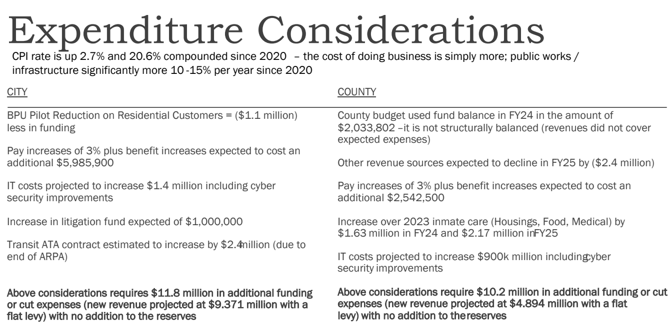
County Total Revenue with Property Mill Levy Scenarios *(includes all revenue sources)*

		FY25 Options for Property Mill Levy			
	FY24	Revenue Neutral	Flat Levy	1.0 Mill Reduction	2.0 Mill Reduction
Mill Levy	28.1797	24.7977	28.1797	27.1797	26.1797
Total General Fund Property Tax Revenues Generated	$51,964,634	$51,964,634	$59,283,963	$57,180,180	$55,076,398
FY24 to FY25		$0	$7,319,329	$5,215,546	$3,311,764
Total Revenues All Sources *	$81,975,030	$79,550,339	$86,869,668	$84,765,885	$82,662,103
TOTAL NET REVENUE CHANGE FY24 to FY25		**($2,424,691)**	**$4,894,638**	**$2,790,855**	**$687,073**

* Other revenues forecasted to decline by $2.4 million

For the total revenue, again this is just General Fund. We have a different situation on the county side. The property tax levels are the same numbers as you just saw on the previous slide, but our other revenues we are anticipating are going to decline based on the projections that the Budget Office has done. For revenue neutral it's really not revenue neutral because the fund is made up of more than just property tax. Property tax will be revenue neutral 51.964, but because the other revenues are forecasted to be less, we would actually have a net decline of 2.4M because we're seeing things that are declining.

In terms of the flat levy, if we were to keep the levy the same, you would have growth in property tax, but again, because other revenues are decreasing you're going to have a net bottom line of about 4.9M and that's basically the 7M minus the 2.4. You can see then again, these are for illustrated purposes. We're not suggesting that's the right answer or the right amount, but that way you can do the math and you can understand the impact those dollar decisions have when we change the tax levy.



[redacted]

This is some information that I feel like is incredibly important because it gives context to the conversation. We are still early in the budget process as we mentioned. You've just heard from a couple of our Constitutional Offices what their needs are. A couple things that in those charts that we just went through that are not yet built in because we haven't proposed a budget to you yet. The BPU PILOT reduction we know that's at $1.1M, okay, so we haven't built that revenue reduction in yet on those charts because it'll be part of the County Administrator's budget proposal and ultimately you all will decide. We know that contractually we have pay increases that are required with our various unions and so we projected a 3% plus benefit increases that are expected which is primarily the compounding impact of a pay increase of 3% on things like Medicare and so forth of what that dollar amount is and that is roughly $6M.

We are anticipating—you haven't heard it yet and, again, you'll see a lot of the department's budget requests that they've made, but we are anticipating IT cost in particular to go up and this is on the city of a million four. The primary reason for that is maintenance agreements on all of our Enterprise systems go up, but also we need to do some additional enhancements due to cyber security which frankly is facing all organizations and we need to spend some more money to ensure our systems are safe.

Litigation on the city side, we are projecting that an additional $1M allocation would be required based on the trend that we've seen in terms of litigation and settlements and that we need to replenish that fund. Again, more information will be coming forward in terms of the details. These are just some of the things that we know right now.

For Transit, the ATA contract is expected to go up by $2.4M. They were able to for a couple of years use ARPA money for that and they got a direct allocation. This wasn't the $80M that came to the UG, but ARPA is ending and so that federal allocation that they got is ending, so to provide the same level of service they currently provide, that would be another $2.4M. That's a lot of just high level information.

Those things alone total almost $12M in additional funding or cutting expenses because, again, we are not asking you to make a decision on the property tax at this point. We do know that if we were to have the tax levy stay the same because of the new growth and because of the increase in assess value would be roughly $9.4M, but that would also have no additional money that would go to the reserves which is also a concern that's been brought before you, so it's not enough just for those things. It doesn't mean that the property tax is the only solution. It's certainly not. There are other solutions that can be pursued as well and that's the whole point of the budget process, so we get ahead of ourselves with this resolution that has to be adopted before you've had an opportunity to see all of those different departmental budget requests and needs and make a decision. We don't really have a choice because that's the statute.

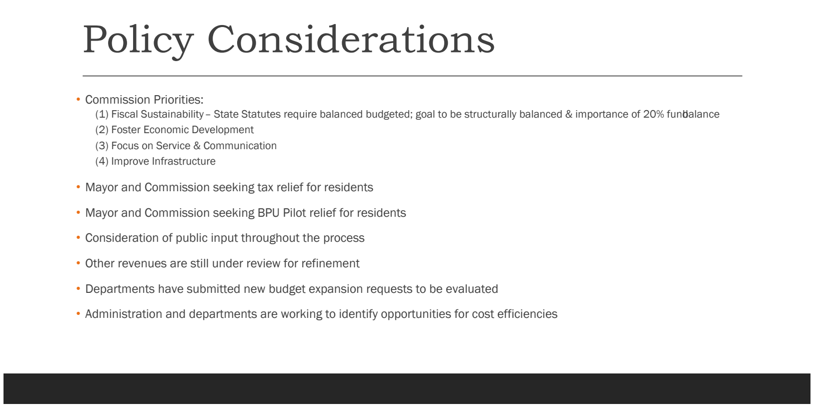
On the county side, we know that we started out the year upside down. To balance our budget our expected expenditures dipped into our fund balance by a little more than $2M, so assuming the same expenses this year, and I'm not making that assumption, but that number tells you then you would have $2M out of the fund balance again because our Operating Budget are ongoing operations. It's not to predetermine that decision, but it's just to make sure that you keep that context in mind. We were not structurally balanced in that fund when the budget was adopted for '24.

We also, as I highlighted, the other revenues that go into the County General Fund are anticipated to decline, that's \$2.4M. The pay increase on the county side is reflected there, \$2.5M. One of the things that the Sheriff highlighted was the increased cost of contractual obligations that we have for housing, for food, for medical and the dollar amount that goes with that is going up from \$1.63M to \$2.17M, so it's a contractual obligation that we have.

IT costs on the county side are looking to increase about \$900K and, again, a lot of that is contractual. It's your maintenance agreements on your Enterprise systems and cyber security enhancements. More information, more details will be forthcoming, but it's just—I felt like it was important to highlight a few of these things so that you have a context for the property tax is one component of two funds, or multiple funds actually, but the city side and the county side. It's a component that funds a lot of services and we already know a few things that are pretty definitive that are increases that are going to occur in expenses that we will either have to cover through cost reductions or through increased revenues from keeping our mill levy, our tax rate flat or some adjustment to it. So, it gives you a context for some of that and a lot more information will be forthcoming.

I skipped over at the very top, but it's an incredibly important point. At the very top is inflation, the CPI rate. We're not immune to this as a governmental entity. We're paying more for copy paper, we're paying more for everything, computers. The CPI rate is 2.7% year-over-year, but what's really important about that is if you go back in time a couple of years, back in 2020, you will see that it compounded. When they tell you that's the inflation rate or the CPI they tell you oh it's only 2.7, but that's on the previous year base. So, if you look at what it was in 2020, it was—well, '21 it was like 8 some percent. I've got the details, but then the next year it was about 5%, so it compounds on top of itself. If you look at just those years since 2020, it's really been about more than 20, almost 21% of basically inflation, the cost of doing business.

On the Public Works side, it's even significantly more. I'm pulling the details on that. I simply ran out of time, but we know that the cost of construction is just astronomical and it's gone up significantly anywhere from 10 to 15% per year compared to the prior year, so that is also a compounding number. If something cost you \$100K last year, it'll cost you \$110K this year and then if it's going to be another 10%, it's on $110K, it's on that bigger number, so it's compounding. So, the cost of doing business is just simply more.



Other things that go into putting together a budget, so we've heard you. The Commission has certainly set some priorities. The first one being fiscal sustainability, which state statute does require we have an adopted balanced budget, so that is a requirement. We cannot deficit spend, but unfortunately, like I had pointed out on the county side we have had to dip into our reserves in order to have a balanced budget which means essentially you're paying for ongoing cost with one-time money, so it's not structurally balanced. You want your ongoing revenues to pay all of your ongoing cost and then we've also emphasized the importance of having a 20% fund balance, which I will share with you many cities and counties and universities and colleges experienced firsthand how important that was when COVID hit. They were hit with not having enough money for things like payroll and what they were going to do without a rainy day fund essentially. It's a real impact, it's a very important of having a fiscally sustainable budget.

Of course we want to foster economic development which lifts up the entire community. We want to focus on good quality service and communication and we need to improve our infrastructure.

We've heard loud and clear from the Mayor and the Commission that you're looking for tax relief for the residents, so we've heard the consensus, the direction that you all are providing. We've also heard that you're seeking BPU Pilot Relief for the residents so we've heard that as well. We're looking at all that input that we've gotten from the public and we'll likely get some more input tonight in terms of the process and hearing the pleas for both of those things, but also the request for additional or different services or better services. That all goes into the mix. We're still looking at forecasting the other revenues. We have all the departments that have submitted their requested needs that will come before you and then probably most important is we're looking for cost efficiencies and cost cutting. We're looking for things like the Mayor asked about a few minutes ago when there's an opportunity is there a duplication. Is there a way to use technology instead of having it the way that we've used it currently. How can we be more efficient and more cost effective which is simply a matter of good governance and good management.

When we're putting together a budget, these are all the things that we're looking at. We know that there's some needed expenditures. We know that there's policy considerations. We're still putting together final revenue projections. I mean, frankly, at this point we don't even have six months of the current year in and we're forecasting sales tax revenues, for example, for all of next year. So, it's a matter of the timing of these things.

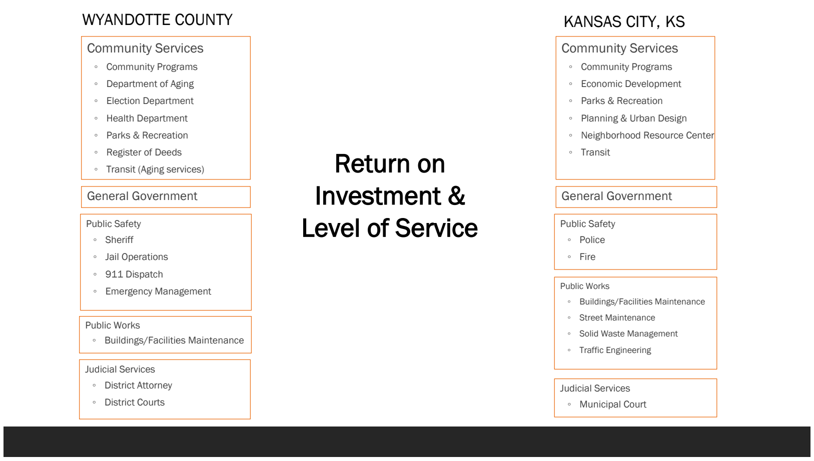
Residential Property Tax Calculations

CITY	COUNTY
$100,000 appraised value of home by County Appraiser	$100,000 appraised value of home by County Appraiser
x 11.5% = $11,500 assessed value of home	x 11.5% = $11,500 assessed value of home
÷ 1000 = $11.50	÷ 1000 = $11.50
x Tax Rate KCK 38.477x $11.50	x Tax Rate Wyandotte County 37.328x $11.50
= $442.49 per year paid in property tax	= $429.27 per year paid in property tax

Illustration purposes only

Another thing that we felt like would be helpful to have as a reference for you is a quick calculation of how do property taxes affect the citizen. Now, we know that all houses aren't $100K. We know that and in fact the Budget Department in one of the workshops provided information based on the average value of houses which was a little more than $200K in Wyandotte County, but we provide this to you because it's, again, it's a resource document. It's an easy way to calculate, so if your house is a $100K appraised value, in the state of Kansas it's taken times 11.5% and that becomes your assessed value divided by 1,000 and then taken by the tax rate and this is just the current tax rate. On the city side you would have paid $442.49 in property tax, that's on $100K. If you were $300K, you're going to take that times three. If you were $50K, you're going to take it in half, but it's just an illustration that gives you a resource that when you're talking to constituents you can relate to them information.

Same side over on the county side. It's the same math, a different tax rate, but it gives you good information and as you contemplate what the tax levy should be, the mill levy should be for the coming year, you can plug that in and see what the net effect would be to the citizen. Then you can evaluate as a Mayor and Commission is it worth the tradeoff or not, is that enough of relief or not for what would be forgone in terms of services.



We've also heard a lot of conversation about what's the return on investment, where are my dollars going, what am I paying for. This is a slide that you've actually seen before, but it is the list of services between the city side and the county side that show you what the dollars go for. On the county side, because we just had our Constitutional Offices, we have the Sheriff, we have the jail, we have the District Court, the District Attorney; this is what those dollars are going for. They go towards actual services.

On the city side you can see and read the list there, but it's the parks, it's the Police, it's the Fire, it's street maintenance, so you can see what the list of those services are. It's Municipal Court. There are some services that are shared between the two funding sources and so we're putting together like an at-a-glance, so you can see for each one of these functions how much is city, how much is county in terms of the General Fund. So, again, you just have that as a resource.

Next Steps

- June 27–Budget Workshop #6 – Requesting approval of RNR Resolution in regular session
    - Sets the date for the RNR Public Hearing on August 26
    - Approval of "Notice of public hearings" to be published at least 10 days prior to the hearing
- July 20 – Deadline to notify the County Clerk of intent to levy above revenue neutral rate
- Clerk mails notices to property tax owners notifying them of the public hearing dates for all taxing districts
- August 8 – County Administrator Introduces the FY25 Budget
- Publish Notice of Public Hearing published at least 10 days prior to public hearing
- August 26 – Full Commission Meeting (special session)
    - Revenue Neutral Rate Public Hearing
    - FY25 Budget Public Hearing
- August 29 – Full Commission Meeting (regular session)
    - Approval of FY25 Budget
- September 30 – Certification of FY25 Budget to County Clerk
- October – County finalizes levy based on revenues certified to County for budget (after appeals)

That's a lot of information, but again, we're not asking the Commission and the Mayor to make a decision tonight except to adopt the resolution with the intent to exceed revenue neutral understanding that we have heard you. We understand there's a desire for tax relief, we understand there's a desire for Pilot Relief. We also are gathering information to provide to you on what the needs are of the community in terms of all of the departments. We've shared with you some things we know in terms of expenditures that are required. That's why we don't ask you to make a decision to set the tax levy this early in the process. It's simply too early, but we need the time and preserve the option so that you can have all the information when you ultimately set the tax levy which doesn't occur until the end of August.

What the resolution does is simply preserves that option. It preserves the discussion. No action is actually an action. I think it's important we understand that. If the Mayor and the Commission were to decide I'm not going to act on that, then you're essentially saying you're going revenue neutral and that would be some pretty significant cost cutting that would be required in addition to the revenue impact, but also in terms of those other known things that we know are going to cost more, contractual obligations for example.

A few things that happen in between, so we have until July 20th and we simply notify the County Clerk whether or not we're intending to exceed revenue neutral or at least want to preserve that option. Then, the Clerk is required by statute to mail out notices to the property owners and they notify—on those notices they notify when those hearings are and as you know the public has been definitely showing up and sharing their thoughts at those public hearings that we've had from this year, but previous years too. It's intended to make sure that they are aware of their opportunity for input. August 8th is when the County Administrator will be making a recommendation to you on the budget. So with that, when he's got all of the information on all of the revenue projections on what the needs are and which ones he's suggesting that we fund and where's there's cost cutting that's going to be done, he'll provide you with a package of here's a proposed budget and all of that is a whole lot more information than just the property tax, but the property tax is a piece of it. So, his recommendation will be made based on a recommended decision for the property taxes, but you don't have to actually have the public hearing. We have that slated August 26th. That's when you have your final public hearing on the revenue neutral rate for the property tax and you have your public hearing on the budget that's been proposed, so you have about a month from the point that you've gotten a proposed budget to when we are asking you to make a decision. Ultimately, we have the approval of the budget on August 29th. We do actually have until September 30th, so we have a little bit of time built in there should there be more discussion that's needed and we need some additional meetings, so we have time built in there to make sure that the process is thorough and you're given ample time to do your due diligence.

I know it's confusing because when a resolution is put before you to ask you to pass a resolution of intent to exceed revenue neutral, it feels like a decision. That's not our language. That's the state statute language. We don't get to pick that language. All we are doing is saying we need you all to have more time to get all the information so that ultimately you make that decision. It's not locking you into the current tax levy, it's not locking you into a set reduction, it's simply preserving the timeframe for the conservation, but the language of it feels more like a decision. With that, I'm going to pause. I don't know if there's questions, but hopefully, we've got a little bit of time for that.

Commissioner Stites said on one of your slides you had said that revenue on the county side was expected to decline. What's an example of that? **Ms. Kneuvean** said in the General Fund one of the biggest is interest earnings. We've seen really good interest earnings in terms of the last few years, but we don't anticipate that's going to continue, so that's one of the details. I don't know if you want to add anything Reggie or Michael, but I remember that being one of the bigger ones.

Mr. Lindsey said vehicle registrations have also been going down, property tax from those. **Commissioner Stites** said any idea what we can contribute that to? **Ms. Kneuvean** said on vehicles it's completely conjecture, but the cost of vehicles just like everything a little bit—like the cost of housing, the cost of vehicles went up extraordinarily high and so people—honestly there's higher delinquencies, but people stop buying new vehicles as well. So, it's just a factor of just the general economy. **Commissioner Stites** said do we have anything that substantiates that new vehicle registrations are down? **Mr. Lindsey** said just the amount of revenue that is coming in regarding it.

Commissioner Stites said the other question that I had was the 20% fund balance versus, if I'm not mistaken and correct me if I'm wrong, weren't we targeting—wasn't last year 17% in our fund balance and then why is it now changed to 20? **Mr. Lindsey** said I think we are—and we actually were targeting 25%. That's what our rating agencies would like us to have is 25%. **Commissioner Stites** said but in our presentation it was 20. **Ms. Kneuvean** said that's right. The 20% is what the Government Accounting Office Board, GASB, it's a best practice. It's recommended for municipalities and counties throughout the country to have at least a 20% fund balance. The 25% was feedback as Reggie said and that's probably driven more by the fact because we issue a lot of debt. They're wanting to make sure they kind of hedge against that although even in debt there's some protections in terms of reserves, but that was feedback that we had gotten. 17% is one of—I believe it's the city side that has a 17% as of '24, but we'll confirm that, what the fund balances are on both.

Commissioner Burns said I think it's very important that you emphasize to the citizens tonight that we are not voting on revenue neutral or not. I think the public thinks we are and so I just don't want this resolution to confuse the citizens out there. If you could make it very clear again. **Ms. Kneuvean** said yep. **Commissioner Burns** said okay, it is confusing. **Ms. Kneuvean** said I mean the way the title of it, it's confusing. **Commissioner Burns** said I think a lot of them, that's what they're after.

Commissioner Stites said I just had one follow-up to that. Since the inception and consolidation of the Unified Government any time that there has been a request to exceed revenue neutral, how many times in that creation of the Unified Government has the UG actually went revenue neutral? **Mr. Lindsey** said revenue neutral just started in 2021 and each of those years we have chosen the intent to exceed revenue neutral. **Ms. Kneuvean** said it was a new statute—**Commissioner Stites** said so we've never went revenue neutral. **Mr. Lindsey** said we have never went revenue neutral. We have reduced it. **Commissioner Stites** said we will be voting on revenue neutral tonight. **Mr.**

Lindsey said say it again. **Commissioner Stites** said we will be voting on revenue neutral tonight. That's my guess. **Mr. Lindsey** said no. We will be…

Commissioner Hill said okay, I'm totally confused. So, you're saying we are voting revenue neutral and then somebody else is saying no, we're not voting revenue neutral. **Ms. Kneuvean** said you're not. You're voting for—we're asking you to hold a vote for a resolution that establishes the right to exceed revenue neutral. It does not mean that you will exceed revenue neutral. It doesn't set the tax levy, it doesn't set any of that. All it simply does is provide preserve the option for the Commission once you see the budget. The way the statute is written it's called the Resolution of Intent to exceed revenue neutral. So, it appears like you're making a decision, but you're not. You can still decide later to go revenue neutral, but it's just the title of how the statute requires it, but you're not setting the tax levy today. You don't have enough information yet for you—I mean you all can do whatever you want of course, but you haven't seen a lot of information to be able to make an informed decision and so that's why this gets a little ahead of a typical budget process for a government that has a January budget and they sets the dates. All of these dates are set in the statute. We don't get to set the dates, otherwise we wouldn't bring this to this forward until later in the process. Once you've seen the budget and you're actually setting the tax levy, so before the statute was passed in '21, you wouldn't be doing any of this. You would be waiting, you'd be getting the budgets, you'd be looking at what the requests are, what the revenue projections are and then you would be adopting a budget which would include what the property tax rate would be, but this requires extra steps in the process.

Commissioner Hill said okay, so a couple of things. Number one, you said we have not been presented a budget yet, so that's good information to know, we're not voting on something that we haven't ever seen yet. That's number one and then number two is—this is my other question. Does revenue neutral mean that taxes will not increase? **Ms. Kneuvean** said no it doesn't because revenue neutral means that the Unified Government will not receive additional tax revenue from either reassessment or from growth. How that translates to you as an individual depends on what your personal property, your real property reassessed at and we know by and large reassessment caused values to go up, okay the value of the house went up, so either the tax levy changes or the tax levy doesn't change and if it doesn't change because your value went up, your taxes will go up. Think about the bread at the store. If it went from $1 to $1.50, you're going to pay more in sales tax because now it's on $1.50.

Commissioner Hill said the reason I'm asking is because several constituents have contacted me very concerned that we are trying purposely to raise their taxes and I want to make it clear that that's not what I would want to do. I would not want to raise the taxes and I think the constituents need to realize a vote for revenue neutral does not necessarily mean that their taxes will not increase. So, that's a very important point to me because one individual said to me are you for revenue neutral or not and I said well I'm not sure yet. I'm trying to figure it out and so this explanation helps me because one of the things I'm really concerned about is we've gotten a lot of information, but no budget and I can't even give a good explanation to the constituents because I haven't seen the budget, I don't know what I'm voting on or anything. But just to hear that this is just a resolution that just gives us time to make a quality decision is encouraging, but the constituents do not see it that way. I've had several say please don't raise my taxes. I can't do it anymore. I'm already trying to move out of here, so I just think it's real important for me to understand about revenue neutral not necessarily going to not raise your taxes.

Ms. Kneuvean said the other thing to keep in mind as you talk to your constituents is that we are one tax district over two, but we are one of many. At the end of the day when people look at their tax bill, they look at how many dollars in total they're paying and there's variables. The things that vary are your assessed value and then the tax levy for all of the taxing districts. That includes your school districts, it includes your library, it includes all of these other taxing districts, the community college. All of those elected bodies are making decisions too, so it is complicated.

Commissioner Hill said it is. Okay, one last question. I heard earlier this year in one of our meetings that all the taxing entities should meet so that we together could come up with a plan on how to work together to not raise taxes in our community. Is that a possibility. Who would put that together? I've heard it mentioned several times, but I haven't heard a date or a time or anything.

Mayor Garner said that's a good question. I know we facilitated some of those meetings last year. There may be legal implications of that. Do you want to weigh in Counsel? **Angela Lawson, Interim Chief Counsel,** said yes. If there were joint meetings, then both entities would have to notice them as public meetings. **Mayor Garner** said but it can happen in my office usually. We can facilitate that and we'll make that happen at the request of the Commission. **Commissioner Hill** said would that be before the budget is—**Mayor Garner** said it's not so much predicated on the date of the budget as it is opposed to trying to get all these taxing entities and all the relevant people schedules aligned to meet. That's the biggest challenge because you've got numerous people on these boards and then trying to get them all in one place and then how do you structure those meetings. The logistics of that is another challenge.

Commissioner Burroughs said, Ms. Kneuvean, thank you for a very thorough presentation this evening, very easy to follow. I like simplicity when I'm looking at budgets and you've made this pretty transparent. I want to share with you what I've pulled from it if I may and if I'm incorrect, please share it with me where I'm at and I'm looking at the page that talks about expenditure considerations. I see $23M in new projected requests, but in the documents it shows if we leave—if we don't do revenue neutral and just leave flat tax, it's only $14.2M, so we're already $9M under water from the requests. The only way we would be able to meet the $23M in projected requests would be to raise taxes or fees to cover those costs.

I'm really pleased that you made comment about the city and county comparison on the 11.5% on assessed value because I multiplied these by two, by three, by four, by 500 thousand to get to a number, but it wasn't inclusive of the other taxing entities which are really hidden costs. So, when you talk about that tax increase even though if we were to go revenue neutral, the new appraised value wouldn't hit until the next budget cycle, but those that are not using revenue neutral would be passing the tax increase on to the public. If that's incorrect, please correct me. **Ms. Kneuvean** said it's not incorrect. The issue if you will that's really precipitated all of this is that the assessed value has gone up and it's gone up extraordinarily just like inflation and there might be other remedies to look at how to address that. For example, in Kansas we have the Homestead Act which helps for senior citizens. There could be other ways statutorily that maybe those things could be addressed, but that's what's precipitated a lot of this. The cost of goods, the cost of bread, the cost of housing has all gone up.

Commissioner Burroughs said I appreciate that. What I found a little fascinating was the amount of revenue that we would take in and I think you put it right up very front, it was like $14M. I went through it and was calculating some numbers, so I hope those are correct, but in doing so, it's just very concerning when we have talked about budget constraints and I see $23M of need coming forward when our projected tax increase if we choose to do nothing, is still $9M short. So, there's a disconnect somewhere in what we're trying to do. I would hope that—we can't do it all at one full swoop because it's not prudent to do; however, $23M if we needed only $14M and didn't do anything and took the $14M, we are still $9M short. So, $9M in cuts are going to have to occur somewhere and you know people talk about those cuts or to services, we don't know what those cuts are. When there's comment made that we're going to have to cut personnel, we're going to have to cut services, there can be cuts, there can be efficiencies. It's very easy to throw what I call the low-hanging fruit under the bus when it comes to really looking at these budgets and being prudent and strategic in how we go about restructuring our budget.

I want to thank you for the walk through this evening because this was very transparent and I think it really hit home.

Ms. Kneuvean said I do want to emphasize that the tax levy, property tax one variable. It's an important one and it's a big one and it's the one that probably hits home most to residents, but there's other revenue sources that also come into play, then there's also known increases, but there's also how can we cut cost. It's not just through raising revenue. It's both. Just like any of us on our own budgets you might need to get a second job if your costs go up or reduce your costs. It's no different. We're just talking about a lot bigger numbers, but it's really no different and so you know we understand that and I hope one of the takeaways that the Mayor and the Commission have is that we're hearing you and a budget that we're putting together we'll do our very best to balance all of these things, property tax relief, pilot relief, looking at these known things we have coming at us, cyber events, contractual obligations, new requests for services. You just heard some of them, but there's many others. We've got to balance all of that and you all have to have time to be able to be presented all that information so that then you can make a decision and a decision you will have to make in late August is what should our property tax rate be for the next year, but it fits into a bigger picture.

Like I said, it's really—it's a unique thing to Kansas. It's not this way in Missouri, but it is the process that we have and I think it's intended to—or I think it was intended to hold entities accountable. There's a good intention in this, but it's just that there's a lot of levers to pull and so it's that you all have to look at the level of service, the citizens want a return on the investment, what they're paying. They've had these assessed values go up and the only thing that you all can do is adjust the tax levy based on the current law. There could be things to look at in the future that could help hedge against that to protect people so they have more time to adjust to increased values and it then takes the issue a little bit down in terms of the impact it has on people and on their budgets because it's real. I mean it's not that the citizens aren't being legitimately honest with what the needs are. They absolutely are and we've seen it. It's not unique to Wyandotte County. It's been an issue from when I worked across the state line in a large county, it was an issue there, huge issue where people were getting assessed values that had grown 400% because they hadn't gotten reassessed in 10 years.

When you have an economy like what we've just gone through and you have inflation and all of these things happening, it catches up. So there needs to be, maybe at a higher level too, some policy discussions about what could be done about that, but all we have is the ability to share with you information. You only have part of it now and it's simply because we're still developing it and this just has to be done sooner in the process because of how the statute is.

So you know some of our other taxing districts, their fiscal year starts July 1st. We don't start a fiscal year until January, so they're in even a bigger bind because they don't pass even their intent for their budget until the end of August because it's dictated in statute when that gets filed. Okay, a good two months after the start of the fiscal year and that's how it is at the college for example. This is a well-intended policy but it just doesn't really fit the processes we have in place.

Again, I totally understand the position that the Commission and the Mayor are in with this resolution of this intent to exceed, but you are not committing to a tax levy. You're not committing to exceed it, you're not committing to not exceed it, you're just not committing. It's simply preserving the option and it has a timeline that goes with it in state statute that then will allow you to get more information in terms of a presented budget. Then you have to make policy decisions, what do we cut, what are legitimate expansions that are needed. We heard some tonight like our Victim Advocates, what can we do with the property tax. All of that goes into the mix so that you all ultimately then make a decision at the end of August.

Mr. Johnston said I guess I just want to add a couple things. The issue about fund balance came up. GASB, which is a Government Accounting Bureau, recommends a minimum of 17%. That's a two-month reserve. They're highly encouraging governments to look at 25% which I think we've incorporated as an ideal in our policy. Early in the budget presentations that Reggie led, there was a sheet from our rating agencies that said if you want to improve your bond rating, with our rating at A2 I think we're at or AA2, whatever it is, for us to improve it to get borrowing costs less, they'll want to see us plus 30% reserves. Those are things that we have to consider. This is also probably the first time in my time that you didn't have Reggie's five-year budget model before you. The discussion that we've had today is the snapshot for next fiscal year and what we tried to do last year and will continue to do it this year, is that you don't fall into the trap of managing your budget like a checkbook. I can't afford it this year and that's the only decision I want to make or I can afford it this year, but can I afford it in year three and four with some projections out there. We'll continue to present that as well as a lot of the information that Reggie and Shelly has presented because our goal is to have you make the best informed decision to serve our citizens.

I can tell you we've had some very interesting discussions at the staff level when it has come time to say the Commission would like to see less property tax revenue, less BPU PILOT revenue and what does that mean to your Operating Budget. Because we've had some departments that really have never been asked what impact would this have on your budget and we're putting it in front of them, they're like you're serious. Yes, we are and so there is a lot of work to be done, but we don't want you to make decisions in a vacuum. Like I said or like Shelley said, this is kind of a, pardon the vernacular, bass ass backwards form of budgeting where we have a state requirement before you have any information to make the final decision that you want.

So, that's why I think our recommendation is that you just pass it, but reserve the right for a final decision when you pass the budget, not this early in the process. Because if you pass it revenue neutral now, we're not going to tell you what you can do in expanded programs because those are off the table. We're going to probably tell you we're going to have to look hard at adjusting the cost side of our budget, which "may", I'll put that in quotes, may mean cut services across the board. It may mean impacts that people are used to receiving from the UG, not getting anymore. We're not at that point in time for you to make those types of decisions because you don't have that information yet. So, that's just your Administrator talking.

Commissioner Townsend said first I want to commend CFO Kneuvean and her entire staff, Budget Director Lindsey and I am looking at the hard printout from I think—I have on here this was our first presentation for this budget cycle on March 21, 2021 and it dealt with the revenue neutral issue and in that Budget Director Lindsey did give us a five-year forecast of what it looked like for the city and county funds, revenue neutral and full valuation, so we do have some numbers and CFO Kneuvean's presentation was really great. I don't have a hard copy, so I was trying to listen to you CFO and watch the screen as well, but I'll get it.

Simply put, and several of the commissioners who have spoken already, Commissioner Burns and Commissioner Stites have alluded to the fact that to the public we can't emphasize enough, this should be retitled keeping the door open recommendation because that's what it does. If this is passed tonight, it does not mean that at a later time after this Commission has more information about what people need in the departments, we've heard some of that tonight and/or cuts that the Administrator just talked about, where that should go. You know cuts and services if that's appropriate. This just keeps the door open. That's what we should really call this document tonight as we discuss revenue neutral and it does not mean that at a later date in time as we go through this process if the Commission so sees fit, that we can still lower the mill levy rate.

As I recall the discussion though from March 21 the revenue neutral rate would force us into a mill reduction of I think the number was about 8%. That may or may not fit what we're trying to do in terms of, as we said, look at the reserves we need to have. That's all I wanted to say about it. We're just keeping the door open for further discussion, more information, and more analysis. It doesn't mean, constituents, that we may not cut the levy rate, the mill rate at a later time. It's amazing, it's just because in these last three years I believe that we've had to do this. We've been setting the mill levy or not to exceed for a long time. I mean this from the state of Kansas has just caused a lot more attention to be drawn, but we just need to keep at this point our options open.

Commissioner Davis said I do have just a few questions. Let me ask this. We have collective bargaining agreements that we all voted on. Many of them were unanimously voted to approve that binds the Unified Government to pay benefits and increases in salary. If we were to go revenue neutral, is there enough revenue in place for us to honor those collective bargaining agreements? **Ms. Kneuvean** said the quickest way to answer that question is on the city side no. Well, that's not true, so if that was the only thing that we were looking to do was to fully fund those contractual obligations, on the city side it's roughly $6M and then we project—yeah, we'd still have to make cuts because the other revenues are going to grow $4.8M, but that's not enough, so we would have to make cuts. Unless there's some growth in the property tax revenue, not the tax rate, but the revenue, then we'd have to make other cuts to make up the difference to meet that contractual obligation.

On the county side the answer is also no partly because we started out the year upside down. We started up $2M upside down and so when you put in that we have a contractual obligation for another couple million plus, then we're already starting out in not the greatest position. It doesn't mean that you have to increase the revenue from property tax, which again can be a flat levy, that gets you an increase in revenue. It can be through reductions. On the General Fund side, some of that is paid for through growth and other revenues, but it wouldn't be enough to fully fund that obligation, so we'd have to be looking for reductions.

Commissioner Davis said I appreciate that and I think it's super important as we're having this conversation that we acknowledge the prior commitments that we made to our unions regarding our revenues and those revenues do include property taxes to our employees who work hard and, of course, we have non-union employees that work hard as well.

The Constitutional Offices, our Election Commission, the DA's Office, many of them have this mandate that ironically is also set in place by the state that we provide them adequate resources. If we were to go revenue neutral, would we be able to honor the requests from the Constitutional Offices on the county side of the budget?

Ms. Kneuvean said I'm going to go with no, but it depends also on all the other decisions you have to make. So, we can't absolutely say that it would be no because hypothetically if the District Attorney needs $500K more, we could make reductions. In fact, he specifically called out $50K that he's making as a reduction within his budget, so we can approach some of those new asks through offsets, through reductions in budgets and not just the department's budget, but in all the departments that are funded from that funding source. So, it depends is the answer and it just depends on all the—there's a lot of levers to pull on this. You've got a lot of requests you haven't seen.

We just tried to highlight a few things that we know because they're very contemporary. We know there's contractual obligations, we know that IT costs are just going through the roof. These are things we know, so we know that we're going to have to tackle them in a budget proposal, but there is no real solid way to say yes or no because it depends on all the other decisions you all have to make.

We know that the ARPA money is going away. That's for sure happening so it's going to be $2.4M more for Transit for the same level of service. A decision could be that the level of service changes, that's a decision until we can find more grant money. A decision could be that we look for reductions in Transit or in other departments that would offset that, so there's lots of options still to go through. I really want to emphasize that we feel like it's important, and I do like the way that if we could get the state legislature to retitle this, keep the door open, or change the timing of this so that you're adopting this resolution once you have all the information and you're making just a decision, one decision on what the tax levy is going to be. That's the real decision that you all have to make later in the budget process. Right now it's premature to really ask you to make that decision or even an inclination because you simply don't have all the information.

Commissioner Davis said yeah, and one more question, so we have economic development projects that received incentives and those incentives end and that's kind of the whole point is we'll help you get your project kind of off the ground, you're paying a PILOT, you're paying sales tax, what have you, depending upon your development agreement, but once your incentive is done you're paying full market rate property taxes and all that stuff. So, are we able to realize the increase in revenue in the growth in our tax base from economic development, from economic development projects, are we able to realize the growth in revenue for our tax base if we were to go revenue neutral? **Mr. Lindsey** said no, we will not. **Commissioner Davis** said can you explain a little bit more as to why not? **Mr. Lindsey** said what happens is, we cap the revenue at the same amount of revenue we collect in the prior year, so any excess value growth we do not get to realize that.

Ms. Kneuvean said if a new business—take aside the economic development incentive, but it's a good point because you could have some that are coming off the books, but a more simple way to think about it is if you have a new company that comes in, they build a new building, Amazon builds a new building, so if you cap your revenues, you don't realize any gain from new growth, new development for that year. So, it's two things that go into that. It's the increase, the reassessments, but it's also new growth and probably a third thing to your point Commissioner, is economic development incentives that are coming off of the books and having the opportunity to realize the revenue from that, so it's an excellent point. I also know the Economic Development Council has prepared a report and they're looking at that exact issue right now. Have these projects that the UG has done really generated economic benefit and they've been working on that report with a consultant to measure that and to provide you the data.

Commissioner Bynum said question for the Mayor and the Administrator, I do think that the timing in the state statute around these requirements of revenue neutral are odd and they do not match up with budget cycles at all. I wonder if when we speak with our—when we make our policy recommendations to Topeka next year if that should be something that we're asking them to please take a look at because it's hard to even understand why the legislature would put dates like this into a state law knowing they don't match up at all with the already existing laws around adopting budgets. It seems like it could be something that we could ask in our legislative agenda.

Commissioner Lopez said I appreciate what our Administrator was saying about—what was funny is sometimes as a business grows too fast and as a growing business is like we're running things and a business can grow too fast and it could ultimately take a bath. What I'm saying is sometimes you just—we are growing at a high rate of speed and I think we need to look at cutting some budgets, cutting some—because we're growing way too fast and we need to slow it down. We probably just need to go back and shut the door of having this revenue neutral exceeding all that on the table. Just shut the door and say all right, this is what we need to do. We need to cut some fat off because we're growing way too fast and it's starting to hurt us.

Mayor Garner said I just had a few questions before we close. Looking at the—equating the additional revenues from the projected mill levy increase, I didn't see, maybe you're still working on it, but what would the projected budget be that we may be asking the Commission to ask to pass? **Mr. Lindsey** said it's still really early in the process Mayor, so we don't know that yet. We're looking—throughout the month of July we'll be working on those numbers. We don't know what the expense budget will be yet. We're still doing estimates. **Mayor Garner** said it's potentially set to be more than the 467 that it is now, correct? **Mr. Lindsey** said potentially, but I mean depending on going through the process what we see, we definitely will have to make some cuts. Even to get new things in we will have to reduce services.

Mayor Garner said if my memory serves me right, going back five years, the year before I became Mayor we had a $380M budget. Am I correct? **Mr. Lindsey** said I can't say I remember that right off. It is possible. **Mayor Garner** said don't quote me, but I think in that ballpark and then I became Mayor it was 421 I believe. Last year it was—the year after that 432, now we're operating in a $467M budget and then we're projected to exceed that. I guess in line with that, with the property value increases, I know the first year I became Mayor we equated that to about a 9 mill increase exceeding revenue neutral and I believe last year it may have been 13 or so, give or take, what would that be this year? **Mr. Lindsey** said I think it's about a 9 mill this year also. **Mayor Garner** said 9 mills. If you add all those up and compound them because I now the first year I was Mayor the Commission raised the decreased 2 mills on the increase so instead of 9 it was 7 and last year the Commission chose to take the full increase from the valuation increase which was 13 or something, give or take, don't quote me on it. So, this year you're saying estimates may be around 9. **Mr. Lindsey** said that is yes, but that doesn't mean we're going to take the whole 9. **Mayor Garner** said well, it'll be up to the Commission. I'm just, you know, I know future—**Mr. Lindsey** said one thing I—**Mayor Garner** said you know, a future of indication of what this Commission may do. I'm just going off what I've seen since I've been here is that—and I think it goes in line with what Commissioner Stites has said. We've had options for revenue neutral and even before revenue neutral hit the books, the Truth in Taxation Law of 2021, it's been the same song and dance. We've continued to increase our budget and I think there's some misconception that oh, we reduced the mill. Technically we have not reduced. We've taken the increase which equated to mills and we reduced the increase, so we didn't take the full increase and that's what that is.

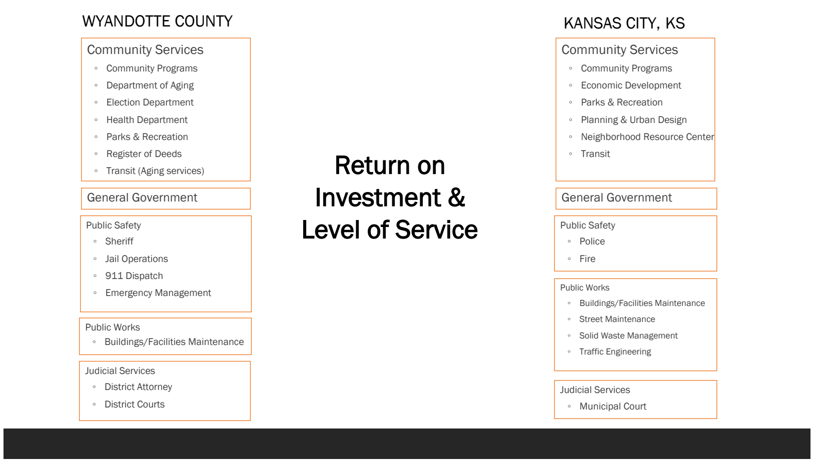
Just my study of the Truth in Taxation Law, basically if we spent $1 last year and the Commission chooses to go revenue neutral, that means we will have to spend $1 next year and budget within that $1. Is that correct? **Ms. Kneuvean** said the variable that's probably lost in that is inflation, just very honestly. If you just run rough numbers, and I'm not asserting that this is an absolute explanation, but 380 with 20% inflation compounded gets you to 460. Things are costing so much more and that's not including, which in our budget infrastructure, is a huge part—**Mayor Garner** said I'm not talking cost. I'm just talking the state law. The state law basically—the Truth in Taxation Law basically just limits you. That's what revenue neutral means. It caps you at basically operating the same budget going into your following year of the budget that you're operating in this year.

Now, I heard some things about whether we're raising property taxes or whether we're not raising property taxes. The reality is when values go—valuations go up, it equates into a mill increase which he just acknowledged. Then, if you equate that mill increase, for me if I'm a homeowner, my property taxes do go up indirectly by virtue of the valuation increases that occur in the county. Revenue neutral mitigates that, not completely, but mitigates that from my understanding of reading the law and folks that I've asked to the point that it's not as burdensome on some of our residents because what it does, it's forcing us, even with the cost increase, and every year I hear cost increase, to operate within a box that says okay, you went revenue neutral, that means you're capped at operating within that box, which means you've got to find ways like I would do if I was in a budget crunch, to tighten my belt, find cuts, bring about consolidated services, operate more efficiently to give the people what they want. Why is this important to me, because I hear a lot about priorities and needs and things of that nature.

The one thing I haven't heard that has not wavered is the request from our residents saying that they want property tax relief, real property tax relief. I can't even say with our current financial situation right now—I've talked to the Administrator, I've talked to you all and I appreciate the work you all have done that has taken that red out. When I came back from my surgery and it's pushed out to about 2030, is that correct? **Mr. Lindsey** said yes, past 2030. **Mayor Garner** said but that's predicated on property tax increases from valuation increases. Is that correct? **Mr. Lindsey** said but we don't in the outer years with our estimate we're not looking to get like a 13% increase and that is very minimal, like looking at a 4% increase or so. **Mayor Garner** said I get it, but it's still based on the valuation increases from not going revenue neutral and that means whatever valuation increases are there the intent of the Unified Government is to capture those dollars to do those things that you're saying that we need to do.

What's disturbing to me is that I don't see any options, and maybe it's just not there, I'm saying you're not doing, but it would have been good to have something or at least been told budget options that reflect streamlining and cutting for this Commission to consider moving forward. When you talk about total budget numbers, I talked about for five years, it'd be good for the Commission to see that to see how our budget has ballooned probably over the last 10 years, how the valuations have ballooned and what that equates into a mill levy and see how that's increased. I think that the public—I would like to see that and to see how much money that's generated and how that equates to these bloated budgets.

The other thing that I would like to—there's a slide there and if you can go back, I don't know if you can still show the slide of all the services that we provide to our residents, which is great. **Ms. Kneuvean** said maybe the next to the last slide and that's just a listing. I mean it's incredibly high-level information. It's not quantifying it for you. **Mayor Garner** said I'll be quick.



There you go. One thing that maybe would be helpful for me, I don't know about my colleagues, but an expense breakdown. I get that these are all the services, that's great, we're paying for that as a generalization, but what exactly are we paying for. What are our taxpayers paying for and then out of those things that we're paying for is actual expenses down to the penny. What are obligations be it statutorily or just to maintain the essential functions of running this government. Then, you get beyond that I think it would really be—I want to see, like I had to do when I was on the Police Department, I had to look at things that I wanted and things that we needed to keep services going. I think that would be interesting to help this Commission better guide our Administrator and you all on better defining where we could find some of those cost savings. I think the overall thing that I'm looking at is I think revenue neutral, the Truth in Taxation Law and I'll read something and this comes from Kansas Senate Tax Committee Chair, Caryn Tyson. It says in two years the Truth in Taxation Law or revenue neutral has been shown to be effective in restricting taxing and spending increases in many local governments. Elected officials can certainly adjust spending to avoid property tax hikes if they want. Senate Tax Committee Chair, Caryn Tyson of Parker applaud the two-year old law. The revenue neutral rate law requires your government to give you a clear picture on how they're increasing your property taxes.

So, when you go above revenue neutral in effect you are basically telling the residents your intent is to capture those additional revenues which will cause a property tax increase. Now, how much is going to be at the discretion of the Commission and, again, the Commission has full discretion. If they go above to not take all of those revenues and budget or they can go revenue neutral without even abiding by the revenue neutral law and even lower the mill levies even lower if they want to. They have full discretion to do that, but I think this law really obligates the Commission to obligate—to operate more efficiently and to streamline and find those cost savings because, just my opinion, is I just think that to continue to tax, to spend, to borrow and I know we're trying to work on dipping out our reserve fund is not sustainable. Even when we push it out to the 2030, we still haven't resolved the problem. At some point I urge this Commission to take the political courage to do what is necessary to really bring this Unified Government into a level of fiscal responsibility and to bring our residents real tax relief.

Every year I've heard the same thing from the Commission, maybe next year, oh we need to look at it and see where we're at. It doesn't mean we're going to do X, Y & Z, but every year there's been a tax increase and everywhere I go in this community I have to deal with that and so just one of the things that I wanted to say.

That's it. I was advised of the time. Thank you so much staff. Great presentation. I'll take a motion to adjourn.

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

MAYOR GARNER AJOURNED
THE MEETING AT 7:34 p.m.

Monica L. Sparks
Interim Unified Government Clerk

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