Unified Government Clerk's Office

Monica L Sparks
Unified Government Clerk

701 North 7th Street, Suite 323
Kansas City, Kansas 66101-3070

Phone: 913-573-5260
Fax: 913-573-5299
http://www.wycokck.org

NOTICE OF SPECIAL MEETING

To the Members of the Governing Body of the
Unified Government of Wyandotte County/Kansas City, Kansas:

You are hereby notified that a Special Meeting of the Unified Government of Wyandotte County/Kansas City, Kansas, is scheduled to be conducted in a hybrid format on Thursday, March 13, 2025, at 5:00 PM, for a budget workshop in the fifth-floor conference room of the Municipal Office Building, 701 N. 7th Street, Kansas City, Kansas. **A copy of the presentation is attached to this notice.**

The public will be able to observe or listen to the special session live on YouTube or UGTV, or through ZOOM; information is below. The public may also view the special session from the fifth-floor conference room of the Municipal Office Building, 701 N. 7th Street, Kansas City, Kansas.

Please click the link below to join the webinar:
https://us02web.zoom.us/j/82151427447
Webinar ID: 821 5142 7447
Or One tap mobile:
+12532158782,81423989537# US (Tacoma)
+13462487799,81423989537# US (Houston)
Or Telephone:
Dial (for higher quality, dial a number based on your current location):
+1 253 205 0468 US; +1 253 215 8782 US (Tacoma); +1 346 248 7799 US (Houston)
+1 669 444 9171 US; +1 669 900 9128 US (San Jose); +1 719 359 4580 US
+1 309 205 3325 US
+1 312 626 6799 US (Chicago)
+1 360 209 5623 US
+1 386 347 5053 US
+1 507 473 4847 US
+1 564 217 2000 US
+1 646 558 8656 US (New York)
+1 646 931 3860 US
+1 689 278 1000 US
+1 301 715 8592 US (Washington DC)
+1 305 224 1968 US
877 853 5257 US Toll-Free
888 475 4499 US Toll-Free
International numbers available:
https://us02web.zoom.us/u/kdYuZxiumC

Dated this 12th day of March 2025.

Budget Workshop #1

2025 BUDGET REFRESHER, BUDGET HISTORY, & INTROUCTION TO A DEBT STRATEGY

2025
Budget Refresher

REVIEW OF THE ADOPTED BUDGET

2025 Budget Refresher

Unified Government Overview

61

positions eliminated

20

FTEs recently vacated

41

Vacant FTEs 2+ years

Funded contractual pay increases for all employees; health insurance cost increases; and no layoffs

1%

BPU PILOT reduction

Senior PILOT Waiver Program

Planned for GM's partial shutdown in 2025

Nearly every department decreased operational costs in 2025

Four budgets increased:

- Cybersecurity
- Legal Litigation Fund
- Municipal Court Public Defender
- District Attorney Victim Advocate

2025 Revenue Neutral Budget Summary

Kansas City

Impact	Amount
Structural Imbalance	($1,482,000)
Additional Revenues	$1,810,000
Additional Expenses	($8,690,000)
Target Gap to Close	($8,362,000)
CIP Reductions	$2,060,000
Operating Reductions	$6,305,000
Balanced Budget	$3,000

- Initial Structural Imbalance – 0.8% of Expenditures
- 1% Growth in Revenues from 2024 to 2025
- 4.8% Initial Growth in Projected Expenditures
- 48% Reduction from Original CIP Forecast Deferring Capital Expenses
- 3.5% Reduction in General Operating Expenses from Initial Projections

2025 Revenue Neutral Budget Summary

Wyandotte County

Impact	Amount
Structural Imbalance	($2,034,000)
Additional Revenues	($2,411,000)
Additional Expenses	($6,610,000)
Target Gap to Close	($11,055,000)
CIP Reductions	$3,258,000
Operating Reductions	$4,239,000
Mill Levy Realignments	$3,577,000
Balanced Budget	$19,000

- Initial Structural Imbalance – 2.4% of Expenditures
- 3% Loss in Revenues from 2024 to 2025
- 7.9% Initial Growth in Projected Expenditures
- 95% Reduction from Original CIP Forecast
- 5% Reduction in General Operating Expenses from Initial Projections
- 4.8% Realignment of Mills from Other Levy Funds

2025 Budget Refresher

County Mill Realignment

- Increases revenue for the County General Fund (while keeping total county mill rate revenue neutral)

LEVY	2025 ORIGINAL Estimated MILL RATES (RNR)	2025 REALIGNED MILL RATES	CHANGE	% of LEVY	IMPACT ($)
County	24.81	26.39	1.59	79.23%	3,576,444.93
Elections	0.79	0.69	(0.09)	2.08%	(207,700.23)
Parks	1.47	1.34	(0.13)	4.03%	(300,002.52)
Aging	0.92	0.80	(0.12)	2.40%	(280,700.00)
Mental Health	0.38	0.36	(0.03)	1.07%	(56,800.00)
Health	1.40	1.40	-	4.21%	0
Dev. Disabilities	0.31	0.28	(0.03)	0.84%	(71,000.00)
CIFI	0.89	-	(0.89)	0.00%	(2,012,242.18)
County Bond	2.33	2.05	(0.29)	6.14%	(648,000.00)
TOTAL COUNTY MILL RATE RNR	**33.31**	**33.31**	**0.00**	**100.00%**	**0**

2025 Budget Refresher

County Fund Balance Realignments

- Strategic realignment of resources to meet 25% fund balance reserve policy across county tax levy funds and build fund balance for the County General Fund

FUND Balance	Fund Balance TRANSFER OUT	Fund Balance TRANSFER IN	POST TRANSFER BALANCE
Elections	525,357		25%
Aging	1,023,709		25%
Mental Health	10,356		25%
Developmental Disability	482,828		25%
County General		1,775,015	7.5% (would have been 3% before these transfers)
Health		267,235	25%
TOTALS	**$2,042,250**	**$2,042,250**	

2025 Budget Refresher

REVIEW OF LONG-RANGE FORECASTS

2025 Budget Refresher

Long-Range Forecast Assumptions

REVENUE ASSUMPTIONS:

- 4% property tax revenue growth 2026-2030
- 2% sales tax revenue growth in 2026, then 4% 2027-2030
- 3% BPU payment growth 2026-2030
- 6% water rate increase 2026-2030

EXPENDITURE ASSUMPTIONS:

- 3% personnel cost increase 2026-2030
- 3% contractual service/commodity increase 2026-2030
- Resume capital schedule 2026-2030
- 3% other expenses increase 2026-2030
- Maintaining Revenue Neutral Reductions

2025 Budget Refresher

City General Fund Long-Range Forecast

City General Fund	2024 Budget	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
TOTAL REVENUES	**$ 179,195,628**	**$ 181,005,753**	**$ 186,575,933**	**$ 193,761,950**	**$ 201,247,886**	**$ 209,048,011**	**$ 217,177,402**
TOTAL EXPENSES	**$ 180,678,147**	**$ 181,002,850**	**$ 190,067,289**	**$ 197,127,098**	**$ 204,451,760**	**$ 212,051,295**	**$ 219,936,103**
Net Change in Fund Balance	$ (1,482,519)	$ 2,903	$ (3,491,355)	$ (3,365,148)	$ (3,203,874)	$ (3,003,284)	$ (2,758,702)
Cash Basis Ending Fund Balance	**$ 26,734,011**	**$ 26,736,914**	**$ 23,245,559**	**$ 19,880,410**	**$ 16,676,536**	**$ 13,673,252**	**$ 10,914,550**
ACFR Ending Fund Balance	$ 41,581,750	$ 41,584,653	$ 38,093,298	$ 34,728,149	$ 31,524,275	$ 28,520,991	$ 25,762,289
Reserve % of Expenditures	23.01%	22.97%	20.04%	17.62%	15.42%	13.45%	11.71%
Fund Balance 25% Target	$45,169,537	$45,250,713	$47,516,822	$49,281,774	$51,112,940	$53,012,824	$54,984,026

KEY NOTES:

- **Revenue Neutral Mills Establish New Base Revenue Level in Future Years**
- **Doesn't Build back in Police / Fire OT ($4.7 Million) for 2026 forward**
- **Resumes CIP Schedule as Presented in Budget Document ($2.5 Million 2026 impact)**
- **Assumes current level of vacancies going forward and continuing to budget personnel on payroll trend**

2025 Budget Refresher

County General Fund Long-Range Forecast

County General Fund	2024 Amended	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
TOTAL REVENUES	$ 80,947,527	$ 84,915,779	$ 86,091,328	$ 89,334,321	$ 92,701,015	$ 96,196,175	$ 99,824,756
TOTAL EXPENSES	$ 88,241,352	$ 83,122,622	$ 88,964,301	$ 91,520,452	$ 94,266,065	$ 97,094,047	$ 100,006,869
Net Change in Fund Balance	$ (7,293,825)	$ 1,793,157	$ (2,872,973)	$ (2,186,130)	$ (1,565,051)	$ (897,872)	$ (182,113)
Cash Basis Ending Fund Balance	$ 4,447,256	$ 6,240,413	$ 3,367,440	$ 1,181,310	$ (383,741)	$ (1,281,613)	$ (1,463,725)
ACFR Ending Fund Balance	$ 8,296,201	$ 10,089,358	$ 7,216,385	$ 5,030,255	$ 3,465,204	$ 2,567,332	$ 2,385,220
Reserve % of Expenditures	9.40%	12.14%	8.11%	5.50%	3.68%	2.64%	2.39%
Fund Balance 25% Target	$22,060,338	$20,780,656	$22,241,075	$22,880,113	$23,566,516	$24,273,512	$25,001,717

KEY NOTES:

- **Revenue Neutral Mills Establish New Base Revenue Level in Future Years**
- **Doesn't Build back in Sheriff OT ($1.2 Million) or Unfunded Inmate Costs ($1 Million) for 2026 forward**
- **Resumes CIP Schedule as Presented in Budget Document ($3.3 Million 2026 impact)**
- **Assumes current level of vacancies going forward and continuing to budget personnel on payroll trend**
  - **Maintains Mills Shifted to Support County General Fund into Future Years (4.8% County Shift from other funds)**

2025 Budget Refresher

County Aging Fund Long-Range Forecast

County Aging Fund	2024 Amended	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
TOTAL REVENUES	**$ 2,206,936**	**$ 1,929,541**	**$ 2,003,993**	**$ 2,081,341**	**$ 2,161,699**	**$ 2,245,185**	**$ 2,331,920**
TOTAL EXPENSES	**$ 1,876,013**	**$ 2,944,281**	**$ 1,978,189**	**$ 2,037,535**	**$ 2,098,661**	**$ 2,161,621**	**$ 2,226,469**
Net Change in Fund Balance	$ 330,923	$ (1,014,740)	$ 25,804	$ 43,807	$ 63,038	$ 83,564	$ 105,451
Cash Basis Ending Fund Balance	**$ 1,488,934**	**$ 474,194**	**$ 499,998**	**$ 543,805**	**$ 606,843**	**$ 690,407**	**$ 795,857**
ACFR Ending Fund Balance	$ 1,603,347	$ 588,607	$ 614,411	$ 658,218	$ 721,256	$ 804,820	$ 910,270
Reserve % of Expenditures	85.47%	30.65%	31.06%	32.30%	34.37%	37.23%	40.88%
Fund Balance 25% Target	$469,003	$736,070	$494,547	$509,384	$524,665	$540,405	$556,617

KEY NOTES:

- Revenue Neutral Mills Establish New Base Revenue Level in Future Years
- Maintains Mills Shifted to Support County General Fund into Future Years (13% reduction in mill shifted to support County General Fund)
- Senior Meal Programs in flux, unidentified future cost of program

2025 Budget Refresher

Consolidated Parks Fund Long-Range Forecast

Consolidated Parks	2024 Amended	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
TOTAL REVENUES	**$ 9,333,965**	**$ 9,075,255**	**$ 9,375,281**	**$ 9,685,419**	**$ 10,006,016**	**$ 10,337,432**	**$ 10,680,040**
TOTAL EXPENSES	**$ 9,866,266**	**$ 9,064,463**	**$ 9,961,397**	**$ 10,260,239**	**$ 10,568,046**	**$ 10,885,087**	**$ 11,211,640**
Net Change in Fund Balance	$ (532,301)	$ 10,792	$ (586,116)	$ (574,820)	$ (562,030)	$ (547,655)	$ (531,599)
Cash Basis Ending Fund Balance	**$ 2,545,876**	**$ 2,556,668**	**$ 1,970,552**	**$ 1,395,732**	**$ 833,702**	**$ 286,047**	**$ (245,552)**
ACFR Ending Fund Balance	$ 3,289,626	$ 3,300,418	$ 2,714,302	$ 2,139,482	$ 1,577,452	$ 1,029,797	$ 498,198
Reserve % of Expenditures	33.34%	36.41%	27.25%	20.85%	14.93%	9.46%	4.44%
Fund Balance 25% Target	$2,466,567	$2,266,116	$2,490,349	$2,565,060	$2,642,011	$2,721,272	$2,802,910

KEY NOTES:

- **Revenue Neutral Mills Establish New Base Revenue Level in Future Years**
- **Maintains Mills Shifted to Support County General Fund into Future Years (8.8% reduction in mill shifted to support County General Fund)**
- **Resumes CIP Schedule as Presented in Budget Document ($625,000 2026 impact)**

2025 Budget Refresher

Developmental Disabilities Fund Long-Range Forecast

Developmental Disability	2024 Amended	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
TOTAL REVENUES	**$ 787,261**	**$ 717,750**	**$ 745,060**	**$ 773,420**	**$ 802,871**	**$ 833,456**	**$ 865,219**
TOTAL EXPENSES	**$ 877,100**	**$ 1,199,391**	**$ 738,060**	**$ 760,202**	**$ 783,008**	**$ 806,498**	**$ 830,693**
Net Change in Fund Balance	$ (89,839)	$ (481,641)	$ 7,000	$ 13,218	$ 19,864	$ 26,958	$ 34,526
Cash Basis Ending Fund Balance	**$ 661,079**	**$ 179,438**	**$ 186,438**	**$ 199,656**	**$ 219,520**	**$ 246,478**	**$ 281,004**
ACFR Ending Fund Balance	$ 665,761	$ 184,120	$ 191,120	$ 204,338	$ 224,202	$ 251,160	$ 285,686
Reserve % of Expenditures	75.90%	25.69%	25.89%	26.88%	28.63%	31.14%	34.39%
Fund Balance 25% Target	$219,275	$299,848	$184,515	$190,050	$195,752	$201,624	$207,673

KEY NOTES:

- **Revenue Neutral Mills Establish New Base Revenue Level in Future Years**
- **Maintains Mills Shifted to Support County General Fund into Future Years (9.7% reduction in mill shifted to support County General Fund)**

2025 Budget Refresher

Elections Fund Long-Range Forecast

Elections Fund	2024 Amended	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
TOTAL REVENUES	**$ 2,194,658**	**$ 1,745,926**	**$ 1,812,675**	**$ 1,882,001**	**$ 1,954,004**	**$ 2,028,790**	**$ 2,106,465**
TOTAL EXPENSES	**$ 1,751,058**	**$ 2,267,915**	**$ 1,794,835**	**$ 1,848,680**	**$ 1,904,140**	**$ 1,961,264**	**$ 2,020,102**
Net Change in Fund Balance	$ 443,600	$ (521,989)	$ 17,840	$ 33,321	$ 49,864	$ 67,525	$ 86,363
Cash Basis Ending Fund Balance	**$ 958,469**	**$ 436,480**	**$ 454,320**	**$ 487,641**	**$ 537,505**	**$ 605,030**	**$ 691,393**
ACFR Ending Fund Balance	$ 957,997	$ 436,008	$ 453,848	$ 487,169	$ 537,033	$ 604,558	$ 690,921
Reserve % of Expenditures	54.71%	25.02%	25.29%	26.35%	28.20%	30.82%	34.20%
Fund Balance 25% Target	$437,765	$566,979	$448,709	$462,170	$476,035	$490,316	$505,026

KEY NOTES:

- **Revenue Neutral Mills Establish New Base Revenue Level in Future Years**
- **Maintains Mills Shifted to Support County General Fund into Future Years (11.4% reduction in mill shifted to support County General Fund)**
- **Elections Equipment is slated for replacement within the forecast period, required debt funding previously**

2025 Budget Refresher

Health Fund Long-Range Forecast

Health Fund	2024 Amended	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
TOTAL REVENUES	**$ 4,050,370**	**$ 4,365,911**	**$ 4,250,689**	**$ 4,408,424**	**$ 4,572,100**	**$ 4,741,943**	**$ 4,918,188**
TOTAL EXPENSES	**$ 4,278,314**	**$ 4,144,082**	**$ 4,268,404**	**$ 4,396,457**	**$ 4,528,350**	**$ 4,664,201**	**$ 4,804,127**
Net Change in Fund Balance	$ (227,944)	$ 221,829	$ (17,716)	$ 11,967	$ 43,749	$ 77,742	$ 114,061
Cash Basis Ending Fund Balance	**$ 802,840**	**$ 1,024,669**	**$ 1,006,953**	**$ 1,018,920**	**$ 1,062,670**	**$ 1,140,412**	**$ 1,254,473**
ACFR Ending Fund Balance	$ 1,128,372	$ 1,350,201	$ 1,332,485	$ 1,344,452	$ 1,388,202	$ 1,465,944	$ 1,580,005
Reserve % of Expenditures	26.37%	32.58%	31.22%	30.58%	30.66%	31.43%	32.89%
Fund Balance 25% Target	$1,069,579	$1,036,021	$1,067,101	$1,099,114	$1,132,088	$1,166,050	$1,201,032

KEY NOTES:

- **Revenue Neutral Mills Establish New Base Revenue Level in Future Years**
- **Maintains revenue neutral operating and position reductions to achieve balanced fund**
- **No additional capacity to absorb potential impacts of loss of federal health funding**

2025 Budget Refresher

Mental Health Fund Long-Range Forecast

Mental Health Fund	2024 Amended	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
TOTAL REVENUES	**$ 900,835**	**$ 844,584**	**$ 877,314**	**$ 911,322**	**$ 946,657**	**$ 983,372**	**$ 1,021,522**
TOTAL EXPENSES	**$ 844,148**	**$ 844,148**	**$ 869,472**	**$ 895,557**	**$ 922,423**	**$ 950,096**	**$ 978,599**
Net Change in Fund Balance	$ 56,687	$ 436	$ 7,842	$ 15,765	$ 24,234	$ 33,276	$ 42,923
Cash Basis Ending Fund Balance	**$ 148,109**	**$ 148,545**	**$ 156,387**	**$ 172,152**	**$ 196,385**	**$ 229,662**	**$ 272,585**
ACFR Ending Fund Balance	$ 148,111	$ 148,547	$ 156,389	$ 172,154	$ 196,387	$ 229,664	$ 272,587
Reserve % of Expenditures	17.55%	17.60%	17.99%	19.22%	21.29%	24.17%	27.85%
Fund Balance 25% Target	$211,037	$211,037	$217,368	$223,889	$230,606	$237,524	$244,650

KEY NOTES:

- **Revenue Neutral Mills Establish New Base Revenue Level in Future Years**
- **Maintains Mills Shifted to Support County General Fund into Future Years (7.9% reduction in mill shifted to support County General Fund)**

2025 Impact of Revenue Neutral

Budgetary Impacts

Revenue Neutral Impacts

City Functions

Municipal Court

- Reduced funding for training and equipment replacement

Communitywide

- Reduced funding designated for outside agencies allocations

Economic Development

- Elimination of a management analyst and program coordinator

Neighborhood Resource Center

- Removed 50% of positions within Livable Neighborhoods
- Eliminated funding for small home repair program

Revenue Neutral Impacts

City Functions

Transit

- Eliminated public transit routes 118 (18th Street) and 113 (Leavenworth Road), impacting, impacting 56,000 rides annually.

Parks & Recreation

- Reduced abatement team to one team from two, increasing workload on remaining team
- Eliminated two horticulturalists and one groundskeeper positions with an impact on World Cup preparations
- Cut two program aide positions which will impact community center operations
- Cut diesel/gasoline budget and vehicle maintenance for one abatement team
- Contracted community center staffing cut
- Adult Athletics commodities cut
- Capital cuts will have the following impacts:
  - Fall further behind on shelter, community center, playground, aquatic facility maintenance
  - Halt or significantly reduce parks and trail improvements

Revenue Neutral Impacts

City Functions

Public Works

- Eliminated 3.75 full-time positions (engineer, streets, office manager, & intern)
- Cut annual Pavement Preservation Debt Program by $4M ($5.5M cash remains)
- Reduced annual Neighborhood ADA Program by $800K in debt ($200K cash remains)
- Alley improvement program cut by $300K in debt
- Annual concrete repair program cut by $2M in debt
- Cut $800K from the priority traffic signal replacement debt
- Cut $900K in debt for the annual bridge repair
- Eliminated the $200K Fleet transfer

Fire

- Fire overtime reduction of $3M has impacted coverage of fire companies and ambulances (in lieu of closing a station)
- Design for Fire Station 20 replacement paused

Police

- Eliminated sworn officer in Municipal Court
- Police overtime reductions have impact proactive crime reduction
- Software, travel and training cuts for KCKPD

Revenue Neutral Impacts

County Functions

Community Corrections

- Eliminated vacant surveillance officer position which can impact arrest response times and jail capacity along with employee burnout

Emergency Management

- Cuts to equipment budget will impact replacement from flood
- No capital funding for maintenance and replacement of equipment, including mobile command center
- Stopped work on upgrades to EOC, emergency power generators, and other

911 Dispatch

- Reduction in overtime could impact response time

District Courts

- Needed upgrades to courtroom equipment and technology cannot be completed

Sheriff's Office

- Reduced overtime by $1.4M which is approximately 40% of 2024 overtime

Area Agency on Aging

- $280K in property tax revenue was transferred to the County General Fund

Revenue Neutral Impacts

County Functions

Health

- Lost 4.2 full-time positions funded by the Health Levy
- Cuts to commodities and contractual services
- No capital funds for ongoing building upgrades needed

Human Services

- Transfer of the equivalent of $71K in property tax revenue (0.03 mills transferred to County General Fund)

Economic Development

- Reduced funding for land bank lot maintenance

Register of Deeds

- Request for $7,500 microfilm storage increase denied

Election

- Reduced 20 unfilled temporary election worker positions
- Reduced overall operating budget by $48,500
- $525,357 Election Fund Balance transfer out impacted future capital equipment funding
- 0.09 mills transferred to County General Fund - 2025 equivalent of $207K in property tax revenue

Revenue Neutral Impacts

County Functions

Public Works

- Eliminated one full-time Information System Analyst position
- Cut $114,802 from the Loring Road Program

Buildings & Logistics

- Cut $100K from annual hardscaping and landscaping improvements
- Cut $100K from capital project reserves
- Cut $80K from the budget to repair and maintain UG buildings/grounds

Parks & Recreation

- Reduced fish stocking budget for Wyandotte County Lake
- Severely reduced landbank mowing budget

Revenue Neutral Impacts

Shared Functions

Budget

- Eliminated only fiscal position for the department
- Removed all funding for software platforms that promoted budget transparency and engagement

Internal Service

- Increased level of anticipated vacancies through administrative controls and timing of filling vacated positions

Human Resources

- Eliminated funding for Volunteer Program
- Reduced funding for Employee Appreciation and Service Awards Programs

Legal

- Eliminated intern program which had served as recruitment pipeline

Clerk's Office

- Cut costs supporting mailers and other material distribution

Knowledge Office

- Cut software system agreements which may impact customer service

Strategic Communications

- Lost printing and postage budget to mail a second newsletter

Mayor's Office

- Reduced Liaison positions

Commission

- Some Commissioners opted out of COLA increases
- Reduced discretionary funding for each district by 46%

County Administration

- Froze 4 positions (grants, lobbying, intergovernmental affairs)
- Froze one assistant county administrator position

2026 Budget Starting Point (All Funds)

- *Estimated Anticipated* Cost Increases:

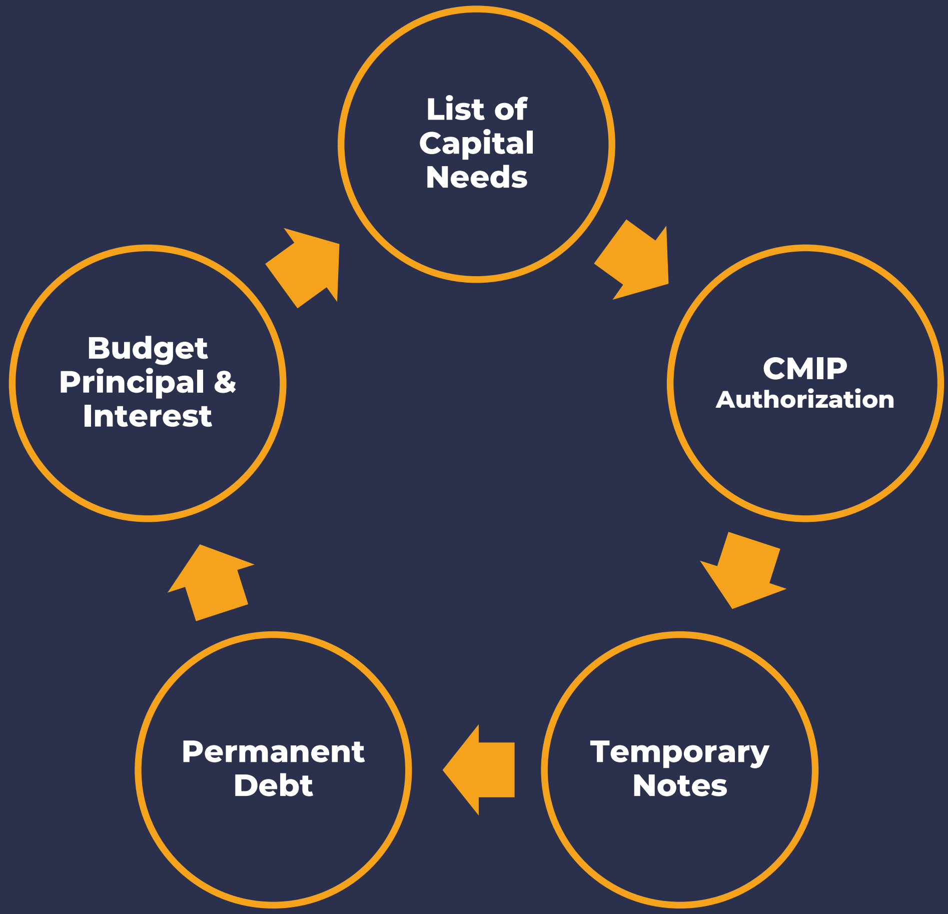
Union Negotiated Pay Increases	$4.4 million
Non-Union Cost of Living Adjustments	$2.0 million
Health Insurance 7% increase	$1.9 million
IT software agreements	To Be Determined
Insurance Premium Increases (20%)	$700,000
Transit (loss of remaining COVID funding)	$2.3 million
Overtime RNR Reductions	$6.2 million
Additional Funding for Personnel Trend	$1.9 million
Restoration of 2024 Base CIP Cash Funding	$3.8 million
New Debt for Capital Projects (to be discussed under debt strategy)	To Be Determined

Debt Strategy

PREVIEW OF A PROPOSED APPROACH

Background on Debt

Current CIP & Debt Authorization Process



- Previous goal: issue only $15M - $16M per year
- UG has regularly exceeded that amount

Background on Debt

Outstanding Debt by Fund

$489,869,900

City General Obligation Outstanding Debt (P&I)

AS OF 2025

- $279,781,444 total City General Obligation outstanding debt principal and interest
- Bonds for sanitary sewer and stormwater projects totaled $210,843,556 (enterprise storm sewer funds and sanitary sewer rates as repayment source)
- Outstanding balance of State Revolving Loan Fund of $13,814,434
- PBC debt principal and interest totaled $244,900.

$51,370,100

County General Obligation Outstanding Debt (P&I)

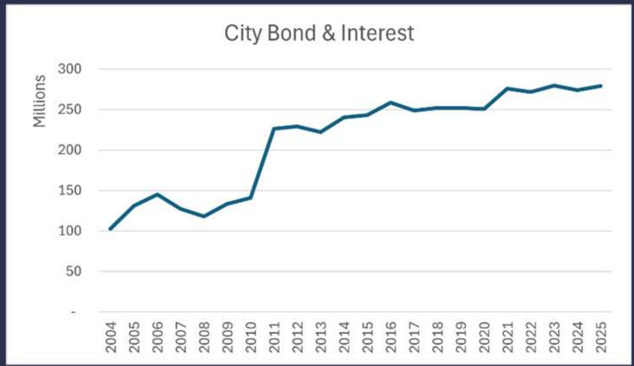
AS OF 2025

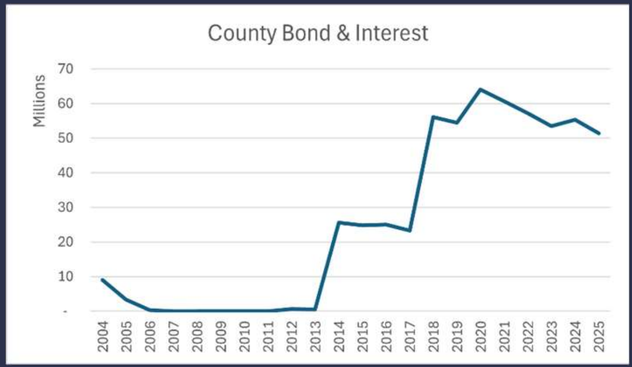
- County General Obligation Bonds for debt and principal interest totaled $12,095,000
- County General Obligation Bonds for PBC projects totaled $39,275,100

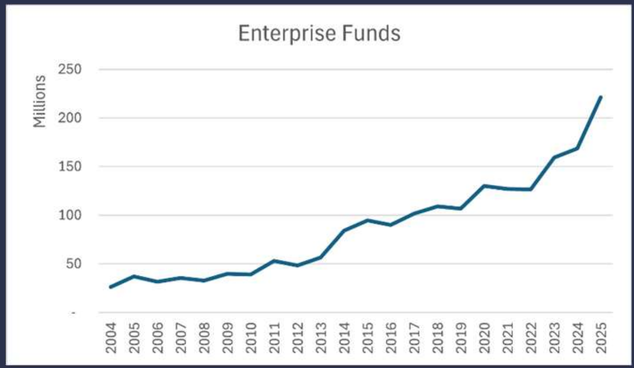
	City Bond & Interest Fund				County Bond & Interest Fund			
	Tax Levy	Sewer/Storm	PBC	Total	Tax Levy	PBC	Total	
2024	273,487,510	157,467,490	362,700	431,317,700	13,305,000	42,057,300	55,362,300	486,680,000
2025	278,781,444	210,843,556	244,900	489,869,900	12,095,000	39,275,100	51,370,100	541,240,000

Background on Debt

Total Debt by Major Fund







Debt Annual Budget Impact

Settlements & Other Projects

- Court settlements ($18.2M)
- Workday implementation ($3.7M)
- District Attorney digitization project

	Settlement Amount
2010	$432,484
	$77,408
	$507,787
2012	$258,333
	$516,667
2013	$329,518
2014	$257,500
	$210,000
	$1,520,000
	$387,661
	$766,353
2015	$211,214
2023	$12,751,511

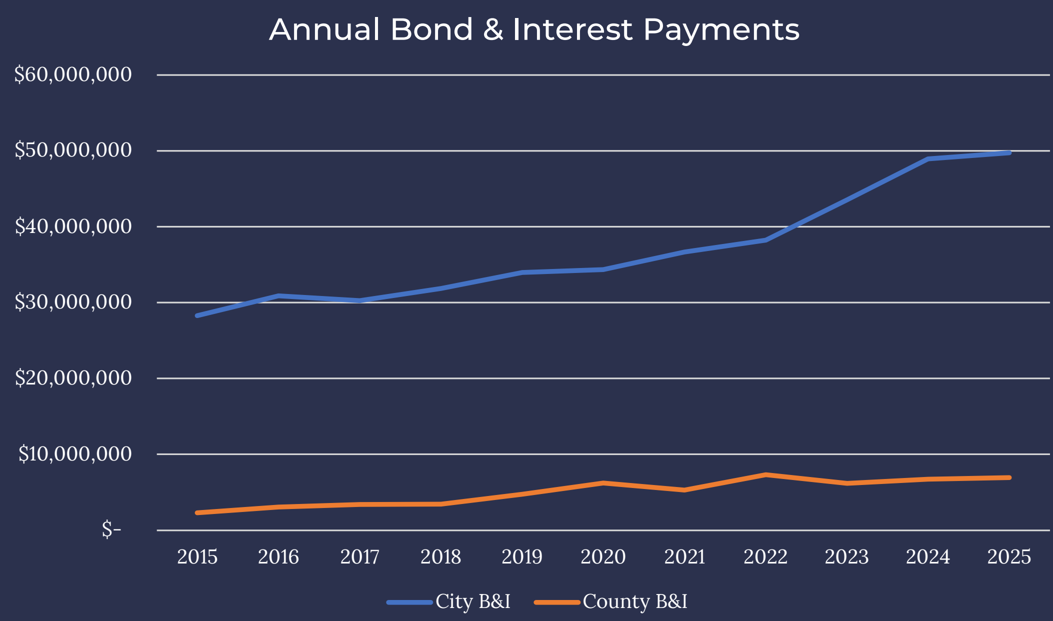
Debt Annual Budget Impact

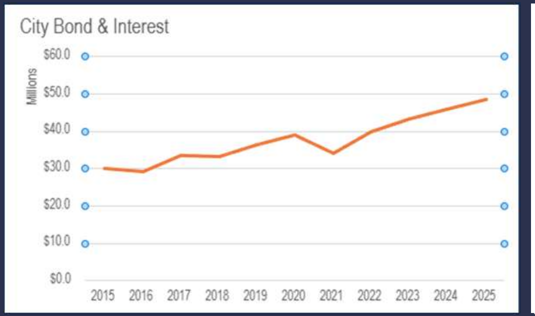
Principal & Interest Payments

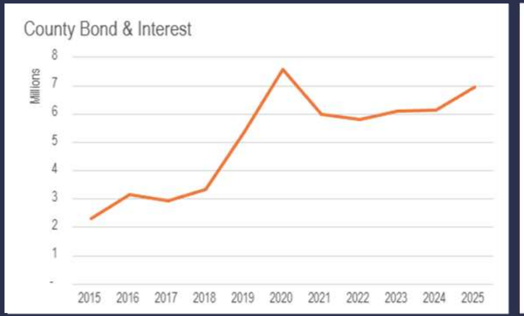
Year	City Property Tax	City Sanitary Sewer	City Storm Sewer	City Levee	City Dedicated Sales Tax	County Property Tax
2015	26,328,978	3,655,761	809,725	287,245	587,200	2,306,962
2016	25,331,351	3,909,022	1,103,125	288,525	630,600	3,162,791
2017	27,921,452	5,627,512	1,101,933	261,040	590,000	2,941,388
2018	27,425,412	5,774,825	1,249,230	256,740	568,400	3,323,002
2019	30,682,350	5,769,186	1,718,790	257,440	582,400	5,370,945
2020	33,096,832	5,896,711	1,729,588	258,040	-	7,576,822
2021	27,749,543	6,375,504	1,720,332	258,540	-	5,982,330
2022	32,124,787	7,650,071	1,884,482	253,940	-	5,800,639
2023	33,604,713	9,892,043	1,964,722	253,880	-	6,112,177
2024	35,096,848	10,859,516	1,966,728	253,240	-	6,149,624
2025	36,278,990	12,229,880	2,048,794	257,000	-	6,944,548
	38% increase	233% increase	153% increase	(11%) decrease	n/a	201% increase

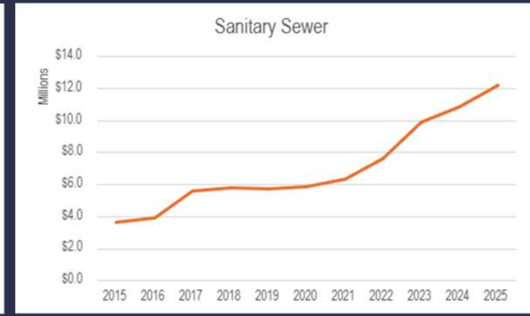
Debt Annual Budget Impact

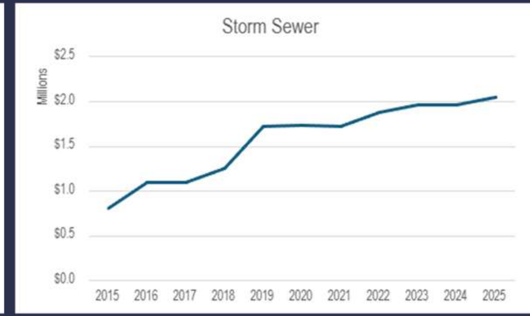
Principal & Interest Payments











Current Debt Process

3+ Years, Five Steps

Identify and Authorize Projects

YEAR ONE

Spending can begin, UG cash flows expenses. Over $130M in new debt is authorized, not issued

Partial Funding with Temporary Notes

YEAR ONE or TWO

Typically, portion of total debt needed, pay interest only, spending continues

- STEP 1: Sale resolution
- STEP 2: Award of bid

Permanent Debt

YEAR TWO or THREE

All temp notes, spent cash, encumber, or additional funds needed are bonded

- STEP 1: Sale resolution
- STEP 2: Award of bid

Current Debt Process

Concurrent, Overlapping Years

YEAR ONE: Identify and Authorize Projects → Partial Funding with Temporary Notes → Permanent Debt

YEAR TWO: Identify and Authorize Projects → Partial Funding with Temporary Notes → Permanent Debt

YEAR THREE: Identify and Authorize Projects → Partial Funding with Temporary Notes → Permanent Debt

Current Debt Process

2025 Debt Reset

Identify and Authorize Projects → Partial Funding with Temporary Notes → Permanent Debt (complete 02.2025)

Canceled Prior Authorizations → No New Temporary Notes → Hold on Permanent Debt

Current Debt Process

Impact of Temporary Notes

- Tie the issuance of bonds to construction schedule to avoid paying arbitrage/interest on earnings from bond proceeds (all proceeds must be spent within three years)

$88.3M
February 2025
GO Bond Issue

$61M
Temporary notes

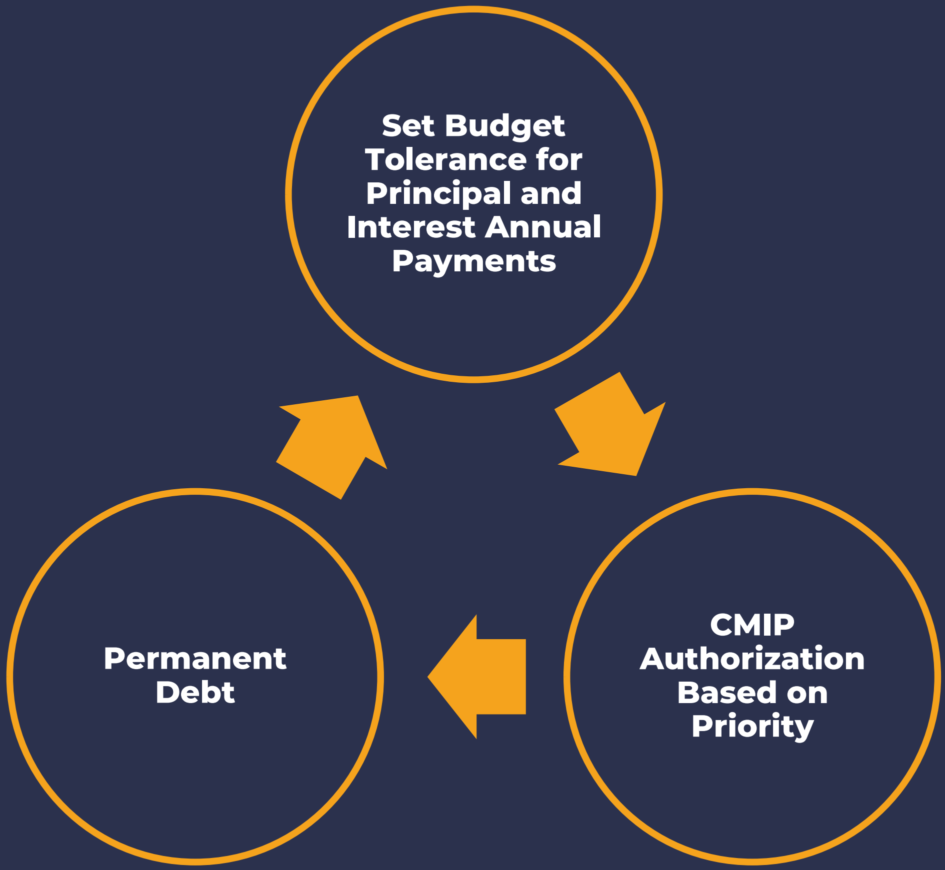
$1.1M
Interest cost

$1.2M
Cost of issuance (2%)

$3.345M
Additional costs for a 20-year bond with temporary notes

Proposed Debt Strategy

New CMIP & Debt Authorization Process



- Start with the end in mind by focusing on the Annual Budget Impact

Proposed Debt Strategy

One-Step Commission Process Moving Forward

Commission approves sale resolution and ordinance for permanent debt with parameters

- Total amount of debt to be issued
- Annual estimated impact on principal and interest
- Timing of debt issuance
- Cost of Issuance
- Maximum Interest Rate
- Authorizes Administrator to sign closing documents

Sale of Bonds *Administrator Executes Documents*

- Limited or no new temporary notes
- Move straight to permanent debt

Permanent debt issues with projects complete within three years

Debt Strategy 10-Year Forecast

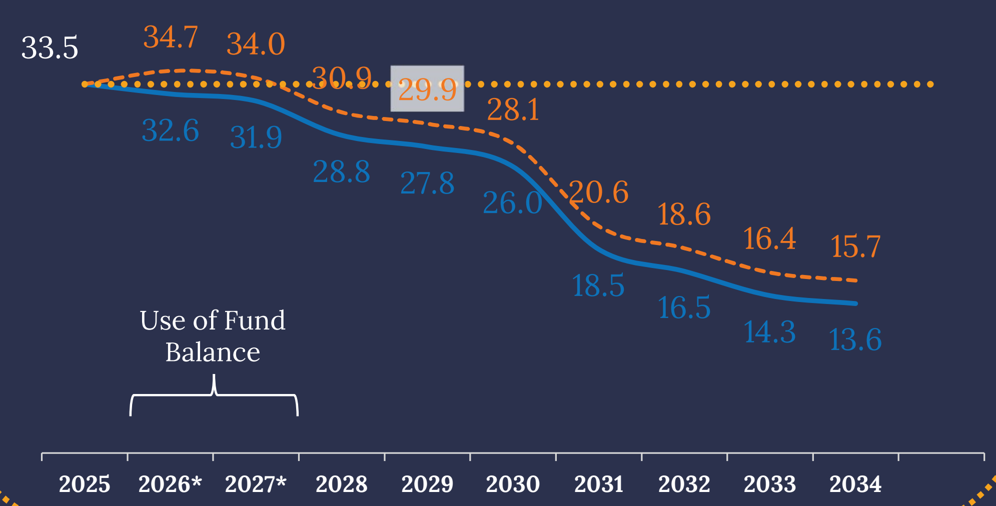
City General Fund Bonds & Interest Payments

- 47% of City General Fund Property Tax is used for Annual Bond & Interest Payments in 2025.

Projected City Bond & Interest Tax Levy Debt

Impact of adding **2025-A Debt Service** to **Existing Debt Service**

in ($) USD millions



2026	2027	2028	2029	2030	2031	2032	2033	2034
+$1.2M	+$.5	($3.1M)	($1.0M)	($1.8M)	($7.5M)	($2.0M)	($2.2M)	($.7M)

Debt Strategy

City B&I Debt Reset

Minimum: Level off bond and interest payments to $34M or less

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Property Tax Revenue	72,135,351	74,299,412	76,528,394	78,824,246	81,188,973	83,624,642	86,133,382	88,717,383	91,378,904	94,120,272
GF	37,874,973	39,011,222	40,181,559	41,387,006	42,628,616	43,907,474	45,224,698	46,581,439	47,978,883	49,418,249
B&I	34,260,378	34,700,000	34,000,000	34,000,000	34,000,000	34,000,000	34,000,000	34,000,000	34,000,000	34,000,000
% of Total	47%	47%	44%	43%	42%	41%	39%	38%	37%	36%

REVENUE ASSUMPTIONS:

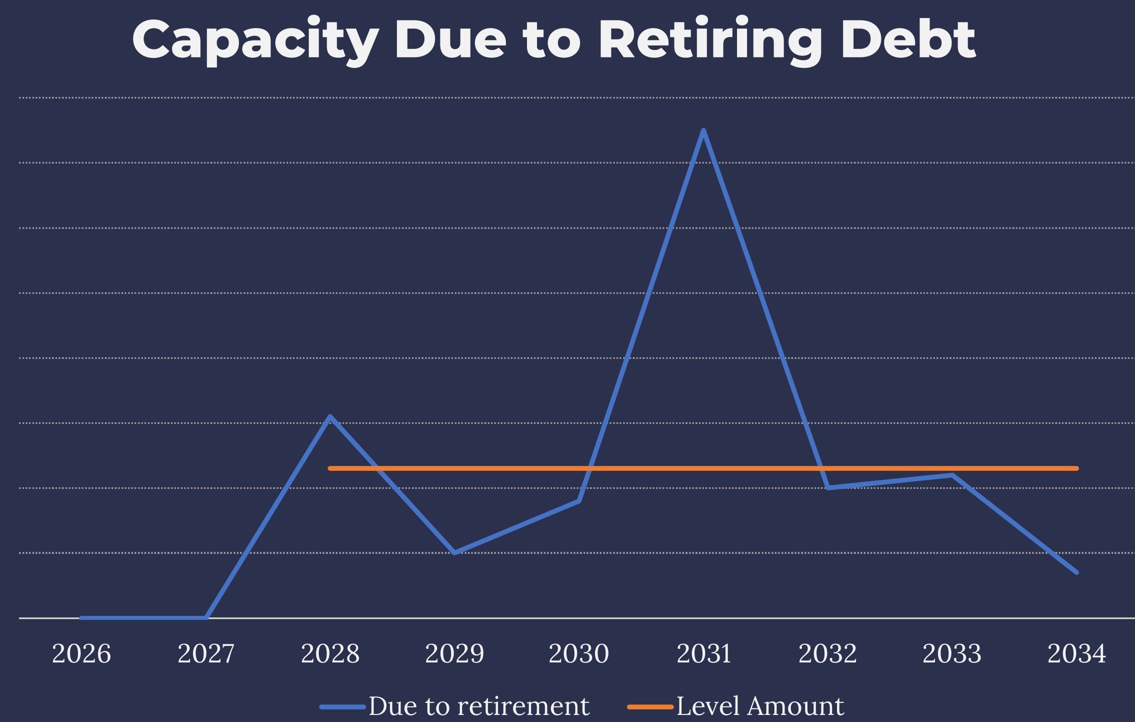
- Assumes 3% growth in total property tax revenues annually

GOALS:

- Reduces percentage use of property tax over time, freeing up capital for operations or cash capital projects
- Takes advantage of retiring debt to issue new debt while maintaining financial constraints
- Gives budget predictability

Debt Strategy

Capacity due to Retiring Debt vs. Smoothing



Debt Strategy 10-Year Forecast

City General Fund Bonds & Interest

	2026	2027	2028	2029	2030	2031	2032	2033	2034
	+$1.2M	+$0.5M	($3.1M)	($1.0M)	($1.8M)	($7.5M)	($2.0M)	($2.2M)	($0.7M)
Project Amounts TBD	TBD	TBD	$40M	$13M	$23.4M	$97.5M	$26M	$28.6M	$9.1M

- To maintain approximately $34 million annual principal and interest payments
- Amount of project costs to be bonded dependent on interest rates at the time

Debt Strategy

Recommended Implementation

* Unless revenue neutral and then do not issue any new debt until 2028 when existing debt begins retiring

2026 *	2027	2028	2029-2034
+$770K Principal/Interest	+$770K Principal/Interest	+$770K Principal/Interest	TBD
$10M Project costs	$10M Project costs	$10M Project costs	

Debt Strategy

Other Options 2025 & Beyond

Option A

Do not issue full amount of debt to free up funds for property tax relief

Option B

Do not issue full amount of debt to free up funds for operations

Option C

Do not issue full amount of debt to shift more capital projects to cash funding, saving interest costs

Option D

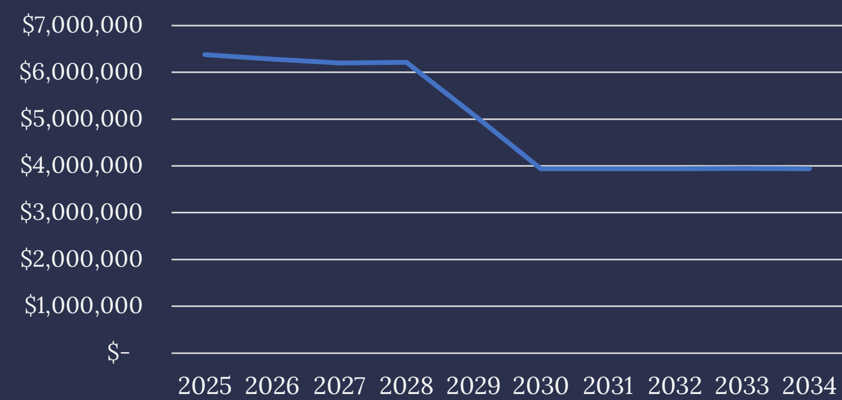
Set more aggressive target to reduce percentage of property tax captured for debt payments

Debt Strategy

County General Fund Debt

- County General Obligation and Public Building Commission Bonds = Total Bond Principal and Interest
- Annual payments paid by County General Fund Property Taxes

County General Fund Bond & Interest Payments



2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
$ 2,234,744	$ 2,223,600	$ 2,223,000	$ 2,232,656	$ 1,937,656	$ 786,600	$ 784,250	$ 787,000	$ 783,000	$ 787,500
$ 4,148,800	$ 4,058,554	$ 3,978,263	$ 3,980,738	$ 3,154,388	$ 3,155,838	$ 3,153,294	$ 3,151,569	$ 3,161,456	$ 3,151,369
$ 6,383,544	**$ 6,282,154**	**$ 6,201,263**	**$ 6,213,394**	**$ 5,092,044**	**$ 3,942,438**	**$ 3,937,544**	**$ 3,938,569**	**$ 3,944,456**	**$ 3,938,869**

Debt Strategy

County General Fund Recommendations

Recommend no additional county debt until at least 2029 due to financial challenges of County General Fund
With the exception of Willa Gill previous approval of $3 million in debt
(net add of $130k P&I)

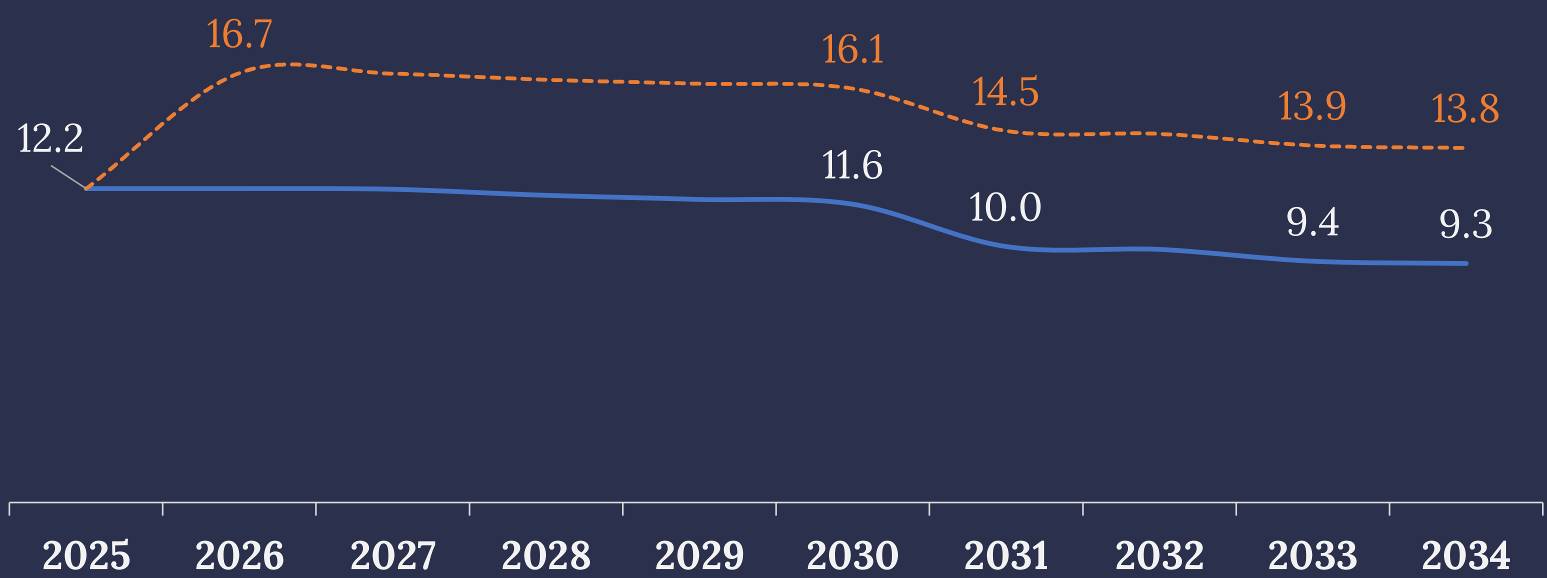
In 2029, evaluate future debt versus needs of operational budget

Debt Strategy

Sanitary Sewer Enterprise Fund

Projected Sanitary Sewer Rate Funded Debt

Impact of adding **2025-A Debt Service** to **Existing Debt Service**
in ($) USD millions



Debt Strategy

Sewer Enterprise Fund Recommendations

Recommend only issue debt that can be afforded within the 4% annual sewer rate increase through 2028 to maintain affordability

Recommend only issue debt that can be afforded within the 3.5% annual rate increase 2029 and beyond to maintain affordability

How did we get here? Historical Overview

- Finance has prepared a summary report to be distributed to the Commission and can be a topic at a future budget workshop

Questions?