



Unified Government Clerk's Office

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Unified Government Clerk

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<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 on Thursday, May 15, 2025, beginning at **5:00 p.m.** in the Fifth-Floor Conference Room of the Municipal Office Building, 701 N. 7th Street, Kansas City, Kansas for an executive session relating to consultation with counsel on matters that would be deemed privileged attorney-client communications, such as conversations regarding litigation or claims against the city. **The executive session portion of the meeting is closed to the public under the Kansas Open Meetings Act.** Upon conclusion of the executive session, the governing body will reconvene into open session for a budget workshop. **A copy of the presentation is attached to this notice.**

The public will be able to observe or listen to the budget workshop 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://wycokck.zoom.us/j/88576115762>

Webinar ID: 885 7611 5762

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://wycokck.zoom.us/j/khybFaNYH>

Dated this 13th day of May 2025.

MAY 15TH BUDGET WORKSHOP

Revenues

REVENUE OVERVIEW



Budget Workshop Timeline

- ✓ March 13th - 2025 Budget Recap
- ✓ April 3rd - Debt Strategy
- ✓ April 16th - County Mandates / Historical Review
- May 15th - Revenues
- June 12th - Personnel
- June 26th - Capital Projects



REVENUES | Agenda

- Property Taxes
- Board of Public Utilities Payment In Lieu Of Taxes (BPU Pilot)
- Sales and Use Taxes
- Decision Points



Property Taxes

PROPERTY TAX OVERVIEW 2026 REVENUE FORECAST



Property Tax Levy Funds

- **Kansas City, KS Tax Levy Funds**
 - **City General Fund**
 - **City Bond and Interest**

PROPERTY TAX AS A PERCENT OF REVENUE

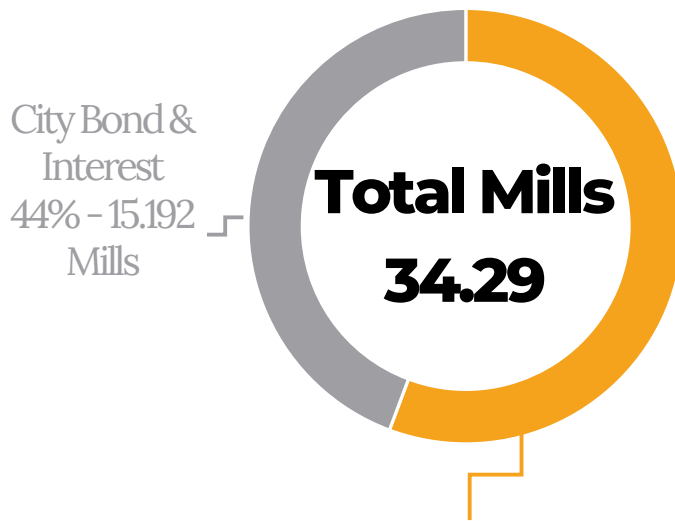
- KANSAS CITY, KS TAX LEVY FUNDS -> 28%
- WYANDOTTE COUNTY TAX LEVY FUNDS -> 62%

- **Wyandotte County Tax Levy Funds**
 - **County General Fund**
 - **Parks and Recreation Fund**
 - **County Bond and Interest**
 - **Aging**
 - **Elections**
 - **Developmental Disability**
 - **Health Department**
 - **Mental Health**

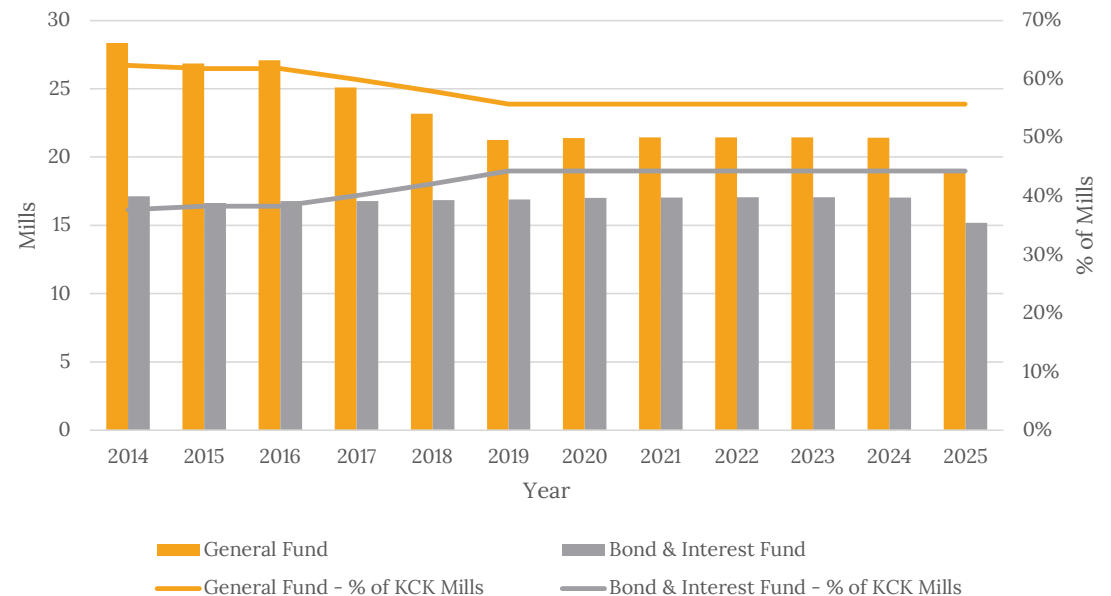


2025 Mill Levies Kansas City, KS

44% of city property tax revenues are dedicated to Debt Service in 2025

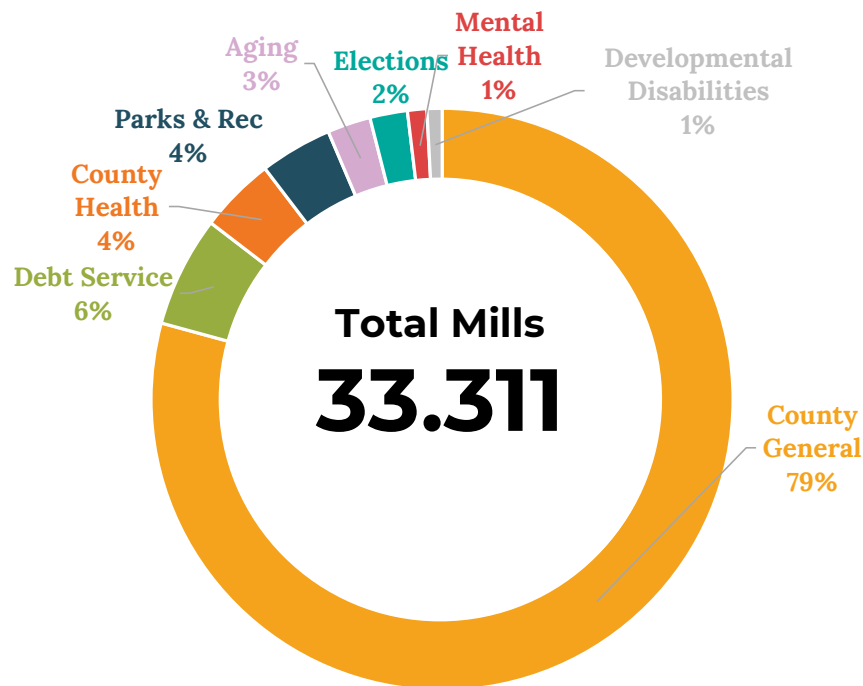


General Fund and Bond and Interest Funds, 2014-2025
Budget

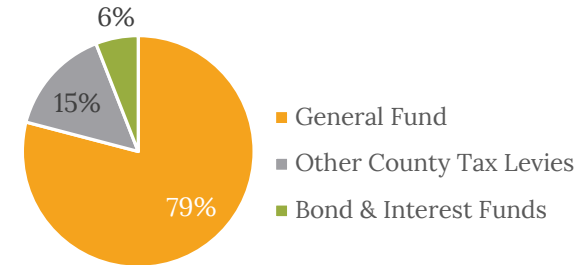


- The percentage of city mills dedicated to debt service has increased from 37% in 2013
 - The City General Fund mill levy has decreased by 7 mills since 2013, a 24% reduction
- wycokck.org/budget

2025 Mill Levies Wyandotte County



HOW IT WORKS:



- 6% of Property Tax Levies in the 2025 Budget are dedicated to Debt Service
- 15% of Mills are dedicated to special use funds



INCREASED VALUATION Tax Levy Fund Impact

- Preliminary appraisal estimates of assessed value project a 9% increase to valuations overall
- 9% increased assessed value generates additional revenue of \$12.6M across Unified Government tax levy funds.
- ~89% of Assessed Value for Wyandotte County is the base for Kansas City, KS

Tax Levy Fund	Property Taxes Levied in 2024	2024 Mill Rate	Estimated Property Taxes Levied in 2025	Additional Revenue
City General Fund	\$37,392,901	19.195	\$40,758,262	\$3,365,361
City Bond & Interest	\$29,740,482	15.267	\$32,417,125	\$2,676,643
City Funds Totals	\$67,133,383	34.462	\$73,175,387	\$6,042,004
County General Fund	\$58,134,754	26.508	\$63,366,882	\$5,232,128
County Bond & Interest	\$4,509,354	2.056	\$4,915,196	\$405,842
Consolidated Parks Fund	\$2,954,100	1.347	\$3,219,969	\$265,869
Health	\$3,090,681	1.410	\$3,368,842	\$278,161
Aging	\$1,762,327	0.804	\$1,920,936	\$158,609
Elections	\$1,528,818	0.695	\$1,666,412	\$137,594
Mental Health	\$786,438	0.359	\$857,218	\$70,779
Developmental Disability	\$614,611	0.280	\$669,926	\$55,315
County Funds Totals	\$73,381,083	33.459	\$79,985,381	\$6,604,297
Total	\$140,514,466	67.921	\$153,160,768	\$12,646,302



VALUE GROWTH AS A PERCENT OF 2025 BASE LEVY FUND EXPENDITURES

- KANSAS CITY, KS TAX LEVY FUNDS -> \$6 MILLION ~ 2.6%
- WYANDOTTE COUNTY TAX LEVY FUNDS -> \$6.6 MILLION ~ 6%

Board of Public Utilities PILOT

WHAT IS THE PILOT
2026 REVENUE FORECAST



BPU – Payment in Lieu of Taxes

- Supports Kansas City, KS City General Fund
- The PILOT fee is not a franchise fee/tax
 - The PILOT is a payment in lieu of taxes to offset collections that occur on private utility companies
 - KSA 13-1269 allows the UG to collect revenues on a percentage of Board of Public Utilities (BPU) gross operating revenue as a PILOT
 - 2025 BUDGET RATE:
 - 10.9% RESIDENTIAL / 11.9% OTHER

BPU PILOT AS A PERCENT OF REVENUE

- KANSAS CITY, KS GENERAL FUND -> 16%

	PRIVATE	PUBLIC
FRANCHISE TAX	X	
PROPERTY TAX	X	
PAYMENT IN LIEU OF TAXES		X



Board of Public Utilities PILOT City General Fund Impact

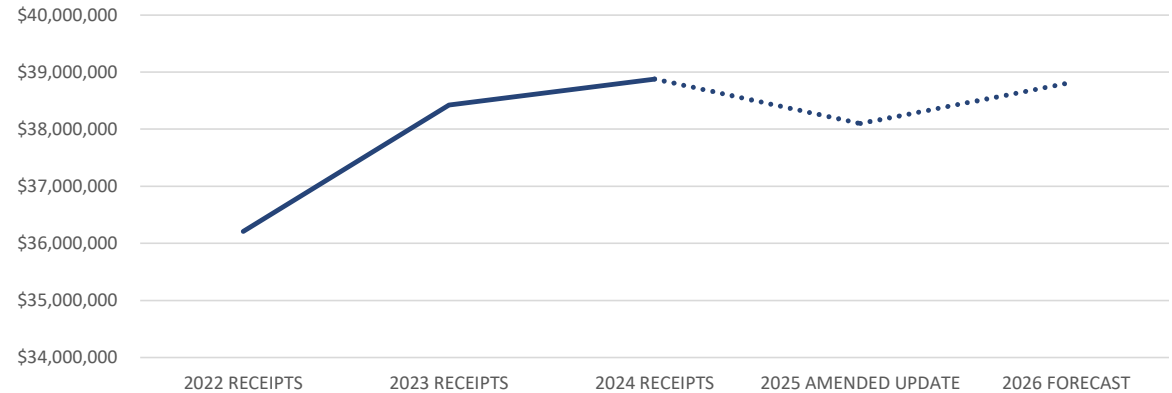
- 2025 Amended Update Estimates based on BPU gross revenue estimates for BPU FY25 Budget
- 2026 Forecast includes BPU Water rate increase
- Maintains Base 10.9% Residential PILOT rate

VALUE GROWTH AS A PERCENT OF 2025 BASE LEVY FUND EXPENDITURES

- 2025 ORIGINAL BUDGET -> \$38.2 MILLION
- 2026 PROJECTION -> \$38.8 MILLION
- KANSAS CITY, KS GENERAL FUND -> 0.3% INCREASE TO OVERALL FUND



BPU PILOT REVENUE FORECAST



DATA POINT	AMOUNT (in millions)	Growth from PY
2022 RECEIPTS	\$36.2	
2023 RECEIPTS	\$38.4	6.1%
2024 RECEIPTS	\$38.9	1.2%
2025 UPDATE	\$38.1	-2.0%
2026 FORECAST	\$38.8	1.8%

Sales & Use Taxes

SALES & USE TAX OVERVIEW 2026 REVENUE FORECAST



Kansas City Sales and Use Tax Funds

- **Kansas City, KS Sales Tax Funds**
 - **City General Fund**
 - **Dedicated Sales Tax**
 - **Emergency Medical Services**

SALES & USE TAX AS A PERCENT OF REVENUE

• CITY GENERAL FUND ->	34%
• RATE:	1.000%
• DEDICATED SALES TAX ->	100%
• RATE:	0.375%
• EMERGENCY MEDICAL SERVICES ->	60%
• <u>RATE:</u>	0.250%
• TOTAL CITY RATE:	1.625%



Wyandotte Sales and Use Tax Funds

- Wyandotte County Sales Tax Funds

- County General Fund

SALES & USE TAX AS A PERCENT OF REVENUE

- COUNTY GENERAL FUND -> 10%
 - RATE: 1.000%

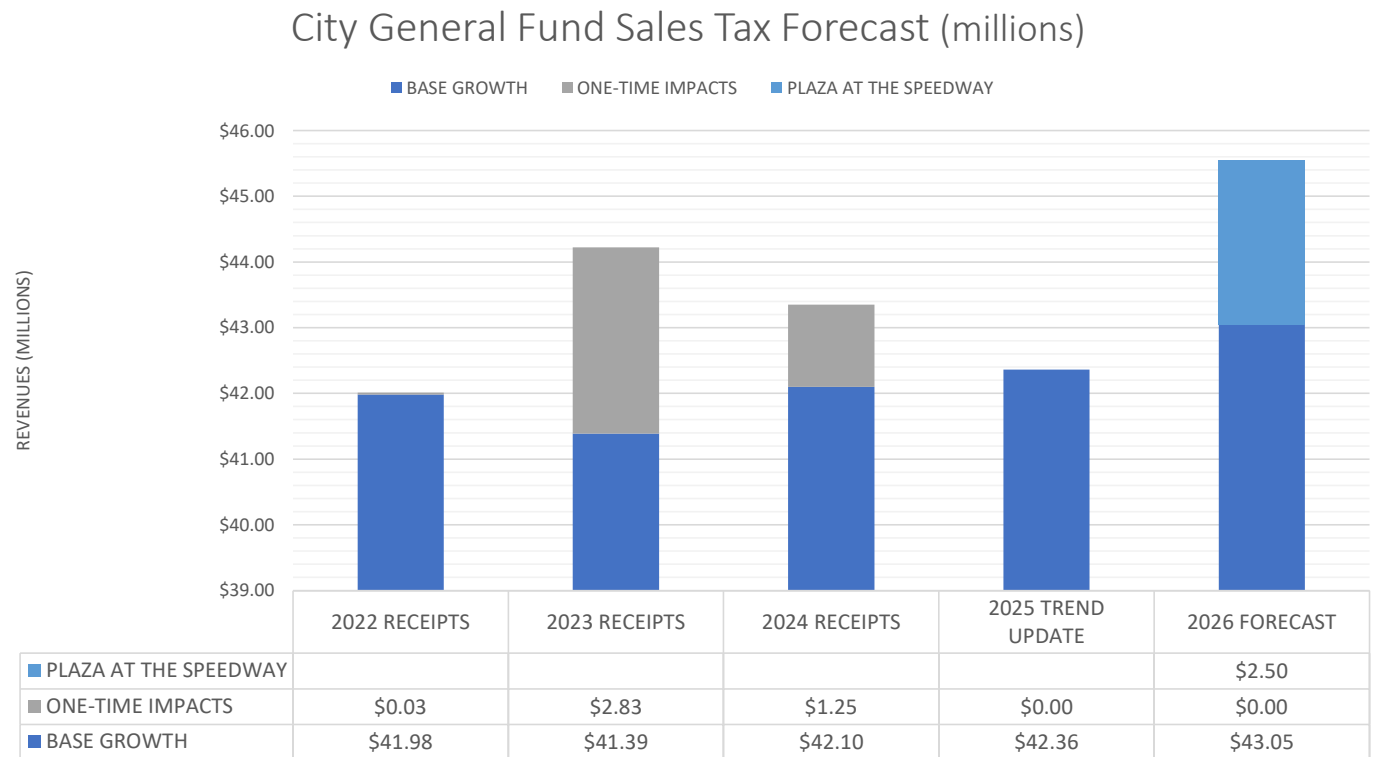
- County Sales Taxes are distributed based on population and proportion of tangible property tax levies. Example to right:

<i>Share of County Sales Tax*</i>		
Entity	Percent	Amount
Kansas City	68.670%	\$0.69
Wyan. Co.	24.506%	\$0.25
Bonner Springs	3.931%	\$0.04
Edwardsville	2.860%	\$0.03
Lake Quivira	0.033%	\$0.0003
TOTAL	100%	\$1.00



City General Fund Sales Tax Projection

BASE RECEIPTS	Growth from Prior Year
2023 RECEIPTS	-1.41%
2024 RECEIPTS	1.72%
2025 UPDATE	0.62%
2026 FORECAST	1.63%

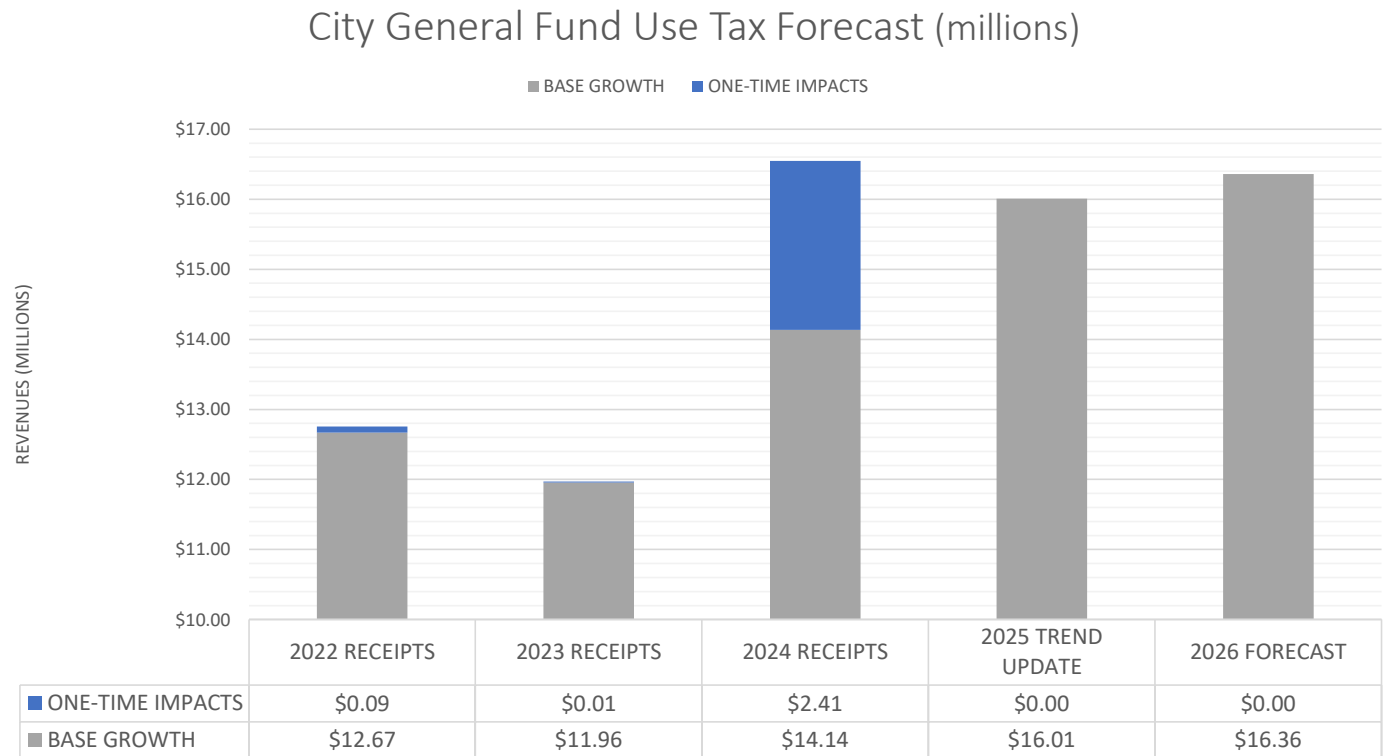


- Sales Tax is revenue generated from sales of goods and services at the point of sale
- Base Sales Tax Growth from 2022 to 2024 was 0.29%
- 2026 Forecast includes full \$2.5 million additional Plaza at the Speedway Increment for a 7.5% increase over the anticipated 2025 Base
- Prior one-time impacts include State Star Bond Base recalculation (2024) and Plaza at the Speedway TIF completion (2023)



City General Fund Use Tax Projection

BASE RECEIPTS	Growth from Prior Year
2023 RECEIPTS	-5.60%
2024 RECEIPTS	18.21%
2025 UPDATE	13.25%
2026 FORECAST	2.19%

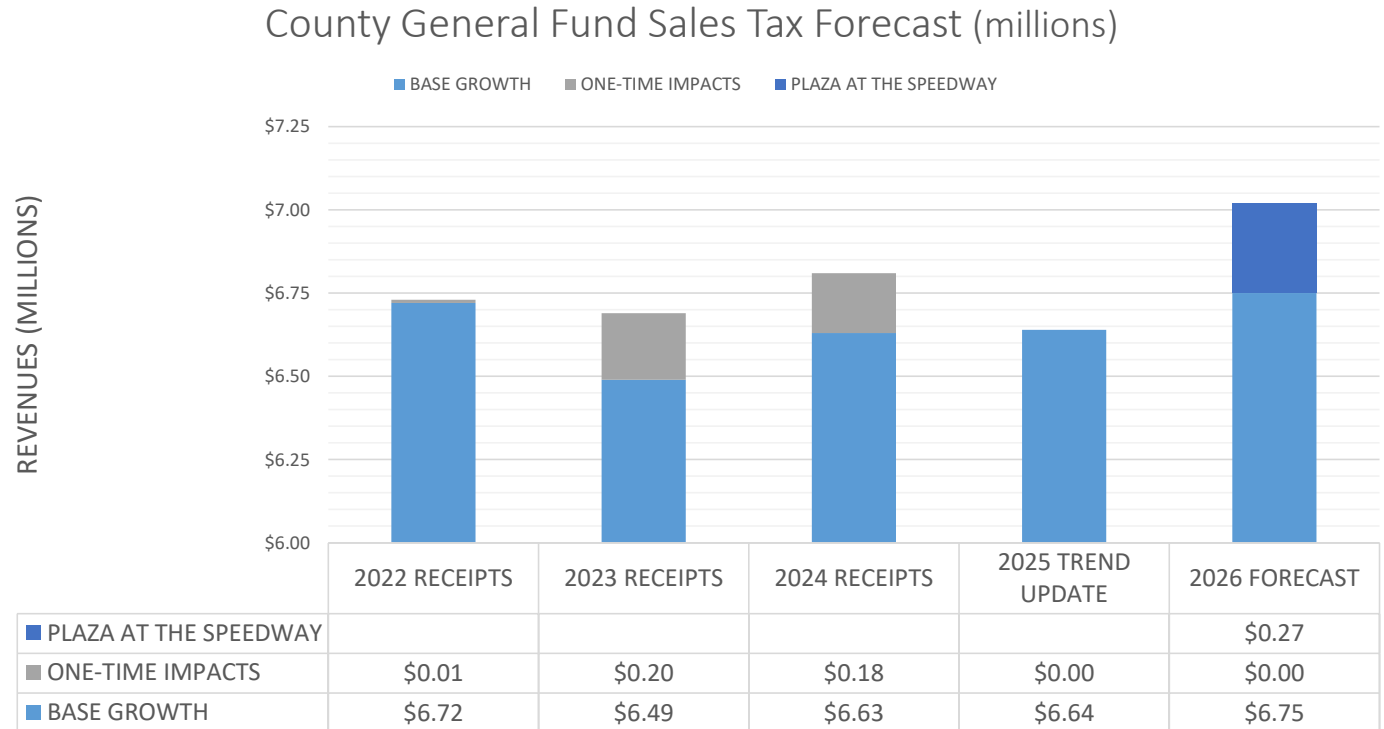


- Use Tax is revenue generated from sales of goods and services delivered from outside a local physical location or online
- Base Use Tax Growth from 2022 to 2024 was 11.6%
- 2026 Forecast is a 2.19% increase over the anticipated 2025 collections
- Prior one-time impacts include a large filing of back taxes from a taxing entity (2024)



County General Fund Sales Tax Projection

BASE RECEIPTS	Growth from Prior Year
2023 RECEIPTS	-3.42%
2024 RECEIPTS	2.16%
2025 UPDATE	0.15%
2026 FORECAST	1.66%

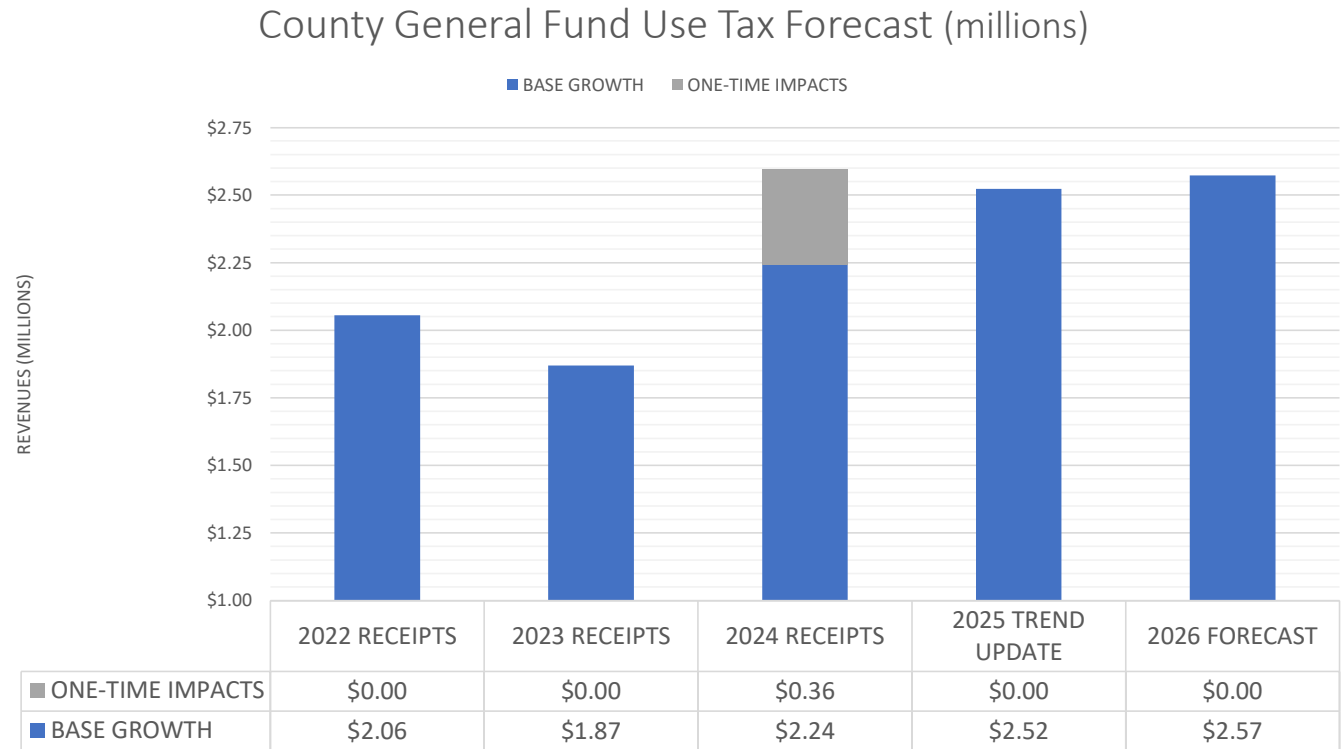


- Sales Tax is revenue generated from sales of goods and services at the point of sale
- Base Sales Tax Growth from 2022 to 2024 was -1.34%
- 2026 Forecast includes full \$270,000 additional Plaza at the Speedway Increment for a 5.7% increase over the anticipated 2025 Base
- Prior one-time impacts include State Star Bond Base recalculation (2024) and Plaza at the Speedway TIF completion (2023)



County General Fund Use Tax Projection

BASE RECEIPTS	Growth from Prior Year
2023 RECEIPTS	-9.02%
2024 RECEIPTS	19.94%
2025 UPDATE	12.48%
2026 FORECAST	1.98%



- Use Tax is revenue generated from sales of goods and services delivered from outside a local physical location or online
- Base Use Tax Growth from 2022 to 2024 was 9.12%
- 2026 Forecast is a 1.98% increase over the anticipated 2025 collections
- Prior one-time impacts include a large filing of back taxes from a taxing entity (2024)



Other Key Revenue Notes



Other Significant Considerations

- **Flat Fee Schedule from 2024 to 2025**
- **Loss of Hollywood Casino Penalty - \$2 million impact (split 50/50 city/county)**
- **Enterprise Fund anticipated adjustments pending completion of updated rate study**
- **Uncertain short/long-term impacts of new federal policies**
 - **Sales and Use Taxes**
 - **Real Estate Market**
 - **Economic Development**



Decision Points

PROPERTY TAX GUIDANCE
BPU PILOT GUIDANCE



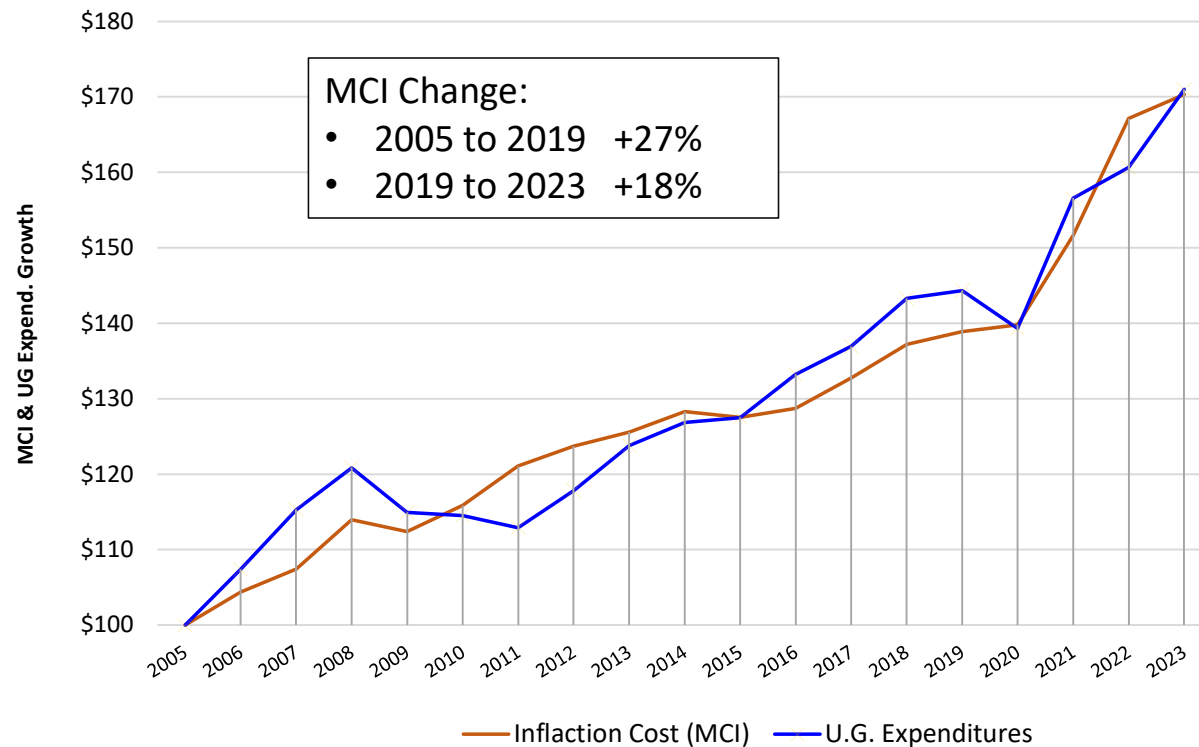
Municipal Cost Index

- The Municipal Cost Index (MCI) was developed by American City & County in 1978
- The MCI is designed to show the effects of inflation costs of providing municipal services.



Unified Govt. Total Expenditures & Municipal Cost Index Comparison

(Base Year = \$100; growth based on percent change from prior year)

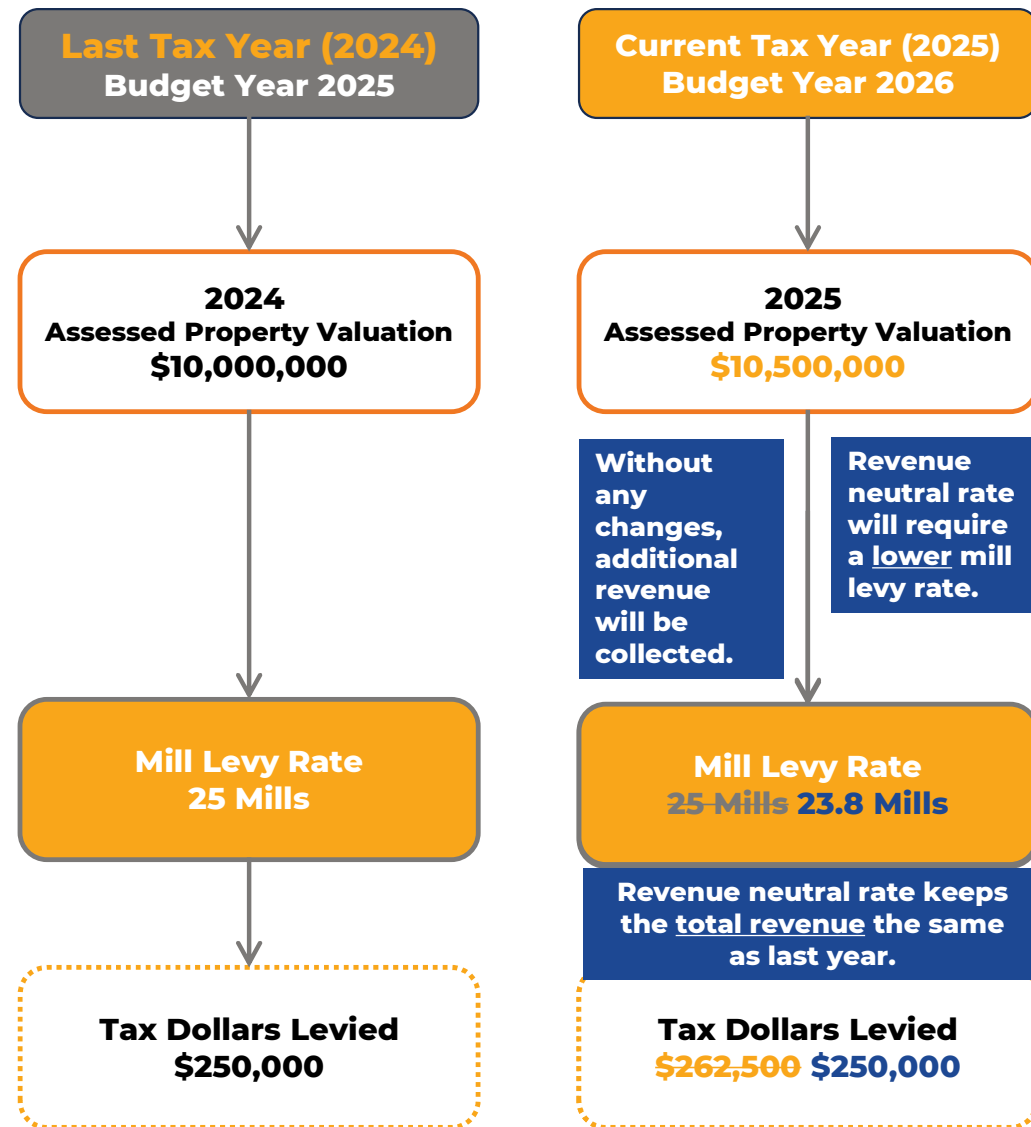


*Consolidated general funds (110, 160, 113) & all other mill levy funds except debt service

Revenue Neutral Rate

Revenue neutral rate is the tax rate for the current tax year that would generate the same property tax revenue as levied the last tax year but using the current tax year's total assessed valuation. (KSA 79-2988)

- **What does this mean?** You will reduce the mill levy if the current property valuations have increased. (They have.)
- Budget cuts needed due to inflation and **increased costs of goods, materials and personnel.**
- This will impact services, programs and infrastructure so **prioritization is more important than ever.**



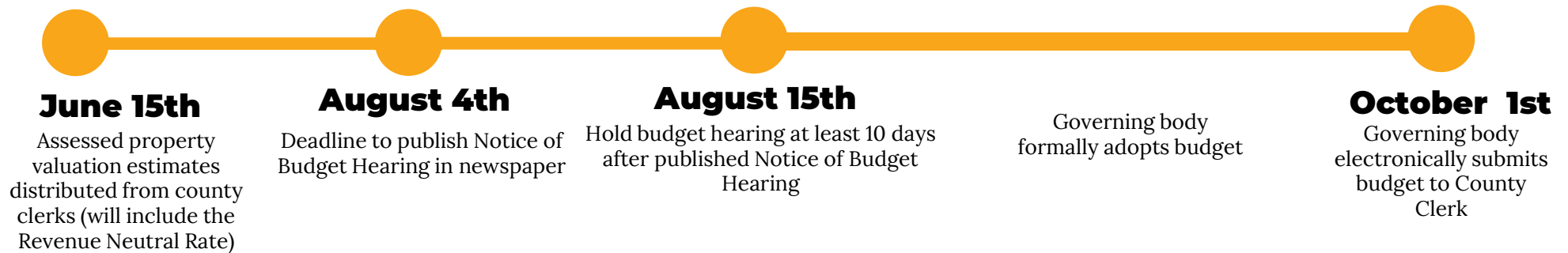
Revenue Neutral Rate Example

Property Taxes Levied and Mill Rate	Prior Year (2024 Taxes Levied)	Current Year (2025 Taxes Levied) At Constant Rate	2025 At Revenue Neutral Rate
Existing Property Taxes Levied	\$73,381,000	\$79,985,000	\$72,946,000
New Constr., Improvements, Remodels Taxes Levied	---	\$477,000	\$435,000
Total Taxes Levied	\$73,381,000	\$80,462,000	\$73,381,000
Mill Rate	33.459	33.459	30.515

- *Going revenue neutral factors in any new improvements or expiring abatements*
- *Additional revenue generated from economic development is not captured for services but reduces the overall tax levied on the existing base*



Not Exceeding RNR – Budget Timeline



Exceeding RNR – Budget Timeline

If exceeding Revenue Neutral Rate (RNR), follow procedure KSA 79-2988



June 15th

Assessed property valuation estimates distributed from county clerks (will include the Revenue Neutral Rate)

July 20th

Last day to notify County Clerk of intent to levy above RNR:

- Provide County Clerk proposed tax rate and hearing information
- County Clerk will notify taxpayers via mail/email of all taxing subdivisions exceeding RNR 10 days prior to first hearing



August 20th

September 20th

Hold RNR hearing prior to or in conjunction with budget hearing AND

Hold Budget Hearing

- Publication of each hearing must be done 10 days prior to the hearing
- Publish in Newspaper and website (if website is maintained)



August 20th

October 1st

Governing body passes resolution to exceed RNR (if applicable), records roll call for governing body vote, and then formally adopts budget

- Note: Roll call vote will still be recorded and submitted with budget documents if resolution fails



August 30th

October 1st

Governing body certifies budget to County Clerk



INCREASED VALUATION**Tax Levy Fund
Impact**

- The benchmark for the municipal cost index would be a 5.5% revenue increase
- This would levy approx. \$7.7M over the base 2024 tax levy
- Adjusting for Municipal Cost Index would reduce the 2024 base mill rate by -2.181

Tax Levy Fund	Property Taxes Levied in 2024	2024 Mill Rate	Property Tax Municipal Cost Index 5.5% Benchmark	Additional Revenue	Municipal Cost Index Mill Impact
City General Fund	\$37,392,901	19.195	\$39,449,511	\$2,056,610	-0.616
City Bond & Interest	\$29,740,482	15.267	\$31,376,209	\$1,635,727	-0.490
City Funds Totals	\$67,133,383	34.462	\$70,825,720	\$3,692,337	-1.106
County General Fund	\$58,134,754	26.508	\$61,332,165	\$3,197,411	-0.851
County Bond & Interest	\$4,509,354	2.056	\$4,757,368	\$248,014	-0.066
Consolidated Parks Fund	\$2,954,100	1.347	\$3,116,576	\$162,476	-0.043
Health	\$3,090,681	1.410	\$3,260,668	\$169,987	-0.045
Aging	\$1,762,327	0.804	\$1,859,255	\$96,928	-0.026
Elections	\$1,528,818	0.695	\$1,612,903	\$84,085	-0.022
Mental Health	\$786,438	0.359	\$829,692	\$43,254	-0.012
Developmental Disability	\$614,611	0.280	\$648,415	\$33,804	-0.009
County Funds Totals	\$73,381,083	33.459	\$77,417,042	\$4,035,959	-1.074
Total	\$140,514,466	67.921	\$148,242,762	\$7,728,296	-2.180



INCREASED VALUATION**Tax Levy
Fund Impact**

Tax Levy Fund	Property Taxes Levied in 2024	2024 Mill Rate	Estimated Property Taxes Levied in 2025	Additional Revenue	Base Assessed Value Mill Impact
City General Fund	\$37,392,901	19.195	\$40,758,262	\$3,365,361	-1.58
City Bond & Interest	\$29,740,482	15.267	\$32,417,125	\$2,676,643	-1.26
City Funds Totals	\$67,133,383	34.462	\$73,175,387	\$6,042,004	-2.85
County General Fund	\$58,134,754	26.508	\$63,366,882	\$5,232,128	-2.19
County Bond & Interest	\$4,509,354	2.056	\$4,915,196	\$405,842	-0.17
Consolidated Parks Fund	\$2,954,100	1.347	\$3,219,969	\$265,869	-0.11
Health	\$3,090,681	1.410	\$3,368,842	\$278,161	-0.12
Aging	\$1,762,327	0.804	\$1,920,936	\$158,609	-0.07
Elections	\$1,528,818	0.695	\$1,666,412	\$137,594	-0.06
Mental Health	\$786,438	0.359	\$857,218	\$70,779	-0.03
Developmental Disability	\$614,611	0.280	\$669,926	\$55,315	-0.02
County Funds Totals	\$73,381,083	33.459	\$79,985,381	\$6,604,297	-2.76
Total	\$140,514,466	67.921	\$153,160,768	\$12,646,302	-5.61



PROPERTY TAX RATES

- ESTIMATED BASE TOTAL ASSESSED VALUE GROWTH FOR 2025 -> 9%
 - 6% RESIDENTIAL
- ESTIMATED 2026 IMPACT OF ASSESSED VALUE GROWTH ON FINAL REVENUES*
 - FULL VALUE GROWTH
 - KANSAS CITY, KS - \$6.41 MILLION
 - WYANDOTTE COUNTY - \$5.85 MILLION
 - PER 1% INCREASE IN VALUE GROWTH
 - KANSAS CITY, KS - \$710,000
 - WYANDOTTE COUNTY - \$650,000
- LEVIED FUNDS GROWTH TARGETS CAN BE SET INDEPENDENTLY

*AFTER FACTORING CURRENT BUDGETED 6% DELINQUENCY RATE



BPU PILOT ADJUSTMENT

- ESTIMATED ANNUAL IMPACT OF 1% RESIDENTIAL PILOT REDUCTION - \$1.2 MILLION
- ESTIMATED 2025 IMPACT OF BPU PILOT RELIEF -> \$240,000 (IMPLEMENTED JUNE 2024)



NEW REVENUE GROWTH

- Commission resolution to commit up to 50% of new revenue growth to Property Tax or Debt Relief
- 2026 New Revenue Sources

