CONSENT AGENDA ITEM NO. ____

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL MEETING, WEDNESDAY, APRIL 16, 2025**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Meeting, Wednesday, April 16, 2025, with seven members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Burns, Commissioner Second District; Hill, Commissioner Fourth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District (left meeting at 5:59 p.m.); and Garner, Mayor/CEO presiding. Townsend, Commissioner First District; Ramirez, Commissioner Third District; Kane, Commissioner Fifth District; and Davis, Commissioner Eighth District; were absent. The following officials were also in attendance: David Johnston, County Administrator; Alan Howze and Bridgette Cobbins, Assistant County Administrators; Wendy Green, Deputy Chief Counsel; Shelley Kneuvean, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Director; Michael Peterson, Assistant Budget Director; Rodney Lucas, Interim Assistant County Administrator; Angel Ferrara, Director of Parks & Recreation; Terrie Garrison, Interim Director of the Health Department; Chris Cooley, GIS Director; and Monica L. Sparks, Unified Government Clerk.

Mayor Garner said before I call the meeting to order I want to announce that we have individuals attending remotely as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure you announce yourself by name and title every time you speak so the public that is participating knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General Office. Please be sure to speak directly into the microphone to ensure your comments are heard and an accurate record can be made of this meeting.

Mayor Garner called the meeting to order.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, is scheduled to be conducted in a hybrid format on Wednesday, April 16, 2025, at 5:00 p.m. for presentations regarding a historical financial review from Finance and a County

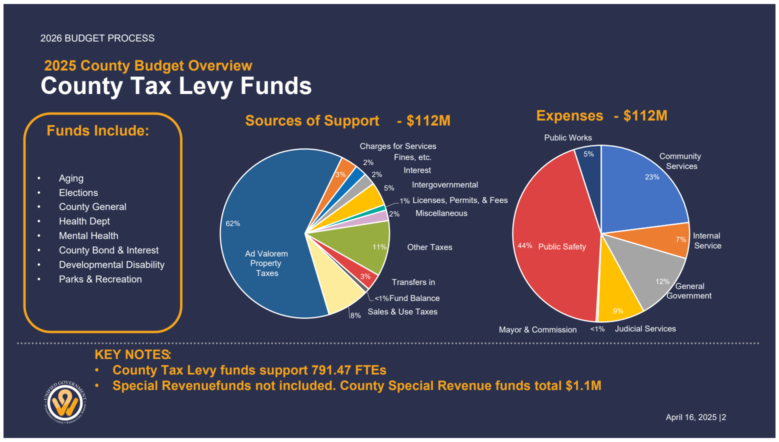
Mandate Review from Budget in the fifth floor conference room of the Municipal Office Building. Roll call was taken and there were seven "Ayes," Lopez, Stites, Bynum, Burroughs, Burns, Hill, Garner.

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 tonight is another scheduled Special Meeting dealing with our budget as we move through this process for the 2026 Budget and I believe tonight a brief presentation on background as well when you talk about our budgetary fiscal health. I'll turn the meeting over now to our County Administrator, David Johnston, and he will take the meeting from here.

David Johnston, County Administrator, said as we continue our series on the budget our Budget team lead by Reginald Lindsey is going to be focusing on our county departments today.

Reginald Lindsey, Budget Director, said I also have Michael Peterson, Assistant Budget Director; and Dr. Shelley Kneuvean, CFO; and Debbie Jonscher, Deputy CFO. Last budget season we took a deep dive into our budget. This budget season we're going to continue to dive deep into our budget. One of the questions I think the elected body has had for staff is to look into mandates, so tonight what we're going to do is look into the county side mandates. One of the things about being able to look into these mandates is a lot of times you look at one department and see you have a $10M budget, but what we're about to do tonight is look down into the programs and services that these departments have and kind of dig deeper into just how much their budget is. What this will do is provide a viable insight to kind of let us know where we can start to make some changes to department budgets.

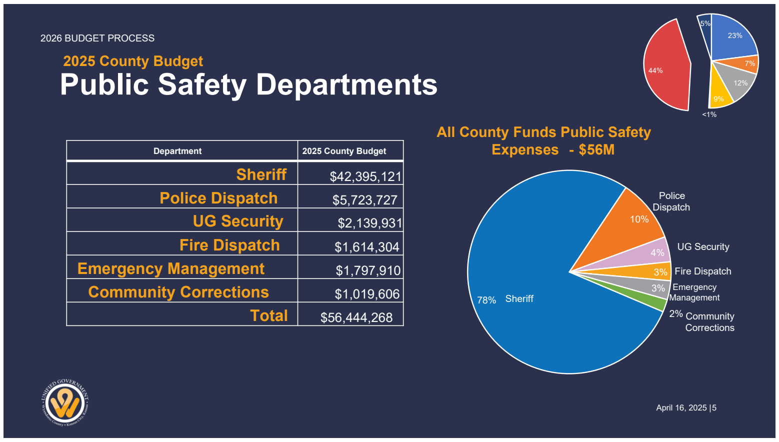


The County Tax Levy Fund in total is $112M. We have $112M of revenues coming in in our County Tax Levy Funds. We also have expenses going out of the $112M. There are eight funds. They include Aging, Elections, County General Fund, Health Department, Mental Health, County Bond & Interest, Development Disability and also our Consolidated Parks & Recreation Fund. The County Tax Levy Funds support almost 800 FTEs. To kind of give you an idea, the Unified Government in total has 2,373 FTEs. The city side has about 1,500 FTEs, so we have about 34% of our FTEs on the county side.

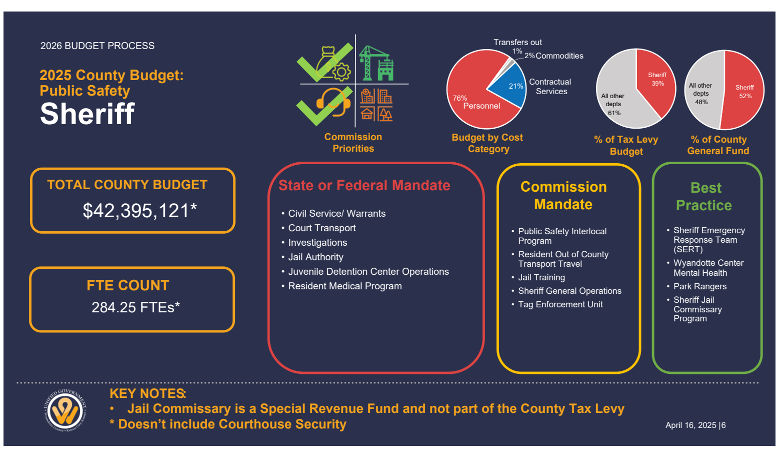
How we're going to review the departments tonight are based on the functional area and then we're going to look at Public Safety, Judicial Services Functional Area, Community Services Functional Area, Infrastructure Functional Area, and Shared Services Functional Area. Also, just a little tidbit is this also is the same way that departments are represented in our budget documents.

As were going through the departments tonight, we'll see that our four goals that the Commission set out last year for us to build our budget on Uphold Fiscal Sustainability, Foster Economic Development, Focus on Service & Communication, and Improve Infrastructure will be on each departments page. It will have a check based on if they qualify for those four.

Each department is going to have a check for Uphold Fiscal Sustainability and then also Focus on Service and Communication because we believe every department should concentrate on those and ranks high in those with Foster Economic Development and Improved Infrastructure. Not everyone will receive a check for that. This information was pulled from our priority based budgeting database and so if they scored a two or higher, that department will get a check based on that.



The first set of functional departments we're going to go through is Public Safety. There are seven departments there. Again, there's $112M for the tax for the—County General or the County Levy Funds. This particular group of departments makes up 44% of that pie at about $56M. The largest department there is the Sheriff at $42M and then we have Police Dispatch, UG Security, Fire Dispatch, Emergency Management, and Community Corrections. We can see the Sheriff is 78% of that, Police Dispatch is 10%, and the next largest one would be UG Security.

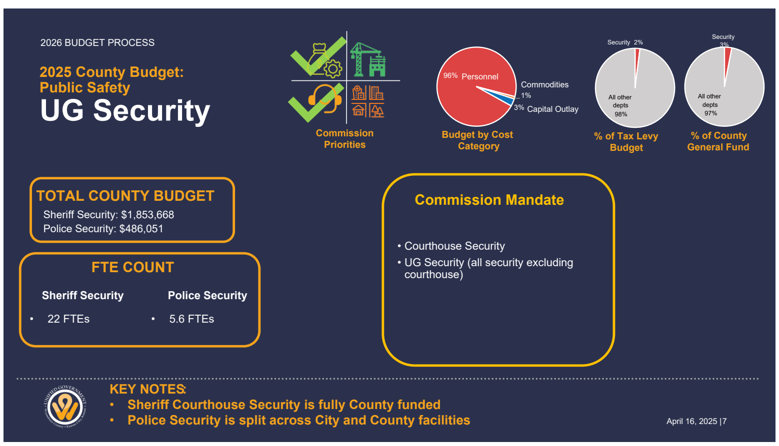


Diving into the Sheriff's Department, we can see that the Sheriff's Department does have two checks for Customer Service and also Upholding Fiscal Sustainability. We can see that 76% of the Sheriff's budget is made up of personnel. That's about $32M. They also have 284 FTEs with a total budget of $42M. Most of their funding comes from the County General Fund.

On the slide, the pie chart to the right shows the County General Fund. It shows the portion of the County General Fund that funds the Sheriff, so we see that is 52%. Then we have the blocks in red, yellow, and green. The red is state and federal mandates. We can see there's Civil Service/Warrants, Court Transport, Investigations, Jail Authority, Juvenile Detention Center, and then our Operations and Residential Medical Programs that the Sheriff does have mandated at a state or level federal.

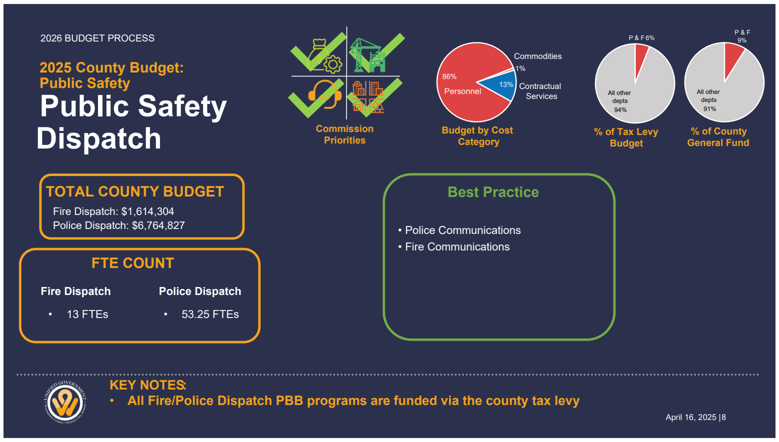
Then there are Commission mandates that are local mandates that the Unified Government came up with at some point in time. Those are Public Safety Interlocal Programs, Resident Out of County Transport Travel, Jail Training, Sheriff General Operations and Tag Enforcement and then there is best practices.

The Sheriff also does receive funding outside the County General Fund from a Jail Commissary Fund, which is a Special Revenue Fund within the Sheriff's Office.

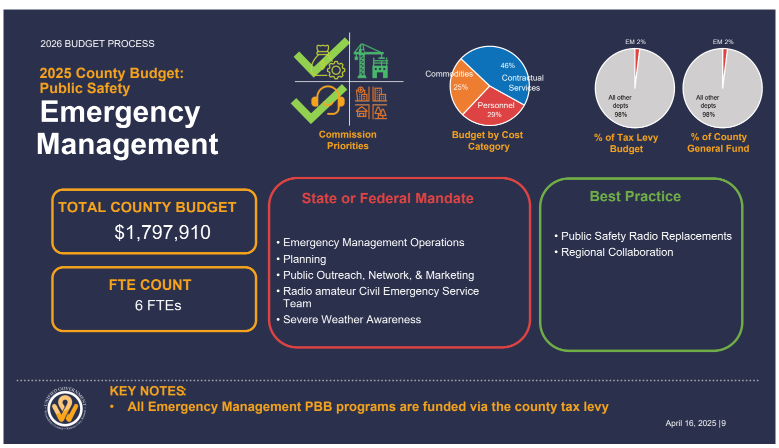


Next we have UG Security. UG Security is a combination between Sheriff Security and also Police Security. We see Sheriff Security is about $1.8M and Police Security on the county side is $486K. We see FTE count on the Sheriff side is 22 FTEs and Police Security is 5.6 FTEs. We can see this is about 3% of the County General Fund expenses and then just kind of gives you a glimpse of the County General Fund itself is like a $84M budget. This is a Commission mandate, a mandate that we did put on ourselves to have courthouse security and then UG security.

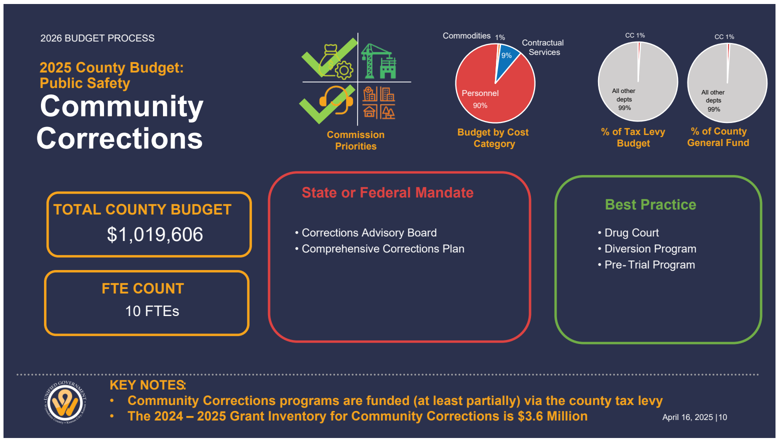
Some of our elected officials that have departments, they do have to get out of here early, so I don't know if you might have some questions for Sheriff Soptic based on the slides that we just went through for him.



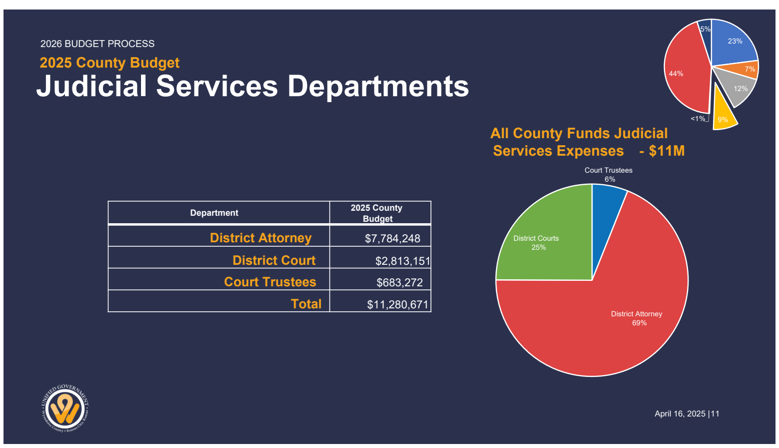
The next set of departments we're looking at are Public Safety Dispatch. Public Safety Dispatch is made up of two departments. You have Fire Dispatch and you also have Police Dispatch. Fire Dispatch has 13 FTEs and Police Dispatch has 53 FTEs. This is—best practice is not mandated. We can see that the costs are 86%--86% of their costs are personnel and it is a department that received checks for all four of our goals.



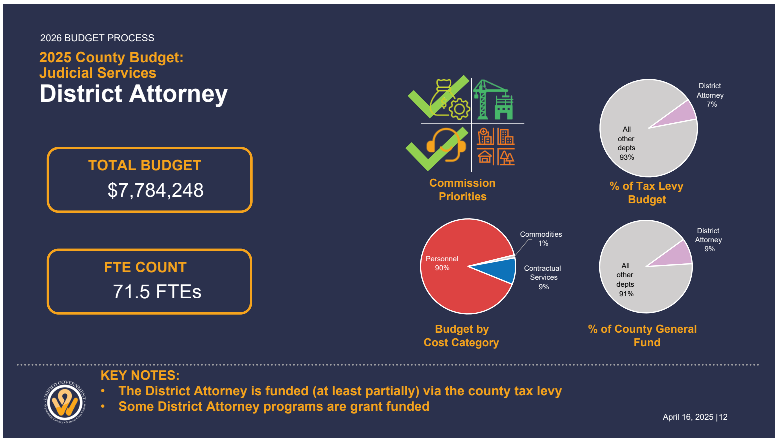
The next department is Emergency Management. It has a total budget of almost $1.8M and has a total FTE of six. Also, Commission priorities, it does rank on two of them. Also, we can see personnel is 29% of their budget and contractual service is 46% of that budget. It does make up 2% of the $84M County General Fund. We see most of the programs or services that it does offer are state or federal mandate with two being best practice.



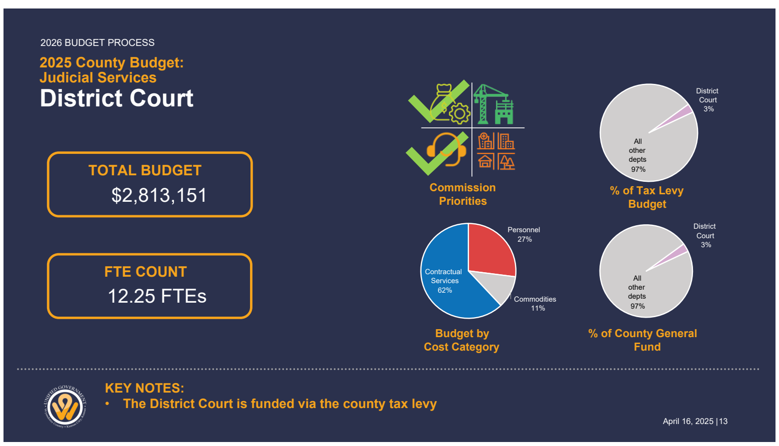
The next department we're looking at is Community Corrections. It's about $1.8M and has 10 FTEs. Most of their funding does come from grants that come through the state and they do make up about 1% of the County General Fund, which again, is a $84M budget. Some of the things that they have to do are Correction Advisory Board and Comprehensive Correction Plan. They do have best practices of Drug Court, Diversion Program, and Pre-Trial Programs.



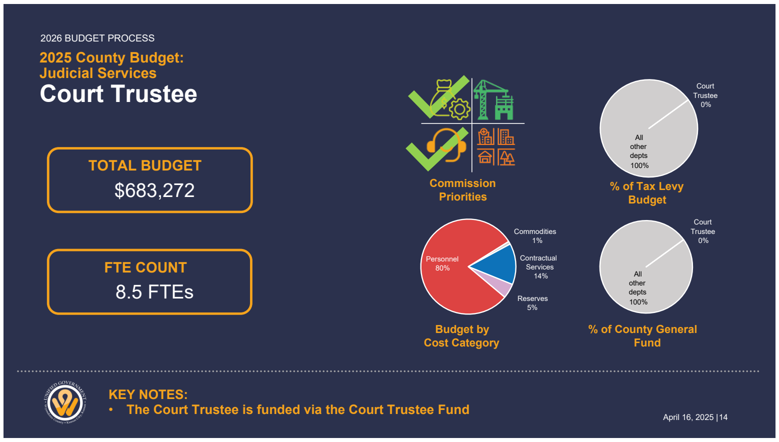
The next set of departments are our Judicial Services Departments. A lot of this information that we have as far as mandates and best practices were pulled together in our priority based budgeting software. These departments here we don't have any information on in our priority based budgeting software, so you won't see mandates for these departments. We can see there's a total of $11M for these departments. The District Attorney, there's $7.8M, District Court is about $2.8M and Court Trustee is $683K.



Looking at the District Attorney, again, it's budget is about a $7.8M budget. They have almost 72 FTEs and their total budget as part of the County General Fund is 9% of it. Again, that's an $84M budget.

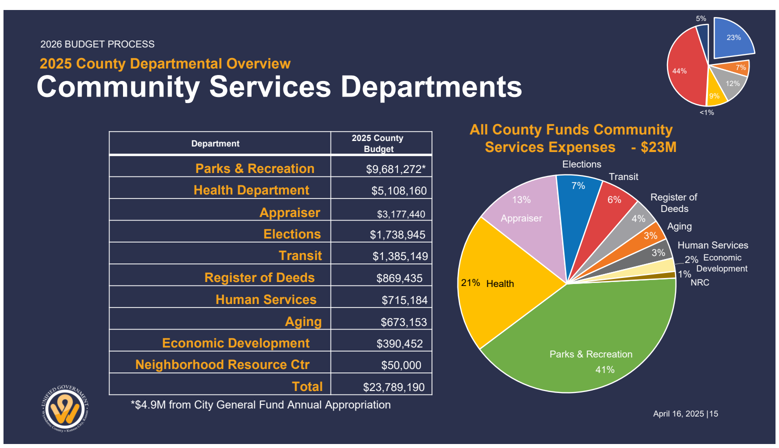


We have District Court with a $2.8M budget and their FTEs are 12.25. We can see that they make up about 3% of the County General Fund and, again, the County General Fund is a $84M budget.

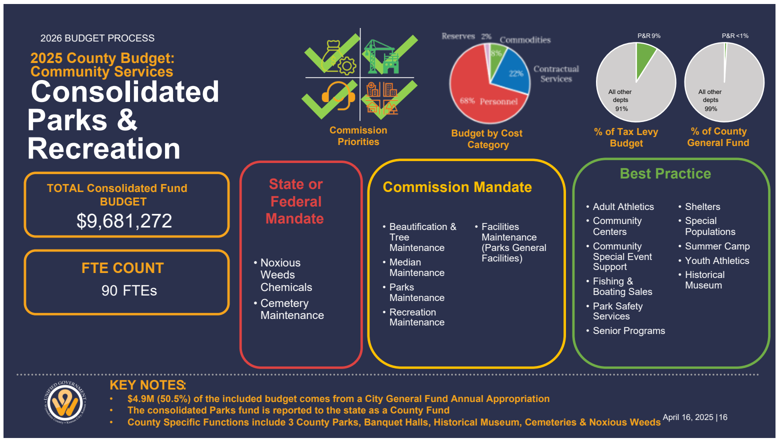


Court Trustee, which is part of the District Courts, has a $683K budget and 8.5 FTEs. It is its own fund, is a Special Revenue Fund, the funds that it brings in or what they use to operate it. There's no money coming from like any of the Tax Levy Funds. It has its own funding.

That is a summary of Judicial Services budgets and I do know District Attorney Dupree does have to take off also. I don't know if there's any questions for him before he has to get out of here.



Our next set of functional departments are our Community Service Departments. Here we have 10 departments with the biggest one being Parks & Recreation at $9.6M. Then we have the Health Department, Appraisers Office, Elections, Transit, Register of Deeds, Human Services, Aging, Economic Development, and Neighborhood Resource Center. Again, we see the biggest piece of the pie is Parks & Rec and then comes the Health Department and we also have the Appraiser there at 13%.



Drilling down into Consolidated Parks, they do have a total budget of $9.6M. However, $4.9M of this does come from the City General Fund in an appropriation of a transfer that we do each year. Parks & Rec does get all four checks for Uphold Fiscal Sustainability, Focus on Service and Communication, and Economic Development and then Improving Infrastructure. We can see as far as FTEs they have a total of 90 FTEs and it is 68% of personnel. Their cost for personnel is 68% of their total budget and they do not receive any funding from the County General Fund. It does have its own Tax Levy Fund that is on the county side. We see as far as state and federal mandates things that they have to do at that level for noxious weeds and chemicals and cemetery maintenance. Us, as a Unified Government, we do have some Commission mandates as far as beautification & tree maintenance, median maintenance, park maintenance, recreation maintenance, and facility maintenance.

Commissioner Burroughs said, Reggie, I'm really trying to follow you and the question I have and maybe you stated this at the beginning, you've got the state and federal mandates and Commission mandates. Best Practice, that comes from—was that AI generated or are these just programs that have gone into—I'm just looking—I'll use the Parks one, just one slide back, but I see all of these things that are best practice, those aren't necessarily things that we have chosen or are those programs that are presently in place. I'm trying to look at how I would review those if I saw them on a document and didn't have any knowledge about it. **Mr. Lindsey** said the best practices are programs that are within our budget and they are programs or services that, for instance, Parks & Rec does provide to the community, so we do have budget dollars attached to those. They just don't have any mandates on them at the local level or the state level saying that there is something that we have to do. **Commissioner Burroughs** said now, you said something we have to do. That's by Commission mandate. **Mr. Lindsey** said the Commission mandate is definitely like local mandates that we have here at the Unified Government and the State and Federal Mandates are mandated at the state level or at the federal level.

Commissioner Burroughs said I'll just use an example if I may. Fishing and boating sales, I mean that's one of these best practices, what do we as a Commission and Parks & Rec know about boating sales. When I see that it raises—it's just one thing that raises a flag. Do we fund something for that or is that mandated through the Commission. Was that something set up decades ago with Parks. I'm just trying to understand because I see Senior Programs, but we also have an Aging budget. If I had to go in and look at Consolidated Parks & Rec, I'm going to look at state and federal mandate, Commission mandate. Best Practices is my subjective services. **Mr. Lindsey** said yes. I mean they are discretionary spending. I mean there's something that we don't have to do. **Commissioner Burroughs** said okay, thank you. That explains it, discretionary funding. I appreciate that. I just want to make sure I'm reading—because at first I found it a little confusing. I was trying to follow and then when I saw this one, it came to light.

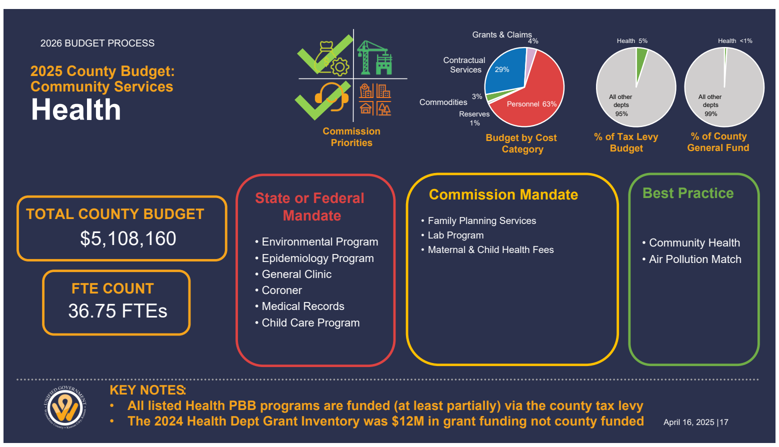
Commissioner Burns said, Reggie, I trust that some of the state mandates were passed when Burroughs was in the Legislature. Is that right? **Mr. Lindsey** said I can't say. I don't know which ones exactly that would have been passed when he was there, but there is that possibility. **Commissioner Burroughs** said if it's a state mandate and 26 years, there's a chance it did come before me. I know I didn't mandate the fishing and boat sales.

Michael Peterson, Deputy Budget Director, said I was just going to say I think the word sales probably was put there in error, so that's meant to be like fishing license activity, fish stocking, and the boating activity that happens at Wyandotte County Lake. I'm sure Parks & Rec could speak more to it if we want them to, but it's not sales of boats and fish.

Commissioner Lopez said when you're saying, you know, when people are buying their permits to boat on the lake and then the permits they're buying they're spending money for fishing permits and things like that, right? We're not spending money on boats. It's the money coming in, right? **Mr. Lindsey** said yeah, that would be yes and we do have Parks & Rec here to answer that question also.

Angel Ferrara, Director of Parks & Recreation, said that would be correct. It would be for the fishing and boating permits, not for the sale of boats. **Commissioner Burroughs** said please note, I'm not trying to pick just specifically on Parks. When I see best practices, but I do see some, as I stated, like Senior Programs, I know we have an Aging budget as to why we may be able to consolidate some services. I'm just looking at how this was presented as best practice when it's really discretionary funding, but some of this would go hand in hand with a Commission mandate or a state and federal mandate. It was just when I see certain things that stick out like summer camp, you know, I don't know what the costs of those programs are, how they got set up, who requested them, do we have enough children taking advantage of that. Those are some of the questions that some of us might want to drill down into and trust me, I'm not picking on Parks. It's just when best practices come up with all of these sidebars that just raises some questions.

Ms. Ferrara said while I'm up here I'll just put a plug in for our annual report. It's got a lot of good information and data on numbers and programs and all that good stuff. Make sure and take a look, it could answer some questions.



Mr. Lindsey said our next department that we're going to look at is the Health Department. They have a total budget of $5.1M. They have a total FTEs of almost 37 people. This is its own separate Tax Levy Fund. It doesn't receive much money from the County General Fund at all. You see there are state and federal mandates for Environmental Programs, Epidemiology Program, General Clinic, Coroner, Medical Records, and Child Care Program. Then Commission mandates, which are mandates at the local level, Family Planning Services, Lab Program, and Maternal & Child Health fees. Under best practices we have Community Health and Air Pollution Match Program.

Also, they do get a substantial amount of funding through grants that they have and that's about $12M.

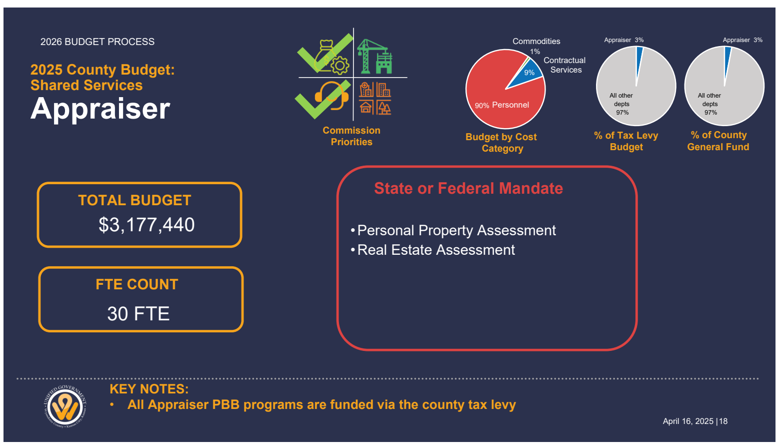
Commissioner Lopez said on the Health, like our County Coroner, where they're at over off Merriam Lane, I knew that building, but I didn't know what it was, now I know. I was told too that seven other counties use that coroner that we use. What are we funding them versus other counties? **Mr. Lindsey** said what do we do as far as—**Commissioner Lopez** said we're funding the County Coroner, but seven other counties or six other counties, so I think—or seven counties altogether including us is using him, funding him too. What I'm trying to ask is are we funding him—**Mr. Lindsey** said they also do pay. **Commissioner Lopez** said so we're not paying the other counties—**Mr. Lindsey** said the other six counties, we're not funding the other six counties. **Commissioner Lopez** said so we all split the money then within seven. **Mr. Lindsey** said yeah, it's based on the services that are provided, so there is a fee that's paid to the actual coroner, but it's also based on how much activity there is also. **Commissioner Lopez** said I got you.

Commissioner Bynum said with the Health Department, so the $5.1M is the county funded part of the budget. Is that correct? **Mr. Lindsey** said yeah, and it's actually the Health Levy. **Commissioner Bynum** said okay, that's the Health Levy. Additionally, they bring in another 12 in grants, is that what I heard you say? **Mr. Lindsey** said yes.

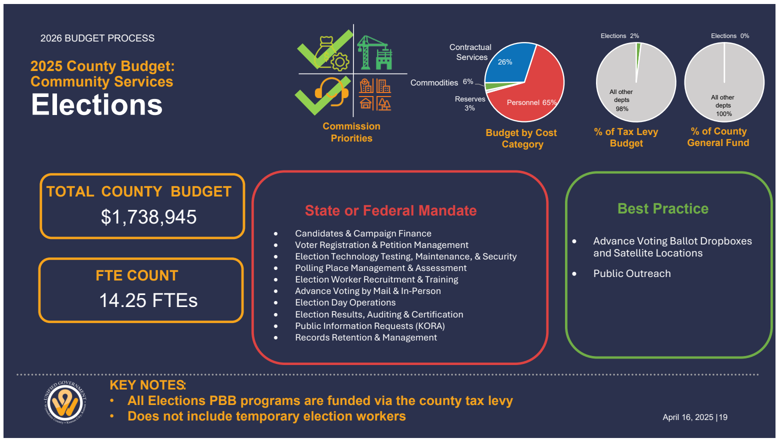
Commissioner Bynum said question on the mandates part. Are there no mandates for vaccines? I know they provide them. **Mr. Lindsey** said I don't know. I think I did see Terrie here. **Terrie Garrison, Interim Director of the Health Department,** said yes, immunizations is part of the Maternal and Child Health. That is part of our grant. That's one of our grants. The part that's the Commission mandate is we bring in fees, service fees, so that is an account for that as well as we have match. Some of our grants have match. Maternal and Child Health is one of those grants that has a match, so when you see that, that's kind of what that's talking about. It's revenue that we generate as well as a match that we have to pay out—or have to match to our grant money.

Commissioner Bynum said I feel like there's quite a few more actual mandates than are listed. We don't have to dive into every single one of them, but like swimming pools, I think, is a local requirement as far as your involvement in making sure that they're safe. **Ms. Garrison** said yes. That's part of our Environmental Inspections is aquatics as well as septic as well as schools and daycares. The childcare licensing is the daycares. **Commissioner Bynum** said okay, thanks.

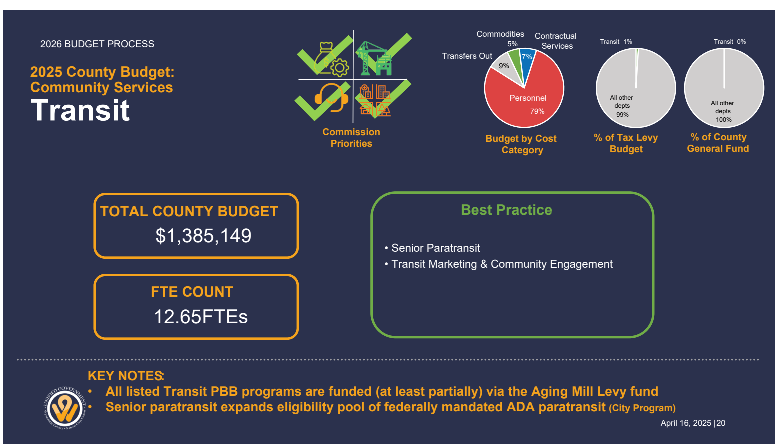
Mr. Lindsey said also some background, when you do see the state and federal mandates and the Commission mandates up here on the screen for the different departments, there are a lot of different mandates and one of the things we did was consolidate them to provide a summary. Some of the things Terrie just mentioned, like she said, one of the items was within the Environmental Programs looking at the pools. There are a number of other mandates that, you know, if we drill down further would show up, but in the sake of providing a summary to the Commission we wanted to make sure that it was in a precise format to explain to you all.



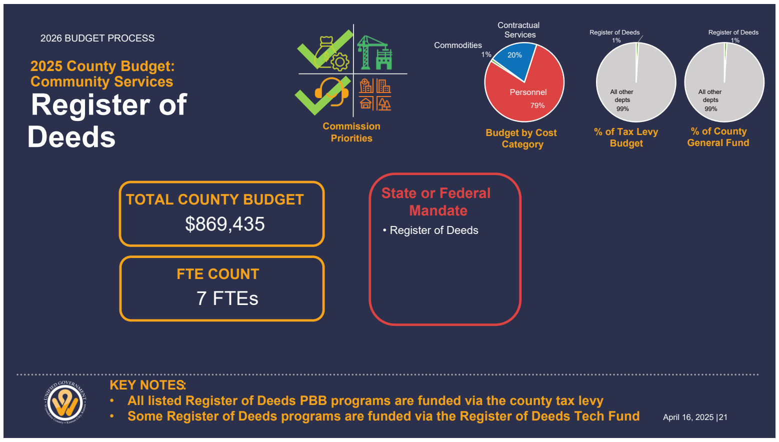
The Appraiser has almost $3.2M and he has 30 FTEs. Everything he does is state and federal mandated, which is personal property assessment and then real estate assessment. All his funding does come from the County General Fund and he is 3% of the total County General Fund. We can also that as far as his budget 90% of it is personnel.



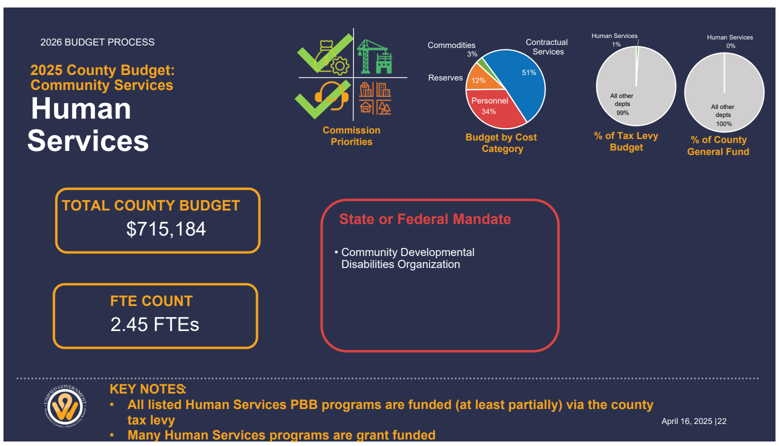
Next we have the Election Office. It's a $1.7M budget. They have 14.25 FTEs. Their funding is via their tax—they have their own Tax Levy, so that's where all their funding comes from. We see most of their services and programs that they offer are either state or federally mandated or there are some best practices that they do provide. Most of the personnel is 65% with contractual services being 26% of their budget.



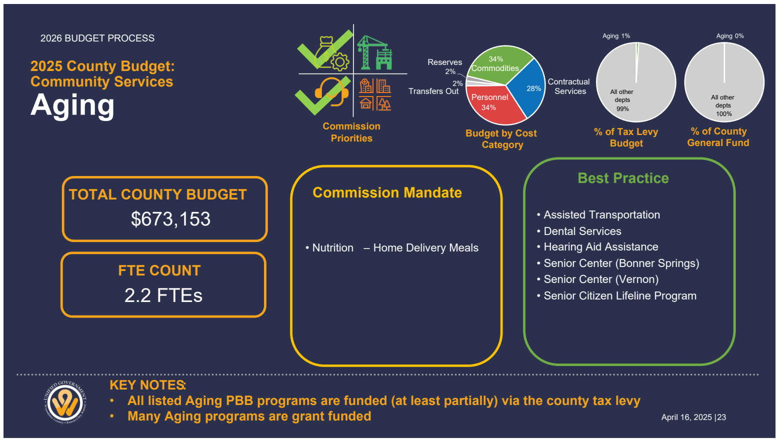
Transit, county budget-wise, it has a $1.3M budget and it has almost 13 FTEs. One of the things about Transit's budget on the county side, most of the funding does come from the Aging Tax Levy Fund. We see none of the services there are mandated. They're all best practices, which are services we provide just at a county level to our citizens. We see that almost 80% of the costs are related to personnel.



We have Register of Deeds. It has about an $870K budget with 7 FTEs. All this funding does come from the County General Fund and we see most of its costs are personnel at about 80%.

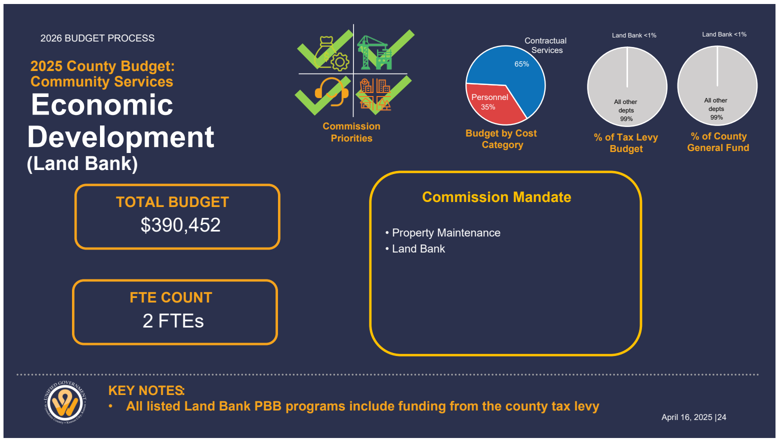


Next we have the Human Services budget. It's a total county budget of $715K and it has almost 2.5 FTEs. This budget does have its own levy. It doesn't get any funding from the County General Fund. We can see everything that it does is state and federally mandated. We see that personnel is 34%. They also receive a good amount of grant funding at the state level.

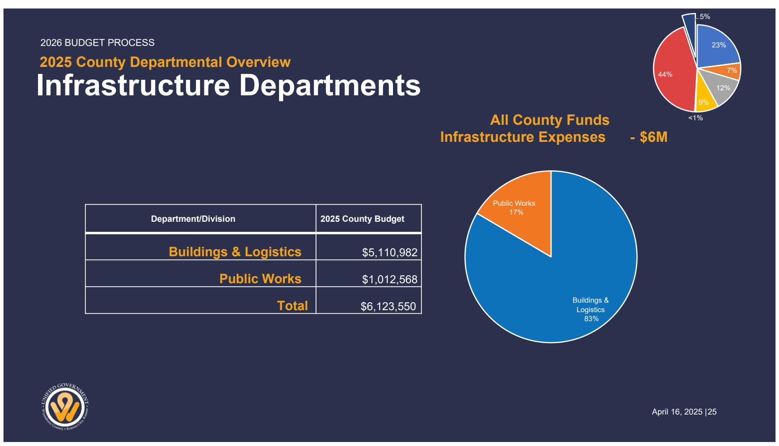


We have Aging. From the county it receives $673K. Other than that, $673K does come from the Aging Levy which it shares with Transit. They have 2.2 FTEs. They also do receive a good amount of grant funding that comes through the state and we see they do have one Commission mandated program, but the rest of their programs are best practices. We see that personnel ends up being like 34% of their budget and then contractual services are 51%.

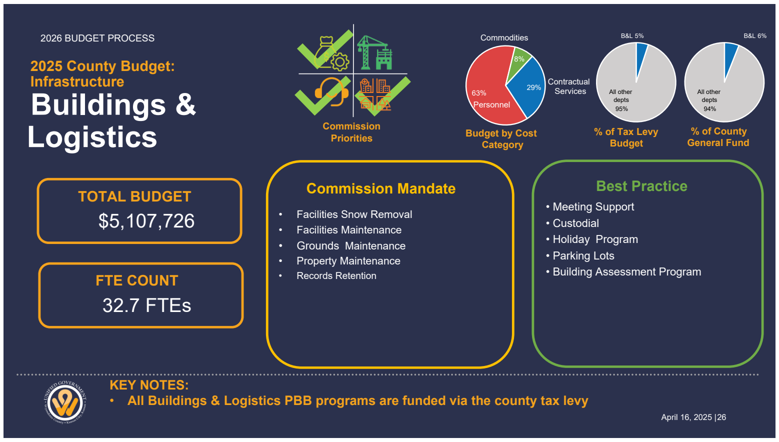
Commissioner Bynum said is Aging here because this isn't your whole budget and this isn't all your people, so would you help us there? **Ruth Jones, Director of Area Agency on Aging,** said could you ask the question again? **Commissioner Bynum** said you have more than 2.2 full-time employees and you have a bigger budget. **Ms. Jones** said yeah, we have 12 and about 80% of our budget is federal and state. **Commissioner Bynum** said I'm going to guess that the federal funding that's provided means there are some federal mandates that go with it. **Ms. Jones** said of course. **Commissioner Bynum** said I just wanted to be a little bit more precise. This slide I guess, Reggie, is showing us what the County Aging Mill Levy contributes to the Area Agency on Aging. Would that be correct? **Mr. Lindsey** said that is correct. **Commissioner Bynum** said like total budget, do you know it off hand Ruth? It's okay if you don't. **Ms. Jones** said about $2.9M.



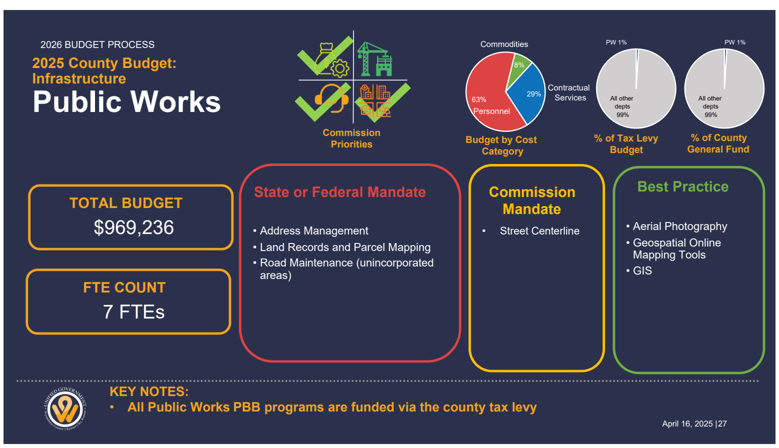
Mr. Lindsey said the next department we're going to drill down to is Economic Development. They have a total budget of $390K. This amount does come from the County General Fund and 2 FTEs. We see personnel is about 35% of their budget. The services and programs that they do provide the community are Commission mandated being Property Maintenance and Land Bank.



Next, we have our Infrastructure Departments, which consist of Building & Logistics and Public Works. The two departments together make up $6.1M.

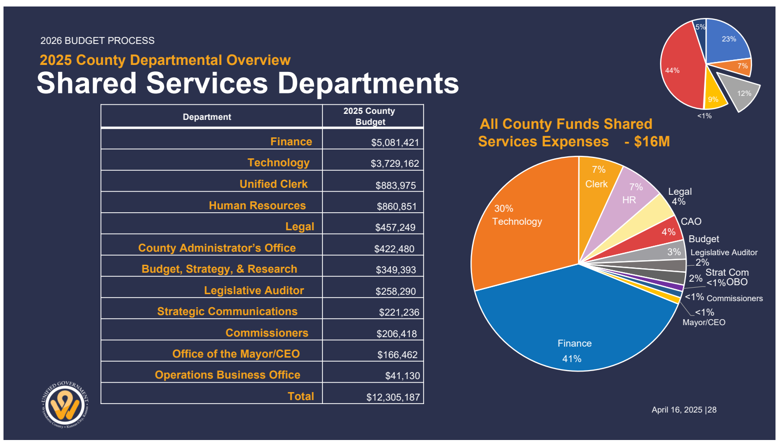


Building & Logistics is $5.1M and has a FTE count of 32 FTEs. We can see as far as Commission priorities it does match three of our Commission priorities, Infrastructure, Fiscal Sustainability, and also Customer Service. What they provide as far as Commission mandates are Facilities Snow Removal, Facilities Maintenance, Grounds Maintenance, Property Maintenance, and Records Retention. There's best practices that they do provide the community being Meeting Support, Custodial Services, Holiday Program, Parking Lot Maintenance, and Building Assessment Program.



We have Public Works next. We have total budget coming from the County General Fund of about $970K and total FTE is 7. Some of the main things that are happening on the county side within Public Works are our GIS Program and our Road and Maintenance Programs and Services that they provide.

Commissioner Burns said, Reggie, what is Street Centerline? **Mr. Lindsey** said I think Chris Cooley is going to come up and answer that question. **Chris Cooley, GIS Director,** said actually, that's misidentified. The Street Centerline should be a state mandated program. Street Centerline, as well as address points. Mapping—proper mapping of those is essential for 911 Dispatch and 911 use. There are state statutes that require us to maintain and report that to the state, the GIS Coordinating Council. So, that's what the Street Centerline is. It is a street map. Street Centerline is more of kind of a way that we explain it, but essentially it's a street map. Accurate data contains address attribute data about the street network and things like that that's used by the 911 system as well as we're using it to support our general mapping and economic development and other activities that might require just a street map.



Department	2025 County Budget
Finance	$5,081,421
Technology	$3,729,162
Unified Clerk	$883,975
Human Resources	$860,851
Legal	$457,249
County Administrator's Office	$422,480
Budget, Strategy, & Research	$349,393
Legislative Auditor	$258,290
Strategic Communications	$221,236
Commissioners	$206,418
Office of the Mayor/CEO	$166,462
Operations Business Office	$41,130
Total	$12,305,187

Mr. Lindsey said our next set of departments are our Shared Services Departments. These are departments that have both city and county functions and what we did was provide a summary of those. We didn't plan to drill down into those, but those departments are Finance, Technology, Unified Clerk, Human Resources, Legal, County Administrator's Office, Budget Office, Legislative Auditor, Strategic Communications, Commission Office, Office of the Mayor/CEO, and our Operations Business Office. Again, these are departments that offer services to both the city and the county and they're split 70% city and 30% county.

Commissioner Burroughs said, Reggie, you've given us all of our total county budget numbers. Those numbers come from the mill levy that is assigned to that particular entity, correct? **Mr. Lindsey** said there will be some of those departments that don't have an actual mill levy. Some of those departments do have their own assigned mill levy, but there are a number of them that are just funded out of the County General Fund.

Commissioner Burroughs said if I may, I'm going to use Elections as an example. They have a mill levy that has been assigned to them and their budgeted amount this last year from the mills generated was $1.738M. That's what I can take away from the mill assessment on the Election Department, correct? **Mr. Lindsey** said yes. There possibly could be some small amounts within their fund that do not fall right within their department and that would be related to like insurance premiums, things like that that they have to pay, cyber security, those type of things. **Commissioner Burroughs** said with that in mind, they have to find the wherewithal to fund those things like that within their budget? **Mr. Lindsey** said yes and there are things that are for service that help them provide their services, so it does come out of the Election Levy.

Commissioner Burroughs said the reason why I ask is because I know that in dealing with HAVA in the Legislature, there was so much money allocated to the Election Offices to ensure one, they had modern equipment for elections and be able to pay for whatever was necessary to go on the ballot as well as to prepare for like a presidential election and this is one the first times that I can recall that we had a presidential—I can't think of the word right now. I just want to ensure that when I look at Elections and I look at Aging and a few of the others that have the mill levy that if they're not providing—if we're not providing enough revenue for them to operate efficiently and effectively, then the mill levy is up to us to adjust to ensure that revenue stream is met at request provided the Commission chooses to do so. Two, if they're putting too much money into Reserves, then that might state they're either not providing services or the mill levy may be too high and they're not expending all of that money.

I would just hope that as we're coming into election season again and next year will be the presidential election that we do everything to ensure that our Election Office has the resources to do what the Election Office is mandated to do. I guess that's why I just want to ensure that $1.738945 is what the mill levy is providing them in dollar value in this year's budget. Thank you Reggie.

Commissioner Hill said I have a couple quick questions. For the FTEs, full-time employees, are they the actual amount that is budgeted for or is this the amount we're paying for right now, the FTEs? **Mr. Lindsey** said it's the amount we have budgeted for. **Commissioner Hill** said help me to understand like Human Services FTE count is 2.45, so explain the 45. I'm just trying to understand. I've seen it before. **Mr. Lindsey** said Human Services, they do receive grants, so what they do have going on in their department, they could have one person that is paid from half a grant and then one person that is paid from the WDDO Tax Levy, so that would split, so the FTE, some of it would split over into the Grant Fund to make up one whole person.

Mr. Lindsey said that was the end of our presentation for County Mandated Departments. I don't know if there's any more questions related to that.

Commissioner Lopez said let's go back to the Election Department. When you were saying they have to pay insurance, their money, some of that is allocated towards insurance. Is that an insurance that they are told to use an insurance company that they're told to use, they have to use? **Mr. Lindsey** said as the Unified Government we do have like an insurance broker that we buy insurance through who goes and finds us a carrier. For instance, like property and casualty insurance is insured by the same carrier for all our buildings. I mean, in essence, they use the same carrier as all our buildings. **Commissioner Lopez** said I was just asking what if—I mean it's hypothetical, but what if they went and had their own broker and said I found an insurance company that could insure our department that's going to be a little bit more cost effective for our department. **Mr. Lindsey** said I don't know legally they could. **Commissioner Lopez** said I mean if they just said, hey, I've got this broker guy and he's going to line us out with this and it's going to be more cost effective than what we're paying right now to help them, put some of those other monies towards equipment or whatever they would need. Would that be possible? That's in other departments that are mandated to pay insurance as well. **Mr. Lindsey** said I'll let Legal answer that question.

Wendy Green, Deputy Chief Counsel, said would you say that again? **Commissioner Lopez** said they're mandated to pay an insurance fee through a broker. I have brokers that I go through as well, but if one department said, hey, I'm just shopping and just happened to trip and fall on this one insurance outfit and they're just going to line this out. We won't have to, you know, it's more cost effective than what we're paying. **Ms. Green** said you're saying like a department in and of itself wants to go pay a different insurance brokerage fee. Normally we would have to go through an RFP process to do that, so we would have already done that with whoever we are currently paying. So, if there is a situation where a different fee or a reduced fee was found, we could determine at the end of whatever contract we had with the current broker that we could put it out for RFP again to see if we could find a reduced fee, absolutely. We wouldn't just be able to break the contract that we had at the time and just switch at that time.

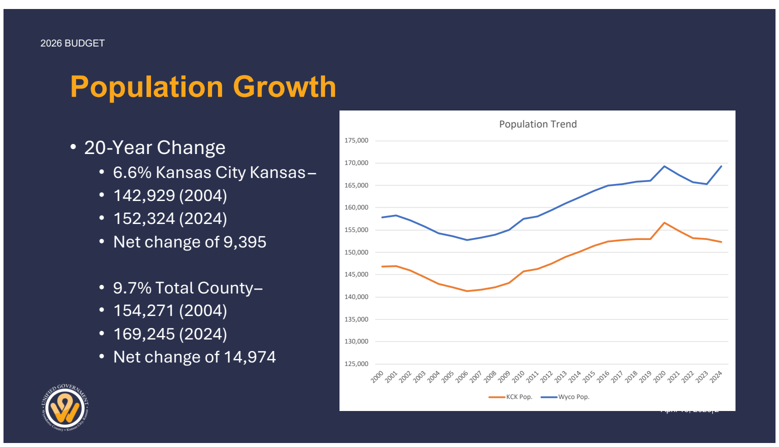
Commissioner Burroughs said do we know if any of these entities that we've discussed here this evening, do any of them outsource some of their responsibilities to a third party that basically they just administer the program? And if they do, do we get some kind of report back that shows how those dollars were spent that comes back to the CFO or somebody to review to make sure that those programs are meeting the criteria that were RFP or spirit of the contract that was negotiated. So, if hypothetically, one of our departments prioritizes grass cutting, do we know if that contract, the spirit of that contract is being met on a certain timeline? So, if they miss three or four days, do we get a reimbursement? Do we not pay them? How is that set up, do we know that the taxpayers are getting what was committed to them in a private contract? **Ms. Green** said let me tackle a little bit of that first. I will say that it's going to have to depend on a contract by contract basis and probably a department by department basis. So, for your specific example with mowing, our mowing contracts do have provisions in them that state if that particular vendor or the mower doesn't meet the requirements of the contract—let's say they don't get out there as often as the contract requires, if they're not doing the quality that the contract sets for, then yes, we can absolutely tell them that their services are no longer needed and we will go find another mower. In fact, I've had to write that letter before on behalf of the Parks & Rec Department.

Commissioner Burroughs said I think that's extremely important. If we're going to fund a department and then they're going to subcontract out some of the work, that privatization, here nor there on it, I just want to ensure that we're getting the agreed upon services and that there's a way to monitor that. So, if an agency comes before us and asks for additional dollars to provide those services, that we have a track record or some kind of proof that those services are being provided in a manner that is professional and above board with an RFP.

Mayor Garner said is that the end of your presentation? **Mr. Lindsey** said yes, but we do have another presentation by Dr. Kneuvean. **Mayor Garner** asked, are there any other questions for Mr. Lindsey in regard to his presentation? Okay, thank you, Reggie. Great presentation.

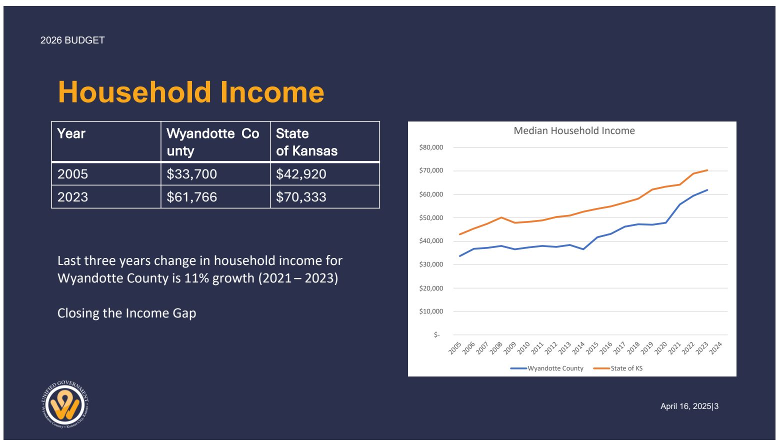
We're going to now turn it over to Shelley Kneuvean who's our Chief Financial Officer. She has a presentation. I asked her to put this together on behalf of the Unified Government and Commission to just really walk us through some of the historical data on our budget. She did a real good job. She has a more thorough report. Commissioners, if you want to see that, she can get that to you if she hasn't already done so, but this should be an abbreviated version.

Shelley Kneuvean, Chief Financial Officer, said as the Mayor said, some of the discussion that the County Administrator, the Mayor, and the Commission have all had is how did we find ourselves in a place where we have financial struggles so that we can chart a course going forward so that we can achieve financial sustainability. The purpose of this report is really to look back. The time periods are typically 10 or 20 years, but it's to look back at data and just kind of pick up some clues. There's a thousand more questions this data may cause you to ask, but it's intended to give you kind of a 10,000 foot level of our historical financial condition.

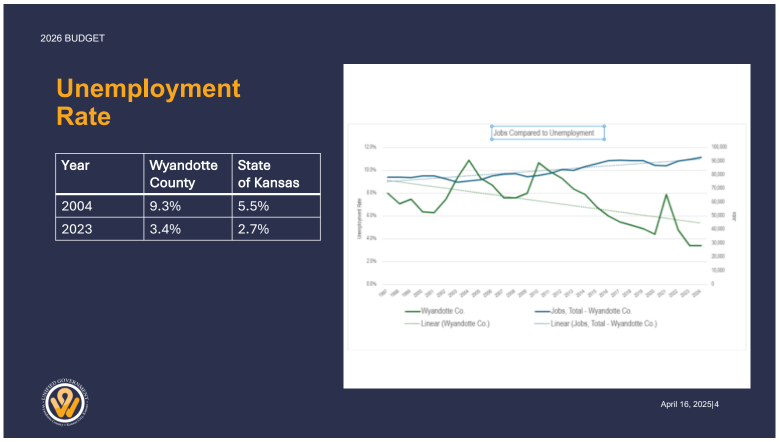


One of the things that indirectly affects our finances because it's the people we serve, but it's also the people that pay taxes and they pay revenues for services is our population. When you look back at our population for the city, the population over the last 20 years has grown about 9,000 people, so it's a pretty modest growth, about 6.6% over a 20-year period. There's been more growth on the county side. We've had about 14, almost 15,000 people, which is about a 9.7% growth. You can see that we've had growth, but it's been modest, so it's relatively the same population base that we're serving. By way of comparison, I looked up this afternoon a couple of the counties surrounding us just to see what kind of population growth they had in the same time period. Johnson County, I assume we would all assume that they've had more significant growth.

They have, they've grown 38% over the same time period. Douglas County, where KU is, for example, has grown 17%. Leavenworth County 17%, and even on the Missouri side, Jackson County, so kind of those counties right around us has grown 10%, so they're outpacing the growth that we've experienced, but we have had a growth. You can see in the last couple of years towards the far right of the chart that Wyandotte County is the blue line and its had an uptick and you can see that the Kansas City side has had a downtick. That primarily represents some of the growth that's occurred in Bonner Springs and in Edwardsville where the county numbers include those jurisdictions and the city numbers are just the city proper, so just a perspective about our population base.

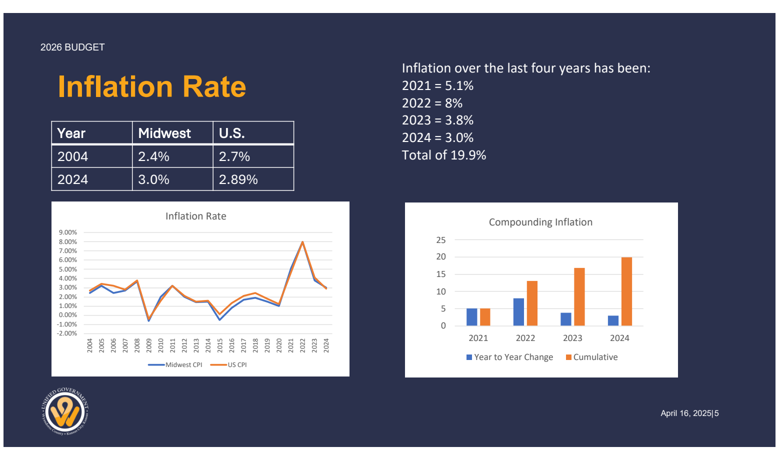


When you look at household income, of those populations you can see over the last 20 years roughly that our household income has been increasing. We benchmark against the state of Kansas and what you can see there is that from 2005 to 2023 the state grew from 42,000, almost 43,000 to 70,000 and Wyandotte County grew from 33,000, almost 34,000 to almost 62,000. What you can see is that we have lagged behind the state in terms of median household income, but what you can also see is that we've started to narrow the gap. Particularly in the last three years, our household incomes have increased by 11%, so that's a positive indicator, but we're still behind the state, but making progress. So, we're headed in the right direction in terms of household income.



Unemployment is another thing that we look at in terms of—in a way thinking about people's ability to pay. What you see here, the green line is the unemployment rate for Wyandotte County and the blue line is creation of new jobs. You've seen a steady increase over the years of job growth, but you've seen a really good decrease in unemployment rates. Again, we benchmarked against the state of Kansas. In 2004 Wyandotte County was at 9.3% unemployment and the state of Kansas was at 5.5%, but by 2023 Wyandotte County is down to 3.4% and the state of Kansas was at 2.7%. So again, it's a good indicator. We've got steady increase of jobs, we have lower unemployment, we have better household income, and generally for the same population because we haven't had a lot of population growth. These are good indicators, a little ways to keep going, but it is a good indicator in general for our community.

I will mention these are the kinds of things that the bond counsels and the bond rating agencies do look at. They want to see growth in population, growth in household income, and a decrease in unemployment, so these are positive trends.



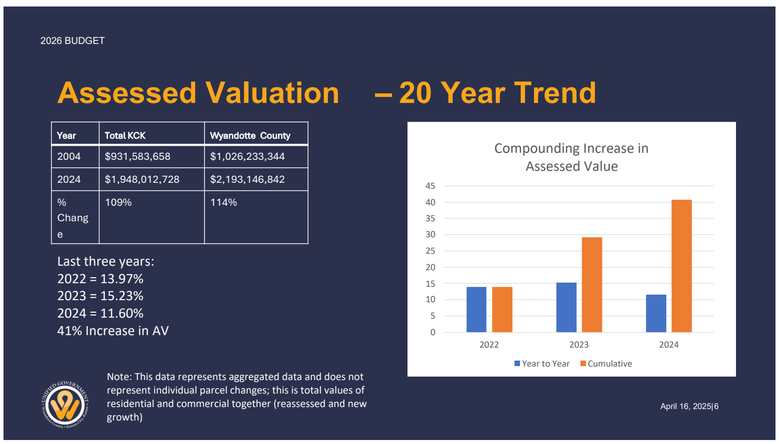
Unfortunately though, while we were making headway on some of those factors, the inflation rate was growing at the same time. Typically, the inflation rate in the Midwest or the US was generally 2 to 3% per year, but as you can see on the chart on the left you see this huge spike that occurred in '21, '22, and '23. So post-COVID we saw a huge spike in inflation and we all know that. When we go to the store and we buy groceries or we buy anything, the cost of goods is more and that has really increased over the last three years. So, it's a point to consider and to think about. When you're thinking about, yes, we're making gain on household income, but those dollars are going not as far because of inflation. In particular, what's happened there, there's just some anomalies that have happened in the last few years in terms of inflation, so when you hear a report about the inflation rate, what you should know is what they're reporting is the inflation rate year-over-year.

What this is telling you is that from '20 to '21 the inflation rate was 5.1%. So, what I tried to do is illustrate through the bar chart, then by '22 it was 8%, so it went up even more, but that's 8% on top of a number that was 5.1% higher, so it starts compounding. Then you look at the next year for '23 and it was 3.8%, so it's starting to normalize, but again, it is still on a higher base level because that is just the change year to year. By '24 another 3%, so really over the last four years people in the Midwest and the United States, really across the board, have experienced significant inflation rate growth about 20%.

So, it's to keep it in context of understanding the challenges and I know you all do because you hear pleas for property tax relief, PILOT relief. People are looking for relief because things are simply costing more. Their incomes have gone up but it's outpaced by inflation.

Commissioner Bynum said I understand the compounding side, but I'm trying to make it match up with the graph, so help me read the graph because I think the graph says in '04 in the Midwest the inflation rate was 2.5ish and in 2024 it was 3 point something. **Ms. Kneuvean** said the graph is the percent change year to year, so that's the difference. Like, for example, I said for '24, work backwards will be a little easier. So '24 we're down to 3%, so you see that pretty big steep drop and this is why I did the other chart, it doesn't capture the compounding. This is just year-to-year rates and changes in the rates. So it shows that, yes, it's come back down, we're not having inflation at 8 or 10%. We're having it back to more of a normal 2 to 3%, but you have to always remember that is a compounding number for the consumer on the end of that. Does that help a little bit? **Commissioner Bynum** said a little bit, but if I understood what you just said, the graph is not necessarily an indication of the actual rate. **Ms. Kneuvean** said it's the rate year-to-year, but it's not the cumulative impact. This doesn't look at in 2004 I started at number X and each year it went up 2 or 3% and so doing a comparison to see overall how much has it compounded, I didn't do that. I feel like it's particularly important for the last few years because we truly have had an anomaly in our economy where inflation has just spiked at an extraordinary level.

Also I might mention in the detailed report, which you do have a copy of, I go through and list out every year, so you can see exactly what it was year-to-year if you're interested in that level of detail, so you have that for reference.



Assessed valuation over 20 years. What this chart tells you or what this information tells you is that our assessed value has grown in KCK and Wyandotte County both. It's almost doubled in 20 years or more than doubled in 20 years, 109% for the city and then 114% for the county. Again, as far as bond rating agencies look, they want to see that your property values are going up. I will say that this is a combined number of new growth plus reassessment, but what they're looking for and what we would all really want is that the value of our properties is going up. We don't want the value of our properties to go down, but the downside of that is that the way our property taxes are calculated, as you all well know, is that if your assessed value goes up, then you're paying more in taxes depending on what the various taxing districts did because it's an equation based on the value of your property.

One of the things again we pulled out, because again it's an anomaly, over the last three years we had a similar thing that we saw in the inflation happen with assessed value and this is not unique to Wyandotte County or KCK. If you pick up any newspaper, you're going to see communities talking about this issue in Johnson County, Jackson County, Lee's Summit, Overland

Park, it's a universal thing and it's because the property values went up, which has some to do with inflation, but it also had to do with limited supply. When there is limited supply, demand is steady, then the value of that property goes up. So there's a positive in that overall. Our properties are worth more, which is good when you go to sell for example. The downside is that means that it potentially means you pay more in taxes and then over the last three years you can see that we had that same compounding effect. So, for KCK you had 109% assessed value growth, but remember that also includes new growth, all the new stuff that's built in a year. That's not all reassessment, but in the last three years we had almost 14% in assessed value growth. We had 15% in '23 and then in '24 we had almost 12%.

You have a situation where the increase in our assessed value, just like inflation, hit those three years. It was a dramatic increase, 41% and it compounded because again when we report out that our assessed value has gone up, that's on whatever the prior number was. It's gone up a certain percentage based on a prior number. Assessed value though does not automatically equate to tax levy mill rates. That's all decided by each one of the governing boards and it also is in an aggregate here. This is not per parcel, so individual people did not necessarily see these kinds of increases. They likely saw increases but it was a matter of on the whole this was what had happened. It really does in a way, I think, help explain why we're experiencing taxpayer fatigue. We've got people who are experiencing inflation, so like rapid inflation. So, the things they're buying are costing more, the assessed values going up, which in one hand is a great thing because you would probably hear as many complaints if our assessed values were going down, you would have people worried about should I try to get out of my house before the housing bubble burst, which happened in 2008 and people were in over their head and their houses were not valued at the level that they had a mortgage. So, it really cuts both ways, but it kind of helps us see visually where some of those things are coming from.

Commissioner Bynum said quick question on that last slide. If I take the total County Assessed Valuation of the \$2.193B and I subtract the KCK of the \$1.948, the difference would roughly be the total assessed value of Bonner and Edwardsville combined. **Ms. Kneuvean** said that's right.

Mayor Garner said on this great slide, the assessed values have gone up and those are huge numbers. If you can go back and just kind of reiterate how that translates when you talk about the inflation rate and then coincide that with the incomes how that—I mean that poses a challenge to the Unified Government because it doesn't look like salaries are keeping up with inflation. And then for those that own property it seems like the appraised values are outpacing both, if that makes sense, which poses a big challenge to our commissioners when they have to try and find that balance of trying to put a pressure point, as I've always said, on property tax increases, especially when you talk about the higher cost for services that the Unified Government is expected to provide to our residents at a level that's responsible. I don't know if you want to talk about that a little more and how that all correlates.

Also, I know there's another figure we use because I have a lot of residents that ask me, you know, we talk about the costs here at the Unified Government continues to go up, but I know that there—and they compare that to me with the annual inflation rate. I think you all use some type of national formula. If you can explain that a little more so the public can kind of understand that it's not kind of apples and oranges per se when you talk about how you come up to determining that correlation between the inflation rate and then the percentages that's needed to run governments.

Ms. Kneuvean said yes, absolutely, Mayor. All of these numbers play together and a way to think about this is that my household income is increasing, but because of inflation, those dollars don't go as far and because my property is going up in value, and depending on what taxing districts do with taxes, then a greater percentage of my household income, if it's outpacing it, a greater percentage of my income is going to pay for that. Just like a greater percentage of my budget is going to pay for groceries when they cost more. So, it reduces people's discretionary spending and you're right in saying that inflation—a lot of people think about the consumer price index, which is the cost of goods and services. There's all sorts CPIs, Consumer Price Indexes. You can look at the Consumer Price Index for healthcare and compare like what are your health insurance rates doing and are they going up and in most cases the answer is yes.

So, it's just trying to balance all of those different statistics and I pulled these out in particular. I haven't talked about the expense side of our budget. We will here in a moment, but you're right there is an index that we benchmark against that kind of looks at the growth of budget for cities in general across the board each year because a city budget is going to include salaries for firefighters, police officers, street maintenance workers, finance people. It's going to have your salaries and that's not consumer price index. That's a different kind of index. It's going to have cost for our construction and there's a different index for construction in terms of what can we build today for the dollar that we have dedicated to Capital Improvements versus what we had for a dollar ten years ago. Well, there's a different index for that and that has rapidly increased as well. The balance of all of this is exactly what you said Mayor, which is trying to balance the needs that we have and providing the services, which have costs that do up, maintenance costs on IT technology agreements, cost of increases for the employees who are also experiencing CPI inflation as consumers. It's balancing all of those things with the needs that we have with what's the tolerance or ability for people to pay.

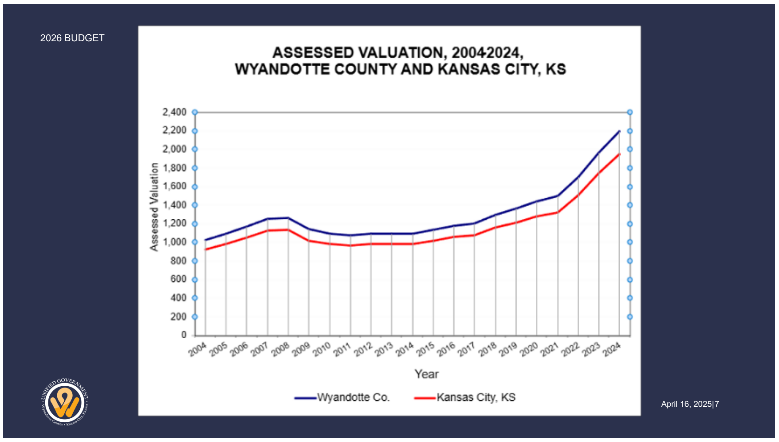
I know you all as a group struggled with that through this last process and I'm sure we'll continue to and we will look at options with you, give you options in terms of what can be done. I will say that the mill rate, and we'll talk about this here in a minute a little bit more, and then even more when we come back on the workshop on revenues. The mill rate is a part of our budget on the City General Fund and I'll drill in on the two General Funds because that's where most of our operations are paid for from. So, the mill rates are maybe say a third of the revenue there.

On the county side, it's the majority revenue, so the funds even are in different situations and then you look at what do they fund and that presents its own level of challenges. You all have a very hard job to balance all those things. I hope that answers, in a broad sense, your question. But it's looking at the dollars that people have to spend and the services that are mandated. The presentation that Reggie just went through and the cost of providing those services and then also complemented with our infrastructure needs, which I know you've heard some of those discussions and we'll have another presentation in terms of the CIP and the Capital needs that we have and you're balancing all of that to try and balance out how do we meet the needs and make it so that it is within the realm of affordable as best we can. That's therein lies the challenge of budget.

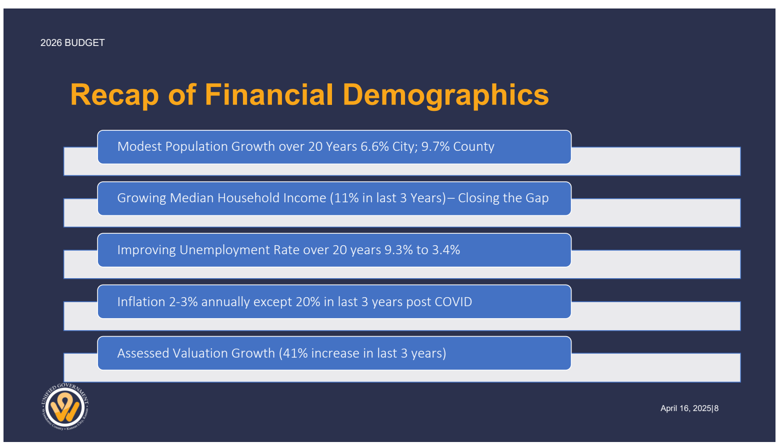
Mayor Garner said I challenge the Commission as you all move through the budget process in collaboration with the committee—I know there's some, I think, you call them Dotte Talk, some budget workshops coming out with the community to look at that and really I've said this since I've been Mayor. I think we really need to drill down and identify what are essential services when you talk about government. Top of my head, Public Safety obviously is one, infrastructure, parks, and then the day-to-day operation of our government, which could be administrative and then everything else on the side of that. I think a hard conversation needs to be asked is what is a need and what is a want and really asking our residents to help guide this in a way that's community-driven to hopefully mitigate some of the sentiment that's out there that exists with budgeting and allowed to be more community-driven in a way that we're really meeting the needs of the community based on the recommendations that we get back when we talk about essential services. Salaries aren't keeping up with inflation and those that own property neither one is keeping up with the appraisals because of the dynamic. You talk about the shortage of housing and several other factors. That's not unique to Wyandotte County, that's happening all over our nation.

When we talk about—people said, Mayor, please encourage the Commission to streamline, to tighten their belt, to operate more efficiently and that's all great, but when you don't have anymore—you know when you cut off the fat and you cut the meat off, you've even cut into the bone down to the marrow, you've really got to have a conversation. What are needs, what are wants and then make those hard decisions on—unfortunately because of where we are fiscally and I know you're going to present those numbers in further budget cycles, how do we stay out of the red, stay in the black, and operate in a way that's fiscally responsible. So, I just ask the Commission to really work with me and work with staff and more importantly work with our residents to really decide what are the essential services. Then once we make that determination, what's left and then really decide what can we live without when we talk about what's a necessity and this is something that maybe is a practice or something that we're used to having, but is something that is not an essential function of municipal government.

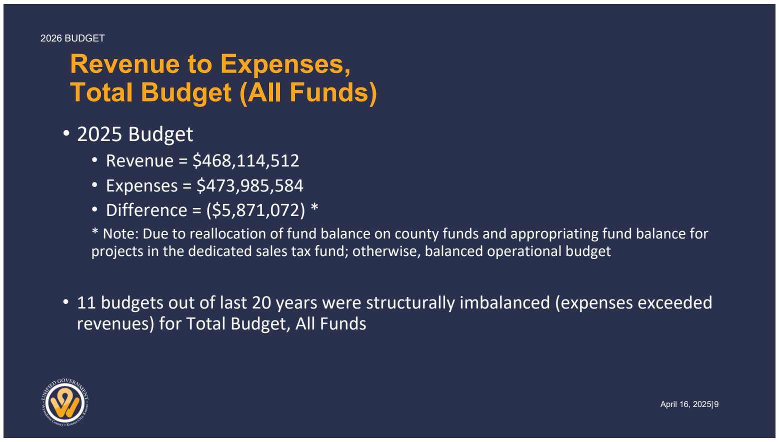
Ms. Kneuvean said the only thing I would add to that is what we highlighted on the county side tonight was the county funding. One of the things I think people get a little confused about is that we do, hey, we announced we've got a new program or we're doing this new thing or that new thing, many, if not all of those, are funded by grants, which those dollars are restricted. We apply for them because we're asking for those dollars so we can provide services that are discretionary, so I think an important part of the conversation is they may say we don't need X, Y, or Z, we have to take it one step further to say, okay, is that a grant funded program or is that really something that's being funded by the Unified Government through one of our funds. So, more conversation can happen around that, but it is an important part of it because we don't distinguish it when we announce some big effort that we're doing a study or a new program that we got money for from a grant, which we're glad to bring to Wyandotte County and KCK. We'll provide more information on that as appropriate.



This other slide was on assessed value just to highlight. It just illustrates—you can see pretty steady increases each year and then this kind of four-year rapid increase. It really illustrates that picture for both the city and the county.



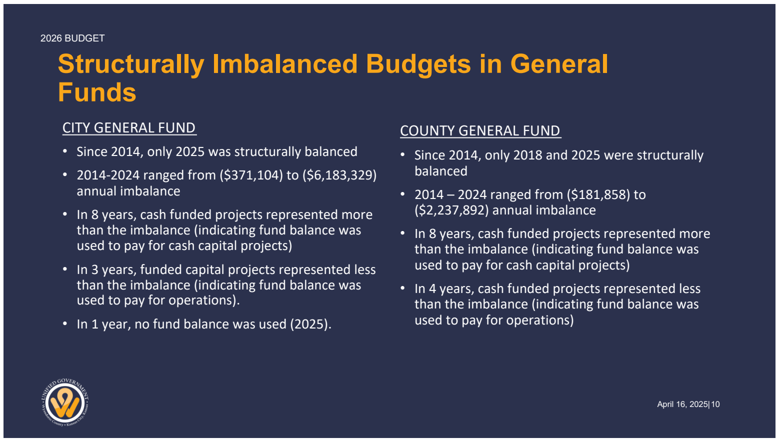
With these demographic information, I call them financial demographics, what you're seeing is modest population growth over a 20 year period. We are seeing growth in median household income. That's great and positive and we're closing the gap making progress, but unfortunately, the world experienced COVID and so inflation had increased significantly especially in the last three years and assessed valuation grew for reasons of inflation and limited supply in the last three years. So, the fact that we were making progress is wonderful and we need to continue making progress on our household income, reducing our unemployment rate, which is getting more jobs to our community, but the region as well. We can't ignore that we've had these anomalies that affect people every single day.



Revenue to Expenses, this is the total budget, all funds. I'm going to again stay at a pretty high level on this because we'll be talking about each one of these things in detail through the whole budget process. The 2025 budget, we had revenue of $468M and we had expenses of $473M, almost $474M, so you might go, hey, wait, I thought we had a balanced budget. In our General Funds we do have a balanced budget, so just to note that. That was the primary area we were looking at, but we also had some funds that had fund balances that were higher than they needed to be. We have a Commission approved policy that says 17% minimum, 25% ideal for a fund balance, which is typical. It's what's recommended nationally by the Government Finance Officers Association.

If you look at this year, we had a couple of key funds that we were spending down some of our fund balances. We spent an extra 2.3M in the Dedicated Sales Tax because our fund balance was too high. We spent 1.9M more in the Street & Highway Fund also on Capital Project because our fund balance was too high and then in the Tourism Fund, which is our Hotel/Motel Guest Tax that we have we spent $2.3M down from the fund balance on that one as well. The increase was for Capital Projects. So, this tells the story, but it doesn't tell the whole story.

Bigger picture, when you look at the bigger picture on this, out of the last 20 years we did have 20—I'm sorry, 11 of those years when you look at all the funds that we have it was called structurally imbalanced, which simply means the new revenue coming in that year is not as much to cover the new expenses for that year. Now, sometimes like this year, it's because we're purposely doing that, there's an intentionality about that, but sometimes there's not.



I started to drill down a little bit more in particular into our two General Funds, again, because those are the funds that pay for most of our operations. On the city side you can see since 2014 the only structurally balanced budget we had was the one that you all adopted for 2025, which, quite frankly, is remarkable and a compliment to everybody including the departments because we also did revenue neutral. So, we made a decision to take in less revenue, but we also made decisions to make the necessary cuts to tighten our belt, as the Mayor said, in order to be structurally balanced in our General Fund.

When you look back over those 10 years, again, you've got the detailed report that can tell you the exact years, but some years it was only 371K that we were out, kind of upside down, and as much as 6.2. So, I drilled down again a little bit more. I looked at okay, well, what were we doing in terms of Capital Projects and were we making a decision that we had a lot of Capital needs and we're going to pay cash for some Capital needs. So, out of those years, we had eight of them that the cash funded Capital Projects was more than the imbalance. What that means is we made an intentional decision to fund more to pay for Capital Projects. We could have not funded those cash Capital Projects and been balanced for the year, but it was a decision that was made in order to keep advancing a lot of the needs that we have and it kind of highlights when I get to the end, one of the things that we've got to figure out a good path forward on is how do we pay for those projects for cash, how do we meet our Capital needs.

We had three years though when you look at just those numbers, the total imbalance compared to the Capital Projects where it was less than the imbalance. So the Capital didn't explain the imbalance, which means we were funding our annual operations from the fund balance. It wasn't because of the Capital Projects and that's where that gets very dangerous because you can't sustain that year-over-year. Then, again, just to highlight this, last year we're on the right direction. We're on the right path of balancing the budget and we did so this year.

On the county side, so since 2014 we had two years that were actually balanced. Those imbalances were between 182K to 2.3M. Overall the county fund is smaller in size, so you'll see smaller numbers just relative to the size of the whole fund. The third bullet should say six years the cash funded projects represented more than the imbalance, so it's the same analogy, or not analogy, same explanation, that we spent more on Capital Projects that caused an overall imbalance. We were spending fund balance, but as we all know in those funds we don't have excess fund balance, so we're dipping into, and again, that's not financially sustainable. Then in four years, even more concerning, we did have cash projects that were less than the imbalance, which means we were using some of those dollars to pay for just normal annual operations. For the county side, the functions that Reggie just went through in his presentation.

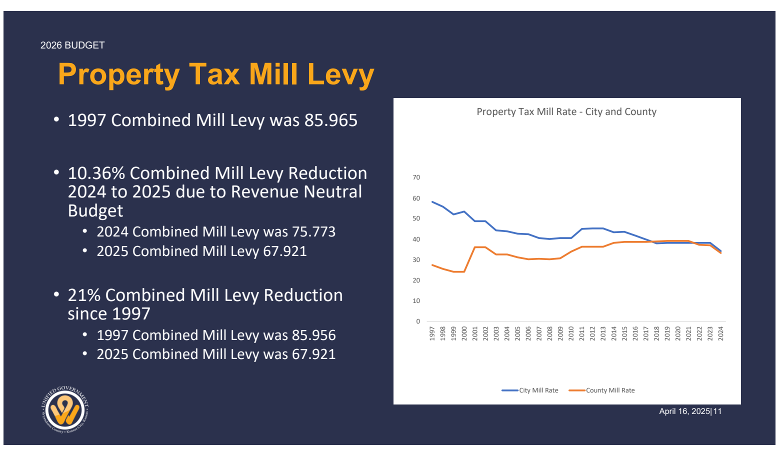
This just kind of gives you, again, a very high level look at the world in terms of imbalances and kind of one of the drivers, which is capital cash that we need to figure out some solutions there other than spending down fund balances unless it's intentional because that fund balance is too high like I explained for this year.

Mayor Garner said before you proceed, I'd like to give credit where credit is due. When I was elected Mayor, one of the things I did, first things I did, I directed the Administrator to have an audit. Robert Bobb group came in, they had a thorough soft audit, which really shed light on a lot of things that we just weren't aware of in our community. One being that structural imbalance, our debt, a lot of other things that just weren't being revealed, so I can say that this Commission really took note of that and I want the community to really—because if you look at where we were in 2020, Robert Bobb came in after the election in 2022, came out and they gave us a stark warning and I can tell you that this Commission took that warning seriously, staff did and we've been working diligently ever since to get us where we're at today. We were headed to a financial cliff in 2026 and 2028. That cliff was avoided through the work and partnership of this Commission, staff, and the leadership of our Administrators, Deputy County Administrator's, and Administrator and that was pushed out.

Now, even with the revenue neutral from last year we did become structurally balanced. We are operating a little more fiscally responsible. The belt was tightened at the demand and the request of a lot of our residents and these numbers are reflective of that. That doesn't mean the work isn't done and a lot more work doesn't need to be done, but what it does say is we're moving in the right direction.

I'd like to reassure the public that this Commission has made hard choices and hard decisions working together with me and our staff to start taking us in a different direction on how we spend and how we budget the public's tax dollars in a way that I think will be positive. And I'd like to say that good things aren't going to happen quick, but hopefully, you can see through this presentation and some of the data of these budget workshops that good things are happening along the way and that the future, if we continue to be fiscally responsible and intentional about how we budget taxpayers dollars, we can get to the point to where going well into the future the fiscal situation of the Unified Government can be bright.

I just wanted to thank this Commission, and more importantly, thank staff, Reggie Lindsey, his staff, our Administrator, our Deputy Administrators, as well as our new CFO for really drilling in and really shedding the light. Part of this presentation why I had her do this was because you got to kind of know where you came from to see where you're going and whatever mistakes were made in the past, not to throw anybody on front street or blast anybody or call anybody out about past decisions that were made, but those are learning opportunities. We can see where the mistakes were made and understand those mistakes were already made for us and Commissions present and future along with Mayors can know that those mistakes don't have to be repeated and we can take how we budget the taxpayers' dollars in an appropriate direction.



Ms. Kneuvean said this next slide is a look back on our property tax mill levy because there is so much discussion about that and you can see that in 1997, which is when we Unified, our combined levy, city/county, was 85.96, so that's how much it was in 1997. With the revenue neutral budget, it went down from 75.773 to 67.921 and how that works is that the assessed value has gone up, but we work backwards from the revenue received in the prior year and then we work backwards because the assessed value went up for lots of reasons, new growth, new construction, and assessed value. And we back into then what does the mill rate need to be to give us the same dollars we got last year, not the same mill levy, the same dollars. So, what happens is then you have a reduction in your mill levy, so for '25, for the bills that have gone out for 2025, December and May, is when the payments are due, 10.36% was a reduction in the mill rate. But even more important maybe because I hear questions asked about whether or not there's been anything good that happened because of unification, was it more efficient, were we having cost savings, and this chart illustrates with real numbers that the answer is yes. That the combined mill levies from 1997 to now have gone down 21% and that's a lot of combination of factors, but it's a matter of looking at well, we were paying so much more then versus what we're paying now in terms of mill levy. Again, there's lots of variables that go into that, but it demonstrate a positive from having unified.

Mayor Garner said I've got a question on that. A question I get a lot and I'm sure our commissioners get a lot, maybe some of you, we say that, what can you attribute because I get that same—I try and sell that and a lot of residents say, well Mayor, look at my tax bill from 1997 till now and it's steadily has gone up. I don't feel or see what you're telling me is reflective in those percentages and I don't always have a good response other than I relate it back to inflation in part and the cost of doing business here at the Unified Government. I don't know if you had a take on that when people come to you and say, okay, you can say all that great and wonderful stuff, it sounds good, but look at my property tax bill and I have them all and it continues to go up and goes up.

I know the appraisals play into that when you own property and we talked about that already. So, the question is, that message that you're sharing there and for those people that are saying that taxes are too high and it's a burden, I may lose my house, I may have to move out of the county, those are the type of people that I'm trying to reach and that really I'm trying to work with. Commission and staff, how do we help those folks to better understand and how do we find real relief that can better reflect what you're saying.

Ms. Kneuvean said there are a lot of variables at play here. We can't necessarily say directly what resulted in that 21%, but what we can point to is the slide that Reggie had in terms of shared services. We don't have two Finance Departments, we don't have two HR Departments, we don't have two Purchasing Departments. We consolidated all of those functions and so there is savings and efficiency by having one system. We don't have two computer systems, a financial management system. If you had the county as a standalone governmental entity from the city, you'd have two different financial management systems. So, those are examples of things you can look at that truly there's not duplication of services.

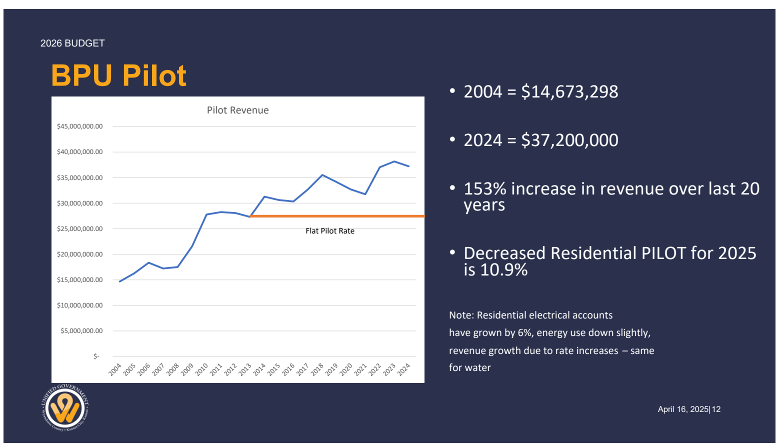
Now, a lot of what was talked about tonight in terms of the county services are cost shared with the city side. I think Reggie mentioned that it's—a lot of those are 70%, 30%, so that's taken into account. Where you get efficiencies outside of just the operations of any one department is by not duplicating. When you duplicate, that's the easiest way to get more efficiency, don't duplicate. You can point to real things that people can understand, HR, that there's not two HR Departments and so we're not duplicating, which in and of itself does make you more efficient. Now, does that equate to 21%, you know, there's too many variables that go into that, but if you still had two separate governments, you would still have two separate shared services, you would have two separate departments, so just as an example.

Commissioner Burns said, Shelley, did the amount of employees drop? **Ms. Kneuvean** said it did not. **Commissioner Burns** said the record should show also, I'm an old county guy, that at the time of consolidation the only debt that the county had was the jail and I think it was going to be retired in 2001 or whatever. At that time they had no other debt. The county did not have any other debt. They were fiscally responsible. Our old County Auditor made sure of that. Also, the former Legislative Auditor that just retired a couple years ago, told me at the time of consolidation, the county had $16M in cash reserve and when it was combined, it was spent in two years. So, you know, there's a lot of hidden things behind all that. I met with Dennis Hays and I showed him that for 10 years at my residence, only the city and the county rate always went up at least 10%. I don't think there's a lot of savings in consolidation. I think only one other county in Kansas has it. Why doesn't everybody else? I just think that we need to set the record straight when the county came over and they had the same amount of employees and the county salaries were less and it took the city—or the Unified Government two or three years to get them up where they said they were going to do instead of right away. So, that's my speech tonight.

Commissioner Lopez said you said one system, then why are we using two different systems? Why are we using CIC and Orion when Orion's the best out of all of them and then we have departments that have to use both systems and enter it twice. Why don't we just go straight Orion and there seems to be some serious problems with CIC, so just get rid of them completely and just go with Orion with everything. I understand that it's going to be a little bit if we do that, just go with Orion and it's going to take some man-hours to do what we've got to do, but at the end of the day we just keep moving forward and have to only enter it once instead of twice. That's holding up the show there and with all the discrepancies that CIC already has, why are we even still dealing with them? **Ms. Kneuvean** said I can't answer that.

Bridgette Cobbins, Assistant County Administrator, said Commissioner Lopez, CIC is a system that controls the tax process. Orion is a state mandated program that pretty much uses the Appraisal Office is what it's geared for. CIC, we've been with that system for a while and it does have some good things to it, but we do have a team that's looking at trying to figure out what we need to do going forward to transition to a different system. Orion is mandated by the state for the Appraiser Office to use it for the Appraiser side. CIC does the calculation for the actual tax side of it, so two different systems doing two totally different things, but the state mandates that the Appraiser's Office uses Orion. But we do have our Tax Administration group that is evaluating transitioning over into a new software, but that's why we use two different systems.

Commissioner Lopez said right, but what I was looking into too is Orion could do everything CIC does. **Ms. Kneuvean** said if I can add to what Bridgette just shared, now there is a module that it's through Tyler Technology who owns the Orion system that can do the tax side, so as technology evolves then it's able to do more things. Other counties have implemented it. We have looked at it because you're right there is double entry. It's very inefficient what we are doing now and there's a strong desire to move forward on having one common platform, different modules as Bridgette was saying, but one platform and many counties have moved away from CIC. The Appraisers is the one that is more mandated, but it is something we're looking at. The challenge is, honestly, it's a county function. Tax collections is a part of the Finance Department, which is the Treasury Division of Finance and then the Appraiser is a county function and we're putting together and getting updated cost estimates of what it would cost to purchase the module and to transition compared to what we're paying now because you have to pay for current software. We're looking for what the cost difference is and that's one of the things that we'll be bringing forward in the CIP, but it's going to take money and, unfortunately right now, I think we all kind of understand the county side is in a little tougher spot financially and that's why it hasn't moved forward. There is a strong desire. It is a better operation, it will be more efficient, you'll have less human error because you've got people literally dedicated to data entry to data enter into the two systems. So, it is something that we're looking at, but it's always that challenge of buying new technology to solve some problems costs money and these are funded through these sources. Thank you for bringing it up, but it is something that is right square on our radar. It's something that we'd like to move forward to. It's just how does it fit into the finances that we have in terms of all the needs that the County General Fund has. Does that help? **Commissioner Lopez** said yeah, a little bit.



Ms. Kneuvean said I wanted to shift gears to the BPU PILOT because this is also a large revenue source most on the City General Fund side. One of the things, because we know that people have clamored for PILOT relief, and that is something that you all made great progress on in 2025 and reduced it from the previous rate of 11.9% down to 10.9% as well as introduced other programs such as for seniors to be able to get that PILOT waived off of their bill. So you've implemented some programs, but what this shows prior to 2025, which is when we reduced it for the residential side, that our PILOT rate had really been flat for many years, but our revenue was going up. Our percentage was flat, the revenue is going up, what that should tell you is that it was the rates that were going up because it's a mathematical equation.

So, part of the discussion and in fact I was just in a meeting with BPU's CFO is looking at—not just looking at the PILOT, but looking at the rates because at the end of the day what people are asking for relief from is their bills, their total bills. There's a lot of great promotion that they've done in terms of how people can save energy, save water, save sewer costs, what they can do to reduce their consumption charges. But if you look at this, we've been very focused because for the UG, our part of it is the PILOT. We've been focused on that, but really to the end consumer, to the resident that's paying the bill, the bigger issue there has been the rates. Now, it's not to say that those rates are not needed, I'm sure they are because they have aging infrastructure and they're having to maintain a system and they do things for efficiency, but I've encouraged them that when we have future sessions with them to share information about that. This is what their rates are now, but if they weren't doing some of the things that they are doing, they could be so much higher. This will also be important in terms of thinking about different strategies in the future of how we could bring that PILOT down even more and balanced with—this is a large funding source for the City General Fund. Again, that's the fund that pays for Fire, Police, Streets, I mean our core services. So, trying to figure out ways to balance all of those things, the needs versus what people are paying and what they can afford to pay.

Mayor Garner said let me back up one. Again, I appreciate the Commission for voting last year off the recommendation of myself and the County Administrator to really focus on the PILOT, which was 11.9%, moving it down to 10.9%. I know there's a commitment working with the Administrator's Office and our CFO, the goal is to get it down to what would equate to a franchise fee with other utilities of the average of anywhere between 4 to 6%. That's the ultimate goal. A lot of people don't like to say it, but I'm going to call it like it is, it's a tax. The only struggle that I've had with this tax is I've gone to meetings with other Mayors and the Kansas League of Municipalities. I sit around the table with Mayors and City Managers from other cities. The struggle for me to try and grasp is they have sales tax and they have property tax. We not only have sales tax, property tax, we have special taxes be it Police, EMS, Infrastructure, things of that nature. We also have a little bit of casino money, but a lot of these other cities don't own a municipal utility to where they have a PILOT and these other communities tend to have robust budgets. So, even with this, that's something that I really challenge staff to look at is how is it that other municipalities operate fiscally responsibilities for years and the BPU—I'm not sure exactly when the PILOT came into existence. I know I've got that information somewhere, but the bottom line is we have more funding streams and more funding revenue streams than a lot of other cities and yet we're still fiscally challenged when you talk about our financials and I don't know why that is.

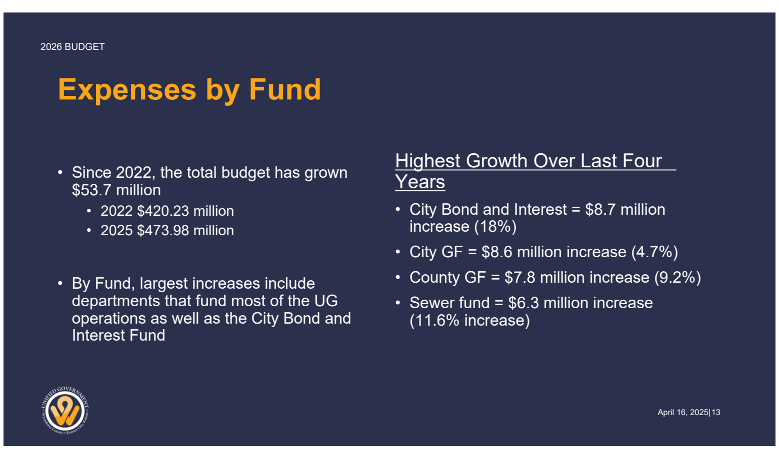
But, bottom line is I had a call for action to really look at the PILOT on how we can reduce it. Commissioner Bynum has taken that head on. Not just last year, but she took it again this year, working with both our staff, BPU staff and I believe it's Rose Mulvaney Henry who is one of the board members at the BPU as well as Commissioners Hill and Ramirez, and so we appreciate that. Taking the PILOT off the bill is one of the things that I've said we need to look at. That is a very complex thing to do based on some language in our Charter that at some point this Commission is going to have to look at to really decide what that really means when you talk about what's in the Charter when it regards the PILOT and BPU. The easiest way to address the PILOT is to continue doing what we're doing, which is trying to make it a point and I encourage this Commission to really see that as an option of annual increases of the actual PILOT, like you did last year, 11.9 to 10.9.

I challenge staff to hopefully get a recommendation to this body to take that further down to 9.9 and every year slowly chip away at this PILOT in a way that—even if we can't take it off the bill responsibly, we are still gradually providing our BPU customers some level of relief. But ultimately, what's going to have to happen, when we talk about taxes and BPU and all those things, we've got to expand our tax base. I think we've all recognized that. Economic development has to be key. I'm glad we have a new Economic Development Director that's in place working hard. Ms. Chism is working hard to try and bridge that gap and really market Kansas City, Kansas and Wyandotte County to bring in housing, businesses that are going to provide jobs, but more importantly anchor people in Wyandotte County and in houses so we can expand our tax base that can give this governing body more opportunities to hopefully find ways to reduce our reliance on property taxes. I think that's something that is doable, but it's got to be intentional.

I know Commissioner Burroughs and Commissioner Stites are on a task force as well looking at that aspect to look at policies and how we can reduce the bureaucracy of doing business here at the Unified Government, which has been problematic for a lot of developers. I know the Administrator is looking at several options. So, if we can do that and get more businesses here and anchor residents in Wyandotte County, expand our tax base, I believe it's going to offer more opportunities to not only reduce property taxes, but then also bring about those needed funds to hopefully reduce the PILOT in a way to where—you've heard me say it, where the BPU can at least be considered more of a benefit to our residents as opposed to a financial burden when you talk about some of the taxation and user fees that coincide.

One thing that our CFO didn't talk about, or maybe you did, but I'm going to reiterate it was the reason those revenues keep going up is because the BPU Board, based on their discretion and their needs, and I'm not always sure what that looks like, but every time they raise their rates, that 10.9 is allocated from those additional revenues and that's how that number keeps increasing. Am I correct CFO? **Ms. Kneuvean** said yes. **Mayor Garner** said okay, thank you.

Commissioner Bynum said would it not also be fair to say that another thing that might drive PILOT revenue higher is new growth? When you have another account come on line that's using water and lights, you're collecting more revenue on the utility side and more PILOT revenue. **Ms. Kneuvean** said, Commissioner, in the detailed written report I took a look at that. I looked at the growth in accounts and then I also looked at the growth in consumption and they're not having significant growth in accounts. It's netting very much the same and then they're not having growth in consumption. So, it really does point to the rates, but some of that is because, for example, houses are now more energy efficient and so it may be there's some offset of some of the growth and the consumption with energy efficiency. Again, in every one of these slides there's not like one big silver bullet that's going to explain away everything. It's just observations about different aspects that we rely upon. But I did take a look at that and that analysis is in the written report. **Commissioner Bynum** said okay, thank you.



Ms. Kneuvean said Expenses by Fund, so we talked about overall budget all funds. We talked about the County and the City General Fund. If you look at just in the last four years, I took a look at the last four years, what has the budget done. What you can see is in total the budget grew from in ‘22 about $420M and that’s again all funds to $474M in ‘25. So, it has grown and again you can see over on the far right the areas where we saw the growth because that’s been one of the questions is that our budgets have gone up and where has that money gone. As we talked about at the last workshop, a big part of it is debt that we have increased our reliance on debt, which causes the annual principal and interest payments to go up. So, just in the last four years, we’ve seen an 18% increase on the city side for bond and interest. So, of that growth, 8.7M was just to pay for debt. In the written report, there’s more detail in terms of debt. I didn’t put slides in here because we’ve already covered that, but that’s the greatest area where we’ve had an increase.

General Fund for the city has increased 8.6%. Like we said earlier, just as citizens are experiencing inflation, so is the county and the city government. On the city side we have had an increase of 8.6M, county side 7.8M, so you can see there’s been an increase. Commissioner Burns raised the point about the number of FTEs. One of the appendices to the written report is an analysis of number of employees by department, so it might be a good thing to look at, and me too, to analyze in terms of the overall growth of employees.

But you do have inflation as well as frankly new technology. In the last four years we bought a system that we used money for out of bonds, but we used money for, it has gained tremendous efficiency, but technology costs money. So, that’s just looking at some of those things that have impacted the overall budget. Then the Sewer Fund, you can see accounts for 6.3M, which we know that we have a consent decree that we’re complying with and we’ve been ramping up our expenditures related to the Sewer Fund. When people say, where did the money go, that’s the answer. That’s the primary answer is those four things is where the money went in terms of the overall increase in the budget. We could drill down and get into lots more detail at another time in terms of well, what did that buy me, like what projects were included and there is that detail and it’s not to say those things aren’t needed. It’s just where did it go.

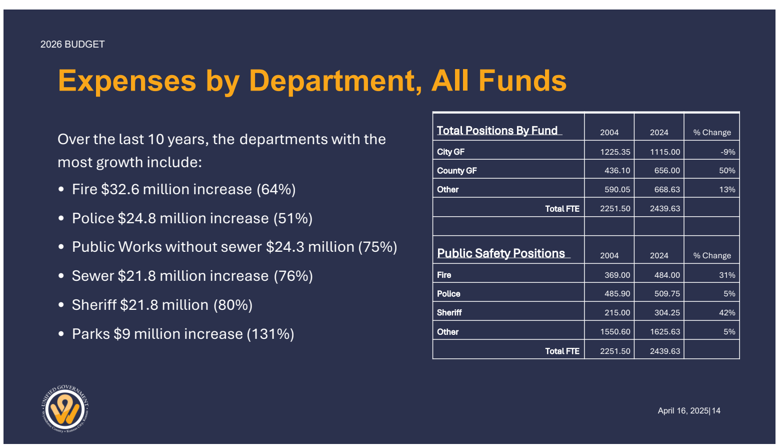
Mayor Garner said thank you and Commissioner Lopez has a question, but before I get to that, I’d like to again give credit to this Commission. Working with the Administrator I made a recommendation that we use 50% of future incentives that come online to go towards retiring our debt, those funds as well as 10% of all new development growth. That's why economic development and building that growth in our community is so important because we can retire that debt and that debt is our residents tax dollars. When you talk about 44%, you didn't mention that goes towards retiring debt. That is huge and so I'd like to again give credit to this Commission of seeing value in taking the necessary steps to work towards trying to retire this debt, which is a huge portion of what's being spent when you talk about taxpayers dollars.

Before we get to Commissioner Lopez, you can answer this question next. I don't even know if you have it, but I've never heard out of what we pay on our debt, how much of that is actual interest as opposed to principal? **Ms. Kneuvean** said to answer in a general sense, it'll vary every year because as you're paying down principal, just like a debt you would have, then you know you start out with lots of interest and then you're paying less interest over time, but it's generally about half. If you look at—so in the presentation we did the last time we gathered, we talked about the total amount of debt, we talked about trying to get away from using debt to fund very small projects that we need to find ways to fund through cash and trying to find ways to reduce in general how much we're spending on debt because it's always more expensive. You're going to pay interest and you're going to pay issuance fees, you're going to pay all the costs that go into doing a debt issuance.

So, it's one of the things that is definitely on radar and, again, we're on the right path. It's not going to be an easy process that is presented to you all. We'll give you all the Capital Improvement needs we have. Last week we gave some ideas of ways to manage debt and still keep making some headway on some of those Capital needs, but we simply can't do it at the pace that we've been doing it at. We can't sustain that, so hard choices are going to be facing this Commission of which Capital Improvements we can afford to do. It's just being disciplined about the future in order to kind of right size the amount we're spending on debt. It's not bad that we have debt. It's just to the Mayor's point, and I think David has said this as well, many times on the city side where most of our debt is, Commissioner Burns is right, we don't have as much debt, nearly as much debt on the county side. But on the city side, 44% of our property taxes are paying for the annual principal and interest payment, 44%, that's not going to Operations.

On the county side, it's 6%, so it's much more measured in terms of what it's costing from the property tax component, but again, it's just looking at what those needs are and the challenges that face this Unified Government. **Mayor Garner** said let that sink in for the public that's watching. Out of that 44%, almost half is interest. That's why it was really important that I put that information out that this Commission is working to chip away at that principal and interest that is costing us so much. These are dollars that could be spent elsewhere. The only thing I would challenge the Commission and staff is how do we avoid not adding to that bonded debt so we're not spinning our wheels on this treadmill of never getting and digging ourselves out of debt and so that's a huge challenge especially when you try and balance necessities with wants and some of those mandated needs that are out there.

Commissioner Lopez said so, where's the money going, good question because I see some departments that are just blowing money that doesn't need to be, you know, just different things like that. It seems like nobody's watching or they're not saying anything or they just let it go or whatever, but I've seen some idiotic spending, you wouldn't believe and that's just one department. What about other departments? You know I don't know, I just happened to see one, hear about some and I'm like are you serious. Why didn't anybody say anything? Maybe we should keep a closer eye on where they're spending it and exactly what they're spending it on. I want to see receipts, things like that.



Ms. Kneuvean said we're almost to the end here. Looking at by department because again the last slide was looking at in the aggregate and looking at in particular a couple of funds, so you can see that, like I said, most of our expenditures for Operations are in the City and County General Fund and as Reggie's presentation highlighted, a big part of our budget is personnel. When we started looking at where we had increases, and this is over the last 10 years, again details and if you want to look at different time periods, you're welcome to do different calculations, but over the last 10 years the Fire Department budget grew by almost $33M. They're at 80 some million now, 10 years ago they were at 50 some million, so they had a 64% increase.

Police has increased by 24.8, Public Works without the sewer has increased by 24.3, Sewer has increased by 21.8, Sheriff has increased by 21.8 and Parks has increased by 9M. So, what that says is what the priorities have been where we've been putting our money has been in Public Safety and in Infrastructure, which are obviously very crucial components to government. It hasn't been going to discretionary type programs. You can certainly argue that there's expenditures within departments that could be streamlined or reduced, but this just gives you a picture of this is where we placed our emphasis. And then it plays out, if you look at the number of positions, and it is true that in the last 10 years we've added overall 188 positions. Then, if you look at where some of those positions have increased, you can see again it's related to the expenditures because our departments are mostly people. A Fire Department is mostly people, a Police Department is mostly people. A Sheriff's Department that runs a jail is mostly people and so you can see that's where we've had increases primarily throughout the entire government as opposed to other departments, which have only grown modestly about 5%.

Again, there's a thousand reasons why these things are so. It's not to necessarily say you should conclude something off of this, but it's just to highlight the numbers. The facts of the numbers, these are the numbers.

Mayor Garner said out of all that, is that strictly personnel or is that just the totality? **Ms. Kneuvean** said totality. **Mayor Garner** said so, if you're just talking personnel, what would those numbers be? Do you have that? **Ms. Kneuvean** said I don't have that. We could certainly—well, it's on one of the attachments and I could get that for you. I could break that down for you. **Mayor Garner** said so herein lies the question, I think maybe a performance audit or some type of performance study of these crucial areas maybe could be in order to look at where can we find efficiencies when you talk about, not so much the personnel, but kind of going in line with what Commissioner Lopez talked about, where are we spending our money. What are we spending our money on and, again, we break it down to are these essential services that we're spending money on that—or items that provide or facilitate essential services, are these wants and needs and what's a necessity to really make sure that we try and avoid waste, abuse of taxpayers money or misuse of taxpayers money. Really drill down and take a hard look at what these departments are actually spending their money on and then sometimes I know when I was on the Police Department when we faced financial difficulties, the Chief came to me and said I need you to cut 5% out of your budget across the top without reducing the level of service that our residents have come to expect. Now, I pay you good money Tyrone, you find a way to make that work and I did. So sometimes if we rely on our staff professionals, they can sometimes find a lot of cost savings if we give them those opportunities and we really put that pressure on them to cut costs, it can be done responsibly I'm confident of it because I had to do it. I didn't have a choice when I was on the Police Department in various positions and I was given that mandate. There was a lot of things I wanted. I might have wanted extra radios, I might have wanted extra laptops, I might have wanted extra printers, maybe a car here or there and I had to put that on hold because at the end of the day my priority, at least when I was on the Police Department, was providing those police officers getting to those calls and answer those calls for service and then what did that entail. Also, to help keep officers safe and the public safe.

I don't know when you look at that, I don't know what all those ancillary costs are that may be out there, but taking a hard look at where are we spending our money, how is it being spent and can we squeeze some cost savings out of some of those things that aren't personnel. I support all of our employees and we want to make sure that we protect their salaries, their benefits, and their positions, but it's some of those other things that maybe we need to take a hard look at again and really make a determination are these truly necessities and are we really being good stewards of the taxpayer's dollars.

Commissioner Lopez said this is what I'm getting at is and I'm just going to be the elephant in the room here, but like we got Fire Chiefs, have their take-home vehicles. Friday afternoon they're fueling them to the top and then come Monday morning, they got to fuel them to the top again. Where are they driving all weekend. Are they going to the Lake of the Ozarks with them or some of them have soccer games for their families or soccer kids or whatever in the back of them driving around. I mean at what point are we going to be paying a huge lawsuit when somebody rearends them and a bunch of kids get hurt. If they're even out of county, they're in Olathe, they're in Johnson County, they're somewhere, who's watching. Who's saying wait a minute, you're not supposed to be driving this with family in there or friends and families. Again, however many vehicles that is on a Friday fueling when they're not working, come Monday morning, they're fueling to the top again. That's a lot of money. The fuel is not cheap. I mean my fuel bill I think

I'm paying 10 grand a week, so I can't imagine—it's little things like that. Things like that add up. What other departments have take-home vehicles, are they doing that. I mean, who knows. It's like who's watching, who's policing that. That's a lot of spending that we don't need to be doing.

Commissioner Burroughs said Administrator, staff, this information was absolutely warranted and the historical review that you did I read the documents, very thorough. I sincerely appreciate it. It really puts a picture and it validates some of the concerns many of us have brought forward over the last handful of years. It also provides a roadmap for us on how we can correct and get ourselves in a more stable financial position long term. I don't know how you put all this together the way you did in chronological order, but it was an easy read and I really appreciate all the research and work that went into it. As I stated, it does validate some of the concerns that have been raised, but it also provided a roadmap and ways in which for us to address some of the concerns that we've had. So, I just wanted to say thank you, Administrator, Mayor, for putting this together. I hope the public appreciates this as much as I have.

Commissioner Bynum said, Mayor, to your point, I have a request for staff and if it's too simplistic, you can just say so. When we talk about crafting a budget around needs and not wants, the question that I have is, for example, we know that the Fire Department must do these things, but they also do these things, and so what's the cost of what they must do. What's the cost of the other stuff they might be doing that they don't have to do.

The Election Office must do these things, but they're also doing this. Are you able to actually bring us by division or department the cost of the things that we've been through. Like, for example, on this county presentation tonight, you've told us what's mandated or examples of what's mandated, so there are things that must be done by some of these departments. I don't know if that's too simple, but it drives right to the point that the Mayor is making as far as needs versus wants. You have a department that must do this, but is also doing this and they're also doing this part might be because the community said we want that, so I think we have to balance that. I'm just curious if that's a realistic request.

Then, my second question is this. To Commissioner Lopez's point, I don't know if you're suggesting that the Fire Department or any other department take-home vehicles are fueling up on Friday and again Monday morning or you're alleging that's happening. But our fuel people know who's filling up when and if that's a real thing, we can certainly figure it out. It won't be that hard. If that's real, then that evidence could be brought forward and then we'd know is that fat that needs to be cut and I'm not suggesting that's necessarily your job, but the people running the fuel pumps know who's fueling up and they know when and they know how much, I guarantee it. That would be interesting to find out if that were truly happening.

Commissioner Burns said along that fact with the Fire and taking home vehicles, let's be very alleging that it's happening. Let's not say it's happening. I think that's important. We don't need to discredit employees that are really doing their job or not doing that. So, let's alleging, you know, we can find out but let's be very careful on how we do that.

Mayor Garner said just me working here, I think the concerns of you talk about what Commissioner Bynum mentioned and Commissioner Burns and Commissioner Lopez brought forward, I mean some of this goes back to leadership. I mean we've got an Administrator, we have Assistant Administrators, we have Directors, Managers, Supervisors, frontline Supervisors, some of this stuff goes back to leadership and individuals holding their direct reports accountable to expectation. Not just of this Commission but to the public because I get some of those complaints too and people ask me why is this employee doing X and why did I see an employee behind Price Chopper sleeping for three hours. I got it on the Police Department, so some of this stuff we're dealing with people and so a lot of times it goes back to having good leadership and good managers really staying on top of their people to hopefully address and get the most bang for their buck out of the workload that our employees are expected to produce every week. So, that's part of it and I know that our Administrator and his team are trying to address those concerns as well.

Some of that may not just be those things are being done because it's just being allowed, it's just sometimes managers and supervisors they don't know what they don't know, so if we see and hear those things, really just getting that information to the appropriate manager, supervisor so they can address those things administratively sometimes alleviates those problems.

Mr. Johnston said I think the genesis to your question, Commissioner Bynum, was reflected in a lot of the work that you saw in Reggie's presentation of the county's departments when you saw the mandates and he used best practices and it was revealed it's the discretionary things, the things that they don't have to do. But as your question said, lots of those are what the public wanted and the Commission in the budget process has said even though it's not mandated, through the years, the public wants it, so we're going to fund it. So, over the years they become institutionalized programs, but still they're not mandated.

We saw that in my first budget process with the Commission where I remember there were 21 things that the Commission asked for when we were talking about tightening the budget, there were 21 discretionary Commission programs that weren't mandated, but those were community programs that the community liked that you provided, but we did not cut them because you thought they were too valuable of services that were provided to the community, so we did not cut them. That's why we went to priority based budgeting and we started really this year trying to bring that philosophy into this budget process and you'll see it deepened into future budget processes and that's the format that Reggie and Michael and the Budget team brought in the format that you saw this year. We're trying to reveal to the departments to start thinking that way. Things that they've taken for granted that they view as mandates because this is what we've always done.

You need to think critically about it, what are mandated and then what are discretionary that when time comes like when we need to really look at budget challenges, what can we shave out of our budgets and then services come out of our portfolio for savings. It's going to be those discretionary services. Now, some of those decisions are going to be tough because some of those discretionary services are ones that are favorable to our public, but they're not mandated. We have to provide what's legally mandated or contractually mandated, but the discretionary ones usually are the ones that we enjoy providing our public and cutting them out are tough choices that we have to make, but those are the easiest choices to make because they're not tied to legal requirements. But the revelation that they're not required is something that is culturally—we get an awareness that just because we've been doing them for so long doesn't mean they're mandated. When we have tough choices that we have to make due to budget reasons, we have to categorize it like that.

We're pleased that we've discovered priority based budgeting to help us become aware of the services that we make and we can categorize them like that. When we have these discussions with you, we can help you make the best informed decisions for our public and some aren't going to be easy choices. Some are going to be very easy choices, but it makes for good dialogue because our goal is to make the best public service decisions for our public with the resources that are given to us. We know we don't have unlimited resources, but with the resources that we have, what's the biggest bang we can make to serve our public, that's our goal and I think we're here to help you make that decision. We brought priority based budgeting into our world and I think you'll see it more effective as the years go by, but we started in earnest this year. You'll see them deepened every year and we'll see more and more participation of our staff, have them understand it better because they're the ones that do the work and you'll see it better as years go by.

Remember when we had 21 things, no, we can't do that. Oh, that's so popular. Well, we're going to have more of those types of discussions, but that's what makes public work inefficient, the public work, because we have to make those tough decisions because we're touching people's lives.

Mayor Garner said the other thing that I asked staff to look at is our procurement process, some of our policies. There's a perception that certain entities in this county or outside this county get forever contracts and without RFPs and so I'm having the Administrator look at some of those dynamics to make sure that there's equity in our RFPs, our Request for Proposals to make sure there's no cronyism when it comes to who gets these contracts and for how long. There is that perception that if you're privileged, you're connected historically within the halls of this government that you sometimes get the hookup and I want to make sure that's not the case. That we do have a robust RFP process that can probably bring sometimes better services that we're asking for at a lower cost. So, I know that's one of the things that staff and Administrators look at as well is how do we improve our procurement process. Number one, not just to find cost savings, but to also make sure that it's equitable and it's fair for everyone because I get a lot of complaints from folks that are saying they can't even get in the process and a lot of folks feel like they're being left behind when it comes to how we dwell out contracts to certain vendors. I know there are certain vendors that personally, because I worked here, that have had longstanding contracts since I've been here at the Unified Government when I started in 1987. These folks, I don't know how they keep getting these same contracts over and over again, but that's something we need to look at. Can we get the same or better quality of service at a cheaper price and making sure that these contracts and who they're given to are equitable.

Ms. Kneuvean said I will say that has been a priority and I am pleased to report that we are putting many things out to bid. If you go out and look at our website, if the public's listening, I encourage you to register as a vendor and you can pick what the work is that your company does so that you will get notified if we have a bid that's going to do mowing or a bid that's going to do whatever. You'll get notified of that in addition to just going and looking periodically because we do want to make sure that we're following a proper procurement policy and we're looking at the current policy and we'll likely be bringing forward some enhancements to that policy for consideration.

Just to wrap up this conversation, again, there's not one particular thing that just says, well, here's exactly what happened and where we got to where we were, but what we do know is that there's a couple of key things that we can do to get on the path going forward of financial sustainability. If we balance the budget every single year, and if it's not balanced, it's done knowingly like we're spending down in excess of the fund balance where we have that in pockets, but not across the board, but having a balanced budget containing expenses. You all were just talking about that and the importance of containing expenses that are based on the available funding for required services. There's key words here and then also balance though against these other priorities that the Commission and the Mayor have expressed such as property tax and PILOT relief. So, it's really balancing all of those things and it takes containing expenses.

Then, as we've talked about a couple of times, reducing debt, which I feel like we've got a good path forward, it'll be a harder path, but a good path forward, but we do need to figure out new ways or different ways to fund some of our Capital with using cash. What we've done is we've gone creative even for say, you know, fire trucks is a good one where we're using Capital financing. It's not bonds but we are using Capital financing and that's funding it over a period of years because those trucks have a life of more than just one year and that way you can spread the cost out. It's a very good practice actually, but it also starts locking down future years discretionary budget because it's committed, it's committed to that fire truck. We'll be sharing information about that as well. Just kind of like looking at things a little differently through a little different lens and figuring out ways to pace ourselves.

We have a lot of needs and I hope your takeaway from this presentation is not that the staff was saying that things were done in the past because they weren't needed. It was just making the decision to get things. It's because we have a lot of needs. We have aging infrastructure and we have a demand for a level of service and that's where it gets down to it. It's discretionary or it's required and then you have to keep drilling. Okay, it's a required thing. What's the level of service that we want to provide. We want a certain response time, we want 911 to always be answered. These are the things that are standards of level of service that have cost. So, it's balancing all those things, which is a challenge for the Directors, the Budget team, the Administration, and you all to try and find the right balance.

I think we do have a path forward and you all have taken big steps in that direction with doing the property tax relief through RNR last year and looking at reducing PILOT and we'll keep strategizing about how to do that. But we also know that we are experiencing inflation just like everybody else is and the cost of business does go up, so we have to balance those things or we don't do discretionary things or the level of service is reduced. It's just making sure we have good information as much as we can provide for you to make good decisions.

Again, this is hopefully a takeaway just to say here are some of the things that brought us to where we are now. We're on a new path. If we stick with that path, that really will put us in a position to be financially sustainable for years to come. You balance your budgets, you contain your expenses, and don't issue as much debt.

Mr. Johnston said I guess I would like to close this session to let you know that we opened up the internal budget process with our staff on the Operations side today and the message to them is we're taking a conservative approach in the budget process and ask them to develop the Operations side on three conservative approach. We've had discussions with a couple of the commissioners over the last couple of months. We know that you have all had conversations with many of your constituents, that you've read messages on social media and all that and that there is significant demand on a conservative approach on budget for this year that we've asked them to do three scenarios. One is a revenue neutral approach to budgeting. One is a no new revenue budget, which means if you are going to do new initiatives, you also need to look at cost savings out of your existing budget, so you're pretty much a neutral. It's a little different than revenue neutral. It's a different approach, but ask that. We also let them know that some of the information that our Appraiser gave us that you all had on-threes with Matt about what to expect on possible maximum mill increases would be available for us. It's not going to be at the level that we saw in 2022 and 2023.

We told our staffers that yes, we viewed the revenue neutral budget year for this year as a pause, don't think we're going back to the '22 and '23 years with that huge property tax levy increase to be available to us. Matt was saying maybe 6, no more than 9% and 9% was generous. What we heard from some of the commissioners if it's 6, don't ask for 6%, on the Property Tax Levy. I think some people were hoping that the Legislature would give us a cap, we did not get that, but it's that type of philosophy, don't ask for the max. If we're going to get something, don't go for the max. So, the message to the staff is be prudent when you start looking for new revenue for your services and when we have those discussions internally, that's what I'm going to be expecting if they're going to go with that third scenario and justify what you're asking for.

We're not looking for increased personnel because that's usually the big ticket item in any budget, so tamper down your expectations is what the message was. That's how our staff is going out in their Operating budgets. I think we were also—we know our Capital needs are high, but if you're going to be asking for any Capital needs, you're going to have to prioritize them because as we've had the debt explained to us in the previous thing, you got to talk about how much are you willing, commissioners, allow debt. How much debt are you willing to accept for the '26 Budget and then how do we appropriate that to each department and so we need to know the debt expectation from each department so when we appropriate the amount to each department, we know how much we can fund and then those that we can't fund go back into the shelf.

They're going into the budget process with their eyes wide open with conservative expectations. We're letting you know how they are going into the budget season with that message, so you hear it from your Administrator tonight.

Commissioner Burns said, Administrator, I would like to recommend that we limit the budget workshops to two hours. It's not fair to the employees and it's not fair to the public. I think you lose attention after two hours. You do a great job, I'm not saying that but if you can't get done in one session, it could carry over to the next one and I recommend we limit it to two hours.

Mayor Garner said thank you so much to our Budget Director, our CFO, and their teams for great presentations. I appreciate our CFO. That was a lot of work, Commissioner Burroughs, that they put in, her and her staff. I asked them to do that again because I really thought it was important that not only the Commission, but the public know how do we get to where we're at and how do we improve that dynamic moving forward so we don't keep repeating the same mistakes. She put together a real good report. There is a thorough report. Hopefully you all got it. If you didn't, just reach out to our CFO or Administrator and we'll be sure to get it to you.

I think the overriding goal that I took away from tonight's meeting was we are moving. This Commission, public, is moving in a way for this Unified Government to operate more efficiently, to be more streamlined, to be more fiscally responsible, to be more customer service friendly, and to be more financially sustainable and stable in the years to come. Thank you all for your time. I have no further business unless a commissioner has another comment. I'm going to entertain a motion to adjourn.

Action: **Commissioner Burroughs made a motion, seconded by Commissioner Lopez, to adjourn.** Roll call was taken and there were five "Ayes," Lopez, Bynum, Burroughs, Burns, Hill.

MAYOR GARNER ADJOURNED
THE MEETING AT 7:38 p.m.

Monica L. Sparks
Unified Government Clerk

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