CONSENT AGENDA ITEM NO. ____

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL MEETING, THURSDAY, MAY 15, 2025**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Meeting, Thursday, May 15, 2025, with eight members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Burns, Commissioner Second District; Hill, Commissioner Fourth District; Kane, Commissioner Fifth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; and Garner, Mayor/CEO presiding. Townsend, Commissioner First District; Ramirez, Commissioner Third District; and Davis, Commissioner Eighth District; were absent. The following officials were also in attendance: David Johnston, County Administrator; Alan Howze, Assistant County Administrator; Angela Lawson, Interim Chief Counsel; Shelley Kneuvean, Chief Financial Officer; Reginald Lindsey, Budget Director; Michael Peterson, Deputy Budget Director; Mike Grimm, Research Manager; 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 Thursday, May 15, 2025, at 5:00 p.m. in the fifth floor conference of the Municipal Office Building for an Executive Session relating to consultation with counsel on matters that would be deemed privileged attorney-client communications, such as conversations regarding litigation or claims against the city. Upon conclusion of the Executive Session, the governing body will reconvene into open session for a

Budget Workshop. The Executive Session portion of the meeting is closed to the public under the Kansas Open Meetings Act. Roll call was taken and there were eight "Ayes," Stites, Bynum, Burroughs, Burns, Hill, Kane, Lopez, 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 at this time the Commission is going to go into Executive Session for consultation with Attorney-Client privilege matters that would be deemed privileged under current state law. Do we have a motion?

Commissioner Burroughs made a motion, seconded by Commissioner Stites, to go into Executive Session until 5:30 p.m. in the 5th floor conference room to consult with our attorneys and to discuss confidential matters related to pending claims and litigation, as permitted under the Kansas Open Meetings Act; and that David Johnston, County Administrator, Angela Lawson, Acting Chief Counsel, Casey Meyer, Sheri Courtney, Ryan Denk, Karl Oakman, Chief of Police; Kent Anderson, Dave Wimberly and Amanda Mejia, Human Resources; be present as needed to participate in the discussion and that we reconvene in open session at 5:30 p.m. here in the 5th floor conference room. Roll call was taken and there were seven "Ayes," Stites, Bynum, Burroughs, Burns, Hill, Kane, Lopez.

Present for the Executive Session: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Burns, Commissioner Second District; Hill, Commissioner Fourth District; Kane, Commissioner Fifth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; and Garner, Mayor/CEO; presiding. **Staff Present at 5:00 p.m.:** David Johnston, County Administrator; Angela Lawson, Acting Chief Counsel; Casey Meyer, Senior Counsel; Sheri Courtney, Senior Attorney. Chief Karl Oakman, Police Department; and Kent Anderson, Human Resources. **Others present at 5:00 p.m.:** Ryan

Denk, Outside Counsel. Chief Oakman, Anderson, and Denk left the meeting at 5:23 p.m. Entering the meeting at 5:23 p.m. were Dave Wimberly and Amanda Mejia, Human Resources.

Mayor Garner reconvened into Special Meeting at 5:30 p.m.

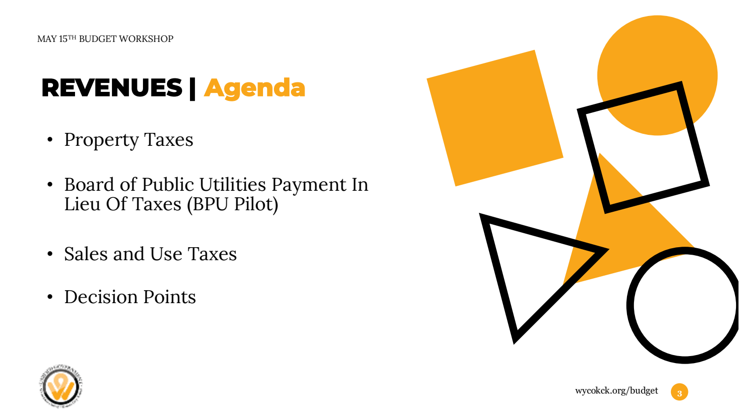
Mayor Garner said tonight we are scheduled for the next presentation, which is our Budget Workshop. It's the ongoing progress to get us to a 2026 Budget. I'm going to turn it over to our County Administrator David Johnston, and he'll have the opening remarks.

David Johnston, County Administrator, said tonight's session is going to be focusing on revenue and our Budget team led by Reggie Lindsey will take over.

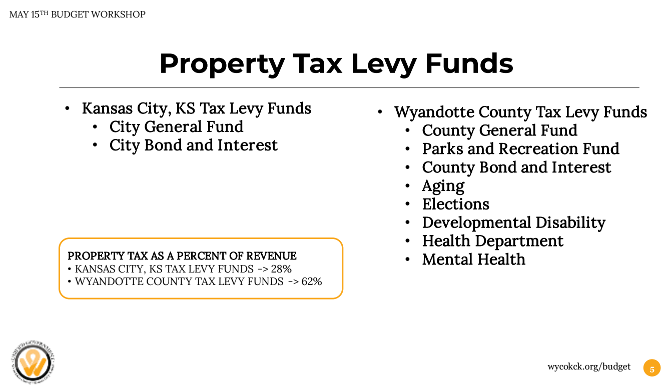
Reginald Lindsey, Budget Director, said this evening I have with me Dr. Kneuvean, Chief Financial Officer; Michael Peterson, Deputy Budget Director; and Mike Grimm, Research Manager. Just to kind of let you all that Michael Peterson, Mike Grimm, and a young lady who works in Finance named Alyse Villarreal, I call them like the revenue crew because they dig through revenue databases internally. They dig through state databases to look at our revenues, so they are kind of like the revenue masters within the organization that bring us all these great revenues.

This evening we're here to discuss revenues which are a major favor of the budget process. Revenues provide resources. They craft a budget for the whole community annually. The way the revenue resources are allocated provides value to our great community.

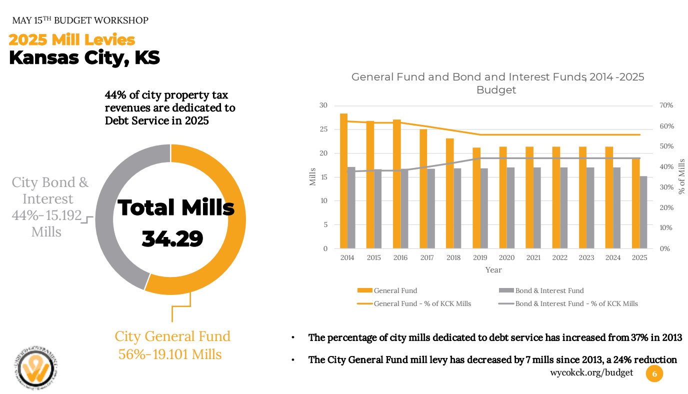
Thus far this budget season, we've already had three budget workshops. We're on our fourth budget workshop. Back on March 13th we gave a recap of the 2025 Budget. Then on April 3rd we did a Debt Strategy, which Dr. Kneuvean covered and then on April 16th we did County Mandates and also Dr. Kneuvean provided a historical review. Tonight, we're here to discuss revenues. On June 12th we're going to discuss Personnel, which is the largest portion of our budget on the expense side and then on June 26th we're going to talk about Capital Projects, which is the second largest expense in our budget and also, this is where debt comes into play.



Tonight we're going to dive into property tax. Mike Grimm is going to discuss those and then Dr. Kneuvean is going to discuss the BPU PILOT. Then we're going to examine Sales and Use Tax and Michael Peterson is going to cover those and then to top it off, we're going to wrap it up with discussing decisions on revenues and how adjusting revenues could look for us if we wanted to do that. I'll turn it over to Mike Grimm. He's going to discuss property taxes.

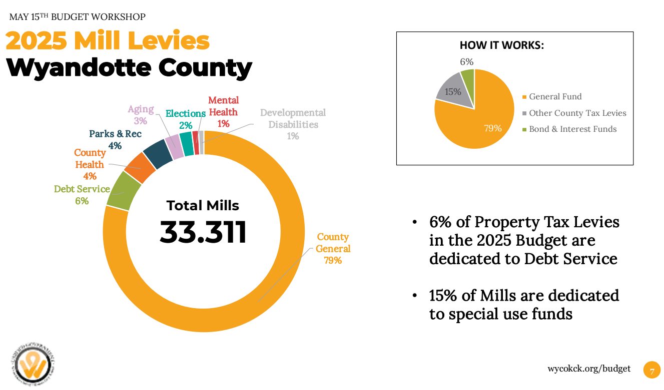


Mike Grimm, Research Manager, said this slide is just a recap of the Property Tax Levy Funds on the city and county side. On the left, Kansas City, Kansas City General Fund and City Bond & Interest and as a percent of total revenues on the city side, property taxes make up 28%. On the county side, Mill Levy Funds are the County General, Parks & Rec, Bond & Interest, Aging, Elections, Developmental Disability, Health, and Mental Health. On the county side, percent of total revenues, property taxes make up 62%.

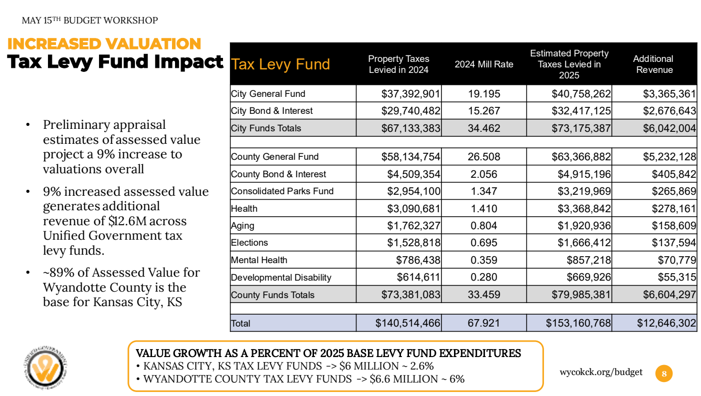


This slide looks primarily or solely at Kansas City, Kansas Mill Levy, so that little donut chart on the left shows a total mills of about 34 and I'll point out that mill and the mill for the county on the next slide are the mills that the Commission voted on and approved last budget season. I have a couple slides later that are the final assessed—or final certified mills in October, so they're a little different, but in terms of this presentation it's not going to be material.

On the city, the 34 mills, this Bond & Interest is 44% of that total mill levy, General Fund 56%. On the right, that bar chart and line chart, the orange represents General Fund and the gray the Bond & Interest and the City General Fund over the period of time on that chart has decreased seven mills or about 24%. As we look, we see that—you know as the General Funds Mill Levy has been decreasing the Bond & Interest has been holding steady for the most part, but what that means then is as a percent of the total city mills the Bond & Interest is making up a larger portion, about 24% in 2014 and about 44% currently, so just making up a larger proportion.

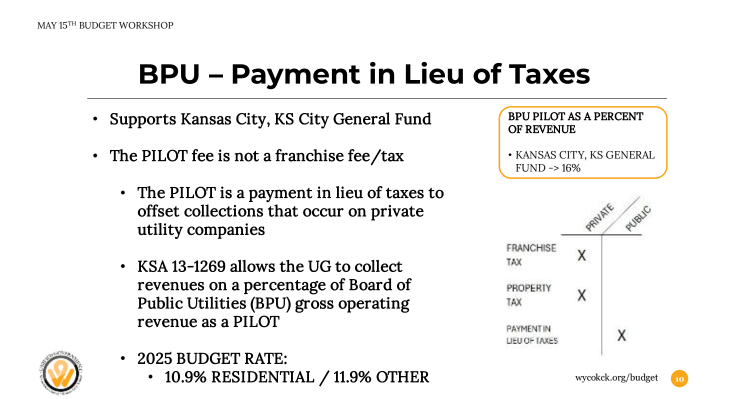


On the county side, 33.3 Mills. We see a majority of that goes to the General Fund 79%, Debt Service 6%, then all those other funds we're calling kind of the Special Use Funds make up 15% of the County Mill Levy.

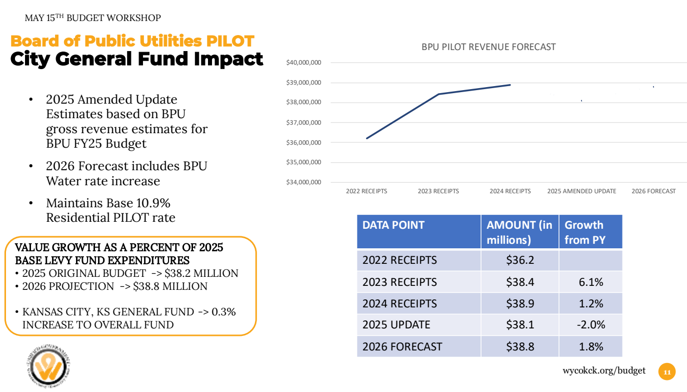


Tax Levy Fund	Property Taxes Levied in 2024	2024 Mill Rate	Estimated Property Taxes Levied in 2025	Additional Revenue
City General Fund	$37,392,901	19.195	$40,758,262	$3,365,361
City Bond & Interest	$29,740,482	15.267	$32,417,125	$2,676,643
City Funds Totals	$67,133,383	34.462	$73,175,387	$6,042,004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

This table looks at property taxes broken down by the city funds—property tax funds in the county. We can see in the first column 2024, property taxes levied about 67M, then 2024 for the city, 73M for the county or about a little over 140M and that's applying the certified final 2024 mill levy rates. If we kind of grow that assessed valuation by about 9%, which we were told is about what that increase is going to be across all appraisal classifications, city funds get up to 73M, just under 80M, 79.9 for 153M, so that's a $12.6M increase across those funds. We don't work delinquencies into these numbers. Kind of below on the bottom there, we're just stating that on the city side that 6M, we know we have other revenues on the city side. If we hold all those revenues constant, that 6M would increase the City Levy Funds by 2.6% and that 6.6M on the county side would be about a 6% increase if all other levies—property—or all the revenues were held the same. We've often said that the county side is more reliant on property taxes than on the city side.



Shelley Kneuvean, Chief Financial Officer, said I'm going to touch on the Payment in Lieu of Taxes, which we are all familiar with and that is charged on our water and on our electric bills as a percent of revenue. It is about 16% of the City General Fund to give you a perspective of how much of the revenue for the General Fund comes from the PILOT. To clarify, it's not a franchise fee. We do have franchise fees like on our gas companies and such, but it's a combination of because they don't pay a franchise tax and they are also tax-exempt. It's really a compensation to offset not paying a franchise tax and not paying a property tax and instead of that they're paying the Payment in lieu of Taxes. It's authorized by Kansas State Law 13-1269 which allows us to collect the PILOT, and as you all know, you passed an ordinance that allowed you to set different rates for residential versus non-residential and this year our residential is at 10.9% and everything else is at 11.9%.

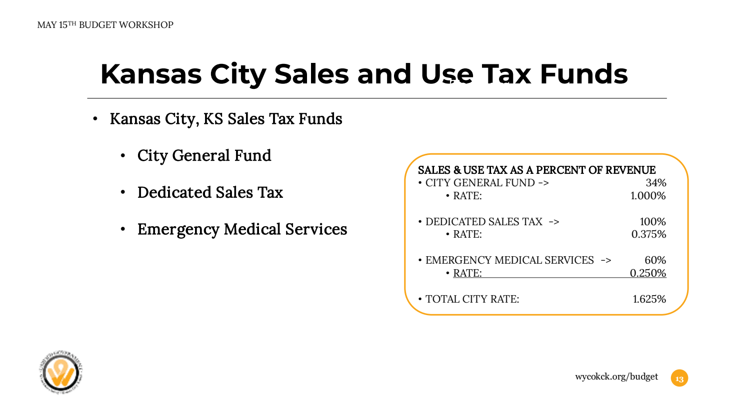


When you look at, like I said, the impact that the PILOT has on the City General Fund, you can see what the total amount receipts were. I will say if you notice on that chart on the right, originally we had budgeted the PILOT at 37.1M, but we're getting information from BPU that it's actually coming in higher, so we've updated that estimate, but it still was a reduction from the prior year. So, it's positive in that it's more than what we budgeted, but it's still a decline over prior year, which you can see at 38.9 and that was because the reduction in the PILOT payment on residential.

In terms of the PILOT rate for next year for 2026, depending on all the decisions that the Commission will make, the projection is $38.8M and I did want to note that's an estimate and we work very closely with BPU because they use it as a basis for their estimates as well for revenue. A couple of things that can really affect that are the fuel and purchase power, the ERC rate rider which you will see on your bill. It's kind of an extra charge that they are charged and it is passed on to consumers. If for some reason GM does not stick with their plan, I was getting a quick update them, as you know they were shut down for half the year and then after the summer we expect that they'll come back with one shift, not two and so we built that in the '25 Budget, we accounted for.

We knew there would be reduction because there's less energy use, so if for some reason—and they're anticipating coming back to two shifts in '26, so we've built in the projection that there will be two shifts and so they'll be back to using energy consumption as they had before. So, that's in essence, the '26 forecast as GM comes online fully. So again, if that does change, if something happens, we would have to make adjustments and we'll keep tracking that and talking with BPU and to our friends that have contacts that can let us know what's going on with BPU.

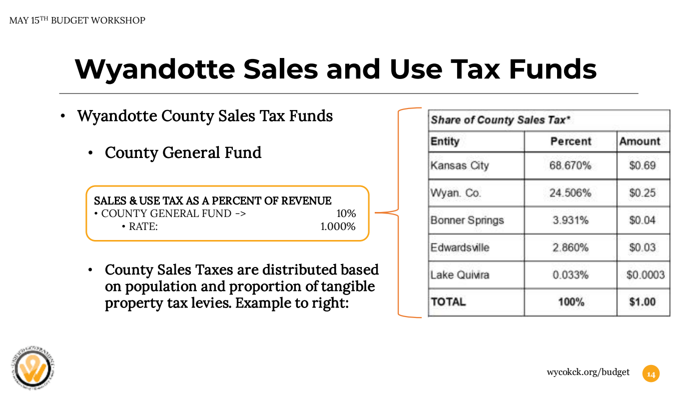
If you look at what the increase would be on the projection, that is only .3% of an increase to the overall budget. So, although it's an increase, it's not a substantial increase. That's very important as we think about our revenues for the General Fund on the city side. It's like a three-legged stool. It's Property Taxes, it's Sales and Use Taxes, and the BPU PILOT and so if this is not going to contribute very much, that means not a lot of growth to the bottom line.



Michael Peterson, Deputy Budget Director, said I'm going to go through Sales and Use Tax for the city and county. So, a reminder of where we generate Sales and Use Taxes, so for Kansas City, Kansas we have three funds that receive Sales and Use Taxes. Those are the City General Fund, Dedicated Sales Tax, and EMS Fund. The City General Fund rate is 1%. Sales taxes make up 34% of City General Fund revenues. Dedicated Sales Tax is three-quarters—or 3/8 cents sales tax, sorry. It makes up 100% of Dedicated Sales Tax revenues and EMS is a quarter cent sales tax and that's 60% of the EMS Fund.

Commissioner Bynum said just curious, the cap on the City Sales Tax, what's it capped at legally? Is it 2%? Just the city side or I mean both, city and county, but don't they have a cap? **Mr. Grimm** said, Commissioner, we need to check. I know on the—you're asking city, counties we're maxed out at one for General. I think City General's 2%. so we have wiggle room there, but then the specials is another cap and that might be 3%, but I'm not sure so there's room.

Mr. Peterson said Wyandotte County on the county side, like Mike said, I do know the cap on that one off the top of my head, it's 1% and we are at that cap. There is the ability to levy additional special taxes, but they have to be for specific uses, I think, Public Safety and Facility related if I remember correctly, but we do have that documentation.



The only fund that receives Wyandotte County Sales Tax is the County General Fund. We do want to point out that even though the tax is levied by Wyandotte County, it is distributed according to a state formula, so that state formula is distributed based on population and proportion of tangible property tax levies. Just as an example, if you were going to pay $1 of sales taxes for Wyandotte County, Kansas City, Kansas would get 69 cents of it, Wyandotte County would get 25 cents of it and on down. We distribute—when we levy County General Sales Tax, it goes to all the different entities within Wyandotte County and Wyandotte County gets 24.5% of that tax currently.

Mayor Garner said I've got a question and maybe you can answer it. I was with the Johnson County Mayors last night and they're looking at a Public Safety Tax on the county side according to Chairman Kelly and it was interesting that he was talking to all the city Mayors and just sharing them what you've just described that even though the county is trying to levy a sales tax to pay for Public Safety at the county level, each city gets a percentage, but they don't have to use it for actual Public Safety. They can use it for whatever they want. So, where I'm going with this, is there anything that we have at the county level within that cap that Commissioner Bynum has talked about. I know that we've brought our Sheriffs up to parity and that's put somewhat of a strain on our revenue streams and what we're putting out. I don't know, but the biggest question is do we have a Public Safety Sales Tax? I know we have one for Fire, EMS, and I believe Infrastructure, but is there one on the county side to pay to offset the cost of the increase for personnel costs on the Sheriff? If not, how much cap do we have and then what does that process look like to get us there at least? Just a thought.

Mr. Lindsey said on the city side we do have our Dedicated Sales Tax, but on the county side, there is not a tax like that and I'm not sure if we have the room. I think that's something we would have to check on what we could pass or send it out to vote to levy it on the county side.

Mr. Grimm said just for clarification, on the city side it's a 2% cap on the General. Specials is 1% so total of 3, so on the Specials on the city side we'd have another .375 I guess, so it's on the city side.

Mr. Peterson said and we do not have the Public Safety tax like you mentioned. We could do it. I believe it's eligible for us to do. I don't know what the process would be. I also don't know if it would be distributed the same way if we leveled the Special Tax as the General Tax, but those are things that we could definitely look into.

Mayor Garner said yeah, that came to mind because I know that in some of your other budget presentations, we were looking at the challenges of funding personnel, particularly the Sheriff's Department long-term. When Chairman Kelly was doing his presentation to myself and the other Mayors, most of them in Johnson County, trying to sell their county Public Safety Sales Tax initiative that's going to be on the November ballot. They did outline the same thing and the selling point that he gave them is that even though the county was going to use their portion to pay for Public Safety, the cities can use their portion for whatever they wanted. It's kind of interesting.

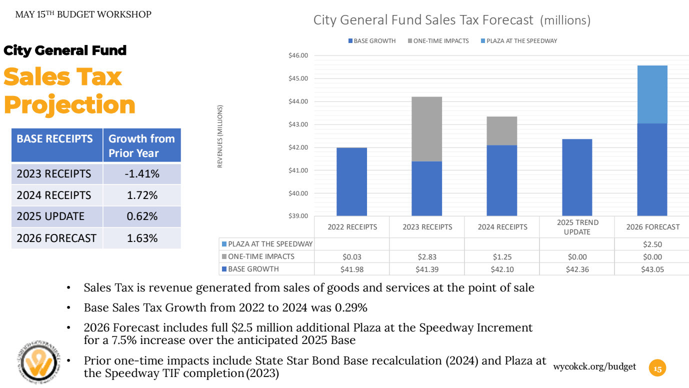
I didn't know if that dynamic plays out here, but I was curious if we had a Public Safety Sales Tax at the county level to offset some of our Public Safety obligations.

Commissioner Lopez said I was looking at your chart here. Lake Quivira on your sales tax, what are they selling that's in Wyandotte County? Like the only thing in Lake Quivira is I think just property, but it's not like they have—**Someone** was inaudible. **Commissioner Lopez** said oh, I didn't realize that was—I thought that was in the Johnson County side, but okay. **Someone** was inaudible. **Mr. Peterson** said and their county club.

Mr. Peterson said what it looks like it is, we did look at the formula before we came in here and it looks like it's assessed property tax valuation and population, so I don't believe it's actually us giving the sales taxes generated from these cities back to the cities. It's a combination of how much population is in each of these entities and the property taxes that are levied by each of these entities proportionally.

Mr. Johnston said so, gentlemen, the Mayor brought up a point check to see what options we have on a county sales tax. **Mr. Lindsey** said we'll definitely do that.

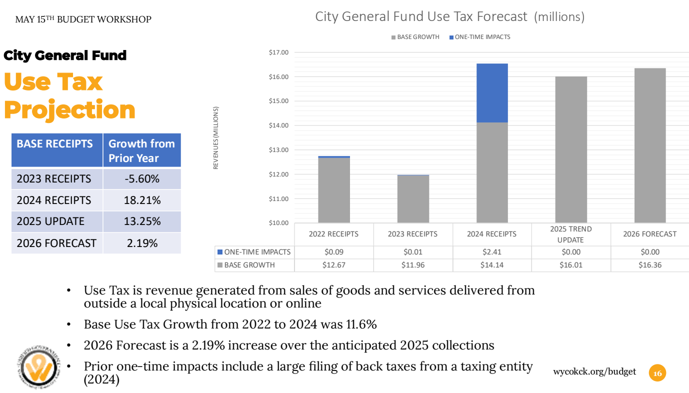
Mayor Garner said the only reason, commissioners, if you're asking why I brought that up, I just know that our sales tax revenues, well, help me out staff, I believe the sales tax revenues have increased on the city side or are on both the city and county side. **Mr. Lindsey** said it definitely has increased on the city side. So years ago, property tax was the biggest portion on the city side and it has grown where city sales tax is the largest portion of revenue coming in on the—**Mayor Garner** said but that was kind of the question, have we seen an increase on the—**Mr. Lindsey** said I think there has been a slight increase on the county side, not as much as the city, but there has been an increase **Mayor Garner** said the reason I asked, I know our Sheriff has come before this body asking for financial support with some of his needs and if there was that window of additional sales tax, that could be an option for voters to consider, so that's why I brought it.



Mr. Peterson said this is just looking—I'm going to split the Sales and Use Taxes for the city and the county out separately because they do behave differently just to give you a glimpse. So sales taxes are basically what's generated from sales of goods and services at a point of sale. So if you walk into an establishment and you buy something, that's a Sales Tax. Sales Taxes we've seen are fairly consistent. They've been fairly level for the city, so you can see the blue on this chart, the dark blue is our base level of sales collections. You can actually see on the left '23 was actually down from '22, '24 was 1.7% increase, '25 .62%, our '26 forecast is 1.63%, so we did grow that at about a 2% escalator for the future just because we aren't entirely sure what the market is going to do and historically from 2022 to 2024 we've only seen a .29% growth on our base Sales Taxes on the city side.

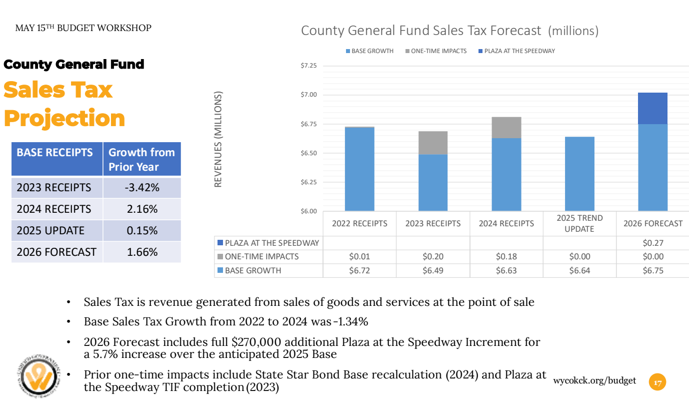
If you look at the light blue there, it does have the 2.5M additional fully built in for Plaza at the Speedway. Of course, that's dependent on if we want to use some of it for the resolution on property tax or debt relief and that's something we're going to talk about later in the presentation and that overall would be a 7.5% increase above our anticipated 2025 Budget for 2026 on Sales Taxes adding in the Plaza at the Speedway funding.

We did level out some one-time payments that we received, so there have been some lump sums that have kind of thrown off our trends and that's the gray there where we received a state STAR Bond based recalculation and some excess payments for Plaza at the Speedway paying off in 2023.

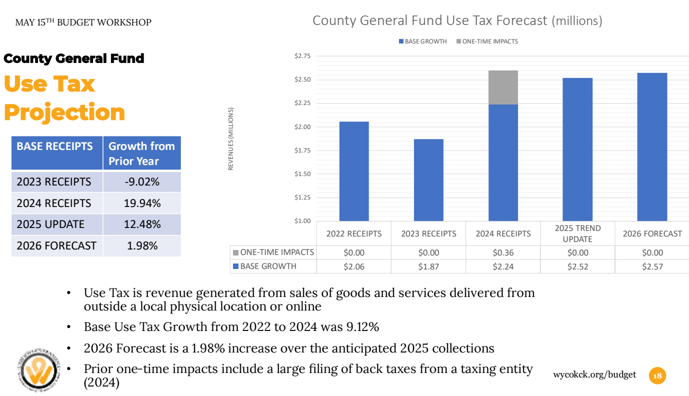


Use Taxes are much more challenging to forecast. These are revenue that's generated from somebody getting a delivery. If you shop online or, for instance, somebody buys a car and they pay for that car at our Motor Vehicle or if they have something delivered from a furniture store, that would be a Use Tax, so that's what the Use Taxes are. They jump around quite a bit. They're not easy to forecast. As you can see, '23 was almost a 6% drop from '22 and then it went up to 18%, back down to 13%. We have it forecast for 2% growth in '26. There is not Plaza at the Speedway impact on this because that is a Sales Tax and not a Use Tax.

The base Use Tax growth from 2022 to 2024 was 11.6% and we did have a large one-time impact in '24 to the base. So over time, just for some information, in 2022 Sales Taxes used to be about 78—77% of our city Sales Taxes. Now they're 72, so it's went down. There's been a shift of about 4% from Sales to Use Taxes over that time. People seem to be purchasing more online. Then overall, there's about a 2.2% annual growth that we've received from 2022 to 2025 on our Sales Taxes on the city side.

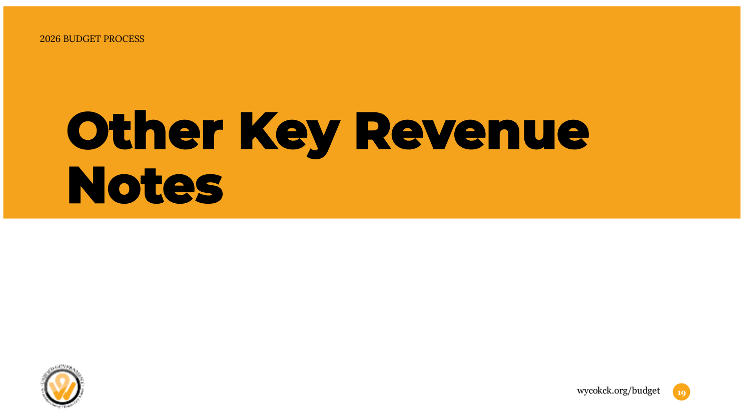


County side of the budget, again, this is Sales Taxes. Sales Taxes is about in the $6.6M range on the county side. Again, it's relatively flat. The base went down by 3% in '23, up by two, stayed about the same for '24—we're anticipating it being the same for '25 and then we forecasted a 2% increase for 2026. Base Sales Tax growth from 2022 to 2024 on the county side was -1.34%. We do include the full $270,000 additional expected for Plaza at the Speedway and that would be a 5.7% overall tax increase over the 2025 anticipated base level for '26.



Again, we've seen Use Tax on the county side to be more volatile than the city. The Sales Taxes, normal Sales Taxes, so our growth from 2022 to 2024 on the county side was roughly 9%. It's jumped from a 9% decrease to close to 20% increase in '24, a 12% increase and anticipated for '25 and 2% budgeted for '26. So overall it's roughly the same. Over the course of 2022 to 2026 we've seen about a 3% shift from Sales Taxes to Use Taxes, so we can see that more people are buying stuff online. Then overall from 2022 to 2025, we've seen about a 1.5% increase annually in our Sales and Use Taxes on the county side, so that's one of the reasons why we went with the 2% for 2026.

Mayor Garner said I'd just like to know real quick, Commission, the only reason I brought up Sales Taxes, I know I brought it up when I first became Mayor, but I was really intrigued listening to Chairman Kelly from Johnson County, his sales pitch as well as when I went to a Senate Committee and spoke about using Sales Tax to reduce property taxes. The big selling point that they're using is that individuals that come to visit our city pay into this tax, so it's not just a tax from property taxes, it just solely impacts our residents. It's like a shared tax for those folks that don't live here, but still utilize our infrastructure, our Police, Fire, EMS services as well. I know the Lenexa Mayor said that her community passed overwhelming 80% for a Sales Tax and they're using that for infrastructure. So, you talk about—I know Bonner and Edwardsville have talked about their infrastructure—help me out Commissioner Stites, the CIFI, to help for infrastructure. When you talk about Public Safety, our courts that have complained that they haven't seen an increase as well and some other items. It's just something for this Commission either now or later to think about staff, about being a viable option as opposed to increasing property taxes on our residences.



Ms. Kneuvean said I'm going to touch on a couple of key revenue items that outside of Property Tax and Sales and Use Tax. We do have fees that we collect and we have a fee schedule. In the spirit of revenue neutral, we left almost all of those the same. There was only a very few number that changed. There were several that went down. We had some that there was a gap. There didn't exist a fee and so we put a fee in place to be comparable to the other fees that are like in similar ways. We anticipate in 2026 that we will leave it flat as well, so we're not looking at a big increase for fees. The thing that will be a bit challenging for us to forecast is going to be on like building permit fees and with a lot of the uncertainty in the marketplace generally, we don't know exactly what's going to happen. We right now have a pretty large number and as fees and most of that is on building permits and it's things like all the apartment complexes that we've had, commercial businesses and so forth, that's where that money has come from. So, we'll be watching that really carefully to see how that looks to trend.

The Hollywood Casino penalty actually for 2024 it was $1.7M, but it's been roughly about $2M each year. Half of that goes to the city, half of it goes to the county and as you know, with the renegotiated agreement, that penalty will start once they start construction. They haven't started construction yet and so we had quarter one, we did get about $444K that we got from them in the penalty. I talk to the Neighborhood Resource Center pretty often to find out, hey, have they pulled a permit yet and they're still in the planning process, but they have filed papers, so they're making forward progress. We are not forecasting in a penalty in 2026. As you might recall that agreement says that they have to simply start construction by December 31, 2026, not be done, not be open, just start and so we'll have a gap in time there.

Commissioner Bynum said are you saying that in 2026 up until they start they will continue to pay the penalty? **Ms. Kneuvean** said they will, but we anticipate in 2025 they're going to start construction. We're seeing the forward movement on their plans and such. Once they start construction, that's when the penalty stops. So at this point, it could go for a year and nine months because all the trigger is that they have to start by December 31 of '26 and then—**Commissioner Bynum** said then next year—**Ms. Kneuvean** said that's right. So in the revenue projections, we're not projecting we'll get any penalty. We believe in '25 they will start, so there will be no penalty and then even if they—but you're right, if they didn't start until '26, they would keep paying the penalty until they start. That's how the agreement reads. **Commissioner Bynum** said the way we're going to know is because the permitting is going to trigger that we know they're going to start. **Ms. Kneuvean** said yeah, there's actually a little bit more robust language in there. I reread it today. It's the permit, but it's also forward movement. It's not like just pull the permit and do nothing. They have to be doing stuff, mobilizing, turning dirt, doing stuff. So, whatever time that is between now and December 31 of next year, we will collect the penalty. **Ms. Kneuvean** said that's correct, but for budget purposes, we're not anticipating collecting it for '26. We want to be conservative on the penalty side of it.

Commissioner Burroughs said if I remember correctly, there was a word called substantial construction so they can't just go in and pull a permit, put a shovel in the ground. They have to start really moving earth and doing the engineering work. It's not going to be just pull the permit and put a bulldozer on site. We wanted to make sure that they substantially started. Plus, in lieu of the penalty, we'll start seeing property tax being put out there on that property because the ground now has no value, only what's tied to the casino. Once they start the hotel project, there will be a property tax value goes on that and then as they move forward and grow larger in '26, there will be a bigger property tax value on the hotel. So, we'll see revenue coming in from the development plus the local labor market, we'll see earnings tax and stuff like that. So, I just wanted to share that with everybody. Just don't think we're losing on one side, we'll be gaining on the other. **Ms. Kneuvean** said right. I think it's a timing issue. It's just a matter of the penalty ends and when that property tax starts and it starts coming in. For a budget perspective that we do year-to-year that's why we're highlighting that.

Commissioner Stites said to be clear though, if they start construction in '25, which meets the language of substantial, not just mobilization and I follow the permitting process pretty close. As a matter of fact I was on there today and they have not made very significant strides towards acquiring a land disturbance permit. Are we saying that the property tax would change the minute that penalty phase goes away? Because if they're saying if they start in '25 the first of the year, does that property tax change? **Ms. Kneuvean** said we don't—we'll confirm, okay and I was comparing my knowledge of Missouri to Kansas, but I don't think actually during the construction the property tax changes, but we will confirm that, Commissioner Stites, to make sure that we're right about that. **Commissioner Stites** said because that was one of the reasons that I was very opposed to this penalty going away because I too thought that property tax period is after construction is finished, not the start. But if I was wrong, I mean fine.

Angela Lawson, Interim Chief Counsel, said they don't during a year they don't re-evaluate as the activity increases, so it's like once a year this is the valuation. **Commissioner Stites** said right. I'm saying if they started, that's what I said in the beginning, if they started in

‘25, which that’s what has been kind of suggested that that’ll go—that’ll start, our penalty phase then goes away, we collect no more penalty and ‘25 is almost over, not very long, it’s going fast, not fast enough for some of us, but then the property tax would be evaluated January of ‘26 if they started in ‘25. Is that right? **Ms. Kneuvean** said and it would be based on the condition of the property at that time. It wouldn’t be the ultimate and that’s why Commissioner Burroughs was saying as they finish out the project in ‘26, it’ll go up even more. But you wouldn’t see those revenues for—let’s just say they start in ‘25, they complete in ‘26, you’re not going to see the full revenues till budget year ‘27. I just share that so that we think about like when we’re forecasting revenues and we talk about these things in the future, why it might be a little less than what you thought. It’s just timing. **Commissioner Stites** said yeah and I guess—I’m sorry. That’s why I was—again this penalty should have never went away in my opinion and I’m just one person. I get that, in my opinion, until this project was over. I’ll leave it at that.

Commissioner Burroughs said we went through this with the American Royal project with people saying they were going to get a tax abatement. Right now they have to pay taxes on the facilities that are out there. They’re paying property tax on what was there January 1st and it will not change throughout the year until the next valuation period starts and that’ll go on the books the 1st of 2026 and we will see that growth. We call that incremental growth during construction, so it’s the same way with the casino. If they start in ‘26 and the minute they break ground it’s going to be considered an increase in value because they’re putting infrastructure in and that increase may not be a whole lot this first year, but when it gets to the second year in ‘26 it should be almost completed which will jump the property tax up considerably. We just went through that with the American Royal on how we looked at the property tax on that.

Ms. Kneuvean said the third bullet up there is to talk about our Enterprise Funds. That’s our sanitary sewer and our stormwater. The Commission has already made decisions with a multi-year rate structure. So, what we are budgeting on is based on the 4% for the wastewater and then it’s the calculated formula. The base doesn’t change, but the table does for the storm sewer and we are looking at—we’re updating all of our rate studies, using those approvals and then part of what you will see is what we propose using those funds for when we bring forward primarily the Capital Improvements. The rates pay for Capital Improvements, Personnel, and Operations. It’s all captured by the rates and as you know, we have some pretty aggressive demands for dollars on Capital Projects because of the consent decree. That will be coming forward, but the total amount of the budgets will be based on those rate increases.

The last thing is we all know how uncertain the economy is right now and we don't know what's going to happen with Sales and Use Tax, so even though a caution that I'd give we did almost a 2% increase in Sales Tax, but remember, that's an increase over what has already increased. And so it's presuming that past pattern of those couple of two years of really big increases, double digit increases, continues and goes up a little bit. To give you a better picture flavor it shows that we expect people's spending patterns to essentially stay the same. Products obviously are costing more right now. That's obviously a topic of discussion just about in every home, in every grocery store. So, what we are seeing is our revenues on sales tax are roughly the same, a little tiny growth, but that means that they're probably buying less because we know products cost more. So, just a food for thought, things to think about.

I know we always have discussions about what's the state doing and how are they growing and the state has the advantage of having sales taxes they get to collect from the entire state and there's some counties, like Johnson County, that might have much more robust growth than we have and so their pool is so much bigger. We've been looking at that, looking at what's happening in other counties just to assess and we are tracking Sales Tax and Use Tax every single month just to see if we get any indication of a trend change.

The real estate market, also we don't know what's going to happen. That is driven so much by interest rates for mortgages and so we don't know—we've not seen much relief in interest rates for mortgages nationwide, but we are seeing a little bit more activity in terms of houses. Of course, it's seasonal as well, but there are houses that are under construction that are going in. Those are good indicators, but we don't think that we're going to have some great real estate boom unless we were to see a major change in interest rates. That would change the picture a bit.

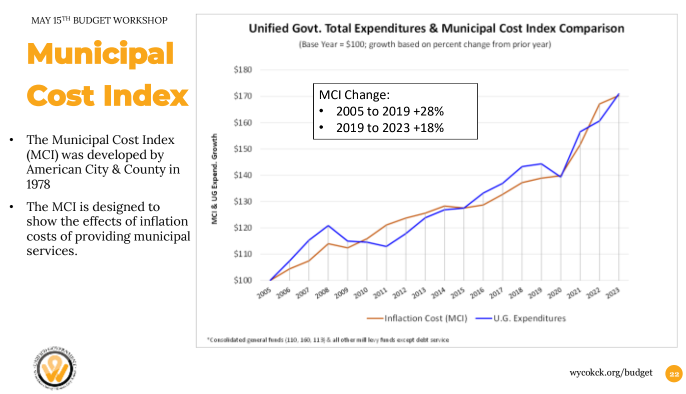
Then, economic development, again it's anecdotal. It's interesting and the whole discussion with tariffs and maybe you've seen this on the news, when tariffs are on—like they're going to happen, sales slowdown. Economic development slows down. They're on pause all of a sudden. There is a flurry of activity. It is very interesting and I can share anecdotal personal stories for businessowners that are seeing that and then they get a rush of orders because tariffs are on pause. They can't fill all those orders, so then they're like, you know, they need it to be more leveled out, but we don't know what that's going to do and we just caution that so that we manage expectations. We're trying to be reasonable with what we're projecting, but we're also being a bit conservative in terms of the bigger picture.

Commissioner Burroughs said is there a way to calculate the sales tax revenue we may be missing out on, on the IRBs requests that we have come before us in economic development? I know some developers have gotten very creative on the IRBs . They use it for not only the building materials, but they also use it for furnishings, painting, those kinds of things that I don't believe the IRBs were originally set up to do. It might help us to understand when a request for an IRB how much we are giving up in sales tax on maybe a $40M project to $50M project to that we have an idea. I know not all the things they purchase are coming out of our community; however, those that are being imported in is a Use Tax and those that are being bought in our community, our local sales tax that we're giving up. I know we want to encourage economic development, but I also think it would be prudent to understand how much of that sales tax we are giving up when developers come before us wanting an IRB.

Ms. Kneuvean said yeah, absolutely. Every agreement with an IRB will give a cap of what's the total investment that they could get the sales tax exemption on and so we can calculate that and then when the project's done, we actually reconcile that. They have to submit paperwork on that and then we could tell you what it really was, but we can say here's the maximum when you're making a decision and then we could also report back on here. Okay, here was the actual. They fully took advantage of the total or they didn't.

Commissioner Stites said I do think and I agree with you that on the IRBs that they've been really creative, but how does that get policed, who's watching to see that the things that we're approving an IRB that is actually meeting the criteria of an IRB? **Ms. Kneuvean** said when an IRB is concluding and they're going to dissolve the bonds, it's essentially almost a paperwork transaction. It's where the developer buys their own bonds and I can speak from the community college standpoint because we did it for student housing even though we were tax-exempt there was a state law that said we are not tax-exempt for residential buildings. So the Commission supported that and we had to go through a process where we submitted all the documentation of all of the sales and it was like from the contractors and all the furniture and fixtures, all that stuff. We had to submit the real paperwork and then that's how it is reconciled. It's based on the actuals at the end.

Then also it's—because it's a sales tax exemption just like any sales tax exemption, the state is also policing that, not just for IRBs, but just in general if you're getting an exemption. You're a church, you're a government, they're policing that as well to make sure they don't get abused.



Mr. Grimm said we're going to switch gears and talk about some decision points. I'm going to focus on this Municipal Cost Index and then a recap of revenue neutral. This slide looks at the Municipal Cost Index over that period of years. This is an index developed by American City & County in 1978. It was designed to show the effects of inflation cost of providing municipal services and includes consumer price index, construction cost index, producer price index and others. We kind of set this graph to equal $100 kind of a base value of UG expenditures and then the cost of that inflation at $100 and then over the period of years in 2023 you see it's grown from $100 to $170. If we look at the index just by itself, that measure from 2005 that 15-year period it grew 28% and the last five years on the graph it grew 18%. And so the cost of running a government is becoming more expensive.

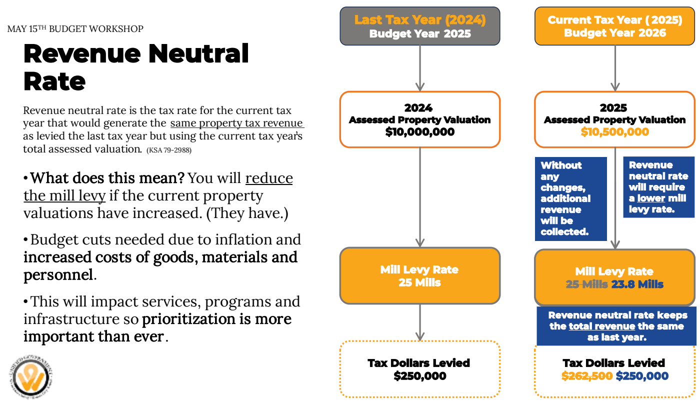
To state it another way, that last five years has seen 80% of the growth already in the last five years as the previous 15 years.

Mayor Garner said on that last slide, what does that represent in real actuals. I mean when you talk—I mean we can say that it goes up, but I mean what are we talking about. Are we talking about personnel cost, materials, are we talking about—I see these charts every year, but do we actually break it down to actually show our cost, not the national consumer. But how does that reflect the cost increases for the Unified Government. When we look at our vendors, when we look at our personnel costs, how do we compare our actuals to what this consumer index may be and see if there's a variance there? Are we in line with that, are we lower, are we higher. It's just a question. I'm not really clear about how—because I know different parts of the country may have different costs based on a variety of factors. Cost of living, you know what I'm saying, when you talk about personnel costs, so I'm just saying for where we're at, when we're going off, I think that's a national formula, but I'm just curious, does one size actually fit all when you talk about that? **Mr. Grimm** said yeah, right. So, there's a lot of detail and you're right, when we look at the consumer price index, it's a national measure. I would assume this is more of a national measure, but as far as how that ties to our expenditures just to point out the blue line are Unified Government expenditures. Consolidated Funds, the one you know City General, County General, Parks and then all the other Mill Levy Funds. I mean that's a strong correlation on those two lines. There's dips and it grows at different rates at different times, but the correlation's there. You know we have to think about an index. They don't provide it at a Midwest level or a KC metro level if you're buying steel and concrete. So, I don't have that answer.

Commissioner Bynum said I was just going to point out it does kind of vary and flow, but at the end of the day, we kind of hit right where the MCI is landing with the UG blue line and it's really striking to me that 2005 to 2019 is much more gradual and then just these last—the four years or from '19 to '23 are quite dramatic and I guess that's because of the inflation rate. **Someone** was inaudible. **Commissioner Bynum** said okay.

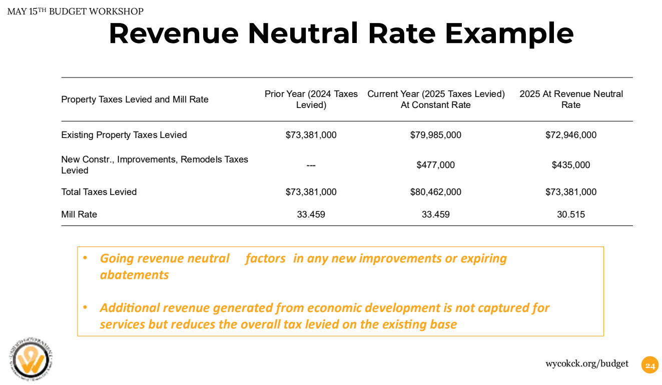
Mr. Lindsey said one of the things is during COVID, that's where that jump really happened. One of the things like during COVID we experienced inflation rates jumping for a lifetime. Like us in this room we'll never ever see again hopefully.

Mayor Garner said I guess my question was more so—and I know you don't have was more just comparing, what are we comparing apples to oranges or how does our line coincide with actuals. I mean what are we gauging that on when you talk about the empirical data that comes with that consumer index? **Mr. Grimm** said I think it's a strong correlation on the lines, but then also just the measures that they use and we can dig more into methodology. I don't think they put it like you know the different cost of inflation, that gallon of milk maybe or your price of gas in different parts of the country is different. This is more of a broader look. I think personally there would be less fluctuation in those material costs nationwide than some other items that we go to the store and purchase, my personal opinion.



To review revenue neutral rate by definition in State Statute, it's a tax rate for the current tax year, which would be the 2025 tax year, '26 Budget we're working on, that would generate the same property tax revenues as levied last year using this year's assessed valuation, which will come out the middle of June. So, what does that mean? If revenues are going to go up—excuse me, appraisals are going to go up about that 9% we've talked about, we'll have to reduce the mill levy rate. I'm looking from the budget side of things if that occurs, you know, due to inflation, increase cost of goods and services and materials we'll have to—the governing body will have to think about prioritizing services and programs and infrastructure.

By way of example, last year taxes levy and this is just an example, say assessed valuation is $10M, if we apply a '25 mill levy rate that would give us revenues, property tax revenues of 250K. So, let's assume the next year it grew, assessed value by just 5% in this example $10,500,000. If we kept the mill levy constant, we'd have more tax dollars and we would not be revenue neutral, so we would have to do an adjustment to the mill levy rate and in this example bring it down to 23.8 to give us the same revenues this current year as last year.



MAY 15TH BUDGET WORKSHOP

Revenue Neutral Rate Example

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

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

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One more example. This is kind of focusing on the county side of things. If we look at the prior year 2024, about 73M in property taxes levied on existing property. That's using the mill levy rate 33.459. If we look at the current tax year with that growth of 9% on existing property, we'd be about 80M and we do know we have new construction improvements, remodels, etc. that come online, come onto the tax rolls and that would be in this example just shy of 500K. So, property tax revenues, current year, would be about 80M and that's keeping the mill levy constant at 33.459. That last column looks at if revenue neutral were to occur to get to that total taxes levied of 73.3M we'd have to drop the mills to 30.515. On the bottom we're just saying and pointing out that although we're talking about revenue neutral, any new improvements do go onto the tax rolls but we just don't realize that growth in taxes and that can affect the overall taxes levied in the tax base.

Commissioner Stites said so the 9% anticipated and I think it's important—if you remember that at the state level, they were looking for a 4% cap is what they were looking at so that people could project an increase at 4%. I think it seems, you know, as we approach and we still see these near double digit increases, that's where people can't budget that or absorb that into their daily budget because there's no planning for 10%. Last year was what—what was the number last year? Do we have it right off? **Someone** said 11. **Commissioner Stites** said 11, so if you take—that's 10% over two years and you know consistent, I mean 20, so I was really disappointed that our local delegation primarily—most of them voted against that to give tax relief to the people in Wyandotte County that have been crying for tax relief. I think if we would have been able to cap that at that 4%, which is more than half of what we were looking at, I think people are able to, like I said, absorb that and budget that in and continue to live. But these substantial nearly double digit increases are not sustainable.

Mayor Garner said I have a question kind of in line with Commissioner Stites and I apologize if I missed that. What are we projected as far as the percentage, the mill levy. You know, equivalent of from what we would get from assessments. I mean what are we projecting and then how does that compare to what we would need to operate as far as a percentagewise our budget in comparison if that makes sense. **Mr. Lindsey** said we are projected to have a 9% increase. **Mayor Garner** said okay, and then how much out of that 9% increase in revenues, how much out of that 9%--how much you all are projecting to basically run this government. I mean, if you put it in a percentagewise. I mean are we going to need all of that 9% or just a portion of it? **Mr. Lindsey** said it would definitely depend on our service levels, what we would want those at. That's what it definitely would depend on. As part of the upcoming budget workshops, we will be bringing you all information on like what our total personnel cost, which is our largest cost on the expenditure side of the budget and then we also will be bringing a Capital to you and that's the second largest where we will be able to make decisions based on how much revenue we'll need.

Mr. Johnston said I think going into our budget process internally, my message to the department heads is we're not going to go to 9%. Our intention is not to ask for all of it, so we're going to be conservative in our budget process. We're not going to go back to our '22 and '23 habit of maximizing our General Fund request. Even though 9% is what our Appraiser has indicated in our workshop was going to be our max, our intent was not to ask you to do 9% in our General Fund ask. **Mayor Garner** said that's where I was going with that is just when we budget, if we could give the Commission an option of just budgeting what we need as opposed to what we want, what to operate our government and hopefully not at the full 9% like the Administrator—you know, if it's 4%, okay, we only budget 4% and we operate that. That way even if we don't go revenue neutral is where I'm going with this Commission, I think the selling point for me is that we could have took nine, but maybe we're only taking two or three. You follow me? And that's just to keep up with that index. That's where I was that you talked about, that index on inflation and how that breaks down and to basically run our government responsibly while still trying to maintain the level of services our residents have come to expect from their government.

And that's if, that's another thing I was talking to one of the commissioners. I think it was Commissioner Stites or I believe it was, but I don't know if you all are looking at ways to cut costs. For example, we own the ballfield out there. I don't know if this Commission wants to stay in the business of owning a ballfield and if we put the for sale sign up, how much money could we make and generate by having someone buy that property and other properties. I don't know if staff is looking at that as an option to unload some of our obligations as a way to cut cost and provide additional savings that could tie into just mitigating that inflation rate that you all just talked about.

Mr. Lindsey said as part of our Operating Budget process that we kicked off about a month ago, departments are submitting Operating Budgets where they will be cutting 5%, but then there's also where they have a scenario where they can ask for new initiatives. Also, there's a scenario where they can keep their budget neutral and ask for requests, but reduce to get those new requests. We are definitely looking at ways to reduce the budget and then we also are coinciding running the Capital process where we are looking at the possibility of trying to do something with different buildings like if we need to offload some buildings if that is a possibility.

Commissioner Stites said when will we see that? I remember the meeting that you're talking about, Mayor, that we had and that was brought up and there were several locations that we had spoken about and what that might look like, the pros and cons of selling locations. When will we have that presented to us? I know then, Mayor, you had said that you had directed someone in that meeting to work on getting that list to us. Is that something that you guys are working with? I think it was Mr. Kelly who was asked and I'm not putting him on the spot, I'm just asking. **Mr. Lindsey** said I do know that data is being pulled together and we also will have a Capital budgeting process that we will have for budget workshop on June 26th. **Commissioner Stites** said my fear is that's way late to look at maybe trying to offload something that might impact this budget. If we're first laying eyes on it June 26th and we're to have a budget approved by—what's the date? I'm just saying if we were revenue neutral, worst case scenario, if we were revenue neutral, what would that date be?

Mr. Lindsey said we're looking at approving a budget on August 28th. **Commissioner Stites** said is that for the revenue neutral rate date? **Mr. Lindsey** said yes. **Commissioner Stites** said so that's not a long time for us to work on that. I don't know if there's somehow—I mean I know you guys are worked to death and you've got a lot to do, but that we are able to see that maybe a little quicker. I don't know that there's that many locations that were brought up that day that we might be able to have a discussion about.

Ms. Kneuvean said one thought about that is any kind of disposition that we do is going to gain one-time money and so even if it's not something that we get in front of you with a decision by August 28th or before that, it's not that it would have to wait for an exhaustive amount of time. You could make a decision as that comes forward to you and say, okay, we want to move forward. We would do—if it's real property, there's a state law that governs that and they'd have to put it out for public bid. You'd see what you get for it, see if you want to take the bid, the best bid, and then how do you want to use the money. So, it doesn't forgo that opportunity. That's all I want to say is not to put it off, it's an important thing, but just to say you have a little bit of time and it doesn't have to wait like a year.

Commissioner Stites said I appreciate that. That's one way of looking at it, but some of these locations have ongoing costs associated with them that reoccur year after year after year.

Mayor Garner said I believe that came up, Commissioner Stites, I believe there was just—the reason of the ballpark. We keep talking about the Monarch Stadium that we own and I'm not sure how much we paid for it. I can't remember, I remember when we bought it, but I think there's a $12M maintenance cost that this Commission might see here pretty sone and so just talking to Commissioner Stites—I mean when you talk about those types of maintenance costs, that's huge and if you don't pay that to maintain it, it continues to deteriorate and if it deteriorates, it's going to lose its value. So, you might want to defer some of these ongoing operation and maintenance costs by selling these properties and there's several that exist that this Commission could probably look at and make an informed decision on.

Commissioner Lopez said when we're talking about property, I don't think Matt Willard is here, the County Appraiser, but I gave him—we were talking about property, there's the Cold Start was the old Americold, but it's Cold Start property, the (inaudible) ground, it's 937 deeded acres that breaks into 33 parcels. They are almost 500K in the arrears, haven't paid a cent since they bought it in '22 or '21, but I'm trying to figure out why their parcels, their property tax dropped significantly and everybody around them went up. He was supposed to be working on it because I know he was dealing with protests, and I don't know, maybe somebody here knows, if you're in the arrears that much, can you still protest your taxes?

Ms. Kneuvean said I believe you can and we wait three years to be in the arrears, three years consecutively before we put it up for sale. So, one of the things, just anecdotally, and we talked about this a while ago, but we are looking at and I've talked with Legal about if you pull all of the taxes that haven't been paid over the last 30 years, there are a lot of situations where maybe one year wasn't paid, but the next year was. But there's still the outstanding debt from that one year, but it never went to the tax sale. Sometimes, frankly, it's because the property owners have passed away. It's one of the things that Wendy and I have talked about looking at to clear those one way or the other, either to get back taxes, clear them, whatever because we're carrying all this what's considered a receivable on the books that we're not probably ever going to receive. Some of this goes back decades. So, just anecdotally, a little something else and Commissioner Lopez, we'll pass that on. Matt's probably the only one that can answer the questions. **Commissioner Lopez** said right.

Alan Howze, Assistant County Administrator, said I can't speak to that specific case, but oftentimes when you see that kind of drop in value it means that something shifted from commercial to agriculture and Kansas is very lenient in how it identifies agriculture and the Board of Tax Appeals at the state level has also been generous in its rulings about what is and is not agricultural land. So, in Kansas agricultural land is taxed at a much, much lower rate than any other type. **Commissioner Lopez** said I understand that and it is not Ag, it's still residential, it's still R1. It has not changed there.

I understand, Shelley, what you're saying about—now can we get some boys on that or just some people on that where they just focus, all right, this is what you guys are going to do, we're going to put this together and we're going to squeeze what we can squeeze out of it as far as, you know, just put a little team together and say, okay, this is what you're doing. **Ms. Kneuvean** said absolutely and another thing I would add to supplement to what Alan just shared is that and this becomes important, you're not taxed based on the zoning, you're taxed based on the usage and that becomes important when you think about lots of different situations and that's why a lot of times non-profits are looking for are they really doing the non-profit or are they doing a commercial business out of there. It used to be a church, now it's a restaurant, whatever. Your taxed based on your use even though you couldn't really take a church and make it a restaurant without rezoning it, but there are distinct issues. In the situation that he's commenting on, who knows, we can find out how they have classified it at the state level will be important.

Commissioner Lopez said it's been doing nothing, absolutely nothing for a decade for a solid decade and every year when taxes—the property tax goes up, it goes up, but then 2024 it drops over 100 grand on one parcel. **Ms. Kneuvean** said it's probably an appeal, but we'll find out. We'll definitely find out.

Commissioner Burroughs said I think the state redid how we went after delinquency. It used to be if you paid the year delinquent, it went back to the year that you were in and not go all the way back to the first. Now it goes all the way back to the first year so that you keep delinquent until you get caught up.

The question I have and it's we have a delinquency issue here. Is there a way instead of calling it a percentage, could we get the number, the fiscal impact that it has. I know you said resources that we probably never—revenue we never received because it's on the book. Can we get an idea what that is so that we know it's not a percentage of the budget, it's a dollar amount because I think it has a better impact when you see the dollar amount versus a percentage. In reference to getting those off of our books, there's private markets out there that will buy those for something on the dollar and will take upon themselves to retrieve that skipping or whatever they choose to do, collection companies and that we can get some money instead of losing it all. Putting out on a private market and having people bid on those delinquencies and let them—we get something and move on from it so it's not impacting our financials moving on into the future and carrying it forward.

Ms. Kneuvean said absolutely and in fact, one of the things if I would have made my way up to the law department today, I've got a thumb drive waiting for me, which is all of the delinquent properties that we've had over the last 10 years because I first want to look at like when the tax sale started, what was the dollar amount. We talk a lot about the number of properties, we don't talk about dollar amount. Then I want to look at, okay, by the time the sale happens, we know people come in and they redeem or they get a payment plan and then I want to see how much wasn't collected and then we moved it over to the Land Bank.

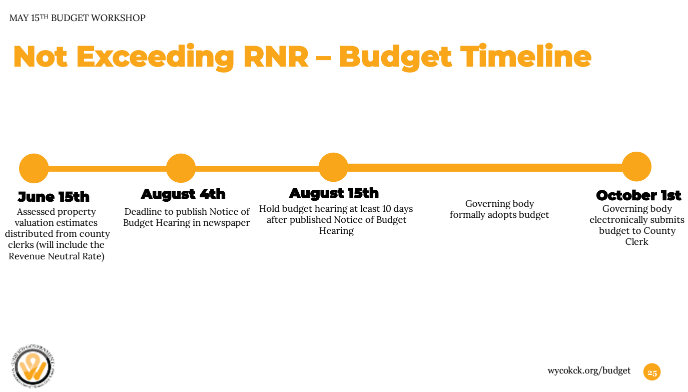
I'm actually working on a 10-year report because that will also help us know if our delinquency rate that we use is accurate. We need to do an assessment to make sure we use about a 6% and that seems to be right. All of the taxing districts use that, but it'll be a good check. Actually the data will provide a couple of things for us and then I've got this other report with this decades long of these hit, you know, spot situations and that's something we'll need to bring to you though because that can be—you know a constituent issue is that we've got property that's now in the family's hands generations later. We come out and say, hey, back in whatever, you know, 1972 and we literally have examples like this, your mom didn't pay her taxes one year. You need to pay them now. We'll bring all that information forward before we ever act upon it because it may be something that you want to do or maybe something that you want to kind of shape in some way to be more reasonable to help property owners and to help us as taxing districts to get those tax dollars that we haven't gotten for so long. We haven't gotten them because they weren't three years consecutive and so it's just a matter of taking a look at that.

You're right, putting the taxes back to the first year that they were due for the three consecutive as opposed to the current year, it has been a way that we've been able to keep people moving forward on getting caught up on their taxes.

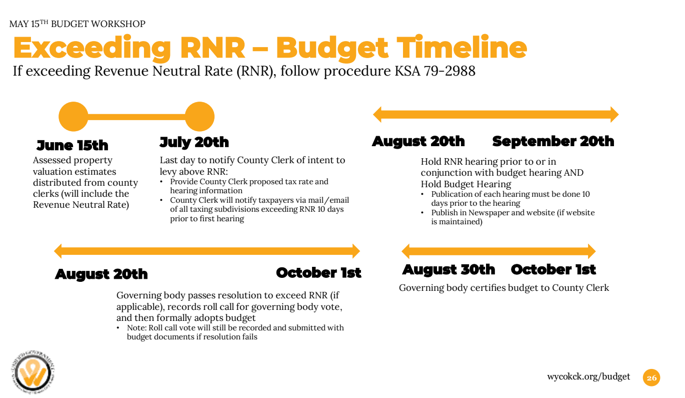
Ms. Lawson said state law does control part of what, and I only know a little bit of this to be dangerous, does control a lot of what you can and can't forgive on those because it's not just the city/county taxes, it's the other taxing entities as well, so state law does prescribe what we can and can't do with the back taxes.

Mayor Garner said I have a question in that regard. I'm not an expert, but I know that we have some physical structures that's in the Land Bank and I know we have the tax sale and I don't know if anybody can—are we constantly putting these properties like, you know, on the MLS so I can go to Zillow and see that the Unified Government has 10 houses for sale and maybe because there's a housing shortage maybe we don't sell it at its value, maybe undervalue to just unload those properties. I just don't know.

Commissioner Bynum said the number of Land Bank parcels that we currently own that actually have structures on them is probably less than 10 because we have had great success with the Land Bank Rehab Program that we ran for multiple years such that people were buying those and rehabbing them. Basically flipping them and so that was extremely successful and if we did have parcels that had structures, I think we would continue to see that level of success, especially with this tight housing market. But, Mr. Howze, I'm pretty sure that number now sits less than 10. **Mr. Howze** said you're exactly right and in fact that has spurred a market so that any property that has a structure on it doesn't make it to the courthouse steps. It gets bought by a rehabber and pulled or, you know, and they are the ones who are actually taking it and rehabbing it, so those aren't making it into the Land Bank. Most of what's making it to the Land Bank now are land parcels that don't have anything on them.



Mr. Lindsey said as part of the revenue neutral process that the state put out a few years ago, there are two timelines. There's a not exceeding revenue neutral budget timeline and then there's the exceeding revenue neutral budget timeline. This year there is a change where the exceeding revenue—the not exceeding revenue neutral has the same time frame as the exceeding revenue neutral. Last year when we did go revenue neutral, the budget had to be submitted to the Clerk by the end of August. This year it's October 1st and that's the same for if you exceed revenue neutral.



This is a breakdown of the exceeding revenue neutral timeline. Some of the things that are different there is by July 20th we would have to let the Clerk know if we were exceeding revenue neutral. Then from the timeline from August 20th to September 20th we would have to hold a revenue neutral hearing and also pass a resolution to exceed revenue neutral and we would have to have our budget done and completed and to the Clerk by October 1st.

MAY 15TH BUDGET WORKSHOP

INCREASED VALUATION

Tax Levy Fund Impact

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

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

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As part of the decision points as far as like working with the revenue that we would be bringing in from property tax, we had two slides coming up here kind of as advisory role. Mike Grimm talked about the Municipal Cost Index a little bit earlier and so what we did was set up here as if we did increase our revenue by the 5.5% and this is just to give you all a view. We're not saying set it at 5.5%, but just giving strictly a view of what accepting 5.5% more revenue of property tax would look like. So, what we would have is we'd have a total of $7.7M coming both to the city and the county side. It would be like $3.6M more in property tax revenue going to the city and then $4M more going to the county and what that would do is decrease the mills, about one mill on each side for a total of two mills.

MAY 15TH BUDGET WORKSHOP

INCREASED VALUATION

Tax Levy Fund Impact

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

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This next slide is kind of advisory role of if we did accept all 9%, what that would look like and so basically it would be $6M that we receive on the city side and $6M that we receive on the county side. But if we did not, that would be $12M that we'd be foregoing in revenues and then we would be decreasing the mills by five mills, almost six mills on both sides.

MAY 15TH BUDGET WORKSHOP

PROPERTY TAX RATES

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

*AFTER FACTORING CURRENT BUDGETED 6% DELINQUENCY RATE

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Commissioner Lopez said this is a question for you guys and maybe the County Administrator too, but if we accepted the 9%, can we use what we need, but how do we put the rest for tax relief? Can we put in there for tax relief to—our residents have been screaming for it forever. Can we look into that? That's a major, you know, we have neighborhood groups that want this and want that. What about the residents that are paying—how can we give them tax relief from where we're at today? That's the main focus. That's a million dollar question, but if you've got to get back with me, that's fine too, but I just want to put that on the table right now.

Mr. Lindsey said there is the option with this 5.5% where we only take 5.5% growth, and we don't have to go with this option, but this kind of gives you a view of like this would provide property tax relief to our citizens. This doesn't have to be the number. I mean it definitely can be a discussion point.

Commissioner Stites said I'm confused as to how this provides tax relief. If you're increasing it, it's costing the taxpayer more money next year. How did we just give them relief? **Mr. Lindsey** said what we would be doing is reducing the tax mill levy and that's where the relief comes in at. So, we would be reducing the property tax levy. **Commissioner Stites** said we're still raising taxes. **Mr. Lindsey** said yeah, and that would be based on—because their property values went up. We would be cutting our property tax. **Commissioner Stites** said I'm paying more in property tax than I paid the previous year, so we're not reducing taxes, we're increasing taxes.

Mayor Garner said can you guys expound on that because I'm kind of confused and maybe just for clarity, because I agree with Commissioner Stites right now and Commissioner Lopez. I don't understand if you're increasing taxes, you're capturing that extra money, I'm paying more, how are you saving me money if I'm paying more? Here's where I'm going with this because I know in years past I heard those same messages that, oh, your taxes went down. Same thing because the appraised values went up—I'll just say 10% is what it reflected in what the increase would be. Oh, but we didn't take all the 10%, we only took 6% so we're saving you 4%. You really didn't save me 4% because my taxes still went up. You just didn't capture that extra 4%. It's still a tax increase based on the appraised values that caused that. That messaging, I'd like that to be clear for our residents and for our commissioners that's watching. If we capture $1.00 or 1% of any of the appraised value increase, that's a tax increase, period, there's no way around that.

Ms. Kneuvean said I think it comes down to the words that we use that depends on what happened to your property. If your property—assume it appraised, it went up, the mill rate would be the same and so it comes down to when you say your tax rate, well the tax rate didn't change, but my assessed value did and so my bill is more. So, it comes down to the words. What I'm paying is more and the bottom line is that citizens are asking to get relief from paying more and so it's balancing all that. **Mayor Garner** said the key word you said is balance because I am going to pay more because of my appraised values went up which means the Unified Government is taking more. That's the concept of revenue neutral, so even though the appraised value goes up, this Commission has the option, revenue neutral or not, it doesn't matter, you don't have to go revenue neutral. But what you can do is if the appraised value, let's say, goes up 10% and then this Commission can say we're going to budget zero, we're not going to take any of that 10% or maybe we only need—you see what I'm saying?

Maybe you can't give a tax decrease, but what you can do is prevent a tax increase and that's what our residents are saying because the messaging has been off for me even before I became Mayor. I kept hearing, oh, the mill levy has gone down. We've got the mill levies dropped and in all actuality—but people keep showing their tax bill and they're saying but my taxes have gone up substantially over the years and I think our messaging is somewhat off and I just think we need to be honest with people that if we take whatever percent of the appraised value increase on their house, if we vote to take that or this Commission votes it, that is a tax increase. We're capturing those added revenues and I think that's what people—they want us to be honest and not play with words like that because I mean these people are smart. Some of them have PhDs and when they show me their bill and I say well, you know, the mill levy—no the mill levy did not go down. The appraised values went up. I'm paying more. Maybe you kept the mill levy the same, you didn't raise my mill levy, but you're capturing more because the appraised value has gone up, which is a property tax increase.

I just think people need to know that and our government needs to really message that in a point. I like what Mr. Grimm said when you talk about the inflation rate, I mean the cost of doing business goes up, but in line with our Administrator said, my recommendation to the Commission is we only take in and utilize what we need to operate this government responsibly based on what these essential services are. And then what Commissioners Stites and Lopez has talked about, let's find those cost-cutting measures, be it unloading properties, cutting the fat wherever it is, tightening our belt however we can to offset best we can if we don't go revenue neutral, those appraised values increase so our residents don't see these crazy fluctuations in property tax increases.

It's really—when you talk about comparing us to Johnson County, I don't know if you all seen the article that was out in the Star, but it kind of compared. Their per capita income is a little bit more there. I mean our residents don't have that per capita income to make up the difference. That's why we have over 4,500 Land Bank properties. People are losing their properties at a rate that's unheard of probably anywhere in the metro. So, I just challenge staff to bring this Commission recommendations to mitigate. Even if we can't actually reduce the mill, I know what that—but really real time reduce the mill and reduce property tax. If we can't do that, at least do what we can to prevent an influx of raising people's property taxes to the point that it's unbearable. If we keep doing that, and I've said it before, what's going to happen is I went to Detroit, there's other cities out there, and I know people don't like the word bankrupt, maybe we can't go bankrupt in Kansas and all that, but a city can file bankruptcy at the federal level if they wanted to. I mean that going in the red—and I appreciate our Administrator and you all, our staff, of pushing that red out to about 2030, but it's still there. We have a good window of opportunity to really bring in a robust balanced budget in a way by just operating within our means and being a little bit more fiscal responsible and I think that's what our residents are asking us to do.

Mr. Johnston said I'm just going to be honest with you. This is the first city—local government that I've managed that is fixated on the mill rate. Everywhere else I've worked we always looked at the levy. How much do you generate every year. We never really worked at the mill rate. How much do you need to operate your government. That's the levy. How much money do you need to generate every year to pay your bills and, therefore, to focus on the mill rate and the levy and all that, it's a game. I want to get out of this. Let's do truth and advertising and all this, how much money do we need to generate to pay our bills to operate this government.

So, I don't want to get into this debate about mill rate and levy and all this. How much money do we need. How much levy do we need to generate to pay our bills. Let's get back—and I think that's what the Mayor is talking about. We need to be honest with our taxpayers and stop doing this—because I'll tell you the mill rate of 2022 may be—is not the same as a mill rate in 2025 and that's the games that this government has been playing every year. The mill rate is not the same every fiscal year and that's a game that we got to stop playing with our taxpayers.

How much money do we need in the levy to pay our bills, that's what we need to talk about with our taxpayers and stop fixating on the mill rate. How much money do we need to pay—yes, it's an algebra equation, assessed valuation against—times a tax rate equals the levy. That's all this is and that's what we need to just continually just focus on is how much money does this government—and we have two that we're responsible for, do we need to function to pay for services for our citizens.

So we have the responsibility, 11 people elected, I'm hired with a staff of 2,300 people to be responsible stewards of tax dollars that people pay in every year and that's what we're supposed to be responsible for. And how we do that is how we build public trust. Right now the trust from our public is not very good. We've heard that in the two years of two budgets that I've built already. We've had people come to our meetings yelling at us. You know, that's been an experience I never experienced in other communities I've managed because the trust is low. How do we build that up. We be responsible with our resources, we show value for our—of the resources. Our people see the value of our services every day, every year.

We've got to quit doing games. So, right now we're just going to be focusing on how much money do we need to pay for the services to provide our citizens. What levy do we need in our two governments and I'm not going to fixate on the mill rate anymore. It's the amount of money we need from our citizens to pay for services and levels of services to provide our citizens. No more debates, no more games, just how much money do I need from our citizens to pay for services that they want, that they're asking us to provide them to put in our budget. I'm sorry if it sounds like a discourse.

Mayor Garner said it's a good discourse, Administrator, but also I challenge the commissioners, just to circle back on what are the wants and the needs and how do we drill down to give our Administrator and our staff an idea to do what the Administrator talked about. What are the essential services that our constituents are telling us they want from this government and cut out the fat of what we want and really just focus on the needs and that gives our staff and our Administrator a little more clear direction on what this body will want and what you all will feel comfortable once you make an informed decision as far as the next budget.

Commissioner Lopez said that's kind of what I was trying to get at was how do we implement more sales tax revenue to take the place for tax relief to bring that way down like a lot, but how can we fill that gap with sales tax revenue? That's the formula that I'm looking for. **Ms. Kneuvean** said a couple to-dos that we have is to figure out what those gaps are and if we were going to have another sales tax, then to figure out what that would be used for and that would require a public vote. That's one of the taxes that requires a public election vote, but we'll get the numbers for everybody on what is the possible and what it would generate and that can give you good information to make some decisions.

Mayor Garner said I like that. I encourage this body to consider that and give it to the voters. I talked about they want pools, they want parks, they want infrastructure, they want enhanced services. I mean everything that a sales tax could potentially pay for that's not just being paid for on the backs of our residents, but also people that come in our town to either work here or do business here, they're going to pay into that as well. It's another option for this Commission to consider when you talk about the residents that actually chose to live in Wyandotte County want property tax relief and that's one way to spread it as well as provide some of the good services, resources and amenities that our residents in certain areas have come to. They're actually demanding because it's just not there especially when you talk about our crumbling infrastructure and some of the other improvements and then the needs of our courts, our Sheriff, our DA, just administratively some of those needs. A sales tax option might be something that you throw in the laps of the residents and say you want all these things, then you decide and give this government some direction on what you're willing to pay for or not.

Ms. Kneuvean said we wanted to spend a couple of minutes, real quick though, back on those timelines. You've got the packet, but you have to make the decision by July 20th. We have to certify whether or not we're going revenue neutral or not, so it's not an urgent decision, but did want to kind of help you frame a timeframe in your decision-making and when that part would be done. That would happen—when is the County Administrator's budget? **Mr. Lindsey** said August 7th. **Ms. Kneuvean** said August 7th, so it would happen—you'd need to make that decision. I guess the timing would be before the County Administrator's budget is presented, but maybe there can be some timing on discussions about that.

MAY 15TH BUDGET WORKSHOP

BPU PILOT ADJUSTMENT

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

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As far as other things that have been a priority to the citizens, we've talked a lot about looking at how do we reduce the PILOT that we're charging on the water and electric and a 1% additional reduction on just residential is about 1.2M. We also wanted to point out that for the senior, disabled, and low-income BPU PILOT Waiver Program, that's a cost of about $240K and so we've already built that in continuing that program. If we wanted to reduce our right now 10.9% maybe to a 9.9%, then that would be the cost, but it's a bit like what we were just talking about when it comes to property taxes actually in a different way. To the resident, they're going to see a real reduction, a calculation of a reduction. One way for us to look at this is because BPU is doing some rate increases, we're projecting that we're going to have more revenue. That was one of the earlier slides and that is just because based on their total charges.

If we were to reduce that or compare that rather to the prior budgeted number, not the actual number, but when we put the budget together and we said this is what we had to live within, when you compare that and do a 1% reduction, it's only about $200K less. In other words, a choice that you would have and that the Administrator will have to make a recommendation to you all is do we take full advantage of the fact that the gross sales are going up and so our PILOT revenue goes up. But maybe that's a way that we could have some property tax relief or whatever or do we reduce another percent for residential and then we know that overall that's going to take about a $200K budget-to-budget reduction. So, it's just thinking about it kind of two different ways, if you will in the decisions that ultimately you all will make.

Commissioner Bynum said just a reminder that in '23 when Commissioner Hill and I and BPU Board Member Henry brought the presentation that began the PILOT Relief, our recommendation at that time did include the stairstep lowering of the PILOT. So I would be in support of looking at another percent for the residential and what that impact would be. **Mayor Garner** said and that's what I'd given direction to the Administrator to look at. Along with that, I have to commend this Commission for working with me through the process of separating the PILOT between commercial and residential because that's what really gave this body that option to be able to be impactful for our residents.

Commissioner Stites said a 1%, what does that mean to the resident in dollar amount? **Ms. Kneuvean** said we have that calculation. I don't have it right handy, but I'm not going to guess, why don't we get that for you. In terms of—it's not a substantial—it's only a few dollars, but it's cumulative over time that they're paying less than they otherwise would. **Commissioner Stites** said so like a few dollars a year? **Ms. Kneuvean** said no, a month. **Commissioner Stites** said a few dollars a month, so $20 a year. **Ms. Kneuvean** said yeah.

Commissioner Lopez said I meant to ask this earlier. So, way in the front, with the City General Fund impact on the PILOT—the City General Fund, the impact on the PILOT which kind of talked about where there is now, but I see the forecast is like—2026, 1.8%. Then the update in 2025, it's kind of going backwards here to negative 2% and then we're looking at 2026 is 38.8M, 2025 is 38.1M and then 2024, 38.9M at 1.2%. In 2023, 38.4% is 6.1%. That's a huge jump when we're only talking 100K, a few hundred thousand like 500K, how is that at 6.1% when the other ones are a couple hundred thousand and now we're at 1.2%. That huge jump is just kind of throwing me, the 6.1%. **Mr. Peterson** said that 6.1% is from the 2022 to the 2023, so it's from the 36.2M to the 38—**Commissioner Lopez** said so that percentage isn't in the square there, so I don't—because I was kind of thinking, but it's not there. **Mr. Peterson** said it's the growth from the prior year, so it's the—whatever year it's on, it's the growth from the year before it. **Commissioner Lopez** said now we're making sense because now that's a little over 2M. **Mr. Peterson** said I can tell you that the '25 is primarily due to GM shutting down and us reducing the PILOT rate. **Commissioner Lopez** said say that again. **Mr. Peterson** said the '25 reduction is primarily due to GM shutting down and us reducing the PILOT rate. That's why it went—**Commissioner Lopez** said and then where are we at with—I don't know if we can go there about the Quindaro—disregard.

Commissioner Kane said it's not just GM, it's the suppliers that are down there and also the suppliers that are across the river. It's a lot larger than just GM.

Commissioner Hill said thank you for the report that we've heard with this budget session tonight. I just have one question which I believe every resident wants to know. If we do revenue neutral or if we don't do revenue neutral, either way, will the taxpayers taxes go up? Will the residents taxes go up, either way? **Mr. Lindsey** said that kind of depends on what the other taxing entities also do. So their portion of the—if we were to go revenue neutral, their portion of the Unified

Government property tax bill wouldn't go up, but if other taxing entities did not decide to go revenue neutral, that will impact their tax bill and it would go up. **Commissioner Hill** said so the answer is yes. **Mr. Lindsey** said yes, there is that possibility.

Commissioner Hill said what could we do as a Commission so that the taxes would not increase. So, property taxes are up, goods and services, everything went up, so at this point what could we do. This might not be the night to answer that question, but what are some ideas, what are some suggestions that could take place where the property owners could see that the taxes are going down. Right now when I talk to different ones, both in the community and here, with the property taxes going up we always say well that's the state. You know it's affiliated with the state requirements and then they say no, Wyandotte County is the one who does the appraisal assessments, so I'm just trying to understand what can we do.

Mayor Garner said I'm going to expound on her question just a little bit better because I know you made the answer a little broader, so I'm going to narrow it for you, Commissioner Hill. Take the school districts, the other Drainage Districts, and all those other taxing entities out of it, and just the Unified Government portion—if we're just talking about the Unified Government, what are the options to not raise taxes. I can think of two. Either we go revenue neutral, which kind of boxes us in in a variety of ways. I understand that, but then also, we'll go back let's say we're at a 9% projected increase in appraised values, which you know, I think her question is what would that look like even if we don't go revenue neutral, but we'll still—this body votes because they want to and they can to say we're not going to take any of that 9% and we're not going to go revenue neutral.

My understanding and correct me if I'm wrong, that would equate little to no property tax increase on residents, if I'm correct. To me, those are the only two paths I see to do what the commissioner I think she's asking, I don't want to speak for her, when we're talking about just the Unified Government's portion of the taxes.

Mr. Johnston said it's going to be very difficult to meet your four priorities that you outlined in your January retreat to meet the desired service levels and services that you outlined to us. It was difficult you know to even deal with some of the challenges in this year's budget on revenue neutral because we had to carve out to meet inflation and raises to our employees off the top to deal with that. We're going to have that same pressure this year to deal with that, but to meet some of the challenges for infrastructure, some of the challenges that you had outlined with one department, we had Fire Department that had some demands. We're not going to meet those—any of those if we don't have flexibility to raise revenue. We're talking with other departments that have needs that we're going to have to bring to the table with you, so there's going to have to be some flexibility to meet needs of some of our departments that had been held flat for a whole year. Being held flat for another year is going to be extremely difficult to meet the needs of our citizens.

It's not meeting the needs of our departments, it's the needs of our citizens that are going to be met by our departments and I think that's things not be—that's one thing I want you to keep in mind is that's what our departments do. The needs of our citizens are what we do and we've had to not meet certain levels of needs basically because of our revenue neutral decision for this fiscal year. But the demands of our citizens didn't stay put and I think we recognized that when we discussed those during our retreat. We're still getting those calls from our citizens today and sometimes we have to say we can't meet them yet this year, but we'll have that as part of our budget discussion, so we still see the needs and we'll have those as part of our budget discussions with their Capital. You'll hear about those in a couple of weeks.

We also need to keep in front of you we have a World Cup next year and we have a need to be the best that we can be to foreign visitors next year and we don't want to—we want to look the best that we can next year to a level that maybe we're not used to being looked at. We have to look our best that year or next year, so there's going to be a demand for services and improvements that we have to meet. There's going to have to be resources available for us. It's going to be very difficult for us not to do more in '26 which will necessitate the need for us to have access to resources to do that work in '26.

Commissioner Burroughs said the increase in valuation is a double-edged sword for this community. With the mill levies that we have, that increase in valuation causes our taxes to go up. We can only control what we can control and we did that by going revenue neutral. However, other organizations, other taxing entities chose to increase their taxes. We've heard outcries to lower our taxes, lower the PILOT or eliminate the PILOT. If we do both, plus, we just—we didn't get to the very end here in the book. We made a commitment that all new property tax revenue and new revenue would go 50% into property tax relief and/or debt relief and we can't continue to bond our way out of this. But the double-edged sword with increased valuation is going to be a challenge for us because it does impact how much money we get from the BPU in the PILOT, so if we lower the PILOT just enough to take away that 1%, that's money that we can't really allocate to property tax relief or address the services that we're talking about. So, we have to talk about this in one big fishbowl, so what we do over here impacts what we do over here.

If we're going to piecemeal at it, it's going to be very difficult to communicate to the taxpayer, you see what we did over here, we lowered your BPU bill $2 a month. See what we did over here, we lowered your tax bill $12 a year. That's not a significant savings that taxpayers see. They need to see something that they are getting a return on their pleas to lower their cost of living here in Wyandotte County whether it be the taxes on property or whether it be the taxes they pay on the PILOT and/or the PILOT fees themselves. I would just as soon drop the PILOT altogether, but that impacts us—on the residential, that impacts us significantly to a tune of about $12M-$14M. How do we make that up, through economic growth or we increase the—we start looking at how we're going to have to increase our property tax to get back to the monies that we gave away on the PILOT.

We have to be innovative. We can do across the board cuts, we can redo contracts with vendors, there's elimination of property that we've talked about tonight, selling off property. There's a number of ways to do it. We talked about the delinquency issues. We haven't touched on a whole lot of those yet. We've just barely touched on how can we lower the BPU PILOT and I think we had that discussion of just a couple of dollars a month. Now, that may mean a lot to people, a couple dollars a month, but it's really not addressing the issue. We are still taxing our residents at too high of a rate and that is on the property tax and that is also on the PILOT.

We need to be mindful that the ordinances that we put through to put 50% of new money towards that, debt reduction, that is the third piece of the pie and we have to find another way to increase our revenue. It's been mentioned maybe a sales tax increase. It's a very regressive tax, but we are a community now that people want to come to and spend money and so it's a little bit different approach. I do like the fact that by having gone revenue neutral last year, for the first time that I can think of in probably three decades, our sales tax exceeded our property tax and that would not have happened had we not sincerely taken that deep dive into the budget that many of us have requested on behalf of the citizens of Wyandotte County.

Mayor, County Administrator staff, I really appreciate the information shared here tonight. We've got some heavy lifting to do. I'm ready to do my part and continue to find ways to lower the tax burden and lower the PILOT and continue to meet the services our citizens deserve, but it won't be easy.

Mayor Garner said I'll follow up real quick. The key word that Commissioner Burroughs said to me was innovative. I mean, we've got to change business as usual here at the Unified Government, how we do things. Hard decisions are going to have to be made. I keep stressing our staff is going to follow the direction of this body, but we have to be realistic when you talk about what are the essential services. I keep saying it, that we're trying to budget with what we have, but we really got to look at economic development and expanding economic development. We've got to anchor residential folks, build more houses and anchor them in our community. You broaden the tax base that way. You've got to bring in more economic development, but you can't keep giving away the farm, or I like to call it corporate welfare, to these big corporates that come in here.

We want them here, but they've got to be good neighbors because when they build their big Taj Mahal building and we give them these huge tax incentives, the hardworking folks and these people end up paying for it. And they talk about jobs, well, if you look at the jobs, 70% of the high wage earners don't even live here because they don't want to live here, so we've got to do a better job and have good clawbacks in these contracts that we have in incentive programs. If you want to come here, you've got to stay here. You don't come here and shake our taxpayers down and then 10 years later you move to Riverside or somewhere else like that if we don't renew. I mean, there's got to be clawbacks that say we'll give you some incentives on the front end, but you've got to be committed to being a good neighbor on the backend and pay your fair share because if we don't have that type of model, it's going to be hard digging out of this, but economic development is key.

I know that Commissioner Stites and Commissioner Burroughs are working hard with staff and our Administrator to look at our policies. We have some policies that have been brought to my attention from developers all over the metro and beyond that say it's really hard to do business in Wyandotte County. If we're serious about expanding economic development, I just challenge this body to support the work of Commissioners Burroughs and Stites and our

Administrator that they're going to be bringing forward to you here in the next few months with our new Economic Development Director, Ms. Chism, to really hone in on making Kansas City, Kansas and Wyandotte County the most business friendly place anywhere you would find in the metro to do business. There's ways to do that. Just little things that I've seen some of our neighbors to the south are doing to garner business and it hurts me as the Mayor when I see business and growth all over the metro and I ask people why don't you want to build here and they say because you make it too hard for me to do business there. The bureaucracy, some of the BS people have to put up with, to me it's shameful when I talk to some of these developers how they've been treated by this Unified Government through our policies. So, those are things that we can change if we're serious about expanding economic development.

To me that has to be the key for those of you that will be here long after I'm gone to consider hard decisions got to be made, but economic development is the key to really pull us out.

Mayor Garner said how much more do we have staff? **Ms. Kneuvean** said that's it.

Action: Commissioner Burroughs made a motion, seconded by Commissioner Stites, to adjourn.

Commissioner Lopez said I'll be real quick. I want to read an email just really fast. I got an email from a resident and it's a good email and I sent it off, but I'm just going to say his name is one of our employees over at NRC in the building permits. He wanted me to pass this on and I did and it says, Marcus, I want to say thank you. You're awesome, doing a phenomenal job. Ran into a resident, and this is my email to his bosses, ran into a resident the other day who's very complimentary on the complete staff at the Neighborhood Resource Center. Marcus Bass and staff made the process easy, straightforward, and were extremely responsive during the process. I wanted to definitely get this message to you all. He was telling me too, when I was talking to the business or the building permits, permits are being pulled, the construction's going and we're moving forward. So, we're making some headway, that's for sure.

Mayor Garner said thank you, Commissioner. I appreciate that. I have a motion and a second to adjourn. Clerk, roll call.

Roll call was taken and there were seven "Ayes," Stites, Bynum, Burroughs, Burns, Hill, Kane, Lopez.

MAYOR GARNER ADJOURNED
THE MEETING AT 7:35 p.m.

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Monica L. Sparks
Unified Government Clerk

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