STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, JULY 6, 2017**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, July 6, 2017, with ten members present: Bynum, Commissioner At-Large First District; Walker, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Holland, Mayor/CEO, presiding. Murguia, Commissioner Third District; was absent. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Gordon Criswell, Melissa Sieben and Joe Connor; Assistant County Administrators; Bridgette Cobbins, Unified Government Clerk; Jeff Fisher, Executive Director of Public Works; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Finance Director; Reginald Lindsey, Budget Manager; Budget Staff; Alan Howze, Chief Knowledge Officer; Emerick Cross, Commission Liaison; Mike Taylor, Public Relations Director; Mike Tobin, Deputy Director of Public Works; Mark Dupree, District Attorney; Rocki Mayes, Executive Asst. to County Administrator; Maureen Mahoney, Asst. to Mayor/Chief of Staff; Mark Wiebe, Assistant to Mayor; and Officer Nick Doleshal, Sergeant-at-Arms.

MAYOR HOLLAND called the meeting to order.

ROLL CALL: Johnson, Kane, Markley, Walters, Philbrook, Bynum, Walker, Townsend, McKiernan, Holland.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, July 6, 2017, at 5:00 p.m. in the Commission Chambers of the Municipal Office Building for the Administrator's Budget presentation.

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 Holland said we begin the budget season and as you know the last four years we have done the budget much differently. We have begun the process at our Strategic Plan in the fall, had a public hearing early in the winter so the public could actually give input that could be vest vetted into our budget. We have a spring financial retreat with the Commission to evaluate priorities, financial priorities, and then work our Capital Outlay throughout the year and we really work this budget process throughout the year. Tonight we're going to see the formal presentation of the document that we've been working on really for ten months and so I want to recognize Mr. Bach and his team. They have done outstanding job putting this together and we're looking forward to the presentation.

Doug Bach, County Administrator, said it's a pleasure to be here tonight to present the 2017 Amended and 2018 Proposed Budgets. This year's presentation is one where it really gives us an opportunity to take a look at where we are and where we've been. As this is the 20th year of consolidation of the Unified Government we've tried to make some notations to that point and some reflection in time to where we were 20 years ago as we look at this budget. I also worked to maintain the momentum that I think we started last year when we really put in place the STAR Bonds coming forward and how we were using that money to work toward tax reduction and also go toward blight reduction and other initiatives that we could move forward in our community.

With that we have a focus on Commission goals and that's really what I highlight up here first is where we take a look at the Vision that you all put together to really work toward a vibrant intersection of diversity, opportunity and distinctive neighborhoods and have an engaged community with healthy, fulfilled and inspired.

As we move from that point I look at what has happened for 20 years since we did consolidation and I think there is one thing I have to say right off the bat is visionary elected leadership and that starts from the beginning when we started consolidation and we had elected leadership that stepped forward and said what are we going to do to look forward and make our community better. That's the initiatives this governing body has continued to do through today to say what are we going to do in the next years. This is what we've done but what can we continue to do to make our community better.

Since consolidation, before that time, we've reduced our collective mill rate for the Unified Government by 19%, we've added 24,000 jobs to our community, and there are ebbs and flows in jobs where things go down but we've seen 24,000 new ones come into our community. For the four decades before consolidation we saw population decline in Wyandotte County. Since that time we've seen a 7.2% population increase. We're the number one tourism destination in the state of Kansas. When you walk around the community today you see people wearing a t-shirt that says Original Dotte and I can tell you in 1995 and 1996 you didn't see that. The perception of our community is better not only by our own residents, by the people around the metropolitan area. We've had a significant reduction in crime. In fact, during these 20 years, a couple years ago we hit a 40 year low in where the crime rate has been in Kansas City, Kansas. Innovation, transparency have been really key marks within this consolidation group.

Before 1997 when they came in, set the legislation in place, a couple landmark things were done for our community. We put forth an Ethics Administrator, Ethics Commission and also a Legislative Auditor who would stand forth and check things out, review actions of our government. Today where we're at, you have pushed us to go forward and continue to be transparent in what we do of posting everything we do online. We did Unified OpenGov a couple years ago and now we have our NextRequest System. Anybody that wants to request something from the government they post the question out there, we list it, it stays posted and live for any other citizen to continue to see; continuing transparency where we've been. Not to mention the last point on here, we've had just about $5B in new economic development during this 20-year time period.

Noting a few of the big commercial retail developments: the Village West development that has come has come in place, several plazas have been built. 39th Street Corridor, but notable on here are six new grocery stores. Another thing that had been decades since we had seen a new grocery store come into our community and during this 20-year timespan we've had six new ones as we continue to work for more in our community.

With that we have our bread and butter for our community which has been the manufacturing and retail. It's a list that can go on for pages. We don't have that many put in but from General Motors expansion, new Amazon, Dairy Farmers; what we saw with Lady Baltimore building and many more that have just continue to build in our community to get to that $4.8B of investment.

Moving from this point, we put together the Commission Strategic Plan. How did we get here? As the Mayor said as you work on this budget year-round, this governing body has taken a lot of input and worked on a lot of things to get to the point where we are to build the Strategic Plan and the goals that we have.

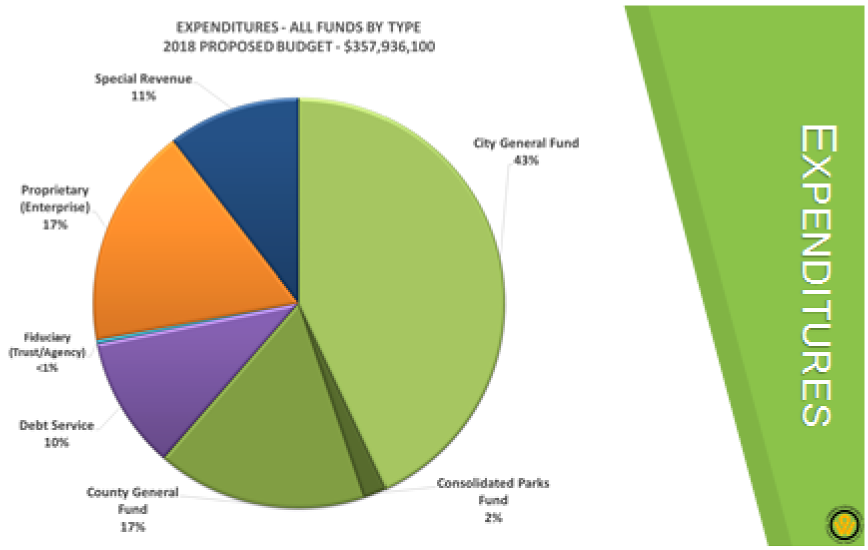
We had a 2016 Citizen Survey to get input from our residents of what we were going to do. The Mayor had a Listening Tour. A lot of the focus of that was about where we're going with STAR Bonds, but it also provided good input about what is the important thing going on in our community. We've done professional studies in our law enforcement areas from the Fire Department, Detention Center, also law enforcement for what's going on in field patrols, we just done one for Parks and continuing to look at various areas that play into this; also, Commission Retreats that ultimately have weighed into building these Commission goals which the six point are set out here. They are reducing blight, increasing safety and the perception of safety in our community, increasing community health, increasing economic prosperity for all of our citizens, improving customer service and communication and increasing community cohesion.

These goals are woven into the budget that you are going to see this evening as far as what are the big initiatives.

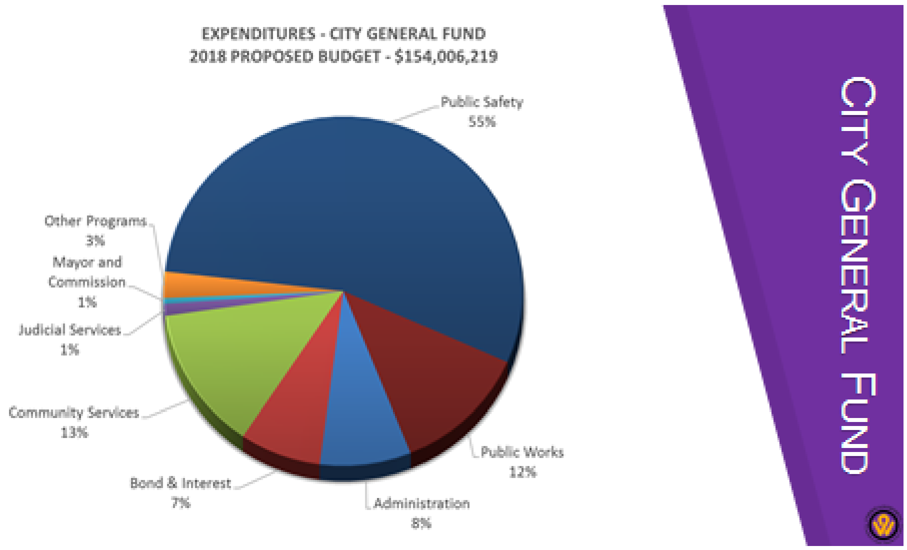
I'll also note the key objectives I put in this budget are being financially balanced, aligned with the Strategic Plan that I just mentioned to you. It will reduce the city property tax rate by almost 5% and it maintains the County mill rate at constant and that's while we move forward with a new Juvenile Center which as you look at many other communities and really has been the norm in this community when you look on the County side when you add a major building or infrastructure that is something that takes a special bond levy that's done out there and there is a vote. We're able to do this within our existing property tax rate that we have today.

Taking a look at the numbers and what we have in this years' budget, I'm going to turn this over to our Chief Financial Officer Kathleen VonAchen and she is going to walk through this with us.

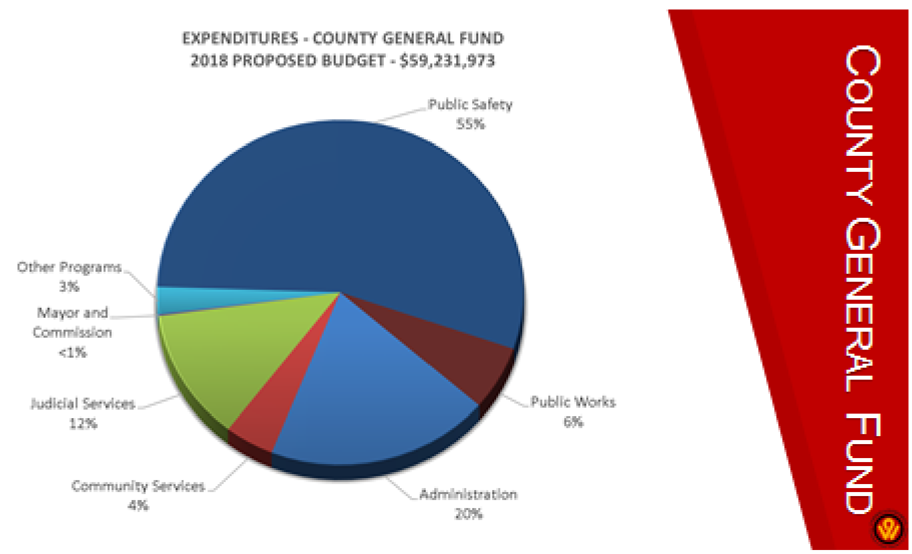
Kathleen VonAchen, Chief Financial Officer, said I would like to thank my staff, the Budget Office, Reginald Lindsey and all of his staff as well as Debbie Jonscher, my Deputy CFO, and Mike Grimm and a bunch of others for putting this budget together. Thank you for your interest.



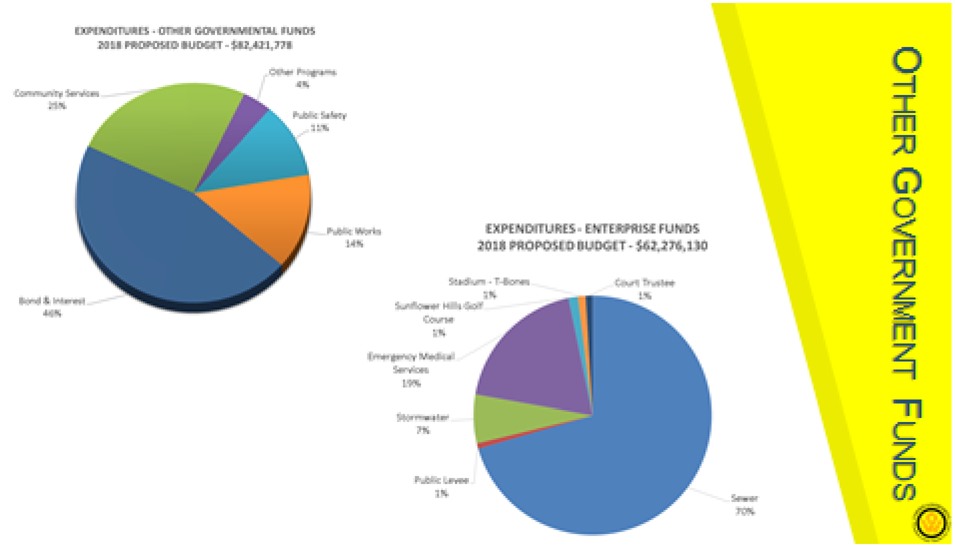
We want to talk first about how the pie chart looks of the entire UG Budget. It totals $358M and here you have the total pie chart broke up into the various different fund types and so 62% of all of the $358M is considered the General Fund. There are three funds that make-up the General Fund in our Unified Government and that's the City, the County and the Consolidated Parks Fund. The City General Fund totals $154M and it's 43% of the budget. Consolidated Parks totals $6.5M and it is 2%. The County General Fund is 17% of the budget at $59M. The remaining areas are Special Revenue Funds comprising of 11% or $37.5M. Proprietary or Enterprise Funds totals 17% of the total budget at $62M and then the remaining Judiciary and Debt Service Funds at $37M. I will be talking more specifically about these fund types as we look at the next graph.



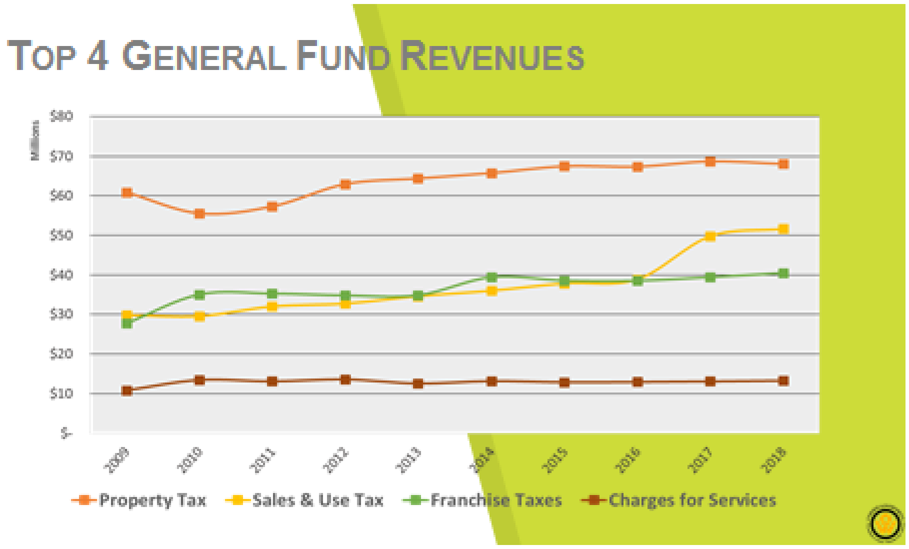
The first one is the City General Fund. The City General Fund is where most of our operational costs are recorded and it totals $154M. Public Safety comprises 55% of the entire General Fund and this $84M in Public Safety goes for Police and Fire. The Public Works Department gets 12% of the total City General Fund at $18.8M. That pays for engineering, street maintenance, traffic, building maintenance, fleet, parking control and many other things. Administration is $12M at 8% of the total and that includes naturally the County Administrator and the Mayor and Commissioner's office, but it also includes the Chief Legal Counsel budget and Finance, the Department of Technology, Human Resources, Procurement and Media Relations. Over on the Bond & Interest that's 7% of the total and what that $11M is paying for is one Debt Service on the parking stadium parking bonds that we issued in 2010 plus a $10.2M debt reserve that is required by our Bond Counsel. The last larger area is Community Services at $20M or 13% of the total budget. That includes Planning, Transit, Economic Development, the Neighborhood Resource Center and Code Enforcement.



The County General Fund totals $59M. We have 55% which is dedicated for Public Safety that totals $32M and includes the Sheriff, Jail, Juvenile Detention Facility, Emergency Management and our County Dispatch. Public Works comprises of 6% and includes Fleet Maintenance and Building Maintenance. Administration on the County side is 20% of the total fund and that includes Court Administration, Finance, Motor Vehicle Registration, Property Tax Administration, Legislative Auditor, GIS, 311 Call Center, Delinquent Tax and the Appraiser. There are quite a few areas in there. Community Services is 4% totaling $2.5M and that includes the County Coroner, Register of Deeds, Historical Museum and Economic Development. The Judicial Services is 12% of the total County Budget at $7.3M and that includes District Court, District Attorney, Court Administrator and Domestic Court Services. So, a great number of services provided from the General Fund department.



This slide basically illustrates the remaining areas of our Unified Government Budget and the first one is the Other Governmental Services which totals $82M. The largest area is the Bond & Interest Fund at 46% and that basically includes the Annual Debt Service on our roughly $330M in Outstanding General Obligation Bonds and our County or Public Building Commission debt of $17M. The Community Services at $23M includes Elections, Transit, Aging, Health Department and Community Development or Housing. Public Works totals $14M or $11.6M and that includes Dedicated Sales Tax and the various Special Street & Highway Funds. Over on the Enterprise Funds, we have seven Enterprise Funds and the largest one is the Sewer Fund comprising of $70M of the total $62M. That's followed by the Stormwater Fund which totals 7% and then we also have the Emergency Medical Services Fund and the Sunflower Hills Golf Course and Stadium for T-Bones Fund.



In looking at all the $358M that we at the Unified Government collects, deposits, and utilizes for our various services of course the largest part is the General Fund. There are four revenue sources that comprise 83% of the Consolidated General Fund and that is the Property Tax, Sales Tax Revenue, Franchise Taxes and Charges for Services. Over the last 10 years these revenue sources some remain fairly flat while others have increased. Of the $73M you see up here, in 2014 the total increased by 8.4—no, 2017. All of these revenues increased by 8.4% and in 2018 they increase by 1.4%. The 2017 increase is due to the additional STAR Bond revenues which total in the General Fund $9.4M. Many of you have heard about the $12M. Of course all of you have heard of it. Everyone talks about the $12M in STAR Bond revenues coming in. Only $9.4M of it is deposited into the General Fund. The remaining to get up to that $12M is dedicated for the Dedicated Sales Tax Fund at $1.8M and $1.2 for the Special Medical Services Fund.

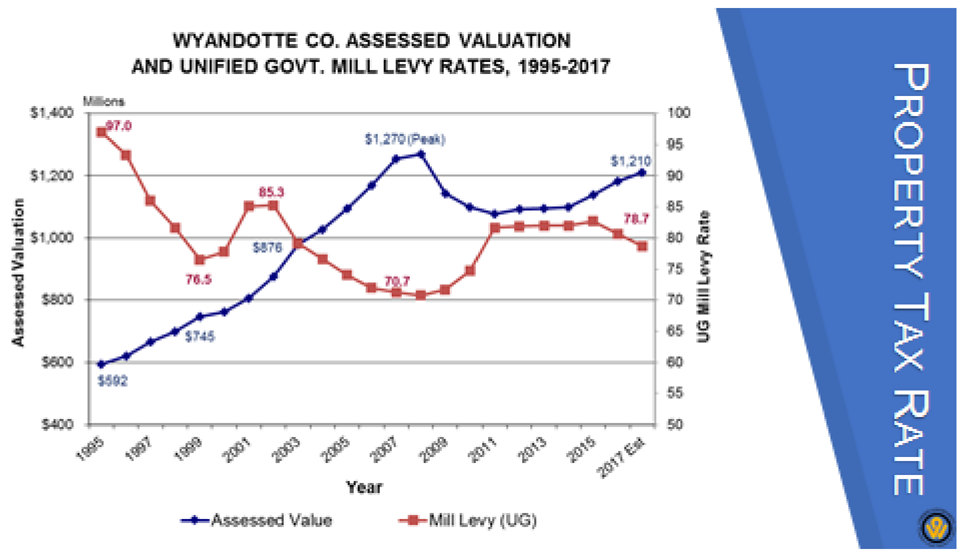
On the top, the Property Tax, this line also includes Personal Property Tax Revenue and you can see that it's up around the $68M mark. In 2017 we're projecting that revenue source will increase above the actuals in 2016 by 2%, but in 2017 our projection is for it to decline by 1%. The reason for that is that even though residential and commercial properties their values have been improving over this past year, unfortunately they are offset by declines in the personal property and the property owned by utility companies. As a result coupled with the decline in our mill rate which we are proposing to reduce by two mills that the coupling of those two items resulted in a net 1% reduction in that Property Tax Revenue.

The yellow line is the Sales Tax line and in 2017 it increased by 28%; that because of the addition of the $9.4M in STAR Bonds. For 2017 we project that Sales Tax Revenue will increase by 3.8% and that's due to a strong growth in our retail and business sector.

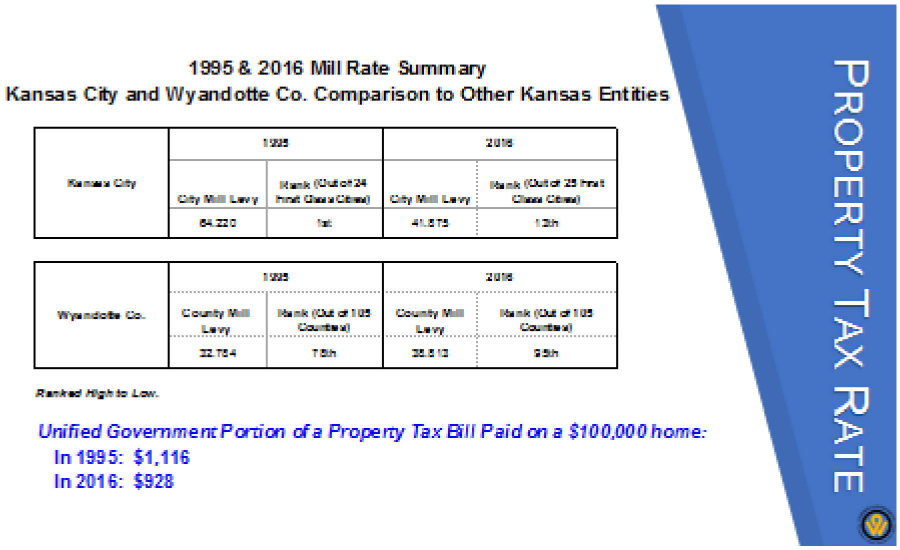
The green line is the Franchise Taxes which remains relatively flat over the years, but in 2017 and 2018 we're projecting a 2.4% increase in the revenue collected because the BPU most recently adopted a rate increase on the electric consumption portion of their service charges. Increasing the rate translates to additional revenue through our PILOT program.

The last item is the Charges for Services which we have reflected as increasing in 2017 and 2018 by 1.2% and that's because—that modest increase is due to changes that have been made most recently in Municipal Court fine collection procedures.

If you have any questions, we will be happy to answer them at the end of the presentation. At this point I'm going to hand it back over to Doug Bach.



Mr. Bach said, again, kind of taking a look back to where we were 20 years ago and as we usually do we take a look at where our mill rate is, our Property Tax Rate, and this takes us down to a point, as I noted earlier, we're at 19% below where our combined mill rate was pre-consolidation so with this proposed mill rate it puts us at a combined mill rate of 78.7%. You can also see where our revenues over these years have gone up significantly based on the assessed valuation that we have in the community. Back pre-recession we really reached a high point and then that dropped off and then correspondingly that's where we had to tweak our mill rate. A lot of those tweaks came on the County side of it because that budget is driven about 50% or more than that from property taxes alone.



1995 & 2016 Mill Rate Summary
Kansas City and Wyandotte Co. Comparison to Other Kansas Entities

Kansas City	1995		2016	
	City Mill Levy	Rank (Out of 24 First Class Cities)	City Mill Levy	Rank (Out of 25 First Class Cities)
	64.220	1st	41.875	13th

Wyandotte Co.	1995		2016	
	County Mill Levy	Rank (Out of 105 Counties)	County Mill Levy	Rank (Out of 105 Counties)
	32.754	78th	35.813	95th

Ranked High to Low.

Unified Government Portion of a Property Tax Bill Paid on a $100,000 home:
In 1995: $1,116
In 2016: $928

One thing to note as we look back at pre-consolidation dates I thought it was interesting to point out that, as many people would point out to us, we were number one in Kansas City. Unfortunately, that was number one being the highest in the mill rate of taxes at that time. Since that time we've reduced our mill rate significantly and we've moved down so out of the 25 first class cities in the state of Kansas we're 13th overall so right in the middle of the pack from where those first class cities charge for their mill rate. In the County we were 78th with one being the higher mill rate so it was on the lower end of where mill rates were across the state of Kansas. In 2016 compared and this data is all from 2016 because that's how the state of Kansas put this information out and from that standpoint we were 95th at that point. That comparable data on a $100,000 home and that is taking just a constant $100,000 home in 1995 that resident would have paid $1,116. If it stayed at that $100,000 value, that shows where that reduction comes and they would have paid $928 and in 2017 that number actually drops off to $905.

Also, taking a look at where we are, we're about 47% of the tax dollar paid within Wyandotte County, 24¢ on the dollar goes to the City, 23¢ go to the County, the balance of tax dollars paid in our community goes to the state of Kansas or to the community college, the library or the school district for which you reside in.

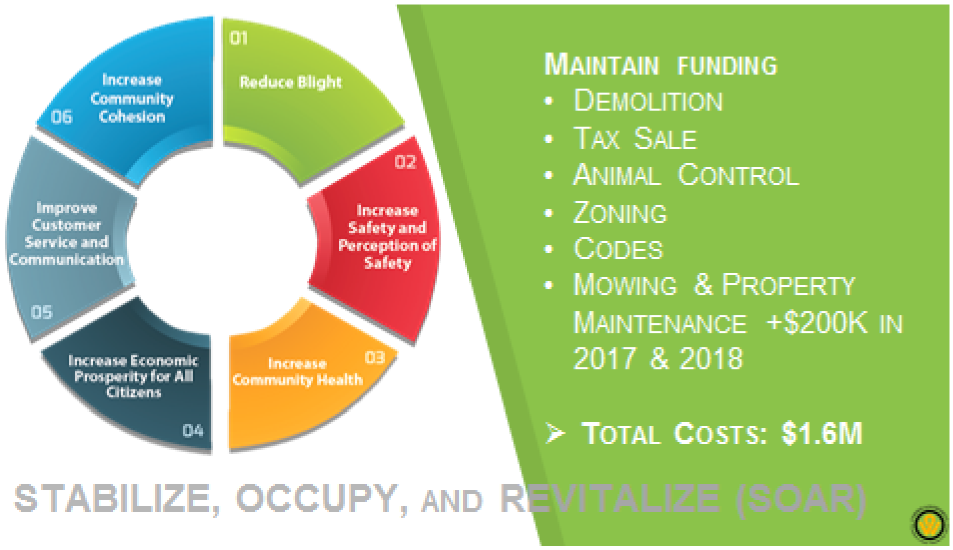
Now let's take a look at what's in our 2017/2018 Budget and that's kind of the exciting point of what's built into this and with that I'm going to turn this over to my three Assistant County Administrator's and they're going to walk through these stages. I will start with Melissa Sieben.

Melissa Sieben, Assistant County Administrator, said I get to start out with the slides of what we're doing in '17 and '18 now that we've covered all the data and statistics. On the street side which we know from the 2016 Resident Survey there was a lot of interest in us putting more effort and energy, and I know as we prepared last years' budget, that was something the Commission was certainly looking at. We want to continue that work and on this slide you will see that the first three items, as we've noted here, are actually items that are equipment that we want to bring in-house so our staff can do more work to keep the roads maintained and ultimately improve our condition and extend their life over the course of the years that a road would exist before it has to be completely reconstructed and so that's what those first three items are for.

The next item is a very critical component to business as we move forward and that's an Asset Management System for our Public Works Department to be able to take in and actually catalog our assets, understand sort of their life expectancy and then where we are best at making those maintenance moments with those different assets over time. It's a big project and it's an endeavor that is definitely needed here to help us better manage limited funds moving forward.

The next items here are actually projects that we're going to be doing, construction projects. The first one is actually a study and engineering for upper Holliday Drive for those that have been impacted by that being shut down. It's a very critical study that we need to conduct and also bridge replacement in that same area on Holliday Drive.

Lastly, there are three big road projects in here. There is Parallel, Leavenworth Road which we've talked about quite a bit and Hutton Road and then for those who use the lake we're looking at a three year phase replacement or repair rather of Wyandotte County Lake roads. This meets three of our goals under the Strategic Plan.



The next one we've talked a lot about is our SOAR Project and this slide just shows the basic concept for '18 is that we maintain what we started in '17. There is a limited amount of extra funds that are being put in here to maintain our Mowing and Property Maintenance Program and that's on the last bullet, an additional $200K. We've seen a marked difference at least internally from complaints from residents about our mowing program because we have made a concerted effort with SOAR to change the operations there. We've also taken the demolition money out of our CDBG Program and actually put it in the General Fund in this proposed budget to allow for staff to be able to more rapidly respond to the needs of demolition in the community. The federal dollars may get much more complexed and complicated to navigate and therefore drag out the time those structures sit in the community.

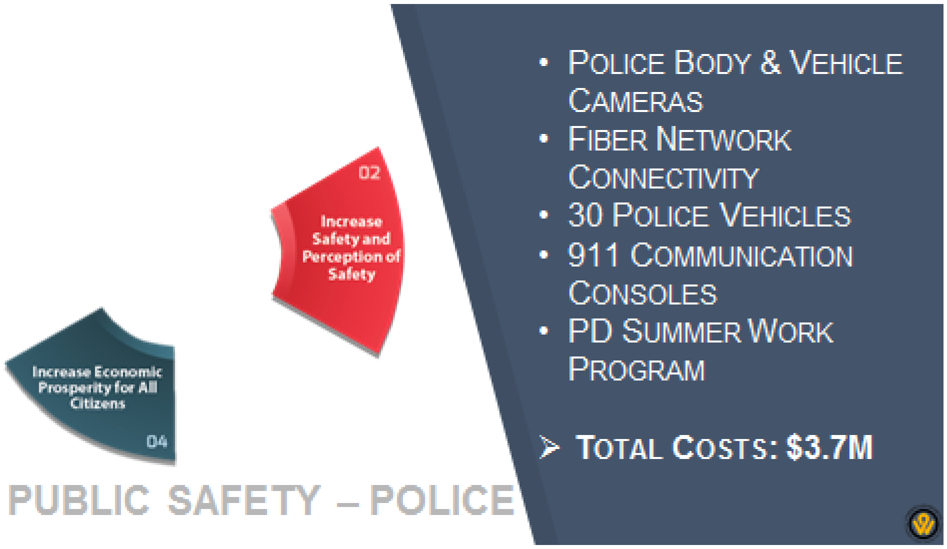
The other items are ones we've talked about in detail at other times related to Tax Sale, Animal Control, Zoning and Codes.

The next area again goes back to the resident survey in '16 and this is our Sidewalk & Trails Infrastructure. There was a strong interest in trying to move forward in that area. Staff has looked at our Sidewalk/Trails Master Plan that was conducted back in I believe 2011 or 2014, I'm not quite sure which, but it identified a lot of sidewalk infrastructure that was still needed in the community. Staff would like to present to the Commission this fall a Gap Program for Sidewalks completing blocks and then continuing our Safe Routes to Schools Program which has been a very big success in the community as well as continue to work on replacing our curbs and sidewalks for the ADA Compliance that is necessary for the Unified Government. The last items are trail related; Fairfax Engineering for the trail there that we would like to put in in the future, continuing a partnership with Kansas City, MO through a MARC Grant on the Kaw River Bridge which is adjacent to the arena over in the bottoms. Lastly, looking at what future trail development would be next for the Unified Government and bring priorities to that in 2018.

In the area of Transit we've talked about this before trying to figure out how to help people connect with jobs and get to necessary services. This budget does recommend replacement of five buses from Aging and Transit Funds. It also incorporates the Amazon route which we are funding starting the end of this month to get folks to work out at Amazon and it proposes continuing that through '18 with the idea that if it's successful, we will keep it going. If it's not being utilized like we anticipate it might, that we would then bring that back to the Commission to consider changes or alterations. We're also looking at the official park area; it's a transit connector turnaround area and trying to figure out how to enhance that next to Fisher Park and with the changes that the BPU is making with its electric substation; that's also a MARC Grant. We're also obviously keeping the cost increases maintained for the ATA as they change annually as well like our staffing changes change; theirs do too and lastly, increasing Meals on Wheels which is an important program for the community.

My last slide and my most expensive slide I get to talk about tonight is our Water Pollution Control slide. We will see another proposed rate increase with this budget of 6%. That is down from 7% the last few years. We're also on the back of this submitting our proposal to the EPA on our Consent Decree looking to do a sewer fee analysis which hasn't been done in some time for the Unified Government, looking at costs of rate repairs and sort of who is paying, who should be paying, who's not paying at the level that's needed and bringing that back to the Commission as part of this 2018 Budget. The big ticket item on here at $12M for the '18 fiscal year is our Wolcott Sewer Plant. That is located off of Wolcott Drive & I-435. The engineering is underway and construction would commence next year. The last item there that is sewer related is the replacement of Lombardi Drive Sewer System. The last item on this slide is Stormwater and the big key here on this one is the Master Plan Study looking at prioritizing all those complaints, concerns that we know of out there and looking to see how we can fund more of those projects in the future. Currently our fee is $4 regardless of the type of property and the generation of water shutoff that property is $4 no matter what so we will be looking at that. We also start work on some of our projects with the levees along the Kansas River which we are going to be working in coordination with the Kaw Valley Drainage District and the city of Kansas City, MO on and this provides us some money to start looking at some financial analysis on how we might be able to afford this very large $530M project of which we would be responsible as a collective at $130M locally.

With that I'm going to turn it over to Joe Connor so he can tell you about exciting Public Safety initiatives.

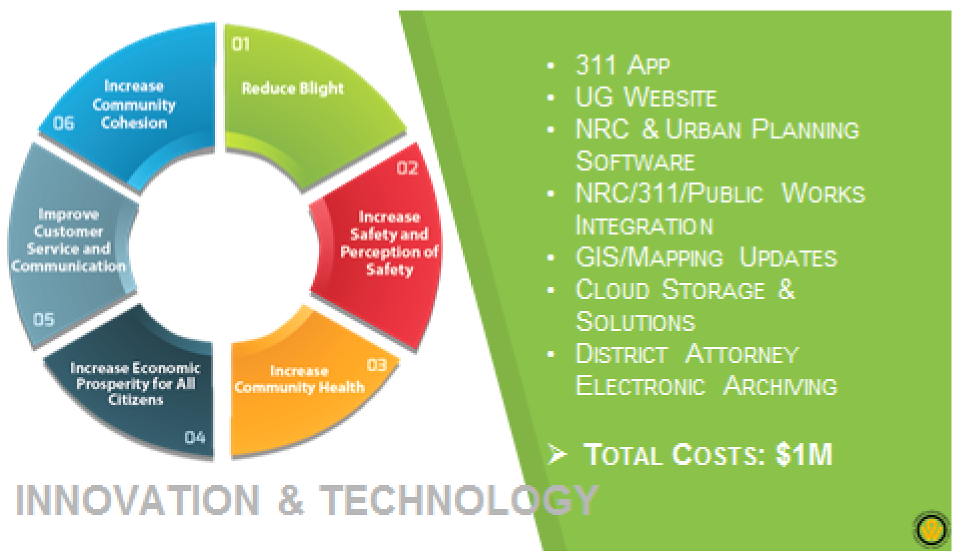


Joe Connor, Assistant County Administrator, said I will start off talking about what will happen with Police in 2017 and 2018 and one of the big initiatives for 2018 is the purchase of the Body & Vehicle Camera System. We've talked about that with you from a policy perspective at standing committees. We will be coming back with more information on this system but we're budgeting to actually get the system selected in 2018. In conjunction with that system and because of the large amounts of data that are generated and need to be transmitted quickly we're actually building a fiber network to transmit that data. The one thing I want to mention about the fiber network though is that this is being built as a multipurpose network and what I mean by that is we want to take advantage of those high speeds for our organization for possibly economic development purposes and maybe even some community uses where appropriate. We think we're going to end up with a pretty robust private network at the end of day and we want to be able to take advantage of that.

The proposed budget for Police also includes 30 new vehicles, new 911 communication consoles and an expanded summer work program to continue to expose young Wyandotte County residents to the benefits of a law enforcement career with the Kansas City, Kansas Police Department.

In Fire; a new fire station is in the planning stages now and will be built in 2018. The one thing that we've added into the budget is a plan for the out years to continue to build and replace fire stations. The proposed budget also continues to provide funding for renovations and repairs of existing stations, two new fire trucks and seven vehicles. The Firefighter Trainee Program is also proposed to be maintained in the budget that is being submitted to you. Again, this program provides a path for Wyandotte County residents to become a Firefighter/EMT.

In the area of the Sheriff; as Doug mentioned, we're making a significant investment in a new Juvenile Center and this center is being constructed to improve the services that are provided to juveniles that are provided to juveniles who are in custody and their families. The proposed budget also includes continuing the double bunking initiatives in the Adult Detention Center and of note, with the double bunking initiative which has been going on for a number of years now we've seen significant efficiencies in the Sheriff Department operations. One of the ways that we're taking advantage of those efficiencies is to use those savings to help fund the Juvenile Center and this is the motto we would like to try to use with other departments in a way to take that efficiency and actually gain something from that. The Sheriff has been at this for a long time. He has been proposing double bunking as a way to save money. We're finally at that point and so we really want to thank the Sheriff for his dedication to this initiative. Also included are security upgrades at the Courthouse and additional vehicles for the Sheriff's Department.



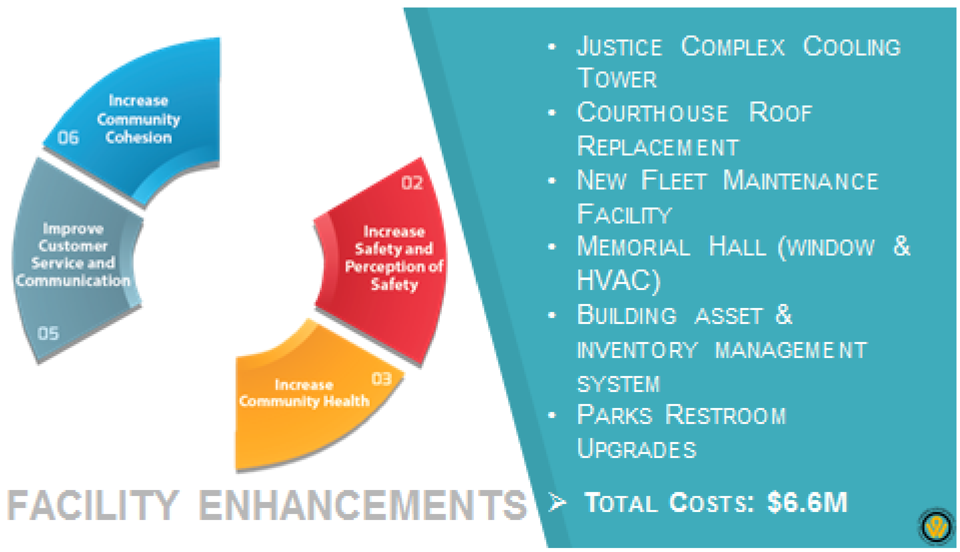
In the area of Innovation & Technology; we made a significant investment in this area. In the proposed it maintains the commitment to realizing departmental efficiencies and improves customer service. This fall our first 311 App will be launched providing mobile access to our 311 Center. This will provide another method for our residents to communicate with us and is a major step to improving customer service. The integration of the Neighborhood Resource Center and 311 and Public Works Systems will also provide improved customer service and communications by closing the information loop on requests that have been submitted. We will also begin to utilize the Cloud for storage and for some of our solutions which will provide current efficiencies and to help us with future spending to try to control future spending in those areas.

Other initiatives include the launching of a new UG website which will be tomorrow actually. Increase GIS and Mapping capabilities and providing assistance to the District Attorney to become more effective and efficient with his record archiving.

In the area of Customer Service, we just want to point out a few things that we think will really be geared toward our residents and the first and foremost on that list is a Citizen Survey which will be done in 2018. This is going to be a good indicator from our residents about any new priorities or priorities changing and also to see if we've made any progress as an organization to meet our resident's needs. We've also formed a partnership with Paylt Mobile Services. Paylt is a local company that specializes in providing the public sector with the ability to provide mobile online payments. Initially we're going to focus on accepting payments through this application in the real estate section of the Treasury Office, but as the product matures and as we gain confidence we're going to start to add more and more options for residents to utilize this application to provide payment to us. The parking systems that are pay lots both the hardware and software are proposed to be upgraded. There is just a growing level of frustration both amongst staff and customers because of the constant maintenance issues. These are systems that we touch literally daily at least once if not twice because of their age and because of the status of the equipment. We feel that the customers experience will be enhanced if they can get in and out of our parking lots easily and quickly. We can start to take debit cards; we can start to make it a lot more convenient for people to do business here in the Unified Government.

We are proposing a new position and this would be housed in the Economic Development Department and the job title would be Small Business Liaison Outreach. This is an opportunity to provide a point of contact for small business who wants to relocate here, start a business here or just have general inquiries about how to do business with the Unified Government. Again, we're trying to reach out and provide customer service in areas where we feel like we're lacking and this would be a nice central point of contact for small business and hopefully encourage more small business development for the city and for the county.

I will turn it over now to Gordon Criswell and he is going to talk about facility enhancements.



Gordon Criswell, Assistant County Administrator, said I'm going to talk about facility enhancements. As you all know we have over 60 buildings that our public and our citizens use to conduct business in our community. We also realize that we have an ongoing issue with maintaining some of our facilities. They are in various stages of age and are in need of repair and upgrades and so this budget contemplates at least our effort to continue focusing on facility enhancements. Starting with the Justice Complex Cooling Tower, we have to replace that entire system in this proposed budget in '18. You all are fully aware of what happens in a big building when the air-conditioning goes out. It's very uncomfortable for both our employees and our customers who come into that facility. We're finally completing the second half of the Courthouse Roof Replacement. Hopefully, the DA will not be rained on in the future and so this budget contemplates recommending replacement of the other half of the Courthouse roof.

We're really excited about this new Fleet Maintenance Facility. You all authorized us to purchase a really nice large commercial building on 54th & Kansas Avenue. This facility was almost walk-in ready for some of our heavier fleet vehicles. When we think about heavy fleet vehicles a lot of times we think about fire apparatus, but we also have other departments that have large pieces of equipment and this building will allow us to maintain those large pieces of apparatus and vehicles well into the future. We can protect them better, we can better predict the life of those assets and hopefully gain some efficiencies and save some money. Similar to what Melissa mentioned was the Building Asset & Inventory Management System. It's a new system that will allow us to do some of the same things around creating efficiencies with our many, many public buildings that we need to tract when we repair them, how we repair them, if we repair them and so this system will allow us to do that.

I skipped over the Memorial Hall Window and HVAC Replacement. I don't know if you have been to the Memorial Hall but a couple of years ago we upgraded the second floor level and put in a wonderful elevator and we now have what we believe to be a really good marketable events space now that the building is more accessible and it just really stands out on that corner there on 7th Street.

Lastly, you all a couple weeks ago got a report on our Parks Master Plan. That master plan had many, many, many recommendations with a big number behind them. This budget contemplates at least starting on the item that was the highest priority according to that plan which was an upgrade to our park restroom facilities. We will need to come back to you all probably in the fall and have a deeper dive discussion about how do we implement the other pieces of that Parks Master Plan and a funding source to accompany the implementation of the Parks Master Plan.

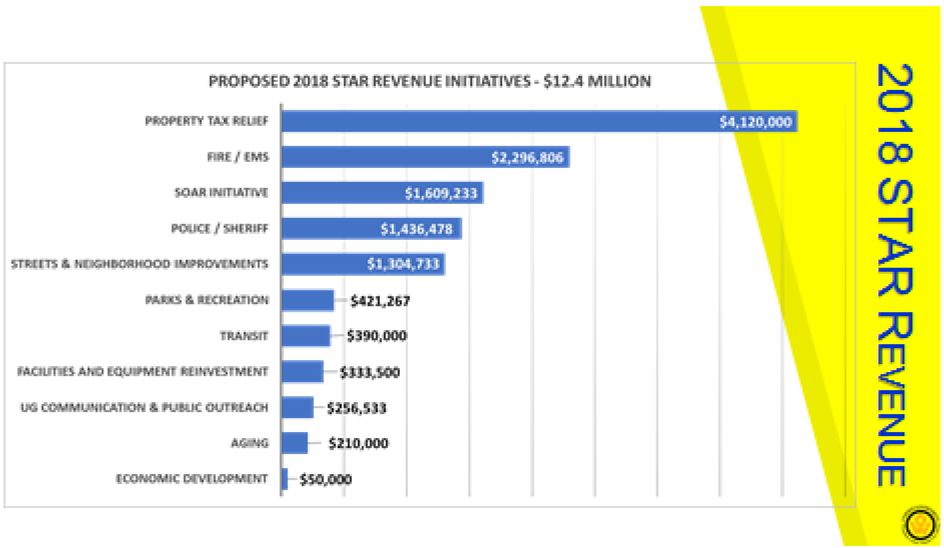
Doug will have some other comments concerning facilities in another portion of the slide but now I will turn it back over to Doug.

Mr. Bach said a couple overall things within the budget; while we did see some increase sales tax last year as we grew a lot of operational cost of increase as well and so we had to go back and do a little bit of belt tightening to get where we are today. This resulted in us cutting about $2.2M out of the General Fund areas of our budget. These are areas I tried not to focus on those which had the highest priorities given to the governing body. They are things we have been doing for a number of years, they are things that I will say important to our operations, but we felt like we could do them at a reduced cost. Another big cost reduction is in the inmate farm-outs. That's a $700K reduction in our budget and that's part of, as Joe mentioned, the prisoner double bunking scenario that we've gone to. This is saving money that allows us to put more than this to the bottom line; however, this is what we're reducing from the budget. We have more money that we're reducing leaving within the Sheriff's Department budget until we can sustain a term and show that those costs are reduced but that's the money that we're targeting then to move forward with for building the new Juvenile facility.

Employee Compensation; I've built in 2% into the 2018 Budget though as represented we have many of our friends here this evening that are out interested in what's going into the budget. We still have negotiations going on with 12 of our 13 labor unions so we will still need to talk through this but this is what I have built into our program and 2% represents about $3.2M across our organization when it comes to pay.

Also, from the employee base we will be increasing our Health Fund, our Health Unified Government share of our health fund by $3.8M or 14% increase in our health care cost for 2018.

In 2018 too we will also be adding $1.2M in our Worker's Comp Fund. This is an area where we're seeing our overall numbers of work comp cases decrease largely to our investment that we're going to from a work comp individual that works out of the Human Resources Office. This is helping us reduce the number of cases we have; however, unfortunately last year we had some very tragic cases that came in and those are ones that drive our overall costs up when you have a few comp cases that go really high.



It wouldn't be a budget presentation without talking about STAR Bonds and where we're at with that. Last year we put a lot of focus on this. This year I put a slide up here to indicate so everyone could see as we went through the budget that was just presented to you where those dollars are going. The largest category is on top and that is Property Tax Relief so when we're talking about 4 mills that represents a little over $1M per mill that comes back out of our budget or $4.1M that's going towards tax relief.

As Kathleen noted, of the $12.4M about $3M goes toward our special funds so that goes towards the Fire/EMS so the EMS account gets a chunk of that money and then the Police and Infrastructure through our Dedicated Sales Tax will also get a piece of that money. You see $2.2M going into Fire and EMS. Our SOAR Initiative, our blight reduction is getting $1.6 from this money. Police and Sheriff $1.4M, and then the high priority of Streets & Neighborhood Improvements is getting $1.3M. Then you can see the other categories and how we've distributed that through our budget.

While we've tried to address, and we keep working on a lot of the challenges that are out there for our government to deal with, we still have several things that are not really fully addressed within this budget. The top one on that chart is our Public Facilities. We have millions of dollars of improvements and while we are now actually putting money toward those facilities and making some changes which you heard for a new Juvenile Center, changes to the Courthouse getting a roof project that we initially only did half of the roof to start with and now we're finishing that, working on Memorial Hall. These are all legacy buildings, buildings that are going to be in our system for years to come, not forever. We have many more that we need to spend money on so we have to keep programming them in.

Fund Balance, we've got the City Fund Balance up to just about 10%. It still needs just a little bit of tweaking to move it up over the years. The County Fund Balance is only about half of where it needs to be. This budget puts them in at about 5% so a continuation. If we make continual savings in that area, we will drop a little more to the bottom line, but that is one where we need to continue to build that up to get it above that 10% level.

The Levee System which Melissa identified that we're doing study work on that. That's one we will bring back and talk to the Commission more about. It's a huge project to think about how we can raise the levee along the Kansas River and add to that. The federal government has put money toward this, but they are going to look to our city, Kansas City, MO, the railroads and such that everybody really needs to invest in order to make this happen and improve that levee for years and protect our community for years to come.

Parks Plan Implementation, some money to it but it's one where we need to sit down and look in the future and probably in the fall about where we're going to put money to really implement the things identified in this plan for the years coming forward.

ADA Compliance, we're working towards this. When we do projects and we do street projects, sidewalk projects, restrooms; we address this and we make it correct the way it should be for ADA compliance. However, to be more aggressive and go out and just specifically do ADA changes is one where we're falling a little bit short of where we would like to be in order to meet the requirements that we need to be doing across our community.

I also like to keep our eye on that Dedicated Sales Tax Fund. This is a special fund that was approved by the voters in 2010. It's money that's divided out for the purpose of going to our Neighborhood Infrastructure, Police & Fire protection in our community. It generates $10M in our community. It's one we've actually used as we hit the recession earlier it really helped us through that time as it came on line, it's one where we spend money to continue those operations. It's a 3/8 cent sales tax. It expires in 2020 so we need to look forward to that about educating our public in future years of how important this is to overall sustainability of our budget.

As I close out I would just like to point out a community snapshot. We've seen a 4% increase in our population since 2010, 200 new home permits in 2017 to date and in the years 2011 through 2015 we didn't see 200 home permits through the full year of any of those years. Our employment is up 2.2% over the past year which brings us to nearly 92,000 jobs. Wyandotte

County ranks 67th out of the highest 344 largest US counties in terms of wages and it's always a difficult one we look at because the people that live in our community don't necessarily have all those jobs and that's something we need to strive to continue to do to make sure the ones in our community get those high jobs but we are a very high employer in terms of wages, we're second in the state of Kansas. Our tax delinquency rate which is something we're very proud to see go down from 7% to 5% and that's largely to the efforts we've put toward going after being aggressive on tax delinquency collections and continuing to move forward with that with what we're doing with our SOAR efforts.

As the Mayor stated when we started this meeting you all have had a lot of input and work on this as we've move through the year. Go back to just a couple months after we finish the budget we start working on the new one. The Public Works Standing Committee sits down to review all the projects and we work through. That's a couple different meetings looking at what's coming on in the coming year, what will be the future years and setting priorities as we start to build through that in the coming spring. In the fall we had our Strategic Planning Sessions. We moved forward and did a long-term financial forecast and had our first public hearing in February of this year. In April we had a Strategic Planning Session that really talked about financing and then you've gone back in and looked at the CMIP Budgets again so a lot of hours have already been spent by this governing body. That helps me and my staff work on this as we put this together and build a budget that hopefully comes out in line with the priorities you have.

As we look forward to what workshops we will be doing this month we can stay focused on priority areas and what we might want to tweak or adjust what's in the budget as we set it out today.

As we close, Mayor, I would like to give special thanks to my Finance staff for putting this together. Kathleen VonAchen, our Chief Financial Officer, and Debbie Jonscher, our Deputy Finance Director, who have led this budget process but also with them I want to recognize the whole budget staff and ask them to come forward particularly Reginald Lindsey, our Budget Director, and Jud Knapp, Michael Peterson, Judi Her; I know you have more people here and I will call anybody else up, but for the fourth year in a row they have received the Distinguished Budget Award and I just want to call them out and recognize them for their achievement.

Mr. Bach said that concludes our presentation for the Proposed 2018 Budget. **Mayor Holland** said I'm going to take some questions from the Commission if they have any. I am going to recognize some elected officials who are here with us today. I want to recognize our District Attorney Mr. Dupree, Representative Tom Burroughs with the state of Kansas, KCKCC Trustee J.D. Rios. We appreciate you all being here.

Doug has already recognized this. We have several of our union partners here today. We appreciate you coming out today. More than half of our, about 60% of our workforce is union and we're proud to be a union town. We have 13 bargaining units and we appreciate your partnership with the city as well and the service you provide for your members so thank you all for being here also.

Commissioner Walker said, Doug, our total budget is it an increase in dollars or a decrease in dollars, total dollars, compared to 2017? **Mr. Bach** said it's an increase. **Commissioner Walker** asked how many dollars does it increase. **Mr. Bach** said our 2017 original budget was $345M and this budget goes to $357M. **Commissioner Walker** said so about $13-$14M? **Mr. Bach** said yes. **Commissioner Walker** asked how much is a mill worth this year compared to what it was worth last year. Do you have that number? **Mr. Bach** said it's about a $20,000 difference we believe in the total value of one. **Commissioner Walker** said the budget you are proposing did I see a slide that said you are proposing a two—roughly two mills—**Mr**. **Bach** said we're proposing roughly a two mill reduction on the City mill rate. **Commissioner Walker** said and the County holds constant. **Mr**. **Bach** said yes. **Commissioner Walker** said I want to go into this in more detail. How much did the District Attorney's budget increase?

Mayor Holland said can we do this, we can certainly—I would like to get all the questions on the table. We have our first budget workshop on Monday and if we can get all the questions, I have about 12 from different commissioners of topics you would like covered, but I want to make sure we get these answered correctly in a timely way. I would be glad for us to have an answer on Monday about the DA's budget because I do think it's important that all these questions be answered. **Commissioner Walker** said I haven't finished my question. I thought if he knew it right offhand—**Mr**. **Bach** said I don't know the amount of the increase. We added a couple pieces of equipment to his budget, but I don't know operationally what the increase is.

(**Someone** spoke but was inaudible due to not speaking in a microphone). **Mr. Bach** said I think we would be better to present this at the workshop if you want exact numbers. **Commissioner Walker** said here's the point I'm trying to make; $13,000—**Mr**. **Bach** said $32,000. **Commissioner Walker** said the point I'm trying to make here is, and I made this once before, I know there was some follow-up discussions under the previous District Attorney. The District Attorney Office is to some extent in my opinion, and has always been this way, not anything new, is the neglected stepchild of this whole public safety enthusiasm we have. Sitting at the pinnacle of what happens when public safety does its job is the District Attorney's office. Now in my lifetime there has been really one kind of philosophy. Hire them young, pay them cheap, keep them that way and most of them will move on because at some point they cap out and we've had this discussion, Doug, about—and this is my last crack at a budget.

I would like to see—actually I would like for you to verify comparisons to other District Attorney offices, and I'm distinguishing that from County Attorney's because so many of our County Attorneys are part-time or it's a guy who it's his turn to be County Attorney for a term so he does it and then two years later somebody else that's a lawyer has to take his turn. Most of the Prosecutor Offices develop a core of long-term hard core prosecutor's. They don't go, they're never going to get rich but they're going to make decent enough money with a pension and benefits that's it's attractive as compared with going out and trying to hustle all those things on yourself. I would like to be aware that you have had this discussion with this new District Attorney. I know you had it with Mr. Gorman, I think you had it with Mr. Gorman, or maybe it was still Mr. Hays at the time; and that something be shown, a plan be developed that actually makes progress towards that. There are people who will never stay in the District Attorney Office because they believe they are going out and make a fortune in some other area of the law, and that's possible, but you need and I don't know if the percentage is 20 or 30—you need people that know what they're doing when they get a murder case, that knows what they're doing with a rape, with a kidnapping, with the violent crimes and don't get outfoxed. When you bring people in that are just out of law school they get outfoxed. Maybe they get smart as they go along but this issue is important to me if it is to nobody else so I would like you to be able to address what progress we've made toward that objective and if we're going to try to make any progress in the future. It's part of the Public Safety team. It doesn't do any good to put cops out arresting people if we can't get them through the system and convict them.

I'm not going to take up the whole evening. I've got a lot of other questions, but I'll save them until Monday.

Mayor Holland said I do want to clarify one other thing. You are wanting additional pay for attorney's in the District Attorney's office and make sure that we did a salary study that included the District Attorney attorney's and you want to make sure that there is competitive pay among the attorney's in the District Attorney Office, is that right? I just want to clarify for the public. **Commissioner Walker** said well yes, in a general kind of brief summary I suppose that is it. I don't want everybody in the District Attorney—not everybody deserves a pay raise because not everybody in any department is performing the way they should be. It should be up to the District Attorney whether a person merits increases or does not and there should be—if I'm a District Attorney and I've got five or six years in and I'm looking at the future, I should see my path to a career in that office or I should say I'm going to cut my losses and get out of here and go find a job that will pay me some real money. I don't think we pay competitive—I know our District Attorney makes less than any other District Attorney in the state. He makes the established minimum which is—or at least unless you did increase you have to pay a District Attorney the same amount as a District Court Judge. You can pay him more. The Johnson County, Shawnee County, I can't say for sure about Douglas County and Sedgwick County I know all make more money than a District Court Judge. Yes, you can say Sedgwick is bigger so they should. I doubt many have comparatively the level of crime—you get the gist of the whole thing.

Mayor Holland said I just wanted to make sure the public got the gist of what you're saying because I've heard you make the statement before and I just want to be clear, you want competitive salaries in the District Attorney office. **Commissioner Walker** said I want a plan between Doug and the District Attorney so that he can retain professional staff that are worthy of being retained and the others if they don't get pay raises, they move on down the road, but that should be the goal to have a nucleus of lifelong prosecutor's, do their whole career there.

Commissioner Walters said a revenue increase of $13 or $14M is what I was hearing and that's a projection which are often conservative which seems to be quite a bit in excess of cost-of-living. I guess I would like to have an understanding of why we would want to base our budget on a number that is so much higher than the cost-of-living and why we wouldn't want to try to work toward something that's more in line with the cost-of-living so that we could have a more meaningful tax reduction. Along the line of tax reduction, if you combine the County and the City mill levy or a portion of it—I know you said it was a 5% reduction to the City so combined it might be a 3% reduction or something like that. One of the things we have been targeting as a Commission is to reduce property taxes so I guess I would like to know are we keeping score on that. Do we know how many residences are paying less in property tax now than they did last year or projected to pay less for 2017 or for 2018? It would be nice to know if 20% of our residents are actually seeing a tax reduction or is it 50% or is 70%; I have to think it's less so that's an information I think that we should keep track of so that we can see if we're actually making progress. If we are, at least the County Appraiser has said in a period of inflation of home prices so when someone has a 10% increase in their home price, a 5% reduction in their mill levy really doesn't offset the tax increase. That's what our goal is, is tax reduction not a lessening of a tax increase so I would like to know if we can find some information on that element of it. **Mr. Bach** said we have tracked it for residential and commercial and we can provide a showing of that.

Commissioner Johnson said I'll probably touch on a subject that's probably not as popular, talking about the Fund Balance. I'm always curious as to our plan. There is always a tension in the discussion as we often have in committee about spending and how do we also increase and maintain our Fund Balance. I'm always curious and would like to have continued discussion on that in terms of not only where we are, but just to inform our public on how important it is for us to maintain certain levels for our Fund Balance. I think it's important to make sure that the persons that are watching are aware of what that represents, why it's important and where we are and if we have—I would like to be able to talk about a cohesive plan for us to reach those desired levels over the course of some stated period of time that you and Kathleen would deem appropriate for us to get to the point where we need to be as we try to balance this tension in our budget about where we spend money. We tend to get caught up in spending, spending, spending but we also need to make sure that we're taking a little bit aside to save as well so I would just continue to make sure that's part of our discussion. **Mr. Bach** said thank you. We would welcome that discussion.

Mayor Holland said I want to again, Mr. Bach, thank you and your staff, the Budget Office, the Finance team; you've done a great job again putting together a budget to begin the discussion but, Mr. Bach, I will ask you to close us out tonight.

Mr. Bach said I just got the point out that the budget is online at our website so if members of the public want to go online and see the budget, they can sign on to Wycokck.org and pull it up and it's right there. There is a link to it on our home page so you can get to it and go through all 500 plus pages of the document and dig into it as much as they would like to. **Mayor Holland** said there is also on the website a link to the OpenGov site that shows 10-year trend lines in every department and so if you would like you can dig and sort in our budget. It's an open document, it's the public's document and so it's out there and available for everyone to look at.

MAYOR HOLLAND ADJOURNED
THE MEETING AT 6:13 p.m.

Bridgette D. Cobbins
Unified Government Clerk

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