STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, MONDAY, JULY 16, 2018**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Monday, July 16, 2018, with ten members present: Bynum, Commissioner At-Large First District; Burroughs, 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 Alvey, 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; Bridgette Cobbins, Unified Government Clerk; Joe Connor, Gordon Criswell and Melissa Sieben, Assistant County Administrators; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Director; Budget Staff; Maureen Mahoney, Chief of Staff in Mayor's Office; Lynn Melton, Assistant to the Mayor; and Officer Doleshal, Sergeant-at-Arms.

MAYOR ALVEY called the meeting to order.

ROLL CALL: Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Johnson, Alvey.

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Monday, July 16, 2018, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building for a Budget Workshop.

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 Alvey said as the Clerk stated our meeting this evening is the first of several Budget Workshops. We have quite a bit of material to cover tonight and, of course, as we know from our Spring Retreat we have tremendous needs and obligations and limited resources. This is the first of the process trying to prioritize and decide how we'll move forward.

BUDGET WORKSHOP
JULY 16, 2018 – 5PM

AGENDA

OVERVIEW OF BUDGET DOCUMENT

- **DEDICATED SALES TAX**
- **SPRING RETREAT RECAP**
  - **MILL RATE (WALTERS)**
- **REVENUE REVIEW**
  - **FUND BALANCE**
- **DISCUSSION REGARDING MAXIMUM MILL LEVY – SET MML**
- **FUTURE WORKSHOPS**
  - **JULY 19, 2018 @5PM**
  - **ELECTED OFFICIALS**
  - **DA BUDGET (DUPREE)**
  - **SVV CASE (WALTERS)**
  - **SSMID**
  - **DEBT**
  - **BENEFIT DISTRICTS (MURGUIA)**
  - **PARKS MASTER PLAN**
  - **JULY 23, 2018 – AFTER STANDING COMMITTEE**
  - **CMIP UPDATE**
  - **STREET PRESERVATION PROGRAM**
  - **K-7 & PARALLEL (WALTERS)**
  - **BUILDING SECURITY**
  - **KAW RIVER LEVEE**
  - **JULY 26, 2018 @5PM**
  - **ECONOMIC DEVELOPMENT (WALTERS)**

- STATE AVE CORRIDOR, K-32, ROSEDALE MASTER PLAN, NE MASTER PLAN
- **DEPARTMENT SPECIAL FUNDS (ECO DEVO STANDING COMMITTEE)**

- **JULY 30, 2018 @5PM**
  - **FINAL BUDGET PUBLIC HEARING**
  - **BUDGET WORKSHOP (AFTER PUBLIC HEARING) – OTHER TOPICS (IF NEEDED)**
- **AUGUST 2, 2018**
  - **5PM – BUDGET WORKSHOP – OTHER TOPICS (IF NEEDED)**
  - **7PM – BUDGET ADOPTION**

Doug Bach, County Administrator, said I will just start by reviewing the agenda that you have in front of you this evening. We're going to walk through this evening, we've got six different topic areas to go into. The first one is the Overview of the Budget Document. Mr. Lindsey will walk us through that section just kind of familiarizing with everything that's in here and how you access different components of it if you haven't already.

We're going to have a little discussion about the Dedicated Sales Tax and where we are with that and how the budget is really predicated based on that being renewed.

We're going to talk about some of the items from the Spring Retreat Recap. We had a specific request I think related to that from Commissioner Walters.

We're going to walk through our Revenue Review. It kind of gives you a good idea of why we're projecting the revenue we're at and so there is quite a bit of detail within that.

Really, the big item for this evening that we're looking to do is to set the Maximum Mill Levy Rate. That is one that just balances us to a schedule. As you recall, this does not necessarily need to be the mill rate that we adopt in the end, but you cannot adopt one higher than what we set this at, so we will have more discussion about that.

These are the other topics that have come, and this is a tentative schedule that we went through with the Mayor working these up of where these items could come forward and be presented as we work through the rest of the month. I'm sure there will be some additional items to come to it.

With that, I'm going to turn this over to Reginald Lindsey, our Budget Director, and have him do an overview of the budget document.

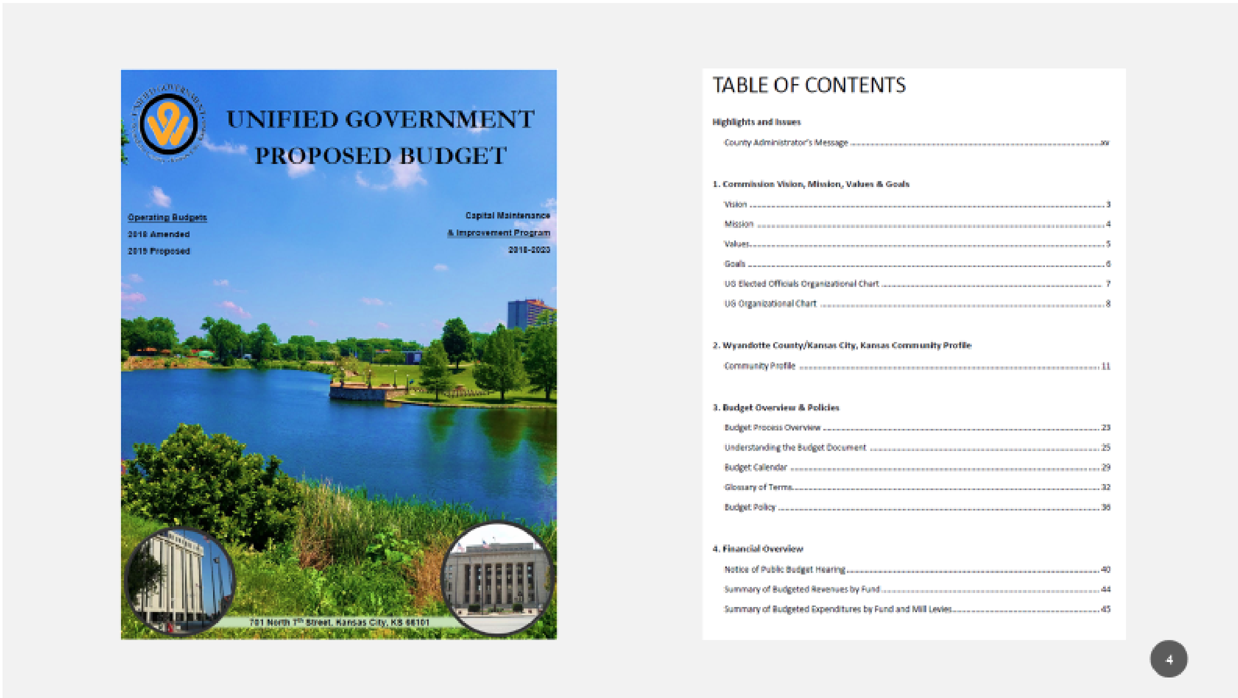
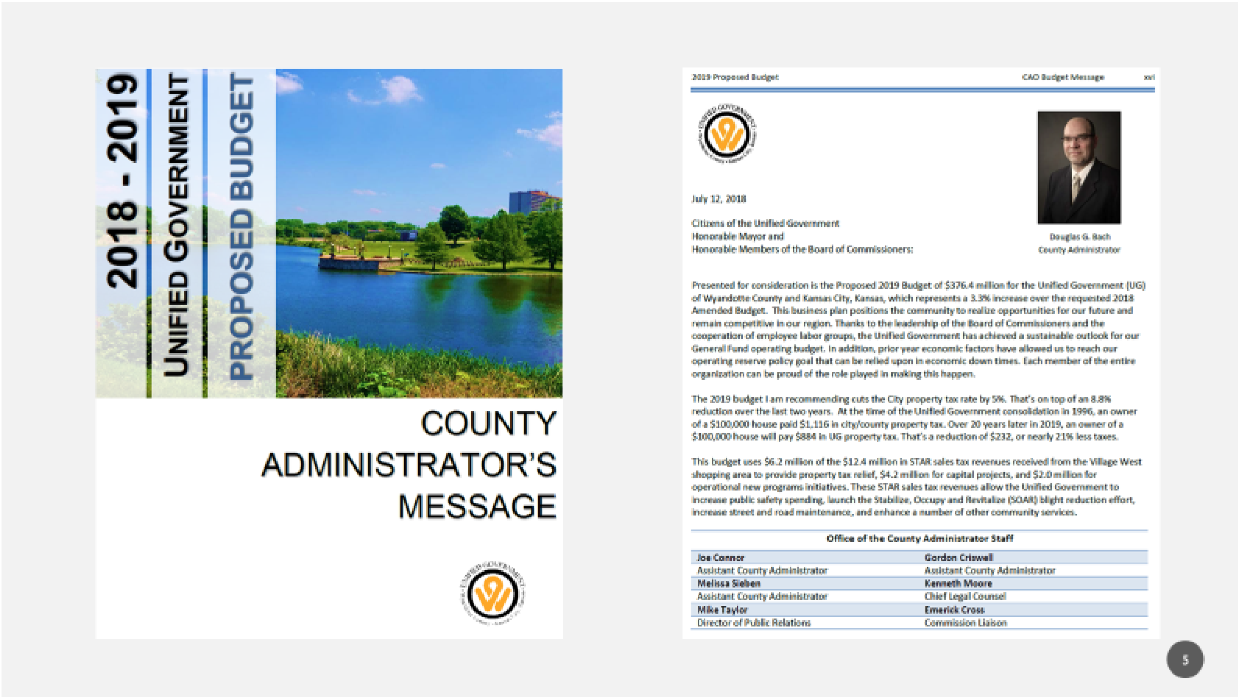
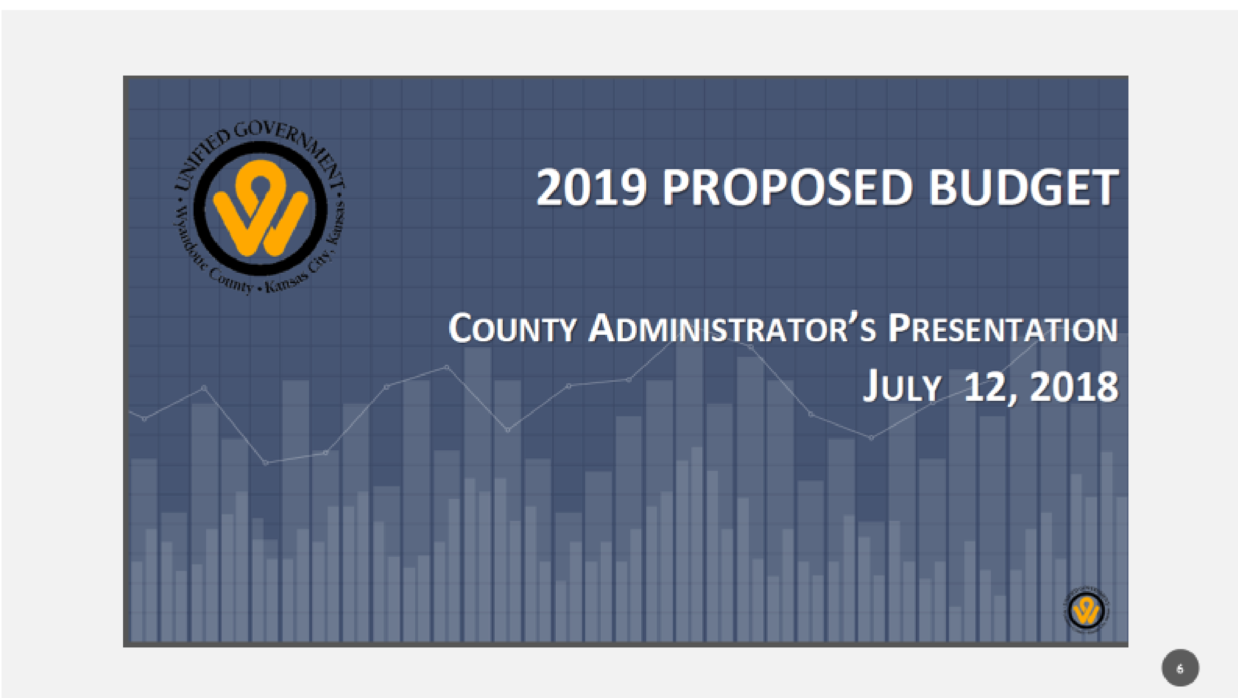


TABLE OF CONTENTS

Reginald Lindsey, Budget Director, said we will start with the Table of Contents. One of the new features that we have the Table of Contents this year is that Michael Peterson and Alyse in Finance, they both worked with making it clickable where you can click on the numbers within the Table of Contents and it will take you right to that page. So, that's a new feature with the Table of Contents.

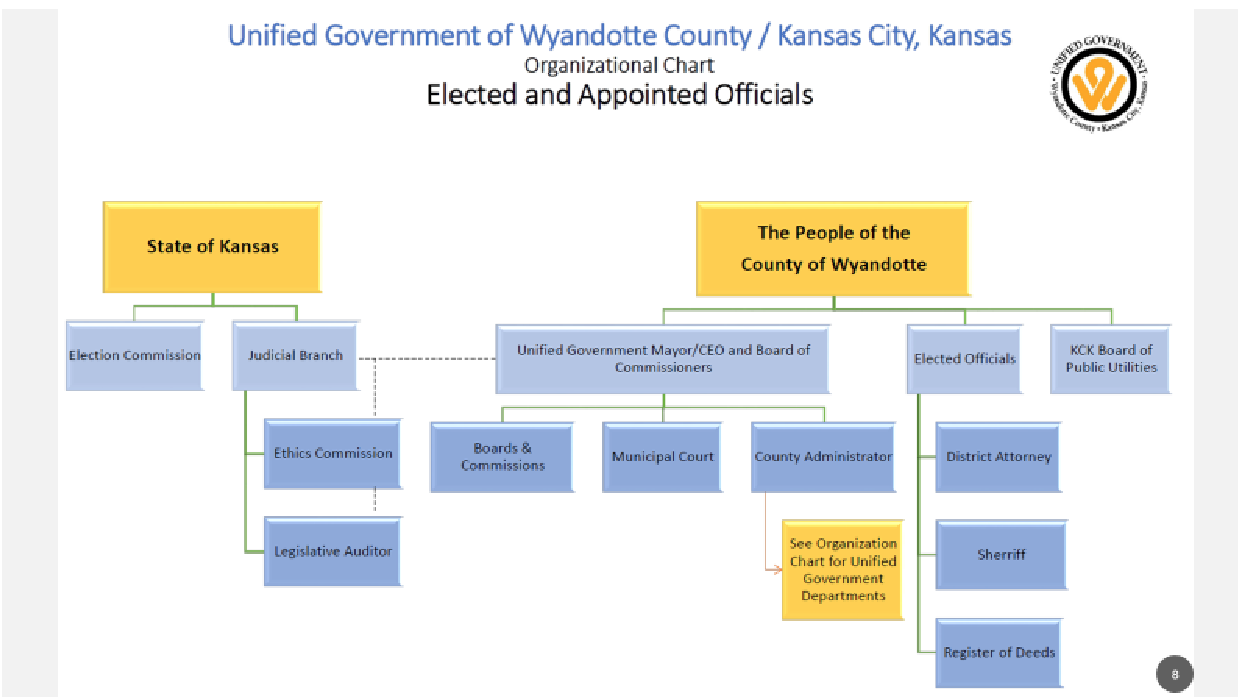


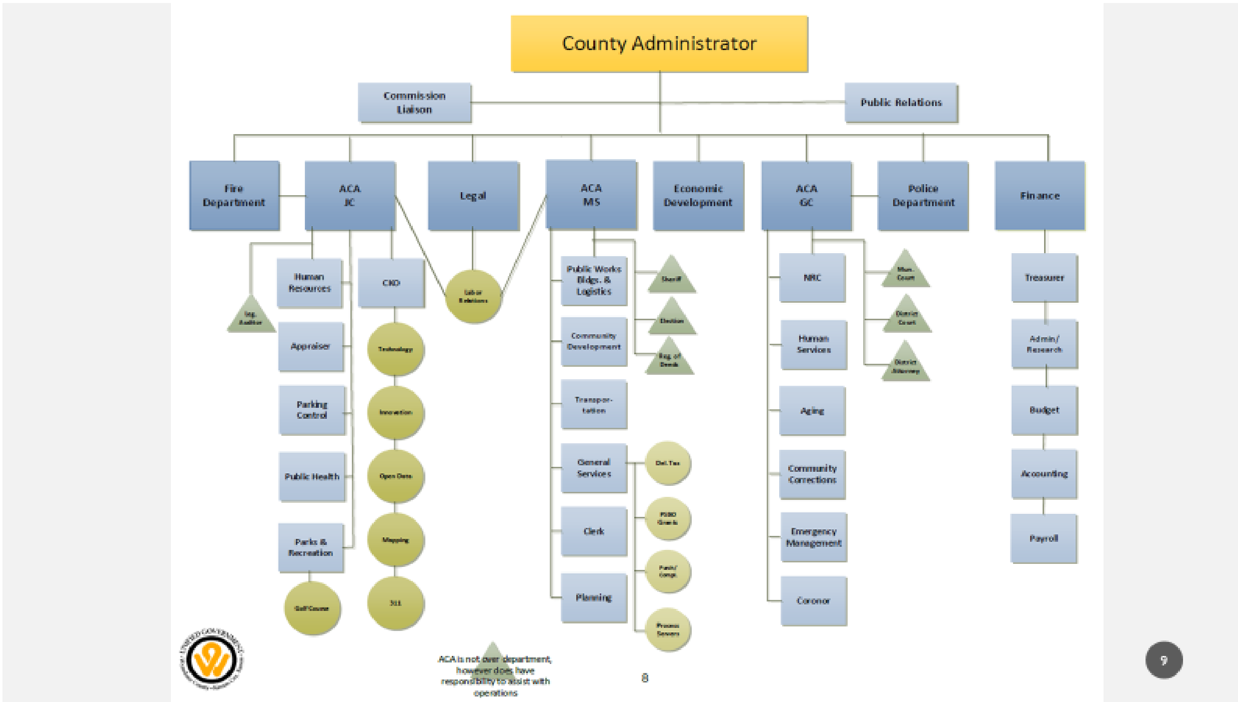
Next, we have the County Administrator's message. Basically, here you can find the presentation and a brief summary of the budget.



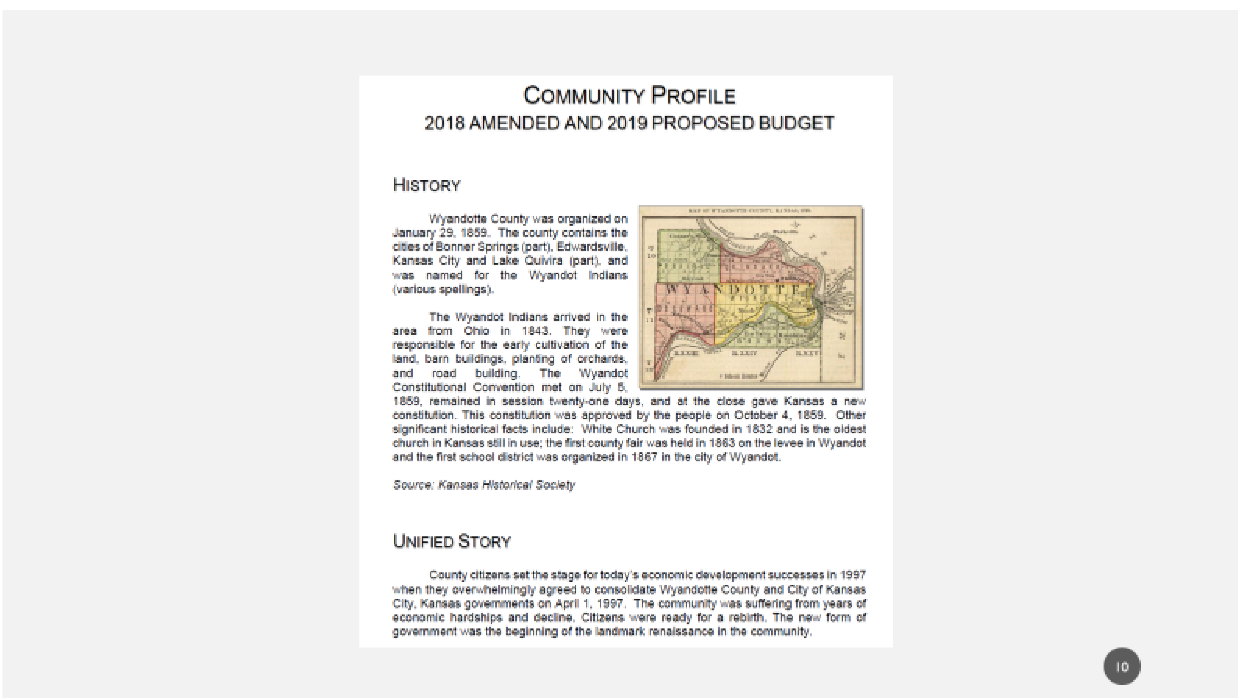
Here is where the presentation will flow right after that.

Next, we have the Commissioners Vision, Values, Goals and Budget Guidance. Here we include the Vision Statement, the Mission Statement, the Strategic Plan and Values and also the Goals.





Also, there are two org charts here. One for elected officials and then there was also the Operational Work Chart for the organization.



Community Profile

2018 Amended and 2019 Proposed Budget

History

Wyandotte County was organized on January 29, 1859. The county contains the cities of Bonner Springs (part), Edwardsville, Kansas City and Lake Quivira (part), and was named for the Wyandot Indians (various spellings).

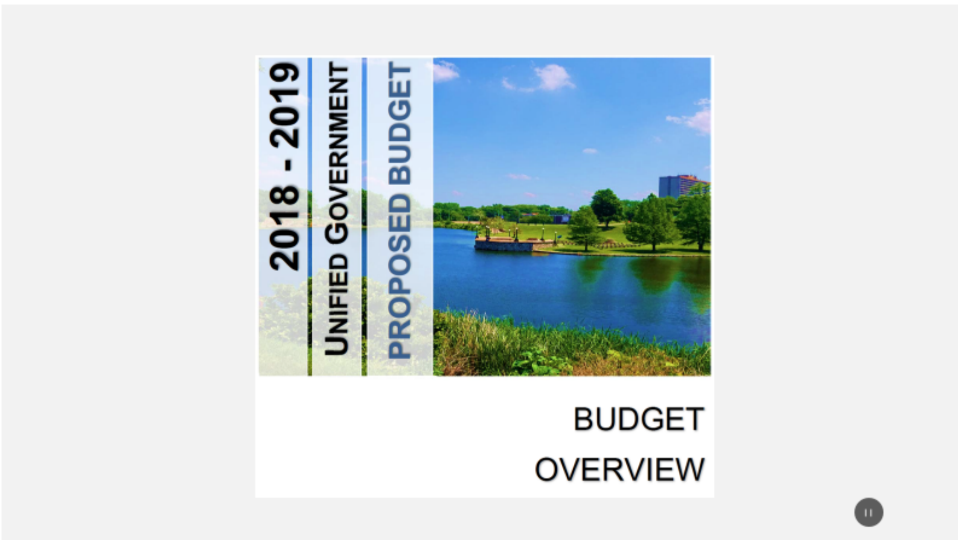
The Wyandot Indians arrived in the area from Ohio in 1843. They were responsible for the early cultivation of the land, barn buildings, planting of orchards, and road building. The Wyandot Constitutional Convention met on July 5, 1859, remained in session twenty-one days, and at the close gave Kansas a new constitution. This constitution was approved by the people on October 4, 1859. Other significant historical facts include: White Church was founded in 1832 and is the oldest church in Kansas still in use; the first county fair was held in 1863 on the levee in Wyandot and the first school district was organized in 1867 in the city of Wyandot.

Source: Kansas Historical Society

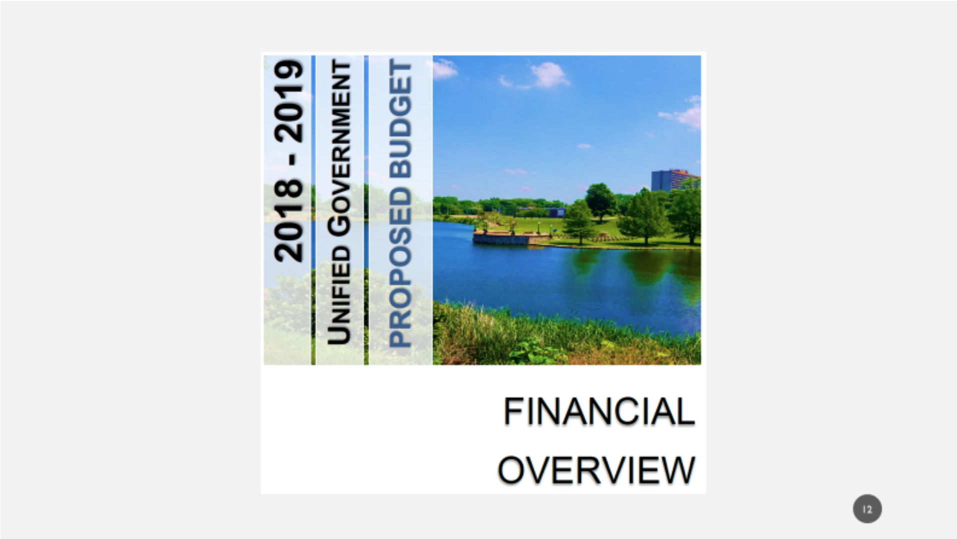
Unified Story

County citizens set the stage for today's economic development successes in 1997 when they overwhelmingly agreed to consolidate Wyandotte County and City of Kansas City, Kansas governments on April 1, 1997. The community was suffering from years of economic hardships and decline. Citizens were ready for a rebirth. The new form of government was the beginning of the landmark renaissance in the community.

Next, we have the Community Profile which breaks down the history and the form of government of the Unified Government and then also the major services provided and then the community characteristics of the Unified Government.



We have the Budget Overview which breaks down the budget process. Also, there is a Budget Calendar there and then there is a Glossary of Terms that you might see. There is also a summary of the Budgetary & Financial Policies. We also have the Financial Policies in the back of the book. These are the financial policies that will—newly updated that will come before you all on July 26th to vote on.



Next, we have the Financial Overview. The Financial Overview includes a notice of the budget hearings for the different funds that we have.

Unified Government of Wyandotte County/Kansas City, Kansas

2018 Amended – 2019 Budget

Expenditure by Fund & Mill Levies

	2018 AMENDED BUDGET	CERTIFIED MILL LEVY, 2018 BUDGET	2019 PROPOSED BUDGET	PROPOSED MILL LEVY, 2019 BUDGET	CHANGE IN MILL LEVY RATE FROM 2018
Tax Levy Funds					
General Fund - City	156,283,991	23.167	160,849,856	21.167	-2.000
Bond and Interest - City	33,200,237	16.836	34,851,536	16.836	0.000
General Fund - County	62,678,729	31.082	63,931,900	31.082	0.000
General Fund - Consolidated Parks	6,548,952	1.386	6,644,988	1.386	0.000
Bond and Interest - County	3,323,002	2.195	5,350,944	2.195	0.000
CIFI Fund - County	0	0.000	0	0.000	0.000
Aging	1,932,206	1.024	1,894,252	1.024	0.000
Developmental Disabilities	592,442	0.345	598,386	0.345	0.000
Elections	1,478,004	0.870	1,501,595	0.870	0.000
Health	3,368,458	1.554	3,511,931	1.554	0.000
Mental Health	580,000	0.424	580,000	0.424	0.000
Total UG Tax Levy Funds	269,986,021	78.883	279,715,388	76.883	-2.000
Other Funds					
Alcohol	777,094		787,633		
County Clerk Technology	50,000		50,000		
Court Trustee	580,027		587,964		
Dedicated Sales Tax	10,943,015		10,822,052		
Emergency Medical Services	11,539,475		11,474,475		
Environmental Trust	1,130,000		1,130,000		
Jail Commissary	60,000		60,000		
Parks and Recreation	573,688		545,936		
Public Levee	386,740		387,440		
Register of Deeds Technology	130,170		130,170		
Sewer System	45,355,909		49,559,957		
Special Assets	4,250,000		850,000		
Stadium	660,700		660,700		
Stormwater	4,234,895		4,719,958		
Street and Highway	7,562,500		7,650,000		
Sunflower Hills Golf Course	840,331		680,792		
Travel and Tourism	4,348,393		5,703,400		
County Treasurer Technology	39,158		19,329		
Wyandotte Co. 911	954,000		867,000		
Total Other Funds	94,416,095		96,686,806		
TOTAL UG OPERATING BUDGET	364,402,116		376,402,194		
County Library Fund*	3,123,688	6.059	3,205,354	6.059	0.000
Total All Funds	367,525,804		379,607,548		

13

We have the County General Fund, all the funds on the County side, all the funds on the City side, the SSMID, the Wyandotte County Library Fund.

Unified Government of Wyandotte County/Kansas City Kansas
2018 Amended - 2019 Budget

Fund: 110 - City - General Fund

The City General Fund is the principal operating account of Kansas City, KS. Revenue is received from taxes, fees, intergovernmental revenue, charges for services, and other sources. The General Fund is used to support general operations including Police, Fire, Municipal Court, Public Works, general services functions, and administrative programs. General Fund revenues are also used to finance the purchase of capital equipment and cash-funded capital projects.

The revenue increase in 2017 is partially due to the City's share of a sales tax revenue resulting from the early payoff of STAR Bonds that financed the Village West Shopping Area.

Note: The increase in debt service in the 2018 amended and 2019 budgets is attributed to budgeting reserve annual appropriation STAR Bond, Speedway Bond, and Transportation Development District debt payments should their pledged revenues fall short. This debt expense is offset by a corresponding revenue increase. This appropriation is required by outstanding bond covenants.

Account Type Description	2016 Actual	2017 Actual	2018 Original	2018 Amended	2019 Budget
Revenues					
41 - Tax Revenue	$110,726,619	$121,077,180	$130,631,589	$134,491,667	$136,577,961
42 - Permits And Licenses	$1,226,294	$1,236,276	$1,271,200	$1,267,806	$1,294,960
43 - Intergovernmental Revenues	$754,898	$709,228	$704,000	$704,000	$704,000
44 - Charges for Services	$10,940,420	$10,507,575	$11,039,100	$10,791,100	$10,928,100
45 - Fines/Forfeits/Fees	$4,397,364	$3,734,998	$3,937,000	$3,777,500	$3,412,500
46 - Interest Income	$50,819	$209,321	$110,000	$160,000	$160,000
47 - Miscellaneous Revenue	$1,807,170	$3,978,285	$1,693,500	$1,726,100	$1,757,100
48 - Reimbursements	$1,782,692	0	$1,775,483	$1,707,483	$1,716,300
49 - Other Financing Sources	$2,437,494	$2,739,104	$2,336,000	$2,336,000	$2,336,000
Total Revenues	$134,123,770	$144,191,967	$153,497,872	$156,961,656	$158,886,921
Expenses					
51 - Personnel Costs	$100,021,835	$102,496,597	$107,036,388	$107,605,875	$111,549,971
52 - Contractual Services	$19,013,132	$19,337,746	$21,674,658	$21,623,042	$22,785,113
53 - Commodities	$3,781,455	$4,003,004	$4,236,030	$4,678,954	$5,576,634
54 - Capital Outlay	$2,672,051	$4,315,912	$4,053,450	$5,209,228	$4,133,477
55 - Grants, Claims, Shared Revenue	$4,372,111	$4,953,026	$5,417,714	$5,662,494	$5,132,494
56 - Debt Service	$641,175	$641,913	$640,851	$640,850	$643,650
57 - Nonexpense Items	$4,405,847	$1,788,119	$307,903	$842,903	$797,903
58 - Reserves	0	0	$350,000	$350,000	$350,000
59 - Annual Debt Appropriation	0	0	$10,289,225	$9,670,645	$9,880,614
Total Expenses	$134,907,606	$137,538,317	$154,006,219	$156,283,991	$160,849,856
Net Change in Fund Balance	($783,836)	$6,653,650	($508,347)	$677,665	($1,962,935)
Cash Basis Ending Fund Balance	$14,001,736	$20,655,386	$14,975,387	$21,333,051	$19,370,116
CAFR Ending Fund Balance	$20,798,361	$29,383,420		$30,061,085	$28,098,150

14

Then for all the funds there is the Expenditure Budget Level for all the funds, and then the mill levy for those funds. On the screen right now, we have the City General Fund. One of the things that we've added here is a net change in fund balance. It shows you the difference in the Revenues and Expenditures. Also, we added the CAFR Fund Balance which is a new addition.

Unified Government of Wyandotte County/Kansas City, Kansas
2018 Amended – 2019 Budget

Department Expenditure Summary
Dedicated Sales Tax *(This fund will sunset in 2020)*

Police Department - Expenditure Summary

	2018 Approved		2018 Amended		2019 Proposed	
	Expenditures	% of Budget	Expenditures	% of Budget	Expenditures	% of Budget
Personnel	$ 1,616,785	15%	$ 1,735,921	16%	$ 1,837,126	17%
Operating	$ 1,279,924	12%	$ 1,084,924	10%	$ 838,145	8%
Capital	$ 983,000	9%	$ 935,000	9%	$ 919,125	8%
Total	$ 3,879,709	35%	$ 3,755,845	34%	$ 3,594,396	33%

Fire Department - Expenditure Summary

	2018 Approved		2018 Amended		2019 Proposed	
	Expenditures	% of Budget	Expenditures	% of Budget	Expenditures	% of Budget
Personnel	$ 2,429,092	22%	$ 2,456,145	23%	$ 2,568,756	24%
Operating	$ 743,913	7%	$ 627,625	6%	$ 79,500	1%
Capital	$ 749,000	7%	$ 695,000	6%	$ 947,000	9%
Total	$ 3,922,005	35%	$ 3,778,770	35%	$ 3,595,256	33%

Infrastructure - Expenditure Summary

	2018 Approved		2018 Amended		2019 Proposed	
	Expenditures	% of Budget	Expenditures	% of Budget	Expenditures	% of Budget
Operating	$ 100,000	1%	$ 100,000	1%	$ 200,000	2%
Capital	$ 2,630,000	24%	$ 2,710,000	25%	$ 2,850,000	26%
Other	$ 570,000	5%	$ 568,400	5%	$ 582,400	5%
Total	$ 3,300,000	30%	$ 3,378,400	31%	$ 3,632,400	34%

Dedicated Sales Tax - Dpt Exp Totals

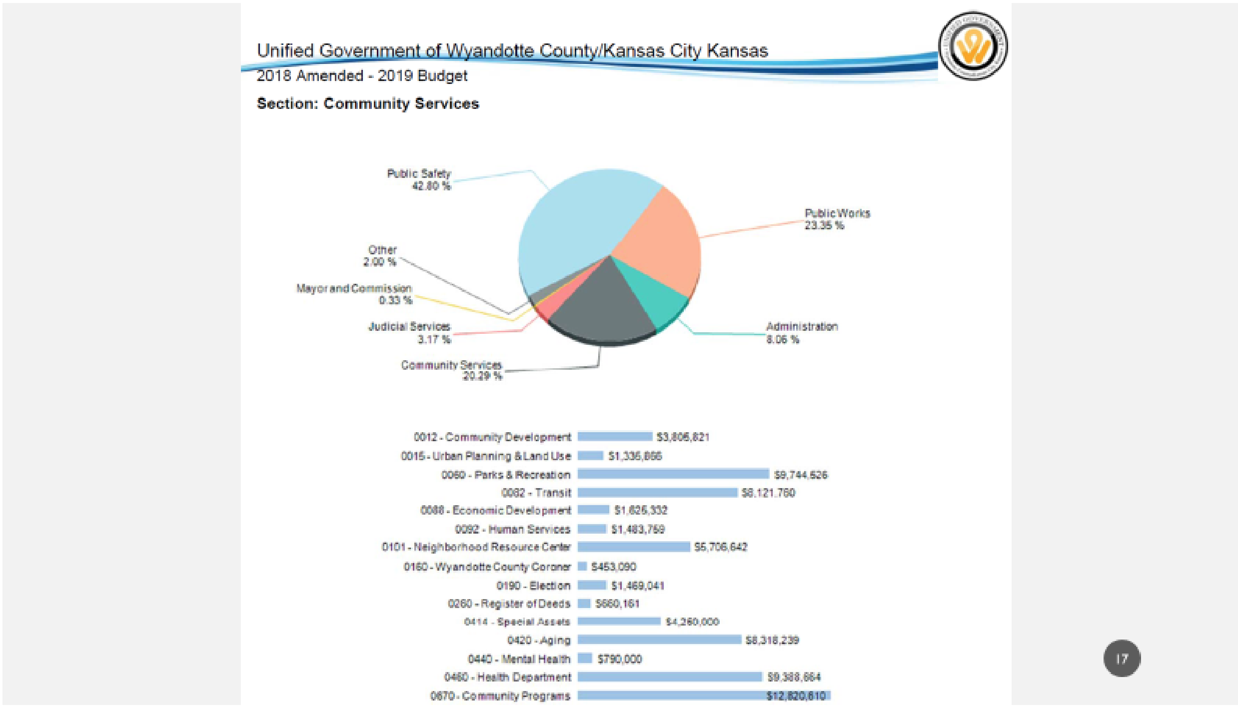
	2018 Approved	2018 Amended	2019 Proposed
	Expenditures	Expenditures	Expenditures
Totals	$ 11,101,714	$ 10,913,015	$ 10,822,052

15

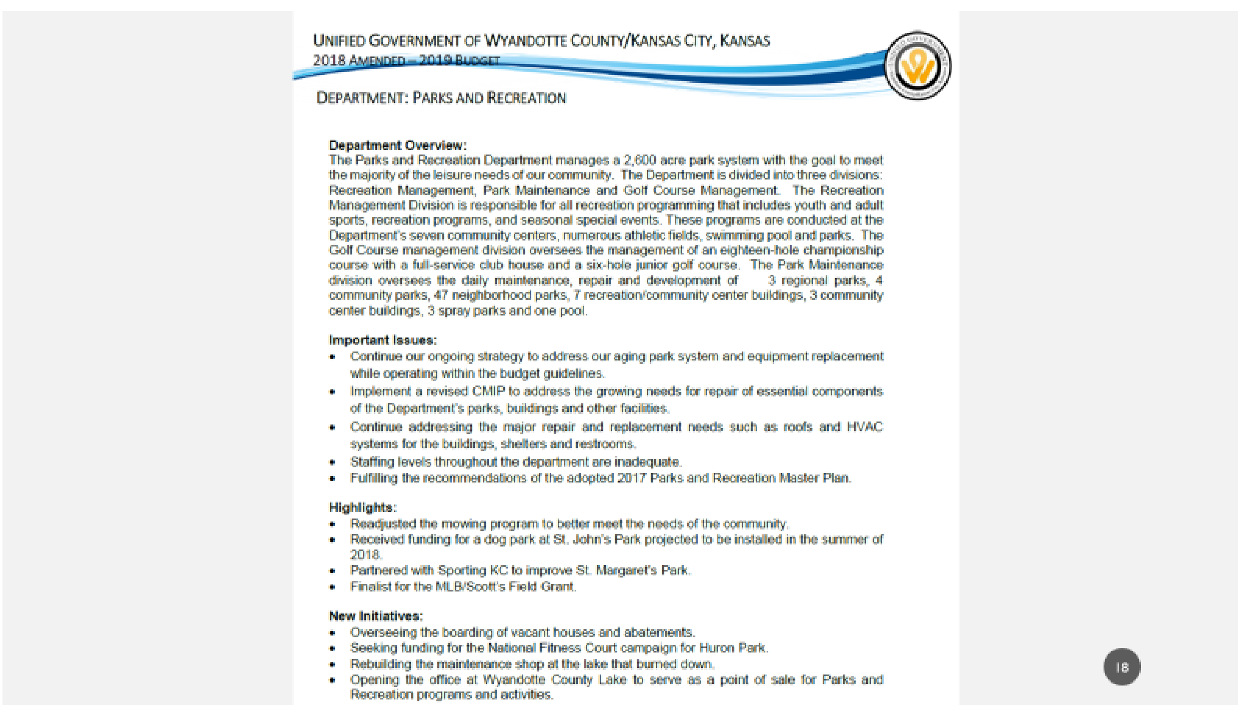
Also, in that section is a summary of the Dedicated Sales Tax. Basically, what this does is show you the three departments that are funded within the Dedicated Sales Tax. It shows you the amount of their budget and their percentage breakdown.

Kathleen VonAchen, Chief Financial Officer, said I want to point out that beginning on page 89 of the section is a detail of all the revenue forecasts. It includes I think from 2017 Actuals to the Proposed Budget.

The next section is the Department Expenditure Budgets. Basically, what we have here are section summary for the budgets.



Basically, we have sections for all the departments, so this particular section is Community Services which includes Parks & Rec, Transit, and Community Development. We have another section which is Public Safety which would include the Police Department, Sheriff Department, and Emergency Management.


UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
2018 AMENDED – 2019 BUDGET

DEPARTMENT: PARKS AND RECREATION

Department Overview:
The Parks and Recreation Department manages a 2,600 acre park system with the goal to meet the majority of the leisure needs of our community. The Department is divided into three divisions: Recreation Management, Park Maintenance and Golf Course Management. The Recreation Management Division is responsible for all recreation programming that includes youth and adult sports, recreation programs, and seasonal special events. These programs are conducted at the Department's seven community centers, numerous athletic fields, swimming pool and parks. The Golf Course management division oversees the management of an eighteen-hole championship course with a full-service club house and a six-hole junior golf course. The Park Maintenance division oversees the daily maintenance, repair and development of 3 regional parks, 4 community parks, 47 neighborhood parks, 7 recreation/community center buildings, 3 community center buildings, 3 spray parks and one pool.

Important Issues:
- Continue our ongoing strategy to address our aging park system and equipment replacement while operating within the budget guidelines.
- Implement a revised CMIP to address the growing needs for repair of essential components of the Department's parks, buildings and other facilities.
- Continue addressing the major repair and replacement needs such as roofs and HVAC systems for the buildings, shelters and restrooms.
- Staffing levels throughout the department are inadequate.
- Fulfilling the recommendations of the adopted 2017 Parks and Recreation Master Plan.

Highlights:
- Readjusted the mowing program to better meet the needs of the community.
- Received funding for a dog park at St. John's Park projected to be installed in the summer of 2018.
- Partnered with Sporting KC to improve St. Margaret's Park.
- Finalist for the MLB/Scott's Field Grant.

New Initiatives:
- Overseeing the boarding of vacant houses and abatements.
- Seeking funding for the National Fitness Court campaign for Huron Park.
- Rebuilding the maintenance shop at the lake that burned down.
- Opening the office at Wyandotte County Lake to serve as a point of sale for Parks and Recreation programs and activities.

18

This slide shows a narrative for the department. It kind of breaks it down what this department does, what the highlights of the department were in the past year and then some new initiatives that they have with the coming year.

Department: 0060 - Parks & Recreation

Department Expenditure Summary	2017 Actual	2018 Original	2018 Amended	2019 Budget
51 - Personnel Costs	$4,884,122	$4,971,567	$5,409,673	$5,585,048
52 - Contractual Services	$1,722,467	$2,097,904	$2,262,308	$2,279,800
53 - Commodities	$686,073	$681,735	$680,935	$680,935
54 - Capital Outlay	$1,171,839	$816,300	$1,166,300	$1,598,000
55 - Grants, Claims, Shared Revenue	$25,750	$7,250	$9,200	$9,200
57 - Nonexpense Items	$61,000	$151,110	$151,110	$1,110
58 - Reserves	0	$150,000	$65,000	$95,000
Total	$8,551,250	$8,875,866	$9,744,526	$10,249,093

Full Time Equivalent Positions	2017 Actual	2018 Original	2018 Amended	2019 Budget
061 - Park Administration	9.00	9.00	9.50	10.50
062 - Park Rangers	1.00	1.00	1.00	1.00
063 - Parks	54.00	54.00	54.00	47.00
064 - Recreation	20.25	20.25	20.50	26.50
067 - Sunflower Hills Golf Course	4.00	4.00	4.00	4.00
Total	88.25	88.25	89.00	89.00

Expenditure By Fund	2017 Actual	2018 Original	2018 Amended	2019 Budget
110 - City - General Fund	$578,077	$802,784	$922,579	$933,637
113 - Consolidated Parks-General	$6,412,120	$6,417,755	$6,641,707	$6,754,217
160 - County - General	$160,294	$152,329	$189,837	$195,488
212 - Dedicated Sales Tax	$99,628	$100,000	$100,000	$100,000
221 - Special Parks and Recreation	$599,511	$582,339	$572,813	$545,123
223 - Tourism & Convention	0	0	$100,000	$100,000
225 - Community Development	0	0	0	$780,000
266 - Other Special Grants	$39,500	$11,004	$345,108	$120,000
560 - Sewer System	0	$24,000	$24,000	$31,600
562 - Public Levee	0	0	$10,000	$10,000
565 - Sunflower Hills Golf	$662,121	$785,655	$838,483	$679,028
Total	$8,551,250	$8,875,866	$9,744,526	$10,249,093

Expenditure By Division	2017 Actual	2018 Original	2018 Amended	2019 Budget
061 - Park Administration	$938,219	$1,536,324	$1,746,022	$1,901,570
062 - Park Rangers	$27,959	$63,986	$75,065	$78,774
063 - Parks	$5,838,931	$5,238,999	$5,819,303	$5,794,654
064 - Recreation	$1,077,819	$1,250,903	$1,265,654	$1,795,068
067 - Sunflower Hills Golf Course	$668,321	$785,655	$838,483	$679,028
Total	$8,551,250	$8,875,866	$9,744,526	$10,249,093

19

This page breaks down financials of the particular department so we're able to see the categories for the expenses which we can see at the top; our Personnel category, Contractual category, Commodities category. Also, we can get another view where we can look at the different funds, the funds of a particular department. There are 12 different funds that we can see that funds Parks & Recreation. We can also see the expenditures by the divisions within Parks & Rec. We also have a view of the FTE in Parks & Rec. It's the second section down so that's a view of how many people are in each division within the Parks & Rec Divisions.

The next section is the Capital Maintenance Improvement Program. Here we would find our Debt Projects, Cash Projects, and also the equipment that we're funding for the upcoming budget. It's a five-year program that goes from 2019-2023.

UNIFIED GOVERNMENT
2019 - 2023 Proposed Capital Maintenance Improvement Program (CMIP)
Capital Cash Project Summary 7/12/18

21

Fund/Department	New	Annual	Dept Priority	Ranking	MSF	CMIP	2018 Original	2018 Amended	2019	2020	2021	2022	2023	FY18-23
110 - City - General Fund														
Fire Department														
			1	12		8079 - Future Fire Station Land Acquisition	50,000	50,000	100,000	-	145,000	-	-	295,000
			1	9		8088 - Fire Headquarters Renovations	95,000	95,000	-	-	-	-	-	95,000
			1	9		8084 - PPE Lockers Equip Storage Upgrade	-	-	-	75,000	-	-	-	75,000
						Fire Department Total	**145,000**	**145,000**	**100,000**	**75,000**	**145,000**	**-**	**-**	**465,000**
Knowledge Department														
	☒		1	9		AUTO - 1997 - Traffic Signal Pre-emption	-	-	-	-	-	250,000	-	250,000
						Knowledge Department Total	**-**	**-**	**-**	**-**	**-**	**250,000**	**-**	**250,000**
Police Department														
		☒	2	13		8419 - Police Station Annl Maint Prog	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
		☒	2	13		8420 - Pol Stn Major Facility Improvements	100,000	100,000	50,000	100,000	100,000	100,000	100,000	550,000
			2	11		8436 - Pol Headqtrs Flooring Replacement	17,000	17,000	-	17,000	17,000	17,000	17,000	85,000
			2	14		8437 - Police HQ-HVAC Upgrades	26,000	26,000	26,000	26,000	-	-	-	78,000
			2	11		8443 - Police HQ Gutter Replacement	25,000	25,000	25,000	25,000	-	-	-	75,000
						Police Department Total	**218,000**	**218,000**	**151,000**	**218,000**	**167,000**	**167,000**	**167,000**	**1,088,000**
Public Works														
						1055 - PW Asset Mgmt Sys Integrations	-	-	50,000	150,000	150,000	150,000	-	500,000
					☒	1056 - Holiday Drive Reconstruction Design	200,000	200,000	-	-	-	-	-	200,000
						1064 - 118th Street Lighting	-	-	-	-	-	70,000	430,000	500,000
						1065 - Village W.Infrastructure Improvements	70,000	70,000	-	70,000	70,000	70,000	70,000	350,000
						1068 - Concept Studies & Roadways	100,000	100,000	100,000	125,000	125,000	125,000	125,000	700,000
			2	21	☒	1069 - Bridge and RCB Inspections	-	-	300,000	176,000	176,000	176,000	176,000	1,004,000
					☒	1070 - Trail Network Dev Prog	-	-	-	100,000	100,000	100,000	100,000	400,000
					☒	8151 - Annl Roof Upgrade Program (Move to Operating)	25,000	25,000	-	-	-	-	-	25,000
					☒	8173 - Bldgs Logis Asset Mgmt & Inven	245,000	245,000	-	-	-	-	-	245,000
					☒	8199 - Capital Project Reserves	80,000	80,000	80,000	80,000	80,000	80,000	80,000	480,000
						8202 - Facilities Impovements - City	30,000	30,000	215,000	130,000	-	-	-	375,000
		☒	1			8513 - Fac/Parking Annual Maint/Rep	-	-	200,000	200,000	200,000	200,000	200,000	1,000,000
				8	☒	9232 - Maintenance Facility KS Ave	40,000	40,000	-	-	-	-	-	40,000
						Public Works Total	**790,000**	**790,000**	**945,000**	**1,031,000**	**901,000**	**971,000**	**1,181,000**	**5,819,000**

This slide shows a view of Capital Cash Projects from 2018 – 2023.

We also have a Grant Inventory within the budget document. Basically, what this does is breakdown the grants, gives a summary of the grants by department. It also breaks the grants out by if they are federal or state or if they're both federal and state and then also private grants that we have.

The last section is the Appendices which includes the Financial Policies which will come before the Commission to vote on, on July 26th.

Unified Government of Wyandotte County/Kansas City, Kansas
2018 Amended – 2019 Budget

Position Inventory
(In Full Time Equivalents)

Department	Position Class	2018 Original	2018 Amended	2019 Budget
Aging	ADMIN SUPPORT SPECIALIST	1.00	1.00	1.00
	DIRECTOR	1.00	1.00	1.00
	FISCAL OFFICER	1.00	1.00	1.00
	FISCAL SUPPORT SPECIALIST	1.00	1.00	1.00
	PROFESSIONAL PROGRAM ASSISTANT	1.00	1.00	1.00
	PROGRAM AIDE	1.00	1.00	1.00
	PROGRAM COORDINATOR	2.00	2.00	2.00
	PROGRAM SPECIALIST	7.00	7.00	7.00
Aging Total		15.00	15.00	15.00
Appraiser	ADMIN COORDINATOR	3.00	3.00	3.00
	ADMIN SUPPORT ASSISTANT	3.00	3.00	3.00
	ADMIN SUPPORT SPECIALIST	3.50	2.50	2.50
	APPRAISER	12.00	9.00	9.00
	APPRAISER SUPERVISOR	1.00	1.00	1.00
	DIRECTOR	1.00	1.00	1.00
	FISCAL OFFICER	1.00	1.00	1.00
	INFORMATION SYSTEMS ANALYST	1.00	1.00	1.00
	MANAGER	1.00	1.00	1.00
	PROFESSIONAL ASSISTANT	0.00	1.00	1.00
	PROFESSIONAL PROGRAM ASSISTANT	0.00	1.00	1.00
	PROGRAM COORDINATOR	1.00	1.00	1.00
	PROGRAM SPECIALIST	1.00	0.00	0.00
	PROGRAM SUPERVISOR	2.00	2.00	2.00
	REAL ESTATE APPRAISER	2.00	5.00	5.00
Appraiser Total		32.50	32.50	32.50
Commissioners	COMMISSIONER	3.00	3.00	3.00
	PROFESSIONAL ASSISTANT	1.80	2.00	2.00
Commissioners Total		4.80	5.00	5.00
Community Corrections	ADMIN SUPPORT ASSISTANT	0.00	0.50	0.50
	ADMIN SUPPORT SPECIALIST	3.00	3.00	3.00
	ADMIN SUPPORT SUPERVISOR	1.00	1.00	1.00
	DIRECTOR	1.00	1.00	1.00
	INTEN SUPERVISION SUPERVISOR	8.50	8.00	8.00
	INTENSIVE SUPERVISION OFFICER	35.00	35.00	35.00
	INTENSIVE SUPR ADMINISTRATOR	3.00	3.00	3.00
	PRE TRIAL COORDINATOR	2.00	2.00	2.00
	PROFESSIONAL PROGRAM ASSISTANT	5.00	5.00	5.00

24

We also have a detailed Position Inventory in the back of the budget document which you can see by department and it breaks it down by each type of position in the department.

Unified Government of Wyandotte County/Kansas City, Kansas
2018 Amended – 2019 Budget

Position Inventory by Fund
(In Full Time Equivalents)

Fund		2018 Original	2018 Amended	2019 Budget
Tax Levy				
110 - City - General Fund		1099.84	1093.14	1090.14
113 - Parks and Recreation		73.50	73.25	73.25
160 - County - General		606.98	599.63	602.63
162 - County - Elections		19.25	19.25	19.25
165 - County - Aging		21.12	21.92	21.92
171 - Developmental Disability		2.40	2.45	2.45
172 - County - Health Department		44.40	38.55	38.55
	Tax Levy Total	1867.48	1848.18	1848.18
Special Revenue				
212 - Dedicated Sales Tax		50.25	50.25	50.25
220 - Special Street & Hiway-City		72.50	72.50	72.50
221 - Special Parks and Recreation		3.00	3.00	3.00
222 - Special Alcohol Program		4.70	5.30	5.30
	Special Revenue Total	130.45	131.05	131.05
Enterprise				
560 - Sewer System		125.77	127.77	127.77
563 - Stormwater Enterprise		6.00	6.00	6.00
564 - Emergency Medical Services		69.00	66.00	66.00
565 - Sunflower Hills Golf Fund		4.00	4.00	4.00
570 - Court Trustee Fund		9.00	9.00	9.00
	Enterprise Total	213.77	212.77	212.77
Grants				
225 - Community Development		11.00	10.30	9.80
233 - Justice Assistance Grant		1.00	1.00	1.00
240 - Adult CCA		26.35	26.45	26.45
241 - Juvenile CCA		34.20	31.00	31.00
262 - Department of Aging Grant Fund		13.30	13.30	13.30
263 - Health Department Grant Fund		66.60	48.70	48.70
266 - Other Special Grants		5.15	7.15	7.15
267 - Spc Develop Disabilities Grant		4.55	4.50	4.50
290 - HOME Program		0.00	0.50	0.00
234 - Lead Hazard Cntrl/Healthy Homes		0.00	2.20	2.20
242 - JJ KDOC Reimburse Grants		0.00	1.50	1.50
	Grants Total	162.15	146.60	145.60
Grand Total		2373.85	2338.60	2337.60

25

We also have the Position Inventory broke down by the different type of funds. You can see we have the Tax Levy funds, Special Revenue funds, Enterprise funds, and the Grant funds.

Unified Government of Wyandotte County/Kansas City, Kansas
2018 Amended – 2019 Budget

Employer Paid Benefit Assumptions

Employer Paid Benefits	2018 Approved	2018 Amended	2019 Budget
Health Insurance (Traditional Plan)			
Single Coverage	$7,636	$7,636	$8,018
Family Coverage	$18,086	$18,086	$18,990
Health Insurance (Health Savings Account)			
Single Coverage	$6,871	$6,871	$7,214
Family Coverage	$16,033	$16,033	$16,835
Dental Insurance			
Single Coverage	$364	$364	$382
Family Coverage	$856	$856	$899
Vision Insurance			
Single Coverage	$45	$45	$47
Family Coverage	$103	$103	$108
Standard Life Insurance			
Single Coverage	$32	$32	$32
Family Coverage	$32	$32	$32
Health Insurance Waiver	$1,800	$1,800	$1,800
KPERS Civilian Rates	8.46%	9.39%	9.89%
KPERS Fire & Police Rates	19.03%	20.09%	22.13%
KPERS Sheriff	19.03%	20.09%	22.13%
KPERS Retired From Different Employer	15.18%	8.39%	8.89%
FICA (Social Security)	6.20%	6.20%	6.20%
FICA (Medicare)	1.45%	1.45%	1.45%
Unemployment	0.10%	0.10%	0.10%

26

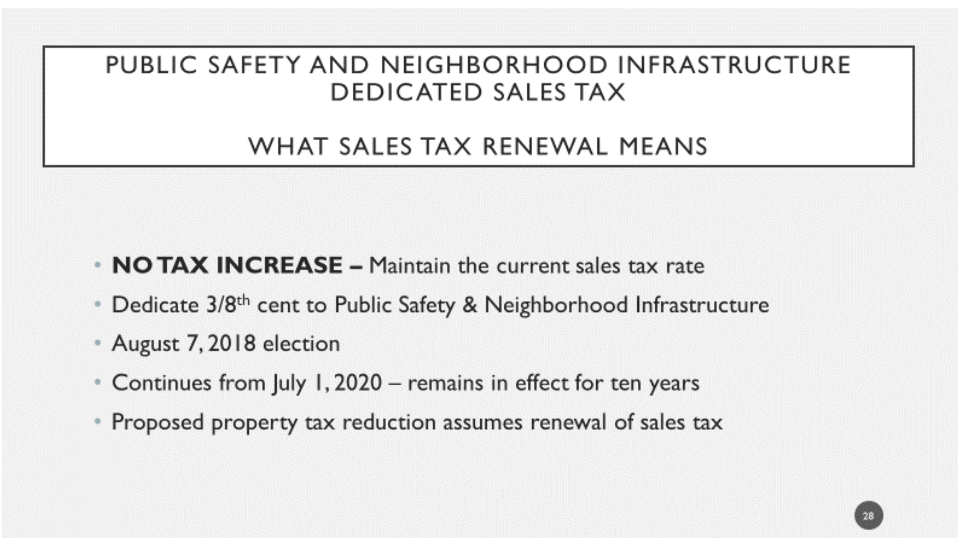
This shows the Employer Paid Benefits. These are the percentages and the dollar amount that the Unified Government pays for each and every employee and it breaks down if it's single coverage or family coverage for the Health Insurance. It also shows the Vision Insurance. It also shows the Retirement Rates for each type of employee that we have here at the Unified Government.

That's the breakdown of the budget document. Are there any questions?

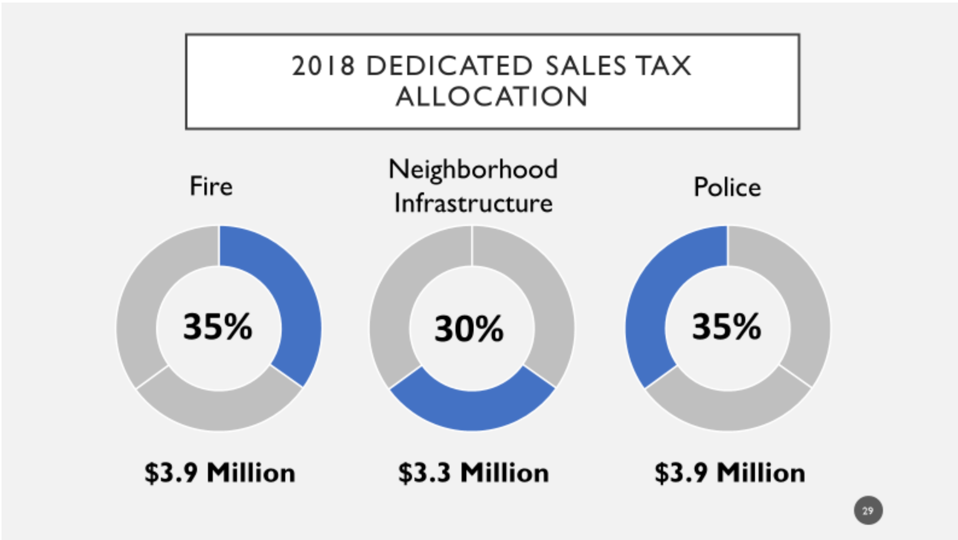
Mr. Bach said one thing I forgot to mention at the presentation of the budget the other night was that we did receive the fifth straight award, or the Budget Department, received that for the fifth straight GFOA Award for budget documents. So, I was proud to receive that again last year. That was based on last years' document, right? **Mr. Lindsey** said yes. **Mr. Bach** said we will again submit this one in that format.

If there are any questions regarding the structure or what's in the document or anywhere to find it, if you do have any I think that electronic feature they've added this year to be able to have it and click on it and jump throughout the document, makes the electronic version even that much easier to use.

I wanted to have a little bit of discussion on the Dedicated Sales Tax this evening because it really plays into the budget. As you're all aware, the Public Safety & Neighborhood Infrastructure Dedicated Sales Tax, and we're up for renewal on August 7th.

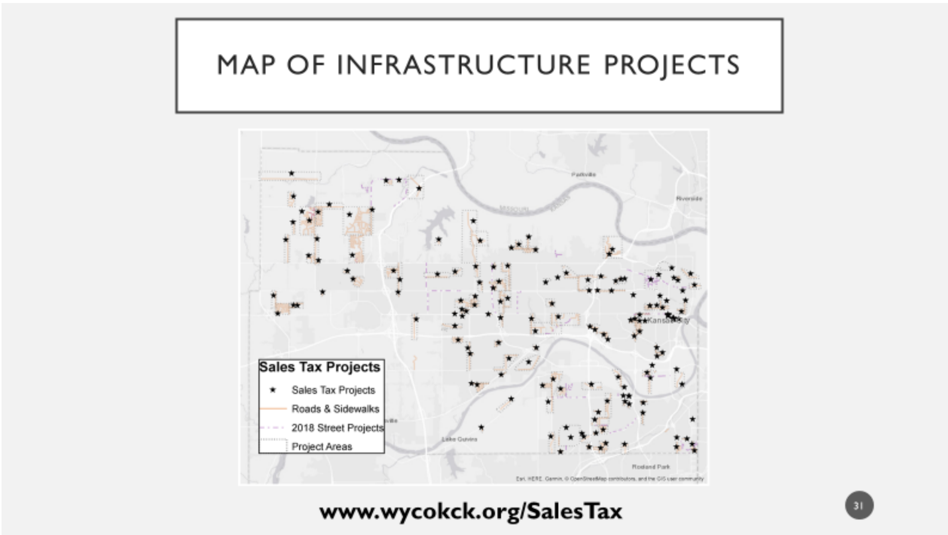


This is a no tax increase sales tax. It just maintains what's already in place. It's 3/8th cents and it all goes to Public Safety & Neighborhood Infrastructure, our Public Safety operations and Neighborhood Infrastructure. It will continue on from 2020 for ten years. What is key in relation to this budget is really—I've based this budget on the assumption that we are going to get this tax renewed because there are a couple of mill rates being proposed as a reduction that makes us more reliant on non-property taxes and this is $10M with that structure. It's very important that as we go through it if that tax is not renewed, we would probably have to come back and think about the structure of this budget after we go through it.

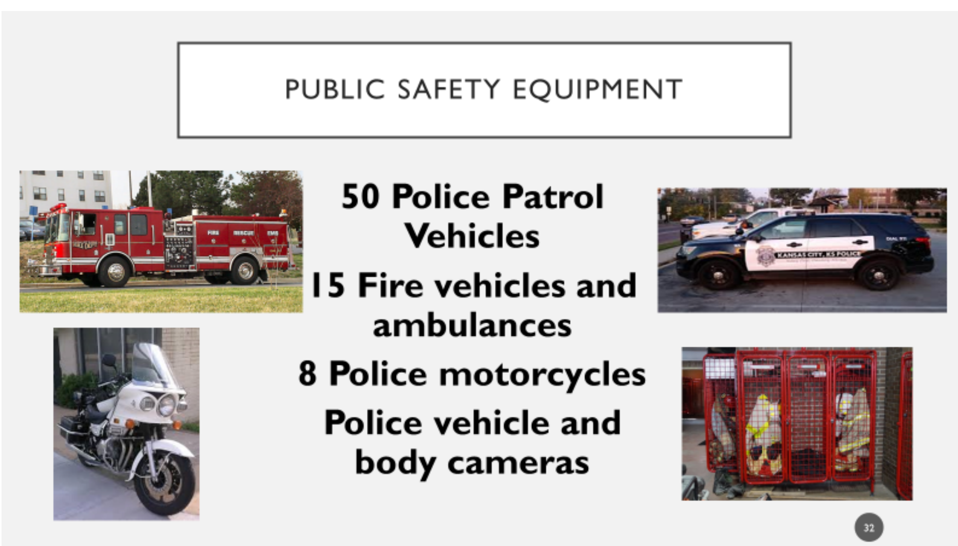


It's divided out pretty equally between Police, Fire and our Neighborhood Infrastructure. This is how the 2018 Budget that's before you is proposed.

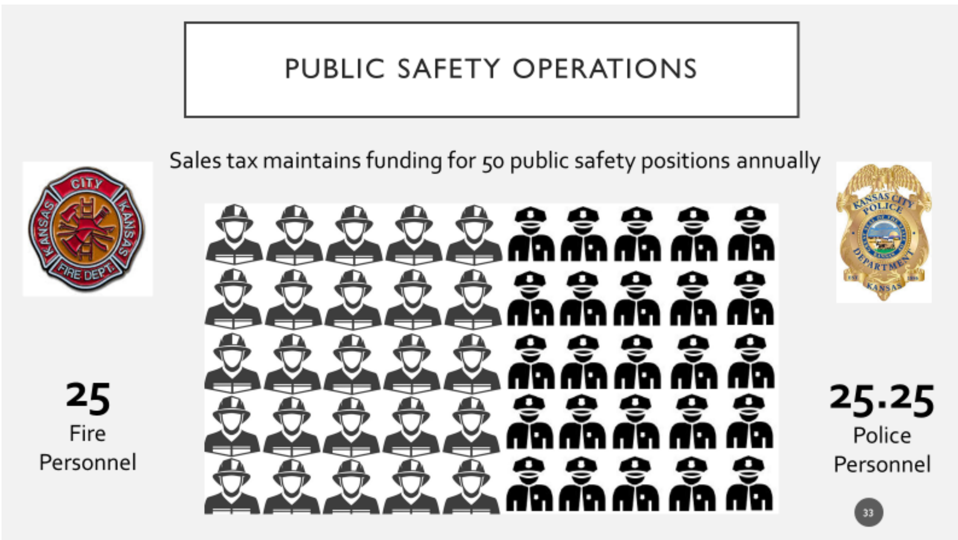
Where we spend the money on a little more specifically, it goes into Streets, the Commission Neighborhood Improvement Projects have been key over the years, our Safe Routes to Schools Program, Community Centers, Curbs, Sidewalks, and Parks.



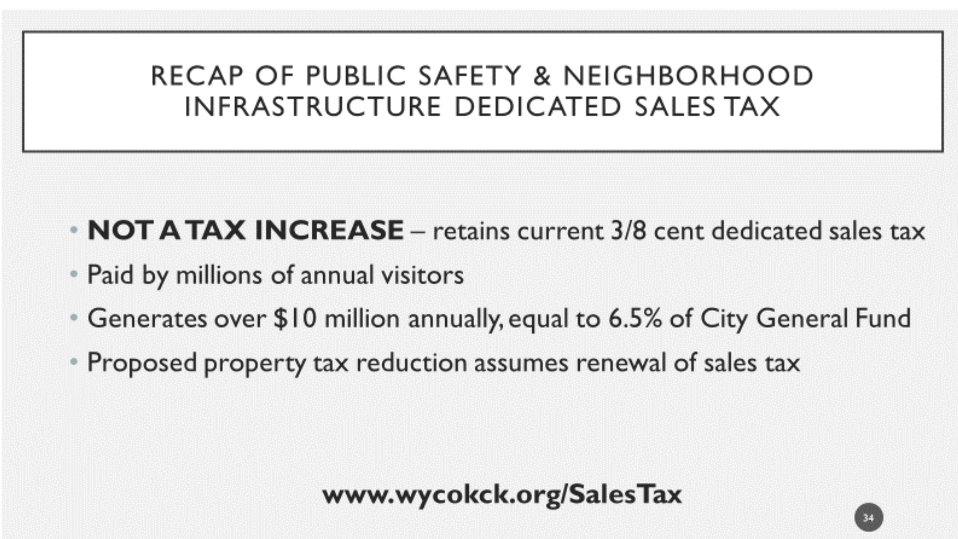
If you click on and you go to this site you can see all the different projects around the community, where we have had infrastructure projects over the years. When you actually hover over like one of the stars, that will give you a little bit of information on that project, so it tells you what street it was we worked on, how much money went into it and that will break it out. These are all not 100% funded by the Dedicated Sales Tax, but it will show you what percentage. If we spent $2M from the General Fund and then another $500K from the Dedicated or something like that, it's all identified within this so it's a very good detailed slide to give you that information about where money was spent over the past eight years.



Then, of course, we buy 50 police patrol vehicles coming in, 15 fire vehicles and ambulances, 8 police motorcycles, the body camera equipment that we're buying this year all comes from this money.

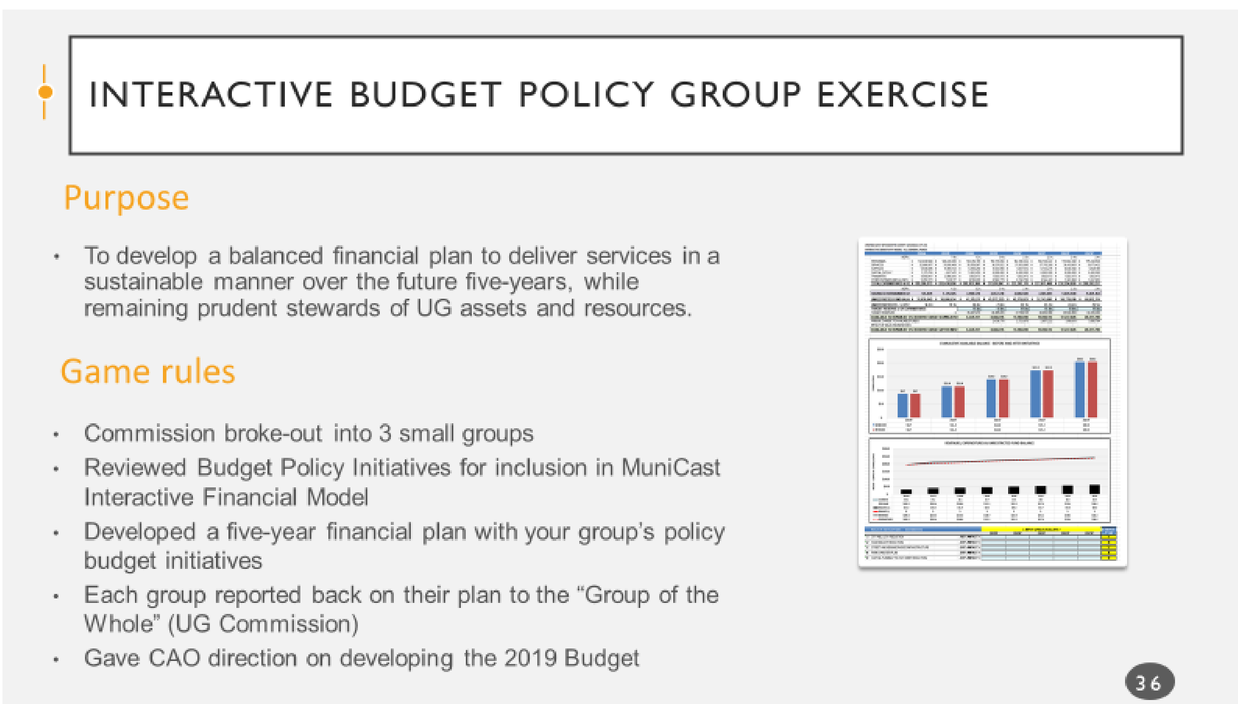


We fund 25 Police Officers and 25 Fire personnel from this.

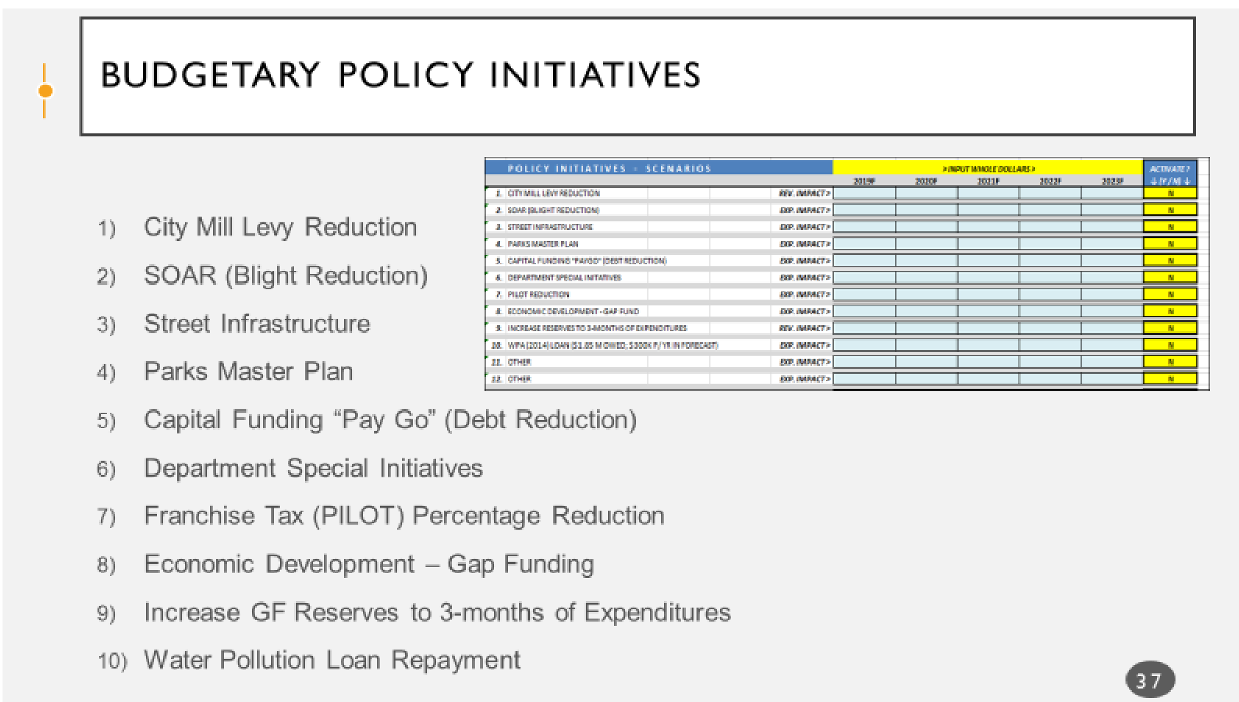


Again, just to recap, it's not a tax increase, 3/8 cents, it's paid by millions of visitors annual that come into our community. So, particularly when people go into the Village West area and they buy goods or services out there and they're taxed, the millions of dollars that come in from that perspective, so it's paid by non-Wyandotte County residents in a great percentage in that area. As I said, it generates over $10M annually which by comparison is about six—is equal to a number of about 6.5% of what our City General Fund is. As I said, our proposed property tax reduction in this proposed budget assumes renewal of this sales tax.

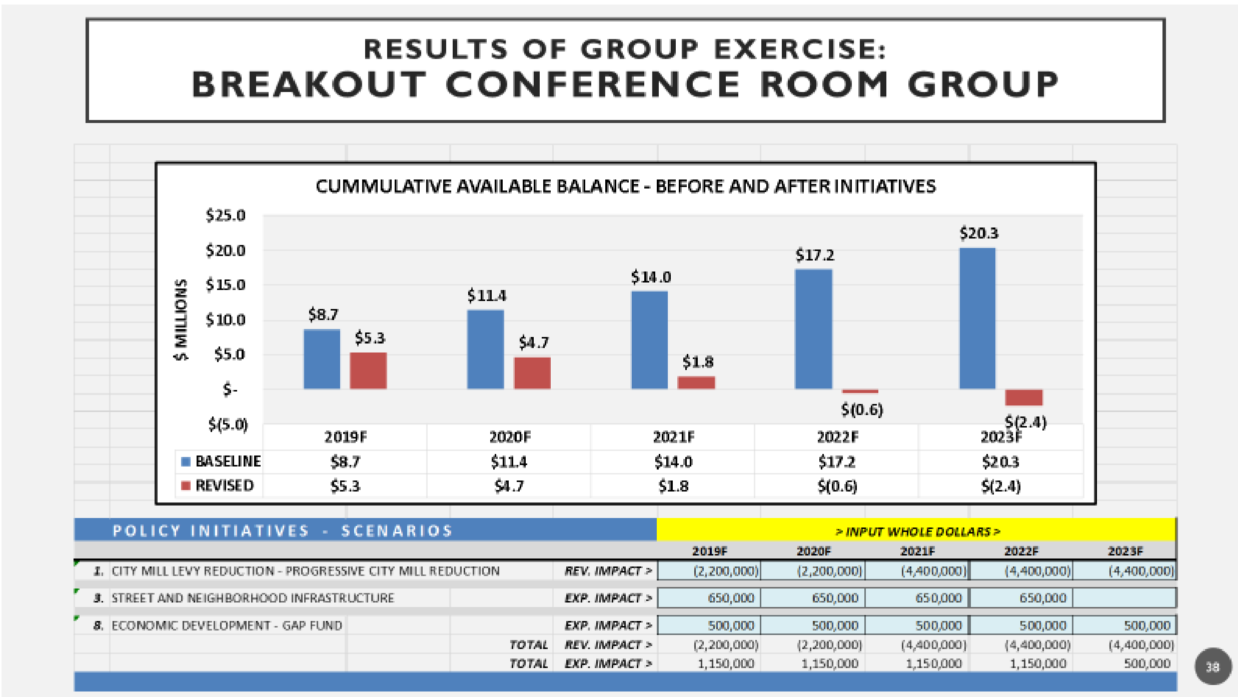
Now we will do a little bit of recap on the Spring Strategic Financial Planning Retreat. With that, I'm going to recognize Kathleen VonAchen, our Chief Financial Officer.



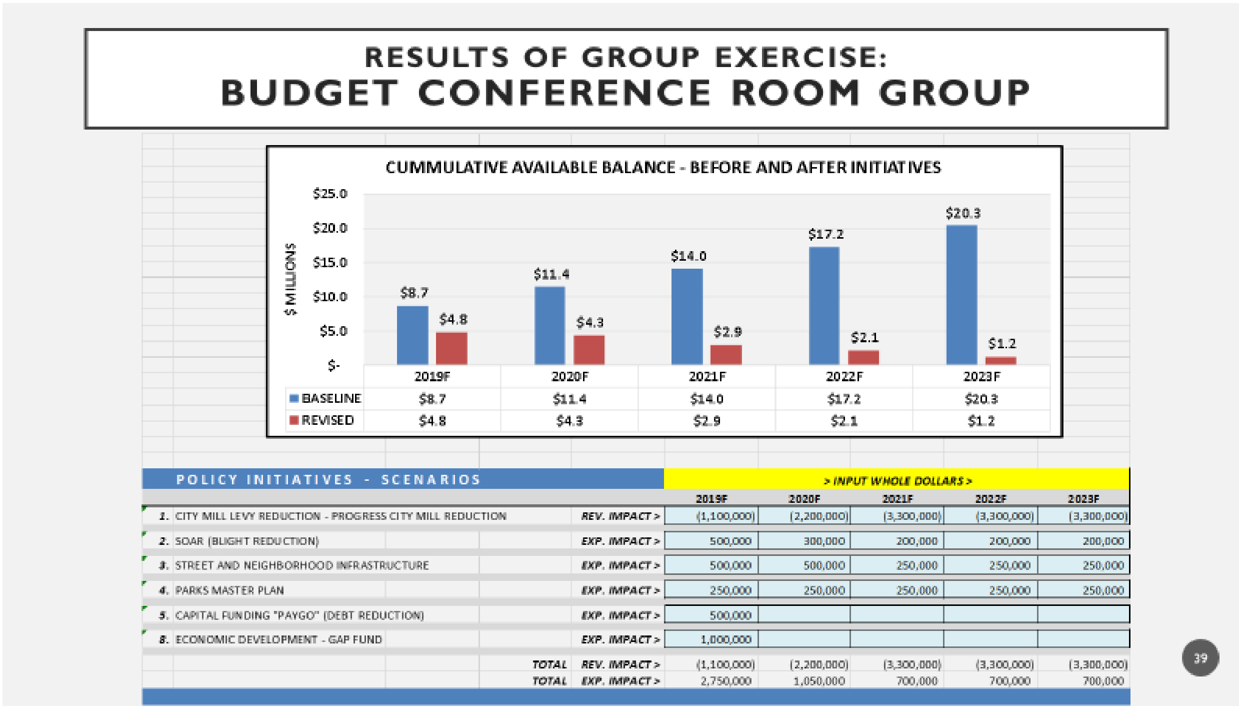
Ms. VonAchen said we thought it would be good to do a recap of our conversation that we had in the spring that was in March of this year. As you remember, we discussed a variety of topics under the topic of Financial Strategic Planning. That evening we also did a group exercise so think back four or five months. We basically broke you all up into three different groups and each of you had your own room with your own model and a list of all the policy initiatives that we identified, which you could add to, of areas where you might want to fund—you know various programs that you might want to fund as part of the budget. We also provided you with a five-year financial forecast and the goal that we set out for you to accomplish that evening was to within your group come with what you would do with the financial forecast while still maintaining the fund balance at the 17% level and then report back out to the group as a whole or the committee as a whole. That feedback helps all the departments and the County Administrator form the budget that we're now proposing to you.



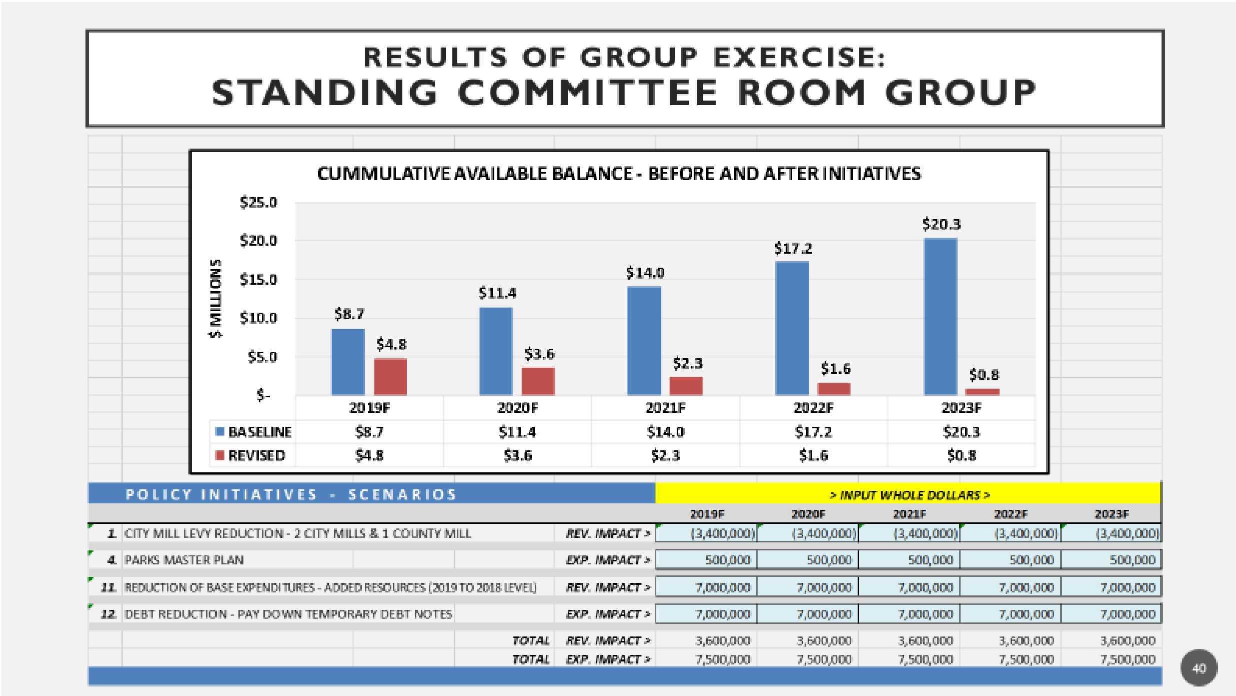
The Policy Initiatives that we listed for you back in March which, of course, this is not all inclusive; it's just some suggested policy areas that we identified were: the City Mill Levy Reduction, additional funding for SOAR for blight reduction, additional funding for Street Infrastructure and Neighborhood Improvements, funding for the Parks Master Plan, additional funding on a "Pay Go" basis rather than using debt so more cash funding for projects. Various department special initiatives to allow management to have more flexibility when ideas come up in the middle of the year, a reduction in the franchise tax (PILOT) payment that we receive from the BPU. Funding for Economic Development initiatives that can't fund themselves entirely, so the Gap funding, an increase in the General Fund Reserve to 3-months of expenditures rather than the 2-months. Then, maybe also additional payments towards the Water Pollution Loan Repayment that's occurred. There was a loan that was taken out back in 2014 and we need to continue paying that. Actually, it's the Sewer Pollution.



Now what I'm going to do is recap briefly the results of each group so just as a reminder. The first group we're calling the Break Conference Room Group because we figured you might remember which group you were in if you remember what location you were sitting. This group, based on your discussion, decided upon—here's the graph up here so the blue is the amount of resources that are available that we identified through the forecast at that time. The red columns here kind of basically spend down those amounts. This group recommended a 2-mill reduction in '19 going forward all the way to 2023 and additional street funding of $650K and Economic Development Gap Fund of $500K for each of those years. Also, I meant to mention beginning in 2021 the mill reduction was increased by 2-mills. I just wanted to point out that this scenario isn't affordable because it falls below the zero given the forecast assumptions.



The second group is the Budget Conference Room Group and they recommended a 1-mill increase in ‘19, a 2-mill increase in ‘20, and then a 3-mill increase in 2021 with that going forward, a half-million each year for SOAR, a half million more each year for Street & Neighborhood Infrastructure, $250K each year for Parks Master Plan, $500K for additional cash funding of Capital projects and then $1M for the Economic Development Gap Fund. **Mr. Bach** said to clarify, they recommended a mill decrease. You said increase. There wasn’t any recommended increase. They were decreases. **Ms. VonAchen** said I beg your pardon. Thank you for clarifying. I did mean reduction, yes, a mill reduction.



Ms. VonAchen said for the Standing Committee Room, they recommended a 2-mill reduction on the City General Fund side and 1-mill reduction on the County side. That's true going forward for all five years. The Parks Master Plan, funding that at $500K each year and then it recommended that we reduce our Temporary Note debt by $7M by reducing our base operating expenditures by $7M, but there wasn't any specificity on where to reduce $7M from our $200M General Fund.

After the meeting that evening the next few days all of us got together and we took your recommendations and your direction, and this is what our Proposed 2019 Budget includes resulting from this exercise. We have proposed a 2-mill reduction in the City General Fund. Just to summarize, there were two of your groups from the exercise that recommended a 2-mill reduction to the City General Fund. One group recommended just a 1-mill reduction in 2019 and there was also one of the two groups on the top also recommended a 1-mill reduction in the County General Fund. So, we felt the 2-mill reduction was the consensus view from all of you and that's what we included in our revenue estimate.

Additional Cash-Funded Street and Neighborhood Infrastructure; we've included in the 2019 Proposed Budget, funded by the Dedicated Sales Tax funding an additional $300K for Neighborhood Resurfacing, $150K for Holliday Drive design, and $250K for the Safe Route to School funding. Also, in '19 in the City General Fund there is funding for an additional $300K for bridge inspections. So, more funding in that category.

Also, from the feedback and from this discussion included Debt and Lease Financing Reductions within our proposal. There is a recommended debt financing of $13.5M rather than what has typically been set as the target which was $15M. So, it's $1.5M less than we typically take out in new debt each year for Capital investments. We also switched to cash funding of 30 police cars in 2018 that had previously been planned to be leased financed. We also cash funded one EMS ambulance in 2019 that had previously been planned to be leased financed.

On the Economic Development Gap Fund, there is a specific funding in there for this proposal or initiative at this time, but there are resources that we are going to be utilizing that we collect from private companies that undertake an IRB financing. Those vary depending on what kind of development we have, but it can go up to as much as $400K in fees. That's a resource that we can utilize, but we're awaiting adoption of a policy for this program.

The last item is the Parks Master Plan. We do have additional funding proposed in 2019 for parks related facilities and other Capital needs; $115K for Parks Restroom Replacement and then $100K for the Wyandotte County Lake Shop for reconstruction of that shop. A Comprehensive Funding Plan is proposed to be developed as part of the 2020 budget process, so that's the plan there.

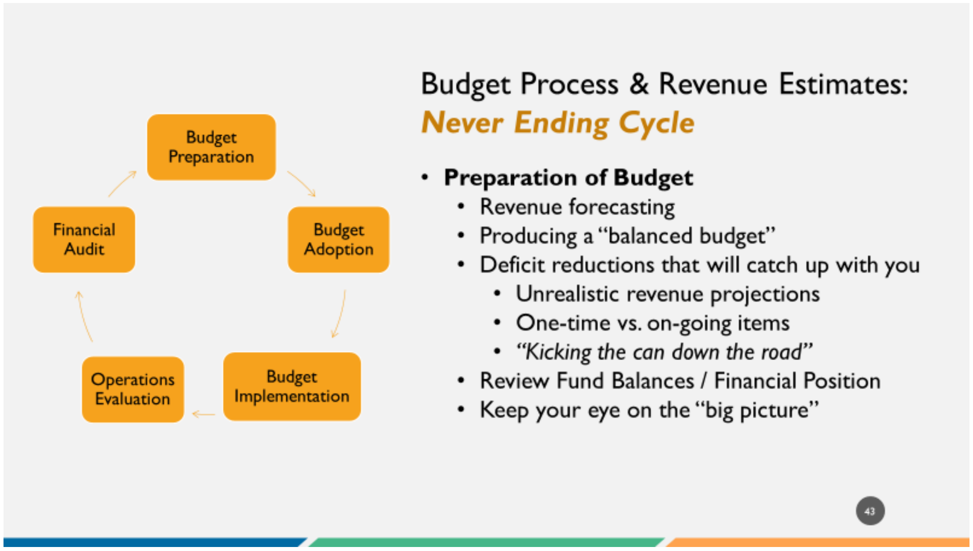
That's what we have as a recap for the Spring Retreat.

Commissioner McKiernan said I appreciate this. I'm sure all of these initiatives are very good and are going to end up being a good addition to our budget. As most of you know, I had some problems with the organization of this particular session, not the least of which was I didn't feel like it—I felt like we would have been better served for the Commission to have come back together after the breakouts and have discussion and possibly come to consensus rather than just turn in our results and have that discussion and that consensus reached outside of us. The Mayor and Mr. Bach both received a very lengthy email from me the following day in which I outlined some of my suggestions for how I think this exercise could be much better in terms of helping us forecast and guide the budget the next time we go through this. I'm hoping we can continue to work on this so that the Commission gets a little bit better direction in terms of how to set some of these budget initiatives.

Mr. Bach said in the end I will just note, Mayor, most of the money for this budget was focused on those top three ones on that line to how to get the mill reduction in place and then to keep the infrastructure there but go away from debt and lease financing as best we could. That's really what we worked hard on to make this budget work that way.

Commissioner Philbrook said thank you, Commissioner, for making the comment about the follow-up after. It would have been very nice for us to be able to cuss and discuss it together instead of just throwing—because we learn individually in our own groups and then bringing us together to talk about that, I think we would have accomplished a lot more.

Mr. Bach said that takes us to our Revenue Review and I will just note, we handed you documents that had about 60 slides in it. This is already slide 42 so we do have it structured so we could move right along through these. Maybe a little bit more detail in this next series of slides that we're going to go through, but we want to make sure you have a good understanding and if you have questions as Kathleen moves through this, please don't hesitate to stop or challenge or whatever you want to as far as how we came upon our assumptions. I know these are areas that a lot of times as we go through the meetings or workshops you will go back to that and ask was that assumption based on or whatever. That's where Kathleen worked on this to try to structure it, so you would have that information upfront and we can work from there. I know the Economic Development & Finance Committee gets a little bit more of this information in detail, but we know everybody needs it as well. With that, I'm going to turn this over to Kathleen again.



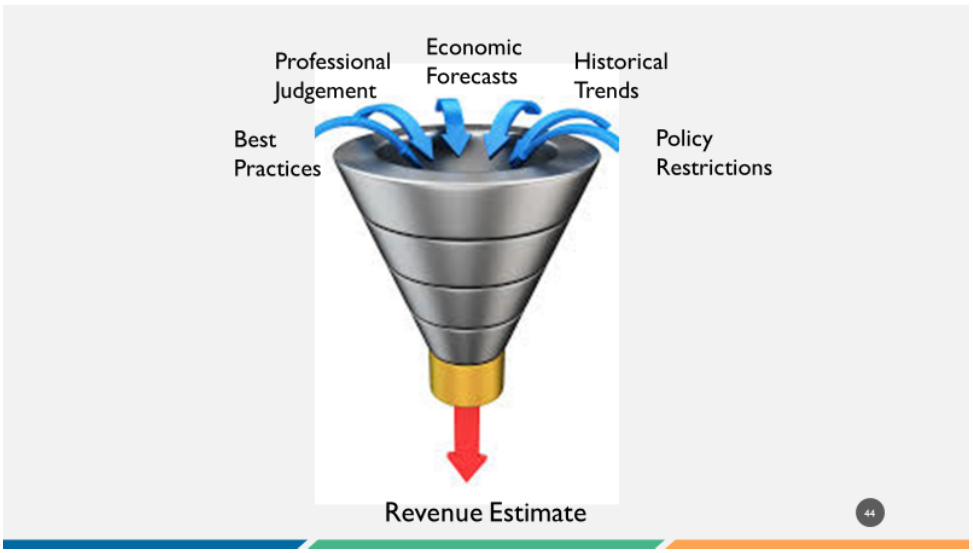
Ms. VonAchen said I would like to introduce Debbie Jonscher who will be making the presentation on the Revenue Estimates. **Debbie Jonscher, Deputy Chief Financial Officer,** said I'm just going to go through the process that we look at for when we're preparing our revenue estimates and some of what's included in our estimates in the budget for 2019.

This slide just shows the budget process. We start with the budget preparation which is the process we're currently in. We start looking at our revenue forecasting and producing a balanced budget where revenues and expenditures equal. We also want to look at deficit reductions that can catch up with you if we make unrealistic revenue projections. If we're too conservative, that can sometimes restrict the expenditures that we can budget for and if we're overly optimistic on revenues, we could end up—and we don't receive the amount that we project, then that could cause an issue with our fund balance at the end of the year.

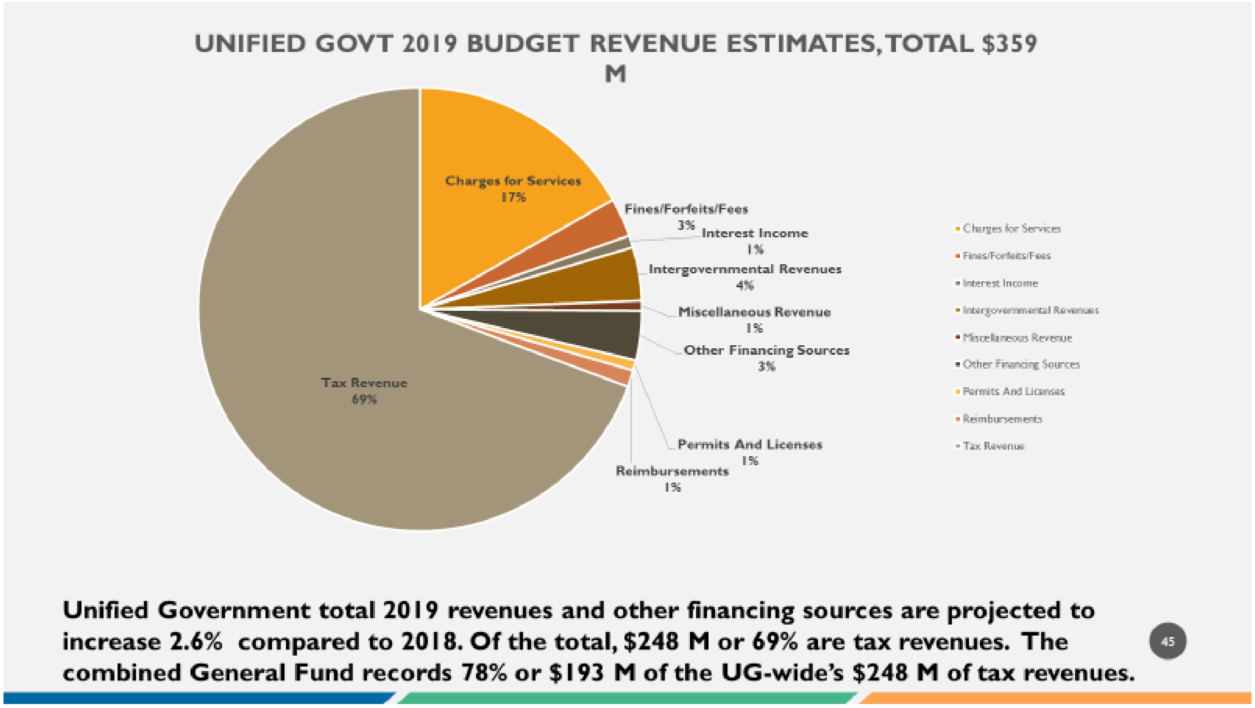
Also, one-time vs. on-going items can present problems. We may just have one-time items that would be something that hits the budget in one particular year. The idea of having a healthy fund balance can offset some of those expenditures that can occur. We want to make sure that we correct that in future years so that we don't continue drawing down the fund balance.

Once the budget is adopted we then go into budget implementation. We're reviewing fund balances and financial position. As Doug said, we present quarterly to the ED&F Committee the Budget to Actual statements showing where we are at each quarter and that kind of gives you an idea of what our financial position is throughout the year. That's part of our operations evaluation also looking at those fund balances and just determine if our revenue projections are not where we thought they would be, do we need to make any adjustments as we're going through the year.

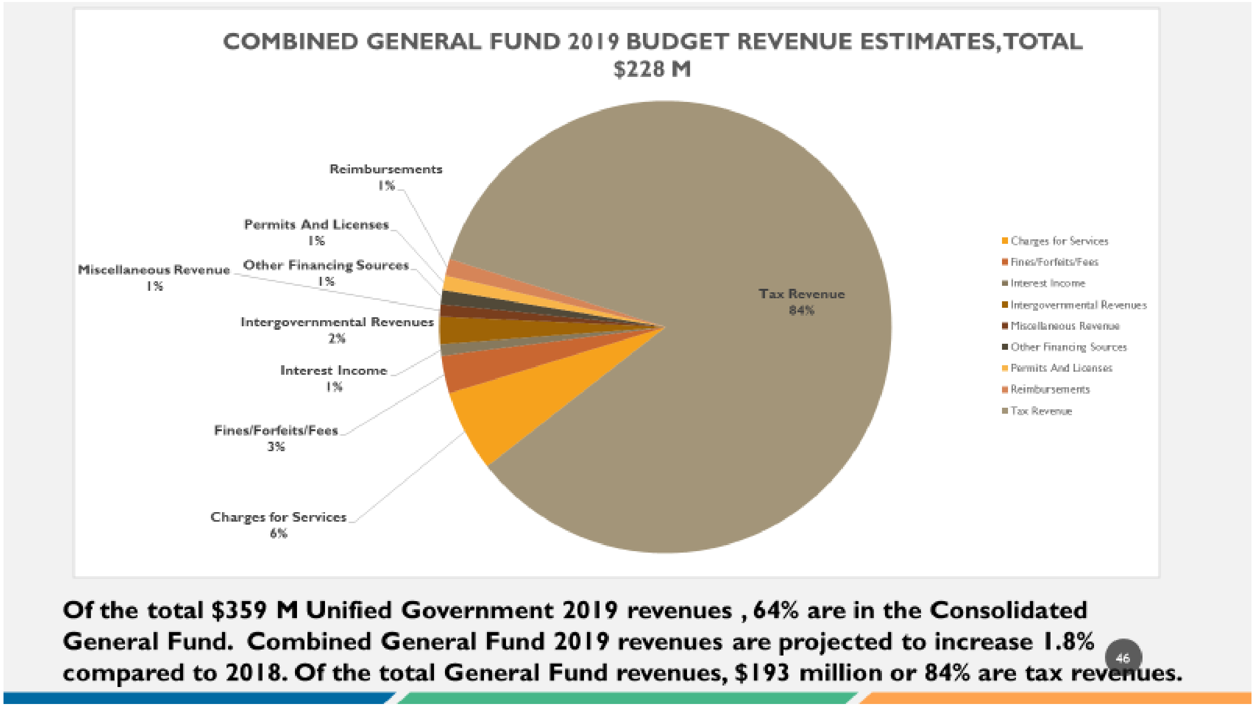
The final process of that is the Financial Audit which we just brought to the Commission last month, the audit of the 2017 Financial Statements.



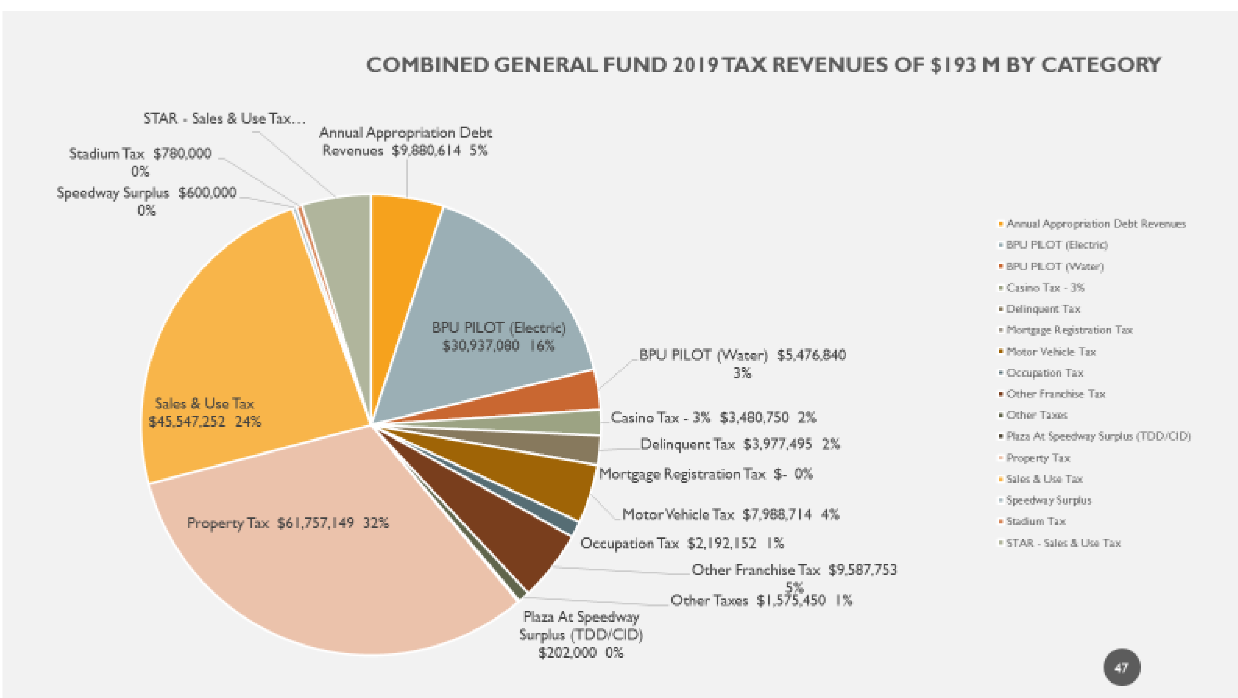
This slide shows what goes into revenue estimating. We use best practices, we use a lot of recommendations, our policies have recommendations from GFOA which is the Government Finance Officers Association, professional judgement; we will look at economic forecasts and are there things in the economy that could affect our revenue forecasting, historical trends of how we've done over the past several years, and also any policy restrictions that can affect what we can put into the budget. All of that goes into our revenue estimates.



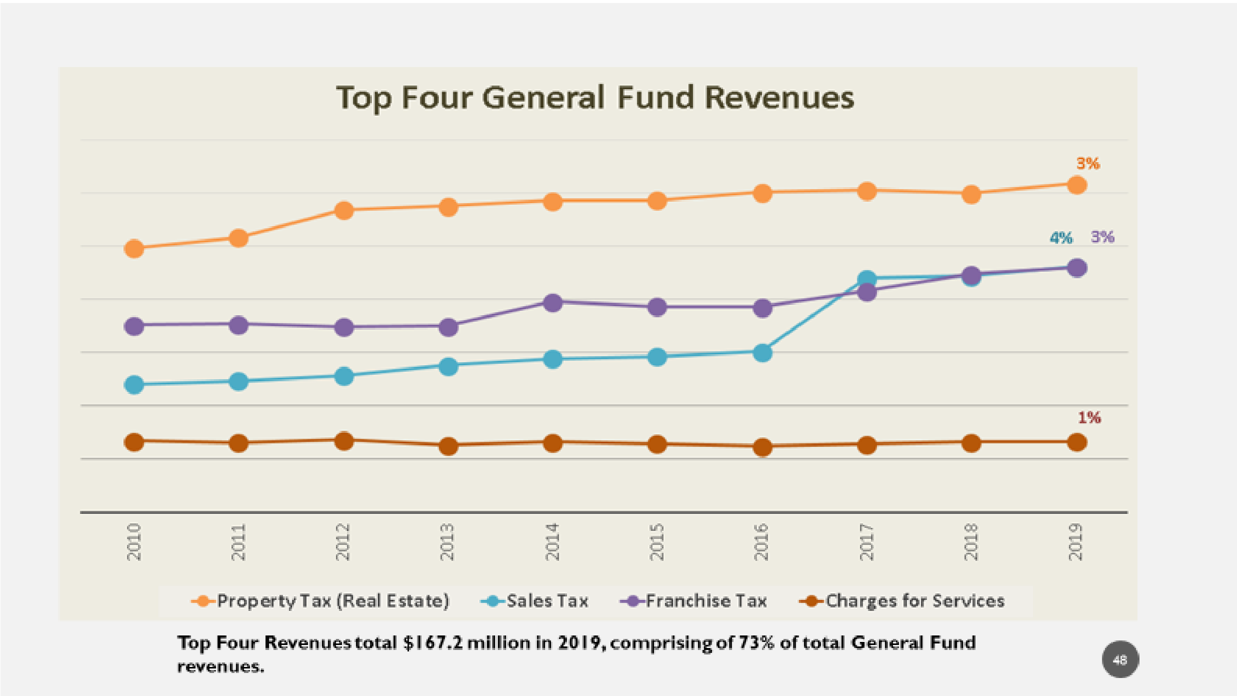
This slide shows our 2019 Budget Revenue Estimates. Our total revenue for all funds is $359M for 2019. We're projected to be about 2.6% above where our estimates are in 2018. Of that total, $248M or 69% is tax revenues. The combined General Fund tax revenue is $193M of that $248M so the graph shows the 69% which is tax revenue. The next largest one would be Charges for Services which is 17%.



This next graph shows all the General Fund revenues so the three General Funds, the City, the County, and the Parks General Fund all total $228M. As you can see, tax revenue is 84% of that total. The Combined General Fund 2019 revenues are expected to increase 1.8% to 2018.



This slide shows the General Fund Tax Revenues, the $193M and this the graph that breaks out all of the tax revenues for the three General funds. As you can see, Property Tax is the largest at 32%, Sales & Use Tax is 24% being the second largest, and the third largest would be the BPU PILOT. The electric and water together is 19% of the total tax revenues.



This slide you have also seen in the budget presentation. This is the graph of the top four General Fund Revenues; Property Tax, Sales Tax, Franchise Tax, and Charges for Service. The four top revenues total $167.2M in 2019 and comprise 73% of the total General Fund revenues.

Ms. VonAchen said I just wanted to point out and I will add a little bit to Debbie's commentary, the top one is the Property Tax and you can see that we are estimating that revenue will come in at 3% above the '18 level. We've talked a little bit about that during the budget presentation. The Sales Tax number is coming in—that's the blue line, we're projecting that to come in at 4% above of the prior year. It's actually 5% for the core Sales Tax amount and then 4% which diminishes the total 4% for the Use Tax. You have to keep in mind that—you see it's bumped up quite a bit from '16 to '17, that's the addition of the STAR Revenue money, but that STAR money is held at the same amount each year because any growth off that amount goes to pay debt service on the Soccer Bonds. When you add up the Use Tax, the STAR Bond money, and all the Sales Tax you come up with an increase that's only 4%, but we're expecting retail activity to improve by about 5% next year.

The purple line is Franchise Tax which that incorporates the BPUs electric rate adjustment that occurred in March. There was another one that occurred last year and another one this year.

Then the last one is Charges for Services.

Certified Property Valuation released by the UG Clerk June 15, 2018

Wyandotte County	2017 AV (final) for 2018 Amended Budget Per 10/2017 Valuation Rpt	2018 AV Est. for 2019 Original Budget Per 6/2018 Valuation Rpt	Variance	% Change	% of Total
RE (Existing)	1,050,317,496	1,138,373,510	88,056,014	8.4%	87%
RE (New Impr/Remodel)	20,443,031	19,691,033	(751,998)	-3.7%	2%
Utilities	80,141,950	90,353,466	10,211,516	12.7%	7%
Subtotal Real Estate Ad Valorem	1,150,902,477	1,248,418,009	97,515,532	8.5%	96%
PP excludes motor vehicle	57,811,642	55,470,788	(2,340,854)	-4.0%	4%
Total County Assessed Value	1,208,714,119	1,303,888,797	95,174,678	7.9%	100%
Percentage Change from Prior Year	*2.3%*	*7.9%*			

49

The slide is actually—I wanted to provide this to you just so you have this information. I'm not really going to go over it in-depth, but this is the Property Tax Valuation as certified by our UG Clerk. You can see here that this is for the 2019 Original Budget compared with the current year '18 Budget and so you can see there's that 7.9% increase in assessed value that we were talking about. The majority of this $1.3B assessed value number is for real estate, 87% of it, and just a couple of things I wanted to bring to your attention is that last year we saw a dramatic reduction in this utilities account, our Utilities category. We're happy to report that jumped back up to its prior level to $90M. New Improvements is holding steady at the $20 or $19M level. Personal Property is decreasing steadily because of the aging of the outstanding Machinery & Equipment that is no longer taxable. Overall, the increase is 7.9%. This is on the County side.

Commissioner Philbrook said, Kathleen, so that big jump, is part of that big jump in the money for BPU the additional business or industrial stuff that we're getting, or do you know that? **Ms. VonAchen** said you know—**Commissioner Philbrook** said no, it's the rate adjustments. **Ms. VonAchen** said there were a couple of railroads whose values improved over '18 and it's a number of areas.

Mayor Alvey said, Kathleen, if you could just briefly again explain why the 7.9% improvement in assessed value does not result in 7.9% increased revenues. **Ms. VonAchen** said yes, I think that's an excellent segway to my next slide. The next two slides actually explain that. I think it will be clear.

PROPERTY TAX REVENUE CALCULATION (2019 PROPOSED BUDGET)

Fund	2019 Mill Levy (Budget Yr) [D]	2018 Est. Total Assessed Value for 2019 Proposed Budget	2019 Property Tax Revenue (before deductions) [A]	Delinquency Rate Deduction Estimate [B]	2019 Property Tax Revenue (after Delinquency deductions)	Hollywood Casino Tax Appeal 2015 Refund [C]	2019 Property Tax Revenue (after all deductions)
County-General Fund	31.082	$ 1,303,888,797	$ 40,528,122	$ (2,604,655)	$ 37,923,468	$ (456,514)	$ 37,466,954
County-Bond & Interest Fund	2.195	$ 1,303,888,797	$ 2,861,746	$ (183,918)	$ 2,677,828	$ (32,235)	$ 2,645,593
County-Parks General Fund	1.386	$ 1,303,888,797	$ 1,807,693	$ (116,177)	$ 1,691,517	$ (20,362)	$ 1,671,155
Other Tax Levy Funds (County)	4.216	$ 1,303,888,797	$ 5,497,528	$ (353,314)	$ 5,144,213	$ (61,925)	$ 5,082,289
City General Fund [D]	21.167	$ 1,166,003,498	$ 24,681,090	$ (1,702,508)	$ 22,978,581	$ (359,540)	$ 22,619,041
City Bond & Interest Fund	16.836	$ 1,166,003,498	$ 19,630,788	$ (1,354,137)	$ 18,276,651	$ (285,970)	$ 17,990,681
Totals	**76.883**		**$ 95,006,968**	**$ (6,314,709)**	**$ 88,692,258**	**$ (1,216,547)**	**$ 87,475,711**

A. *(Mill levy rate divided by 1000) multiplied by total assessed value.; 2018 AV growth for the 2019 Proposed Budget estimated at City- 8.0% and County 7.9%*
B. *Includes delinquency non-collection estimate of 6.5% for the County and 7% for the City.*
C. *Refund of 2015 taxes to #1 taxpayer in UG - Hollywood Casino; Reduced AV as a result of expected tax appeal loss will take affect in 2020 Budget Year.*
D. *City General Fund proposes a 2 mill property tax reduction for 2019 Proposed Budget.*

50

As you know we collect property tax not just for the County General Fund and City General Fund, but we also collect it for the County Bond & Interest Fund and the City Bond & Interest Fund and then finally for a variety of Tax Levy Funds. I think there are about eight or nine of them, but they are listed on page 45 of your budget document. In total the mill levy that the Unified Government receives or assesses totals 76 mills and so this is the calculation of how we have come up with our revenue estimate. The final column adds up to $87M among all these various funds. It starts out with the current mill levy except that we've dropped the City General Fund down 2-mills so last year it was—or actually when I say last year I'm referring to the current fiscal year we're in so 2018, so it is 23 mills right now.

Our proposed '19 Budget proposes that we drop it to 21. These are the assessed values for the top five here are for the County and then the bottom two are for the City and those match up with the previous slide here. You see it's \$1.3B. The City is slightly smaller because Edwardsville and Louisville (?) and a little bit of Lake Quivira have their own assessed values. If you do the math which you take this amount and then you take the assessed value and you multiply it by 31 mills, for example, divided by 1,000 you will end up with this number, \$40M, for example, on the top line \$40.5M. Unfortunately, our collection history demonstrates that on the County side our delinquency rate is 6.5% and on the City side it's 7%. This has really been the case for about the past four or five years. That's what we have assumed in our revenue estimate and so that reduces that \$95M by 6.3 for a net of \$88.7M. Unfortunately, in '19 because of the expected—well, potentially we expect to refund Hollywood Casino for an appeal they submitted on their 2015 taxes. If that were to take place, this is the distribution amongst these various funds of the Hollywood Casino appeal. I would like to also add that this does not include the part that would be paid by our neighboring taxing entities and school districts. Ultimately, the final calculation is \$87.4.

VARIANCE BETWEEN 2019 PROPOSED BUDGET AND AMENDED 2018 BUDGET

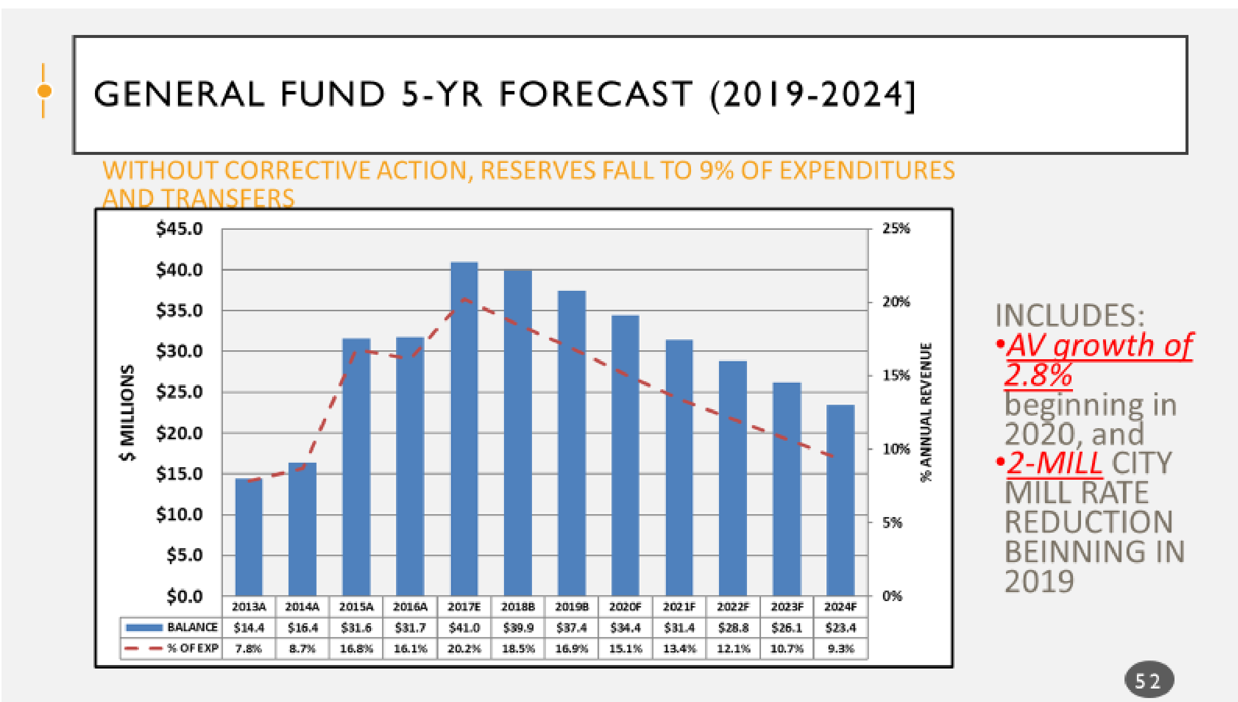
Fund	Mill Levy Variance	Assessed Value Variance	Property Tax Revenue Variance (before deductions)	Delinquency Rate Reduction Estimate Variance	Property Tax Revenue (after Delinquency deductions)	Hollywood Casino Tax Appeal 2015 Refund	Property Tax Revenue Variance (after all deductions)
County-General Fund	0.000	\$ 95,174,678	\$ 2,958,267	\$ (162,614)	\$ 2,795,653	\$ (456,514)	\$ 2,339,139
County-Bond & Interest Fund	0.000	\$ 95,174,678	\$ 208,887	\$ (11,482)	\$ 197,405	\$ (32,235)	\$ 165,170
County-Parks General Fund	0.000	\$ 95,174,678	\$ 131,949	\$ (7,253)	\$ 124,696	\$ (20,362)	\$ 104,334
Other Tax Levy Funds (County)	0.000	\$ 95,174,678	\$ 401,281	\$ (22,058)	\$ 379,223	\$ (61,925)	\$ 317,298
City General Fund	-2.000	\$ 86,026,273	\$ (339,015)	\$ 48,899	\$ (290,116)	\$ (359,540)	\$ (649,656)
City Bond & Interest Fund	0.000	\$ 86,026,273	\$ 1,448,335	\$ (81,366)	\$ 1,366,969	\$ (285,970)	\$ 1,080,999
Totals	**-2.000**		**\$ 4,809,704**	**\$ (235,874)**	**\$ 4,573,830**	**\$ (1,216,547)**	**\$ 3,357,283**

51

What we've done is this slide we've showed a comparison of the same calculation that we did for 2018 with the 2019 to show you the variance and here's the variance here. If we didn't have any delinquency or any Hollywood Casino refund, we would have—and we didn't have this 2-mill reduction here, we would have achieved the 8% increase in revenue that is estimated—or that corresponds with our increase in assessed value. Because we're reducing our mill by 2 mills on the City side and we do have the delinquency rate and we are expecting to pay this refund to Hollywood Casino, the net increase is $3.3M which is roughly 3% greater than the amount we are collecting in in the current year.

That's all we have for the Revenue Estimates for the 2019 Budget and I'm happy to provide any more additional information, but for the purposes of tonight's workshop we thought that would be a sufficient amount of detail. As you know, I'm always available to answer any questions you might have.

Mr. Bach said I think you can go ahead into the forecast.



Ms. VonAchen said in response to a number of requests or inquiries from all of you, you're probably wondering well how does our proposed 2019 forecast affect our future General Fund financial performance. We're using our MuniCast financial long-range financial forecasting model and I’m going to go over the assumptions here in a bit, but overall this is a picture or display of how it looks. This is the combined General Fund, all three General Funds, City, County and Parks. It’s a five-year forecast from—it’s actually 2020 to 2024, that’s the five-year forecast with ‘19 being the proposed budget. We included a few prior years here, so you could see the wrap-up of our fund balance. The blue columns are the total fund balance and then the red line is the percentage of expenditures.

As we mentioned, our Proposed Revised Financial Policy Plan recommends that we maintain two months of Operating expenditures and that equates to about 17%. At the end of ‘17 given the actual that occurred we’re at 20.2% of the fund balance. The fund balance is at 20.2% which is three percentage points higher than the ‘17 or two months of Operating so we’re doing fairly well. In ‘18 and ‘19 we’re proposing a combination of several one-time expenditures, but also some expenditures that are reoccurring. As a result, our forecast although it reduces the expenditure levels for all those one-time items, it does reflect that if we don’t make any corrective action given all the assumptions I’m going to go over with you, then the Reserves would fall to 9% of expenditures and transfers by the end of the forecast period or five years from now.

This assumes the assessed value will grow by a modest 2.8% beginning in 2020 and that 2.8% is derived by averaging the assessed value of all the prior 11 years so it captures that deep recession that occurred in 2009. It’s a fairly modest AV growth assumption, but it’s cautious and conservative.

Last year I gave the same assumption, but you probably remember the 1.9%, now it’s 2.8% because of the substantial growth that occurred in our AV for the ‘19 Budget and that’s why it’s improved so much. It really makes a big difference when you get a big increase in your AV.

It also assumes that we’re going to have, as proposed, a 2-mill reduction in the City General Fund rate.

GENERAL FUND LTFP – DETAIL BY CATEGORY

UNIFIED GOVT WYANDOTTE COUNTY & KANSAS CITY, KS — SELECT FUND GROUP > ALL FUNDS — INDEX

FINANCIAL SUMMARY

	2017E	2018B	2019B	2020F	2021F	2022F	2023F	2024F	2025F
REVENUES & SOURCES (BY ACCOUNT GROUP)									
01-TAX REVENUE	176,740,258	178,954,187	183,483,877	189,227,924	193,858,934	198,619,369	203,513,065	208,543,977	213,716,184
02-PERMITS AND LICENSES	2,243,700	2,304,312	2,362,410	2,428,081	2,495,756	2,565,501	2,637,383	2,711,472	2,787,839
03-INTERGOVERNMENTAL REVENUES	4,420,164	4,469,650	4,469,650	4,489,259	4,509,403	4,530,096	4,551,352	4,573,188	4,595,618
04-CHARGES FOR SERVICES	12,809,286	13,154,500	13,291,500	13,649,062	14,018,538	14,400,369	14,795,016	15,202,957	15,624,691
05-FINES, FORFEITS, FEES	6,647,967	6,850,400	6,145,400	6,266,817	6,390,633	6,516,894	6,645,651	6,776,952	6,910,846
06-INTEREST INCOME	1,021,575	1,910,000	1,910,000	1,940,760	1,972,016	2,003,774	2,036,045	2,068,835	2,102,153
07-MISCELLANEOUS REVENUE	2,248,664	2,011,100	2,042,100	2,089,509	2,138,018	2,187,654	2,238,442	2,290,409	2,343,583
08-REIMBURSEMENTS	2,883,421	2,709,407	2,721,300	2,797,184	2,875,183	2,955,358	3,037,768	3,122,477	3,209,547
09-OTHER FINANCING SOURCES	2,763,555	2,337,000	2,337,000	2,402,167	2,469,152	2,538,004	2,608,777	2,681,523	2,756,297
TOTAL REVENUES & SOURCES	**211,778,589**	**214,700,556**	**218,763,237**	**225,290,763**	**230,727,633**	**236,317,020**	**242,063,499**	**247,971,788**	**254,046,757**
ANNUAL CHANGE	*8.4%*	*1.4%*	*1.9%*	*3.0%*	*2.4%*	*2.4%*	*2.4%*	*2.4%*	*2.4%*
EXPENDITURES & USES (BY ACCOUNT GROUP)									
01-PERSONNEL	148,228,265	154,709,214	160,204,741	166,844,848	171,317,788	175,414,868	180,126,161	184,968,371	189,945,216
02-SERVICES	30,996,445	35,911,286	37,209,070	37,952,033	38,712,163	39,489,910	40,285,737	41,100,123	41,933,560
03-SUPPLIES	5,946,869	6,624,788	7,447,435	7,553,979	7,662,132	7,771,920	7,883,367	7,996,500	8,111,345
04-GRANTS, CLAIMS	6,561,722	6,922,619	6,407,221	6,585,887	6,769,535	6,958,304	7,152,336	7,351,780	7,556,784
05-TRANSFERS, OTHER	3,866,525	2,687,490	1,997,490	1,997,490	1,997,490	1,997,490	1,997,490	1,997,490	1,997,490
06-CAPITAL OUTLAY	5,282,321	7,533,084	6,651,191	6,651,191	6,651,191	6,651,191	6,651,191	6,651,191	6,651,191
07-DEBT SERVICE	1,595,694	640,850	643,650	639,250	639,400	639,562	638,575	641,437	642,862
08-RESERVES	-	725,000	725,000	-	-	-	-	-	-
TOTAL EXPENDITURES & USES	**202,477,843**	**215,754,331**	**221,285,798**	**228,224,678**	**233,749,699**	**238,923,244**	**244,734,858**	**250,706,893**	**256,838,449**
ANNUAL CHANGE	*3.0%*	*6.6%*	*2.6%*	*3.1%*	*2.4%*	*2.2%*	*2.4%*	*2.4%*	*2.4%*
** Transactions amongst the general funds have not been eliminated, as is done in the CAFR.*									
REVENUES OVER/(UNDER) EXPENDITURES	$ 9,300,746	$ (1,053,776)	$ (2,522,562)	$ (2,933,915)	$ (3,022,066)	$ (2,606,224)	$ (2,671,359)	$ (2,735,105)	$ (2,791,692)
ADJUSTMENTS TO RESTRICTED/COMMITTED/ASSIGNED BALANCES	*69,386*	*0*	*0*	*0*	*(0)*	*0*	*(0)*	*0*	*(0)*
TOTAL FUND BALANCE - YEAR END	**40,956,852**	**39,903,076**	**37,380,515**	**34,446,600**	**31,424,534**	**28,818,310**	**26,146,951**	**23,411,846**	**20,620,154**
Reserve - % of Expenditures	**20.2%**	**18.5%**	**16.9%**	**15.1%**	**13.4%**	**12.1%**	**10.7%**	**9.3%**	**8.0%**

53

Let me go over a little bit of the assumptions with you. By the way, I don't expect you to read this but I provided it here, so you can take a look at it in your hard copy, but this is the detail of all the various revenue categories and then all the expenditure categories.

CONSOLIDATED GENERAL FUND

Long-term financial Forecast REVENUE assumptions

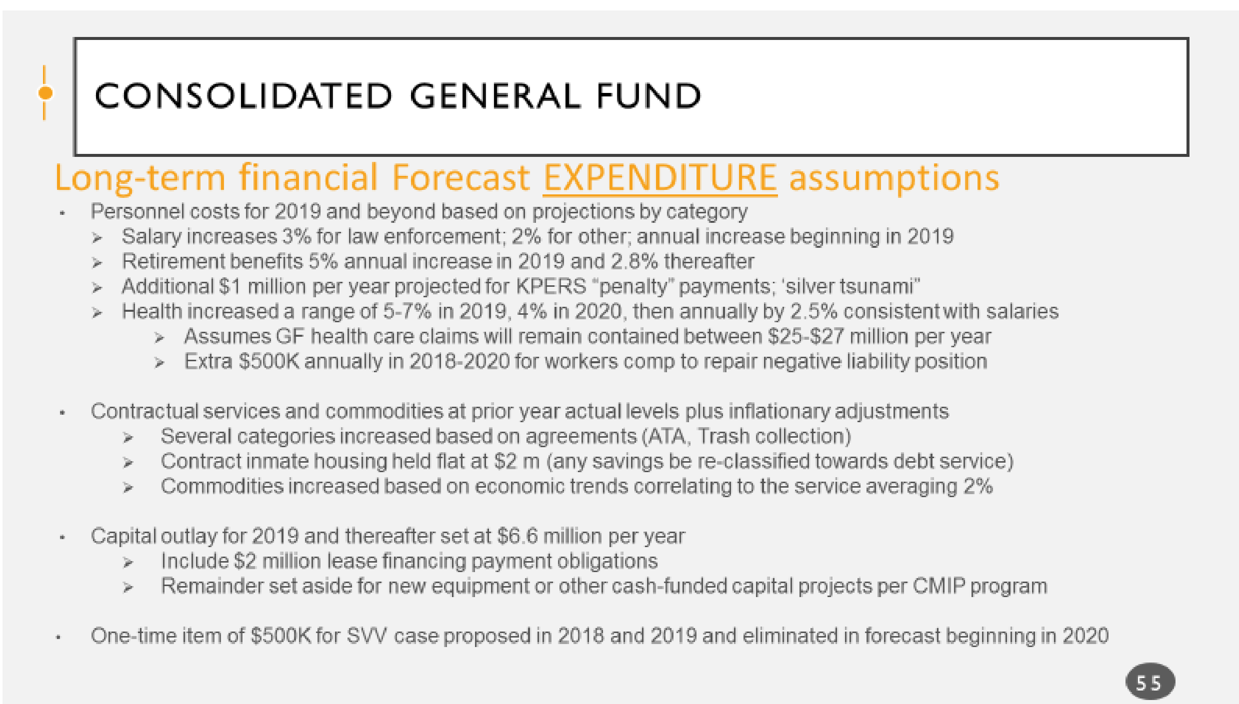
- **Sales and use tax revenue** estimated to grow 5.0% in 2019; 2020-2024 has 5-yr avg. growth rate of 3.1%
- **Property Tax revenue** projected to grow 3% in 2019 with 2-mill reduction to City GF; 2.8% thereafter based on avg. AV growth of 2.8% between 2013-2019; Delinquency rate 6.5% for the County and 7% for the City; Also includes Casino refund of $457K from County GF and $360K from City GF
- **Franchise Taxes** include various assumptions:
  - BPU Electric – increased 3% in 2019 reflecting rate increase; 1.6% thereafter based avg. utilization
  - Other Franchise Taxes – increased based on economic trends correlating to the commodity; average of 1.5% annually
- **Charges for services** revenue projected to increase 2.7% annually

54

On the revenue assumption side, we're assuming, I think I mentioned this already, Sales Tax, Sales & Use Tax, our estimated growth 5%. The actual Sales Tax at 5% without accounting for STAR by the way, 5% for '19 and then what I've done is I've taken an average growth rate for the prior five years and have applied that so that turns out to be a 3.1% increase annually that I'm assuming. That's kind of a dip between '19 and '20, but it's sort of assuming there's going to be a little bit of a recession at some point or a slowdown in the economy at some point in the near future, but not during '19.

Property Tax revenue is projected to grow 3% in '19 and that includes the 2-mill reduction in the City General Fund and then a 2.8% increase in the assessed value as well as the revenue going forward beginning in 2020. That's based on an AV growth for the period between 2013 and 2019. The delinquency rate is 6.5% on the County side and 7% on the City side. It also includes the Casino refund which amounts to about $457K on the County side and $360K on the City side. We're expecting to pay that over the next five years, so this is an annual refund we expect to pay.

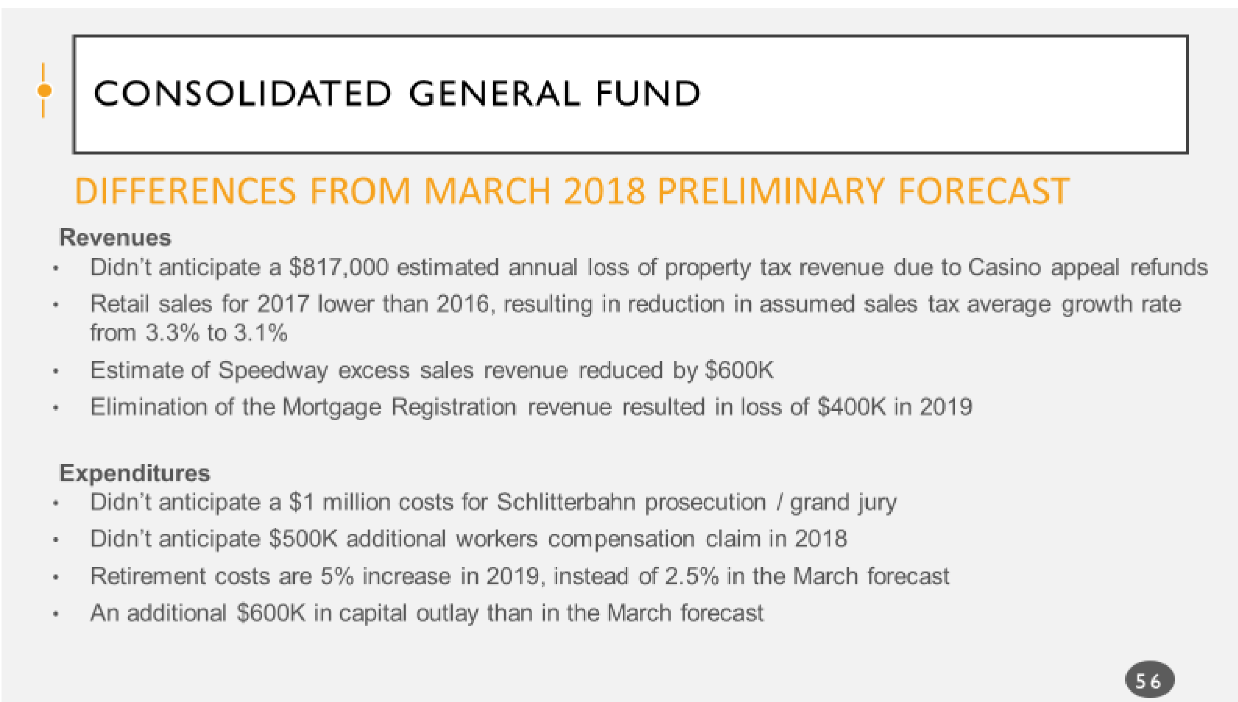
Franchise Tax; we're assuming a 3% in '19 and a 1.6% thereafter and then Charge for Services we're at 2.7% annually.



On the Expenditure side, you can read through this real briefly at your own leisure if you wish, but for the most part we're assuming very conservative estimates for Personnel sufficient to retain our current employee base and compensate them so that we are competitive with our neighboring local governments, but also to maintain our liabilities and the payments for liabilities for pension and for health insurance. So, nothing dramatic here according to current contractual obligations.

We've included inflationary adjustments to some of the contractual agreements that we have. For example, the ATA contract and others. We have included a savings on inmate housing which is being utilized to pay the debt service on the Juvenile Justice Center.

On Capital Outlay we've projected that we're going to be spending $6.6M a year on cash-funded Capital Outlay and equipment acquisitions. The forecast also projects that one-time $500K that we currently have proposed in the '19 budget to help with the Schlitterbahn task force prosecution would be taken out in 2020 because that's a one-time cost.

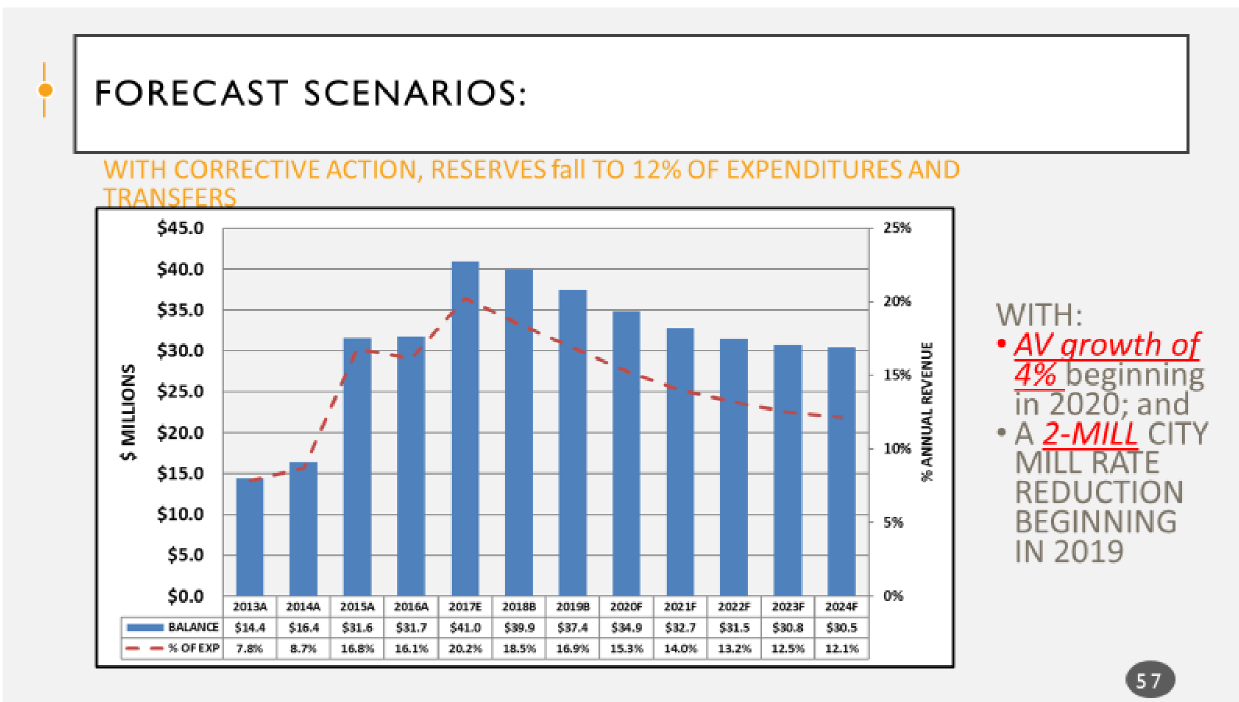


You're probably wondering how does this differ from the forecast I gave you in March. That's what this slide shows. I don't know if I need to go over it in too much detail, but I did want to point out a couple of things. When we did the March estimate for the Spring Retreat we didn't anticipate that we would be using $800K in Casino Appeal Refund. There is a slight reduction in the Retail Sales number. We had to adjust the Speedway Excess Sales Tax revenue by about

$600K a year because their financial performance has been lessening in that area. We had to eliminate the revenue source for Mortgage Registration due to the full implementation of that law in 2019.

There are a few other things, as I mentioned, we took out the grand jury cost. There was unanticipated $500K in Workers Compensation Claims for the Sheriff and so higher retirement costs that I knew about in March and then also the forecast had about $600K a year less in Capital Outlay than in my forecast now.

Things kind of changed and shift over the past six or seven months so that doesn't look so good.



So, what if assessed value increased over the next five years from the 2.8% I averaged that I was projecting and what if it increased by 4% instead. If that was the case with all expenditure items being equal, then we would end up with a fund balance of 12% instead of 9. Just to give you an idea of how important just one economic factor can change things without adjusting the 2-mill. Just keeping the reduction at 2-mills. This model is very flexible, and we run a number of scenarios and we're happy to do that. You just need to let us know.

Mayor Alvey asked is there any historical trend let's say over a four or five-year period that we saw annual valuation growth of 4%. **Ms. VonAchen** said we have valuation going back all the way—well, in this model we have it for 15 years and I would have to look, but it really kind of depends from year over year. **Mayor Alvey** said sure, I'm just wondering if there was any trend in the past where you had four-year period we saw average annual growth of 4%. **Ms. VonAchen** said I would say it's not unrealistic.

Commissioner McKiernan said I appreciate this model and I appreciate the ability to flexibly forecast based on a number of different assumptions, but we all know that assessed value is really only important if we are actually capturing tax dollars on it. So, every incentive we give where we have an increase in assessed value, but we don't collect tax dollars on that for a period of time, be it one year or ten years, really confounds your model. I really think a valuable thing to throw in there would be some way to account for the incentives, especially property tax incentives that we give that put off for 10 years or a period of time, our ability because we need more rooftops that pay taxes in order for us to truly get this kind of appreciation in our revenue. I just want to make sure we're all clear that we can get a lot of building and we can say that we do a tremendous amount of economic development, but until it pays taxes it doesn't become part of your model. **Ms. VonAchen** said a number of the Tax Increment Financings we have outstanding for business to do, you know various commercial developments, we actually do collect the tax but it goes to pay off the TIF debt and so you never see it here because it's an area—we don't collect it in the General Fund. It gets collected to pay off the debt service in the TIF Fund. **Commissioner McKiernan** said absolutely, and we have other sorts of incentives where we're rebating some portion of—**Ms. VonAchen** said yes, sales tax as well. **Commissioner McKiernan** said so just to be careful that we're always thinking about not just the value, but what we're actually collecting on that value.

Mayor Alvey said, Commissioner, actually there was a discussion today at agenda review and going back to your point, you know, suggestions for process moving forward in terms of how we do the budget. I'm really looking towards this coming year prior to the next budget cycle that we in fact say alright, we know what our forecasted expenditures are going to be for the next five years, just rate of growth, inflation, KPERS, KPF; all those things we know what we can generally assign what those are going to be. Well, if we want to take corrective action, the corrective action again is to get the rooftops to grow the tax base but I'm not sure we've ever gotten to the point we said what's our target growth and if that's our target growth in order to meet the expenditures and continue to do more projects, the things that need to get done to provide the services, what's our strategies for that economic growth, for that development. That conversation I think is going to be a topic I think for our Fall Retreat.

Mayor Alvey said, Commissioner Walters, I just want to be clear before we move on, during the retreat in the spring you had raised questions about the mill rate and how did we arrive at the 2 mills and I don't know if that question has been answered for you. **Commissioner Walters** said no, it hasn't. I didn't know if you wanted to get into that. I guess my question is the 2-mills that is be proposed in the 2019 Budget is a continuation of the program we've done for three years now and I just wonder if it has become something of an arbitrary number that we fall back on. I would really like some conversation about forecast.

I'm thinking back to two years ago when we were doing this exercise for the 2017 Budget and we proposed a 2-mill reduction and we had all the information, all the financial projections, revenues, expenditures, and all the same stuff we're getting tonight. We talked about doing more than 2-mills and we were cautioned that no, we can't do that. In fact, our budget is actually showing a reduction in the fund balance which was the original budget that we adopted for the 2017 year. Now, a couple weeks ago, we actually got hard information for that year and instead of having a $3M reduction, we had a $6M increase in the fund balance so that's a $9M swing and we were talking about could we do 2-mills or 3-mills.

With that ability or inability to project even 6 to 18 months into the future, I don't get too concerned about 5-year long projections, but I do wonder if we're just building in too much conservative estimating both on the revenue and the expenditure side that is keeping us from achieving what our residents say is their number one priority which is property tax reduction.

I've heard the presentations on revenue and I've heard the presentations on expenditures and I certainly can't nitpick anything. I just go back to here's hard evidence from two years ago, we used the same processes, it was a $9M swing and I don't know that it's going to be any different in 2018 and I don't know that it's going to be any different in 2019.

It's good to be conservative on both revenue and expenditures, but we do have something of a mandate from our residents to try to lower taxes and I think we're being rather conservative about it.

Mayor Alvey asked, Kathleen, has there been a $9M addition in our Reserve Funds. **Ms. VonAchen** said in the CAFR on the modified accrual basis for '17 there was a $9M addition to our fund balance at the end of 2017. That's because revenues were—I'm working off the top of my head here, but revenues were roughly $3.5 or $4M higher than our budget and then expenditures were roughly $3.5 or $4 or $5M lower than our budget. There are some explanations for that. Generally speaking, there are on average—we do on average come in below our budgets and I think there was an average around $3M every year for the past 10 years that's been the case.

We are a little bit concerned about the retirement of our Silver Tsunami that I spoke about during the forecast, so we do have money in our Personnel line to pay for retirement and accrued leave which we're obligated to pay. It's hard to predict when people go to retire so I do want to note that during '17 the rate of retirements slowed down more so than I expected so that is a little bit of the explanation for the difference.

On the revenue side, there are a couple of areas that—I underestimated the BPU, the effect of the rate adjustments, the BPU PILOT. I based it on information that had been given to me, but it turns out that it was too conservative, so we ended collecting more than I anticipated.

There's also adjustments in other areas related to the STAR Bond payoff and the timing. We paid off the STAR Bonds on December 1, 2016 but the State and our Escrow Agent took a while in order to develop the calculations, it's really complicated, for determining our Soccer base so they couldn't remit us the money until April. Instead of it showing up in '16, it showed up in '17 on our financial statements because of our accounting rules. We couldn't accrue it back to '17 because we collected it too far into the year in '17. As a result, we came into money in '17 that we were expecting to have collected in '16 so that is part of the increase too.

Really one-time things that just were not anticipated and that resulted in the additional $9M.

Commissioner Walters said 2016 looked pretty good too. We added more to our fund balance in 2016 than we budgeted, did we not? **Ms. VonAchen** said that's right. **Commissioner Walters**

said I don't have 2016 with me. **Ms. VonAchen** said the combined General Fund on a cash basis the net change of fund balance was a negative of $1.8 in '16, so it wasn't positive in '16. **Commissioner Walters** asked what was the budget. **Ms. VonAchen** said I don't have that in front of me, but revenues were $1.8M less than expenditures in '16.

Mayor Alvey said we're halfway through the year with trend continuing. We're we too conservative in our expenditures? **Ms. VonAchen** said we took a hard look at Actuals through May. We waited until—about two weeks ago the revenue estimates stopped moving because we were looking at Actual experience through May and I adjusted the Sales Tax number upward based on that Actual performance and a number of other areas too; Motor Vehicle Registration and other areas. I don't think it's overly conservative but it's tough to anticipate what's going to happen in the next six months. You know we didn't expect, for example, the Worker's Comp claim or the Hollywood Appeal Case or the Schlitterbahn. Those sorts of things are difficult to anticipate. Hopefully, there will be things that happen in the next six months which will be positive and improve our financial performance rather than drag it down.

Commissioner Johnson said I want to get a clarification. The second bullet point says it's a 2-mill City reduction beginning in 2019. Is that continual or is that just one-time? **Ms. VonAchen** said it's continued beginning in '19 and then—**Commissioner Johnson** said 2021, 2022, 2-mills each year. **Ms. VonAchen** said no, then it would be reduced from '23 to '21 and then it's '21 from there out.

Commissioner Burroughs said the economic trends that we can anticipate, what was our employment or unemployment rate over the last couple of years? Do we know how what that may have impacted? I'm looking at the delinquencies as well as homeownership as well as joblessness in reference to some of the economic impacts that could happen to the budget. Right now, we're seeing what I would consider a nearly full employment. Wyandotte County is a little behind the State, but still doing well. Our delinquencies have always been a major concern of mine. Do we have an industry standard as to what the delinquency will be in a budget our size? **Ms. VonAchen** said yes. I discussed that in the long-range financial forecast that I put out about a year or more ago and we plan to update that forecast. I'm updating it now. The industry standard for the average delinquency rate for most communities is around 2%. It really varies a lot on the percentage of your total taxpayers that already have paid off their homes and they're not on an escrow system for paying their mortgage. If you are on an escrow, then you're more likely—it greatly enhances the collection rate and so it kind of depends.

I did want to point out on page 10 of the budget document as part of the County Administrator's budget message, there are two pages that talk about the economic trends over the past year or two years and what we foresee happening in the future. I can talk about that if you like.

Commissioner Burroughs said we can catch that at a later time. In reference to Commissioner Walter's comments, we can be too conservative by looking at those things that we think could happen, negative impact, and we want to prepare for them but at the same time we're cheating ourselves of services and investment opportunities long-term for projects that may be could be funded today or bonded today at a lower rate than they would cost us three years down the road. I'm just kind of looking at those economic trends and those of interest and, Mayor, I might suggest that we have an individual on the State side that can come and give an overview of the economic impacts that we can expect in the state of Kansas an overview. I don't know if it would be of interest to the Commission or not, but maybe it would give some guidance as to what we can expect as we move forward working on the budget. **Ms. VonAchen** said, Commissioner, I spoke with that gentleman and he is willing to come talk with you if you like—with the Commission and make a presentation whenever it works for everyone's schedule. Overall, we find that the unemployment rate is dropping slightly although our unemployment rate through May is 4.8% and the national economy is around the 3% rate. We're always quite a bit higher than the national economy but it has been improving or diminishing over the past few years.

Ms. VonAchen said the job rate grew pretty well too. By the fourth quarter of 2017 it was a good 3,000 jobs higher than the fourth quarter of 2016 and we think that's probably attributed to the Amazon Fulfillment Center. Now it's at 93,000 or at the end of the quarter it was 93,000 jobs.

Commissioner Philbrook said yes, I agree it's probably that and although the hard work that Wyandotte Economic Development group did to help work with that and everybody else with Workforce Partnership, Kansas Works and them, but I want to say I agree with him. It would really be nice to have the gentleman from the State come down and speak with us and the commissioners that are interested in participating in that mind domiciling thing would be wonderful. Would you ask him to make it economics for dummies because he has to speak basic to me because sometimes this stuff gets too convoluted, so I would appreciate it and if we could do that sometime this fall before our Fall Retreat. What's the matter Mike? Mike's lost it. Somebody get a picture of Mike. **Commissioner Kane** said I don't need a class for dummies. **Commissioner Philbrook** said I'm only speaking for myself Mike.

Mr. Bach said the next item on our agenda, if there are no other questions regarding the revenues to get to this point, is to get to the setting of the maximum mill levy. As I said earlier, setting the maximum mill levy is one while I put forward a budget to say I recommend it to be at 2-mills down on the City side, I am recommending that we set a maximum mill rate at our current mill rate for the City side and our current mill rate for the County. There are a couple of reasons for that. I guess as you go through the month of discussions if you decide there are things you need to fund, you can have that consideration or have that latitude to work with it. You can always lower, but what we publish as our maximum mill rate is the highest point we can go to. I would also offer that if the Dedicated Sales Tax is not renewed, we would come back and revisit that because that's a $10M hit on our budget and I don't think we should start to drop away our mill rate if it's the will of the people to put more reliance on property tax than sales tax. That would give us that latitude. We could go through and adopt a budget but then you could come back and fallback on that and put that back in play.

2019 Tax Rate (Maximum Mill Levy)

	2018 Mill Levy	Administrator's 2019 Proposed Mill Levy	Recommendation for Adoption 2019 Maximum Mill Levy
Kansas City, Kansas	40.0032	38.0032	40.0032
Wyandotte County	38.8799	38.8799	38.8799
Self-Supporting Municipal Improvement District	12.6348	11.0257	11.0257
Wyandotte County Library	6.0417	6.0417	6.0417

Motions to set the Maximum Mill Levy:

1. Motion to set the Maximum mill levy for the City of Kansas City, Kansas at: 40.0032 mills
2. Motion to set the Maximum mill levy for Wyandotte County at: 38.8799 mills
3. Motion to set the Maximum mill levy for the Self-Supporting Municipal Improvement District at: 11.0257 mills
4. Motion to set the Maximum mill levy for the Wyandotte County Library at: 6.0417 mills

59

I am recommending that you set a Maximum Mill Rate based on what's in the righthand column of the 40-mills for the City, that 38.8 for the County, the Self-Supporting Municipal Improvement District for the downtown, we have to set their mill rate each year and this is the rate they requested at the 11 and then the Library which is another one that we have to set their mill rate at the 6 mills.

Commissioner McKiernan said I'm ready to make a motion if you want one. **Mayor Alvey** said discussion first or a motion or we could have a motion and then discussion.

Mayor Alvey said I have a couple of concerns. As you did the projections looking forward and, of course, Commissioner Walters has raised questions about if we built in too conservative. I guess I'm of the opinion that I would rather have the money when we get there rather than have to go scramble for it. I do have a concern that if we set the maximum rate at 38 as we were inclined to do, that would hinder us in the chance that the Dedicated Sales Tax would not be renewed, that would put us in a very difficult position. On the other hand, if we do take the recommendation of the Administrator and keep it at the current level of 40.032, my concern would be then we would be looking for ways to spend that money. (Inaudible) **Mayor Alvey** said nope, then alright. I'm just putting it out there. (Inaudible) **Mayor Alvey** said okay, we've all heard it. I would entertain a motion Commissioner McKiernan.

Commissioner McKiernan said I will say that for the seven budgets that I've been in, we have been consistent about setting the maximum above the Administrator's recommendation and then following the Administrator's recommendation on each and every mill rate that we have set. We've demonstrated that we are prepared to go with the Administrator's budget regardless of setting the maximum just a little bit higher than that.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Philbrook, that the Maximum Mill Levy for the City of Kansas City, Kansas be set at 40.0032 mills. Roll call was taken on the motion and there were nine "Ayes," Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Johnson.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Markley, to set the Maximum Mill Levy for Wyandotte County at the Administrator's recommendation of 38.8799 mills. Roll call was taken on the motion and there were nine "Ayes," Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Johnson.

Commissioner McKiernan said because there is still a little bit of flux in the Self-Supporting Municipal Improvement District in terms of just understanding completely the revenue and expense picture for next year, the Administrator's recommendation is 11.0257…

Action: Commissioner McKiernan made a motion, seconded by Commissioner Markley, to set the Maximum Mill Levy for the Self-Supporting Municipal Improvement District at 12.00 mills.

Commissioner Kane asked we want to raise it because. **Commissioner McKiernan** said no, we want to give ourselves the same flexibility that we're giving ourselves on the City side where—

the 12.00 is .6 mills less than last year, but still over the target we're shooting for, but it gives us the flexibility like we've done on the City side.

Roll call was taken on the motion and there were nine "Ayes," Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Johnson.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Markley, to set the Maximum Mill Levy for the Wyandotte County Library at 6.0417 mills. Roll call was taken on the motion and there were nine "Ayes," Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Johnson.

Mr. Bach said the next item on the agenda is really discussion about the future workshops. I can walk through these and let you know what's kind on tap for each one if you have any questions about this. We slated for Thursday that would be a good opportunity for elected officials to come in. I extend this invitation out to the District Court, to Administrative Judge Lampson, to Register of Deeds Nancy Burns, the Sheriff, and also to our DA Mr. Dupree. Mr. Dupree did ask that he be able to come back and be part of that discussion. He did want to come in and talk about what has been recommended as part of his budget and have that discussion with you. He has confirmed he will be available this Thursday.

Also, there was a request for information regarding the Schlitterbahn case, so he will be able to speak to that though I do believe he is trying to provide some information, Commissioner Walters, to you in advance so if that's good or he will be here to answer any questions or discuss it in more detail so either way on that.

I will also note that the Sheriff probably has a couple of different areas that he will be over here on. I know he wants to be present, I believe, when we have the debt discussion on the County debt when we're talking about the Juvenile facility, but he didn't have anything specific that he wanted to present. Then, he will probably be over as well when we have our discussion on building security.

I also slated for Thursday, the Downtown Shareholders wanted an opportunity to come back before the Commission and I believe we were still getting confirmation on that. I believe they're good for it on Thursday to come here.

We will talk about Debt in more detail. This is more a request from the governing body to sit down and go where are we at on debt as we look for where we're at on the City General Fund and then the County as I mentioned earlier about how that projects out in the future. So, we will have a presentation built for that one.

Commissioner Murguia had asked several questions regarding benefit districts and what we funded for a number of years so that's somewhere between—**someone** was inaudible. **Mr. Bach** said I'm not sure. I was not aware she was not going to be here tonight though we're providing information to her, so we have it slated as time on the calendar. If there is some reason we need to move it, I'm sure the Mayor would adjust.

The Parks Master Plan is up there for just a little bit of discussion regarding the outstanding Capital needs that are in play for that to have discussions regarding that topic.

Looking ahead to the 23rd, that is really focused on CMIP, so we will walk through what we have presented to you to May, any changes we made for May to what's in this document we will have red flashing lights on it, Commissioner McKiernan. **Commissioner McKiernan** said well thank you. I have looked really closely through the CMIP debt and cash this year and I have a lot of questions, not all of which needs to be brought back here to the larger group, just clarifying for my own information. I do have a couple I will forward to you for inclusion on the 23rd. Just a couple questions about a couple of the projects in cash and in debt, but most everything I'm going to send you is just for my own knowledge and doesn't have to be brought to the open meeting.

Mr. Bach said we will walk through that to point out anything that changed from where we ended May and as you recall, when we do May that's where we project but then I have to go and balance the budget to get it out in July so there are a few changes that do happen from that time to now.

Specifically, we want to talk about the Street Preservation Program and that's one you funded last year so Mr. Fisher will be here with his team to talk about how that project has been working and then how we will project our cost needs, our needs on those streets going forward.

Specific discussion requested regarding K-7 & Parallel and that project.

Also, we want to talk about building security and what we're doing coming up and maybe some other thoughts or ideas that could come in around that from Chief Ziegler and Sheriff Ash.

We also have some information that we're working through on the Kaw River Levee, so we want to be able to talk about that next week.

On July 26th we're looking to have discussion about Economic Development, some of the plans that we put forward, but have not put much funding towards those and then Department Special Funds. This is a specific request that has been brought forward by, well I will say a few of the commissioners, but I know the Economic Development Standing Committee made note of it last time. What the Mayor has asked us to do in advance of that, which we're working on, is we're getting a sheet out that will show each one of those fund areas, if there is special legislation regarding those and then it kind of specifies how that many can be expended. This really comes to the fund balance and that was the question within those because some of them have by percentage a very high fund balance, cut some of them are restricted and you can't spend it outside of it, some there are a future plan to it. We will try to speak to those in a summary sheet and get those out to you well in advance. If there are a few of them that are still left that we want to have discussion on, we can bring those department heads where I need to have those for more expertise.

As we look forward to the 30th and the 2nd we do not have anything planned for those. It would my hope that we get through most of our detail by the 26th so on the 30th those of you that have been here before that's where we have the opportunity to come in with kind of a wrap-up sheet. If we've added something to the budget or taken away, we can show how we balance things and put those forth to come in on that date. Also, we have the final public hearing. That's what we have so far from the commissioners and if there are additional things then we will continue to take those in and figure out how to put them on budget.

Commissioner Kane said I appreciate *The Citizen* and it's going out, but I've had some people that said the Neighborhood Infrastructure where was the work done and I got that question multiple times just here since the letter has been out. I know we've got the target map, which I know is great, but they say where is one started, where is one finished. Right now, that's a driving force that some people want to know. Yes, we supported it last time but where did the monies go. You spelled it out for Police and the Fire, they just need clarification for the infrastructure. **Mayor Alvey** said you mentioned, again, it's available on the website. If you go to that map and people hover over—**Commissioner Kane** said they want more specific detail. A good example of that, when the area got annexed 20 some odd, 30 some odd years ago, they were promised roads, fire station and other things they didn't get and the segway to the fire station.

We voted on the fire station last budget and I keep being told that it's the fall. What I would like to have is a month-by-month breakdown of what has happened since we voted on it and then I want a more specific timeframe of when we're going to do this in the fall. We've been working on this for 10 months or not working on it for 10 months and it's kind of hard to believe that you vote on something and it takes this long to get this off the ground. I'm very familiar with the construction field and how it works both from my former career and my current career, so I want to know when we started working on it. I think, Joe, did you go out-of-town to see how fire stations were built or something like that? That would have been nice to know. I would have went. Being kept in the dark just agitates the hell out of me. We've got somebody trying to build something that we haven't built in years, staff doesn't tell the commissioner in the area, which I think is kind of strange; that they went somewhere, and I could have gained as much knowledge as they did. I'm quite frustrated about not being invited to go to that and we took two our fire folks there.

Joe Connor, Assistant County Administrator, said the two deputy chiefs at the time were going to go to the conference and they invited me to come along. **Commissioner Kane** said you're the one then. I've been here 13 years and never had a project this big and we've always tried to make sure that when we're working on something that we keep us abreast of what's going on. I was asked here just a couple minutes ago about where we're at with the fire station. I got a couple phone calls today from retired fire personnel and the lack of information is getting to a boiling point for me and I mean it. We cannot—you guys may not like it, but the Commission voted on it and I'm extremely frustrated when I found out these guys went to the fire station or how to build one and maybe it makes them mad I know more about safety than some of these other guys do. That's my feel and I would have gathered all that information and if I had been Joe Connor I would have come back and told the Commission hey, guess what I just learned, but instead I had to find out by somebody else and we're all left in the dark.

Mr. Bach said, Commissioner, we'll do a better job. I would agree that updates to you should be done and you should know what's going on with that fire station. **Commissioner Kane** said I should have been involved when they went there, and the At-Large Commissioners should have had the opportunity to go because they are going to ask you as many questions and they're going to ask me. I didn't know about this trip until the other day when they were talking about well hell you know they went on that trip don't you? Well, no I didn't.

I try to do the best I can for the district and the district does not like being left in the dark and we will not be left in the dark by the time this budget process is over.

Commissioner Bynum said two quick comments on these projects. If we could get even just a little bit more and I would say maybe specifically for District 5 or any district detail on hovering on the map and getting information. If we could just get maybe an update of the last year or so. Actually, I would say maybe three or four years because it's a 10-year tax. **Commissioner Kane** said and that was their question. It's where has the money been for the last eight years. **Commissioner Bynum** said yes, I think that's fair. **Commissioner Kane** said we've got two more years left so what I have you done so I can say they did this, this and that and oh by the way; this is on the planning process to get done. **Commissioner Bynum** said I would say there's probably a top 20 that's a highlight list that's fair that we would all find useful. I think that is something we could ask for.

Then, with regard to the fire station, maybe if we could get a meeting with the Administrator and Deputy Administrator and we could get a good update. At least for now we would have a good update on what's happening with the station. **Commissioner Kane** said I don't disagree with that, but I think the public wants to know too. They're watching this. I'm getting text messages right now that they're watching this and asking me what are you doing, how come it hasn't happened and when I found out these guys went on a road trip, I couldn't believe it. Yes, I want one without them in case I get excited and then I want the public to see what's going to happen. **Commissioner Bynum** said we could do a presentation at one of our standing committees. **Commissioner Kane** said that would be great.

Commissioner Markley said I'm assuming the information on this map comes from a database of some kind. If it wouldn't be too difficult to just get a list by district, that would be I think ideal. I would like to say all of my constituents can go and hover over the dot, I'm not entirely sure that would happen, but that way as we're going to neighborhood meetings we can present to our neighborhood group the printout of here's what happened in our district with this money.

Commissioner Burroughs said a 3/8th cent sales tax generates roughly \$100M over the 10 years, is that correct? **Mr. Bach** said it hasn't quite been that much. I think we're projecting it to be up to about 80—we're just up to the \$10M mark. We're getting to the \$10M mark annually now. We weren't that way in the first several years. **Commissioner Burroughs** said so over a 10-year period \$80M and 3.5 going to Police, 3.5 going to Fire, the 30% that's leftover will go to those projects. I think it's pretty easy to slate we can breakout those projects by district that need significant attention and start budgeting appropriately through that process because the other 35% is taken by both entities Fire and Police. The Infrastructure is a total number and divide it among the community because constituent districts and those districts in need I think we might help on the transparency as to what projects need to be addressed and how much money they will run before we even get started on them.

Ms. VonAchen said, Commissioner, I just wanted to point out that I believe the GIS or folks in the Information Technology Department were able to identify where the projects were geographically for some but not all because a lot of the Capital kind of infrastructure maintenance amounts were for maintenance and they don't necessarily flop those out by projects and geography. They just put it in this kind of lump maintenance area so there may be a little bit of difficulty with that. I know the GIS guys went through and did the best they could and identified some of it but maybe not all of it. A good portion of the Dedicated Sales Tax is dedicated for funding Personnel and Operating costs in the Public Safety side.

Commissioner Burroughs said if my math serves me correctly, it's about $28M for the Police, $28M for the Fire, so there's already $56M so we have about $22M to $25M roughly for Economic Development projects for infrastructure that could go divided among the Commission districts or collectively go to the projects that help bring ancillary development opportunity which would in turn create some of the other issues that we've been dealing with this evening. I just tried to do the simple math, the three-way split on the 3/8th cent sales tax because I think it's extremely important that the community see what they're getting for their investment. I believe that roadway, curbs, sidewalks, enhance parks, safe intersections, walkability; those things that we've talked about since I've been on the Commission are very important to the citizens of this community and I know the leaders here are willing to do their part to make it happen.

Mayor Alvey said that seems to wrap it up. Anything else Administrator Bach. **Mr. Bach** said I don't have anything else this evening.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:40 p.m.

Bridgette D. Cobbins
Unified Government Clerk

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