STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, JUNE 11, 2020**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, June 11, 2020, with eleven members present on line and present in the *fifth floor conference room: *Bynum, Commissioner At-Large First District; *Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; *Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District (arrived online at 5:07 p.m.); *Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO presiding. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Emerick Cross, Melissa Sieben, and Alan Howze, Assistant County Administrator's; Chief Callahan, Fire Department; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Michael Peterson, Assistant Budget Manager; and Alley Porter, Commission Liaison.

MAYOR ALVEY said before I call the meeting to order, I want to announce that due to COVID-19, we have individuals attending remotely. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure that you announce yourself by name and title every time you speak so that the public participating knows who is speaking. This is critical given the number of remote participants in his current guidance from Kansas Attorney General.

MAYOR ALVEY called the meeting to order.

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

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, June 11, 2020, at 5:00 p.m. in the 5th floor conference room and by way of ZOOM for a Budget Workshop to review current financial situation and evaluate alternatives for 2020 Amended and 2021 Proposed Budgets; including setting maximum mill levy and a discussion whether to add funding for Station 15.

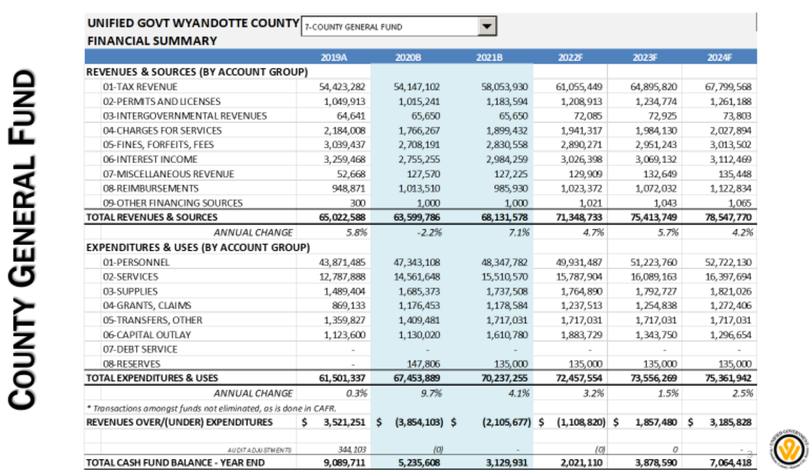
Due to COVID-19 the public will be able to observe or listen to the meeting live on YouTube or UGTV or through ZOOM.

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 I will now turn it over to Administrator Bach to introduce staff.

Doug Bach, County Administrator, said this is really our third Budget Workshop as we are approaching now a time where we are getting closer to actual budget presentation and with a lot of activity that's going on in relationship to the COVID financials, this budget is going to dig into a lot of details on that. I'm going to do most of the presenting myself, Mayor, so I'll go ahead.

I believe you all should see the first slide up there. I'm going to start by going into the current financials that we have for this. My focus right now—as you all know the City Financials are the ones that are facing the greatest deficit, so we will talk about that the most this evening.


COUNTY GENERAL FUND

UNIFIED GOVT WYANDOTTE COUNTY 7-COUNTY GENERAL FUND
FINANCIAL SUMMARY

	2019A	2020B	2021B	2022F	2023F	2024F
REVENUES & SOURCES (BY ACCOUNT GROUP)						
01-TAX REVENUE	54,423,282	54,147,102	58,053,930	61,055,449	64,895,820	67,799,568
02-PERMITS AND LICENSES	1,049,913	1,015,241	1,183,594	1,208,913	1,234,774	1,261,188
03-INTERGOVERNMENTAL REVENUES	64,641	65,650	65,650	72,085	72,925	73,803
04-CHARGES FOR SERVICES	2,184,008	1,766,267	1,899,432	1,941,317	1,984,130	2,027,894
05-FINES, FORFEITS, FEES	3,039,437	2,708,191	2,830,558	2,890,271	2,951,243	3,013,502
06-INTEREST INCOME	3,259,468	2,755,255	2,984,259	3,026,398	3,069,132	3,112,469
07-MISCELLANEOUS REVENUE	52,668	127,570	127,225	129,909	132,649	135,448
08-REIMBURSEMENTS	948,871	1,013,510	985,930	1,023,372	1,072,032	1,122,834
09-OTHER FINANCING SOURCES	300	1,000	1,000	1,021	1,043	1,065
TOTAL REVENUES & SOURCES	65,022,588	63,599,786	68,131,578	71,348,733	75,413,749	78,547,770
ANNUAL CHANGE	*5.8%*	*-2.2%*	*7.1%*	*4.7%*	*5.7%*	*4.2%*
EXPENDITURES & USES (BY ACCOUNT GROUP)						
01-PERSONNEL	43,871,485	47,343,108	48,347,782	49,931,487	51,223,760	52,722,130
02-SERVICES	12,787,888	14,561,648	15,510,570	15,787,904	16,089,163	16,397,694
03-SUPPLIES	1,489,404	1,685,373	1,737,508	1,764,890	1,792,727	1,821,026
04-GRANTS, CLAIMS	869,133	1,176,453	1,178,584	1,237,513	1,254,838	1,272,406
05-TRANSFERS, OTHER	1,359,827	1,409,481	1,717,031	1,717,031	1,717,031	1,717,031
06-CAPITAL OUTLAY	1,123,600	1,130,020	1,610,780	1,883,729	1,343,750	1,296,654
07-DEBT SERVICE	-	-	-	-	-	-
08-RESERVES	-	147,806	135,000	135,000	135,000	135,000
TOTAL EXPENDITURES & USES	61,501,337	67,453,889	70,237,255	72,457,554	73,556,269	75,361,942
ANNUAL CHANGE	*0.3%*	*9.7%*	*4.1%*	*3.2%*	*1.5%*	*2.5%*
** Transactions amongst funds not eliminated, as is done in CAFR.*						
REVENUES OVER/(UNDER) EXPENDITURES	$ 3,521,251	$ (3,854,103)	$ (2,105,677)	$ (1,108,820)	$ 1,857,480	$ 3,185,828
AUDIT ADJUSTMENTS	*344,103*	*(0)*	*-*	*(0)*	*0*	*-*
TOTAL CASH FUND BALANCE - YEAR END	9,089,711	5,235,608	3,129,931	2,021,110	3,878,590	7,064,418

However, I do want to point out as we get into these, and this is the County Fund, so we've gone through and made a lot of reductions in different operating areas. But if you focus on the two columns in the blue in the middle, you'll see that as we get down toward the bottom the actual deficit here is still about $3.8M on the County for this year to get through the budget and then $2.1M in 2021.

As we progress forward we're going to see this fund get better because of the revenue that's coming in. This fund is really largely driven by what happens with the property tax and over the years we'll see that property tax remain strong as it comes through and pays for it. I feel like the deficit we're doing in 2020 is more than we want to go at this point because you don't know for sure what will happen in the coming years and then look where we are from our revenue changes which we're projecting will be going up in future years. So, we do have some recommendations to look for additional reductions to come into expenditures on the County side as we go through this.

CITY/COUNTY PARKS GENERAL FUND

UNIFIED GOVT WYANDOTTE COUNTY 8-CONSOLID PARKS GENERAL FUND
FINANCIAL SUMMARY

	2019A	2020B	2021B	2022F	2023F	2024F
REVENUES & SOURCES (BY ACCOUNT GROUP)						
01-TAX REVENUE	2,018,159	2,063,715	2,192,430	2,301,378	2,457,122	2,576,156
02-PERMITS AND LICENSES	-	-	-	-	-	-
03-INTERGOVERNMENTAL REVENUES	3,700,000	3,400,000	3,400,000	3,699,200	3,699,200	3,699,200
04-CHARGES FOR SERVICES	537,007	300,617	684,649	701,765	719,309	737,292
05-FINES, FORFEITS, FEES	-	-	-	-	-	-
06-INTEREST INCOME	-	-	-	-	-	-
07-MISCELLANEOUS REVENUE	150,740	100,100	100,100	102,212	104,368	106,570
08-REIMBURSEMENTS	-	775	750	778	815	854
09-OTHER FINANCING SOURCES	-	-	-	-	-	-
TOTAL REVENUES & SOURCES	6,405,905	5,865,207	6,377,929	6,805,334	6,980,814	7,120,072
ANNUAL CHANGE	*1.0%*	*-8.4%*	*8.7%*	*6.7%*	*2.6%*	*2.0%*
EXPENDITURES & USES (BY ACCOUNT GROUP)						
01-PERSONNEL	4,466,897	4,380,000	4,550,000	4,703,974	4,848,080	4,998,358
02-SERVICES	1,011,184	827,625	1,273,625	1,310,378	1,355,944	1,403,295
03-SUPPLIES	571,146	574,922	574,922	585,179	595,631	606,284
04-GRANTS, CLAIMS	-	11,643	11,643	12,225	12,396	12,570
05-TRANSFERS, OTHER	-	31,110	87,810	87,810	87,810	87,810
06-CAPITAL OUTLAY	557,692	219,490	1,235	702,960	421,182	428,645
07-DEBT SERVICE	-	-	-	-	-	-
08-RESERVES	-	55,000	55,000	55,000	55,000	55,000
TOTAL EXPENDITURES & USES	6,606,919	6,099,790	6,554,235	7,457,525	7,376,044	7,591,962
ANNUAL CHANGE	*5.8%*	*-7.7%*	*7.5%*	*13.8%*	*-1.1%*	*2.9%*
** Transactions amongst funds not eliminated, as is done in CAFR.*						
REVENUES OVER/(UNDER) EXPENDITURES	$ (201,014)	$ (234,583)	$ (176,306)	$ (652,191)	$ (395,229)	$ (471,889)
AUDIT ADJUSTMENTS	*(2,808)*	-	-	-	*(0)*	-
TOTAL CASH FUND BALANCE - YEAR END	453,066	218,483	42,176	(610,015)	(1,005,244)	(1,477,133)

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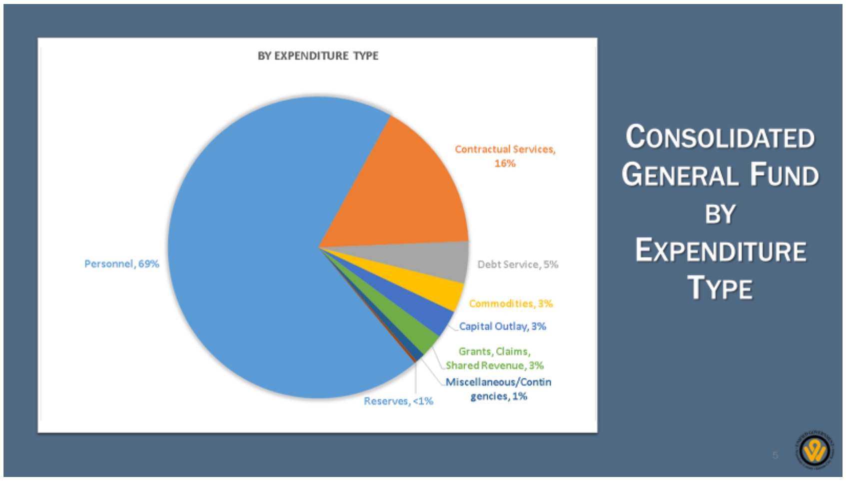
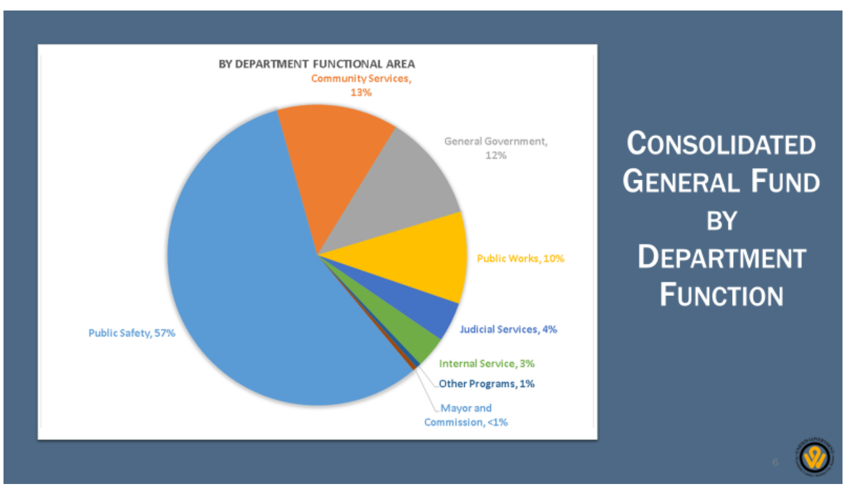
This is County Parks and unlike the County it is operating at a lower amount. We've taken some measures here that are reducing the expenditures within this area. You'll also see on line three we've reduced the transfer from the City over to the County because the City just cannot afford to pay as much of this this year, so that's causing some of the deficit that's coming into this. Going forward as we try to rebuild our Capital back into the County General Fund, that really puts us in a deficit position down here. We'll see the respiration of funds coming from the City in future years, but we're going to need to see more revenue come in before we can really get Capital levels back like they need to be as we look at the future in the County.

Commissioner McKiernan said, Doug, I hate to interrupt but there should be a button to swap displays. We're seeing the presenters display here which means we see the slide that's on the screen as well as your preview slide rather than the display slide being full screen. It makes them both a little bit small. **Mr. Bach** said okay, I'll see if I can figure that out. **Commissioner McKiernan** said ZOOM itself should have in your ZOOM toolbar there should be—there you got it. **Mr. Bach** said I thought it was presenting the other way around, so I didn't know for sure. I've got my two screens there, so I didn't see what I was looking at. This should make it a little bit easier to see, so thank you Commissioner.



Mr. Bach said as we look at the funds in all the different funds, the greatest expense area that we have is in Personnel. That accounts for about 70% of all our expenses. Contractual Services is the next largest category; however, about half of our contractual services are tied up in things such as our trash contract which really is directly money that comes in from residents that pay for trash and then what we pay to Waste Management. Another big chunk of that comes from the Inmate Housing bills that we'll pay out, so that is all tied in—those are kind of fixed costs so there's not a lot of room to move within those. The same with Debt Service. That's pretty much a fix.

As we're going through this year where we're seeing a lot of deficit in our budget, we're really to the point where we can only rely on our Commodities, Capital Outlays, Grants, again, that's money in, money out. Some Miscellaneous, but it really leaves us with looking at those Personnel areas as a major factor.



When we look at Personnel we realize that Public Safety is about 57% of our total budget for expenditures.

Critical Initiatives 2020/2021 Budget

This year we do have some critical initiatives that are still in our budget and we're building in to pay for as we go through. As you look at this, you'll know that these are in.

Capital Included in 2021

Projects and Equipment	2021
Street Preservation/Repair*	$7.5M
Hutton Road Intersection Project (3-yr)	$7.0M
Fire Station (Pierson Park Consolidated)	$6.9M
Sanitary Sewer Infrastructure Maintenance*	$11.0M
Parks Improvement (Museum, Davis Hall, Restrooms, Community Center AC Units)*	$750k
Street Equipment (Pretreatment, Plows, Sweepers, Flushers, Wheel Loaders)	$1.2M
Public Safety Vehicles (Police & Fire)	$2.2M
Police Body Camera Program*	$700k
Sheriff Vehicles & Security Updates*	$450k
Parks Abatement Team Equipment	$220k
Technology (Enterprise Resource System-2020)	$6.7M
Fairfax Gateway Signage Project	$1.3M

*FUNDED WITH CASH OR COMBINATION OF CASH & DEBT

I will start with Capital. Capital is largely driven by items that are in debt. These are items that we feel like are critical for us to continue paying for or some are for operations, but the things that we want to keep doing so we don't take ourselves down too many years in the future.

The Street Preservation/Repair, we can fall back in some areas, but if we let our streets slip more than we have, then they start to fall in dire repair and then that costs us a lot more in future years. We're in the third year of going forward for the Hutton Road Intersection Project, so that remains in. Several years ago, we came forward with the initiative to say how we would look at rebuilding our fire stations and earlier this year we came in and showed what our next stages were coming. We have the Pierson Park Consolidated Fire Station so that moves both Company 16 & 17 together into one new station that will be operating out of this area.

Our Sanitary Sewer Fund, I will note, this is a combination, so that is a Special Enterprise Fund. This is a combination to cash in debt—last year I think the question came year when we started to see overall that we were spending more money than we were bringing in. This fund was a large contributor to that because we save up money in this and then we go out and cash fund projects. We will be doing the same thing again this year in that fund in that, like last year, I believe that number was about $18M. This year we've saved up money and we will be spending that larger amount of cash; it is one of the few areas that has cash to spend in 2021.

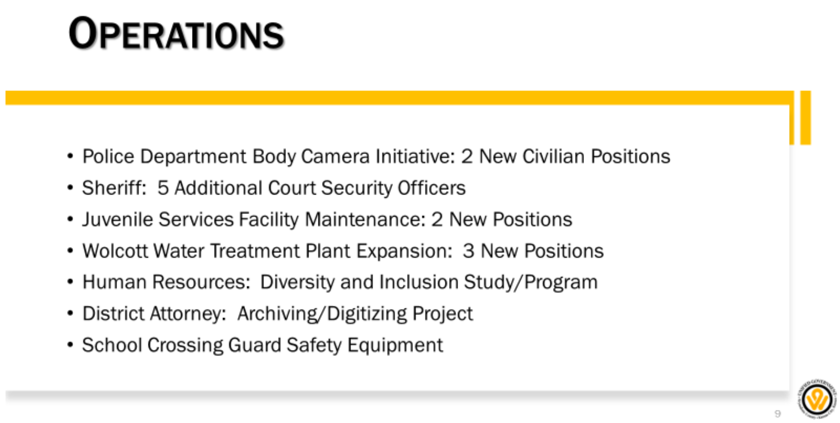
Several park improvements are in our plan. Out of at the Museum there are some major roof repairs that need to be done, other internal things. Same thing over at Davis Hall and restrooms, community center AC units. In Museum, Davis Hall, we consider these both in our destination project areas so they can use some of the CDBG monies to help pay and offset the costs that go into these. We're buying some street equipment.

Public Safety has some vehicles. Our Body Camera Project which we've been working on. For the past 1.5 years we've gone through, we bid that project, we selected the vendor. I believe the Commission has had several updates on that. We are implementing it now. Because we had to reallocate a little bit from cash into debt, it's slowing us down somewhat, but we will be coming back to the Standing Committee, I'm targeting later, I don't think we have it quite ready for later this month, but if we do we'll get it on a blue sheet and get it added to that committee for Public Safety. If not, we'll come back in July and present to the Commission to show you our timeline for the implementation here. We're buying the equipment now to get it on the streets and then you'll see later where we're adding personnel next year for viewing some of the video that comes in.

We have Sheriff Vehicles & Security Updates that are coming in for our Parks Abatement Team. Last year the initiative was to put this in the budget. This year to buy equipment, add staffing. We were on track to do that before COVID came. We bought additional equipment, we hired staffing which essentially was a lot of promotions to people that were working out in the field that wanted to go after and be a part of this specialty team that did this work. COVID hit and we were not able to then backfill positions behind it as part of our holding up and filling positions.

We're ready to go with this. We do have some equipment that we use in the field for it. We just don't have as many staff as we would like to work on the abatement team.

The Technology Enterprise Resource System; this is a debt-funded project that we will be able to pay for over the years, but it's one we also see that we'll be able to get a complete return on investment on this system probably within the next five years. I'll also note that through the use of the TDD fund that we put together through development projects that went into the Fairfax area, we are starting to get to the next level, the Fairfax Gateway Signage Project. They are looking at monument signs. I think a few of you have seen what they presented to go down there, so through the efforts of this Commission to add to some of the new development projects that went on the north end and the south end of the project area, we were able to put a fee or basically a tax on those projects that would contribute at a higher level to pay for this project for the Fairfax area.



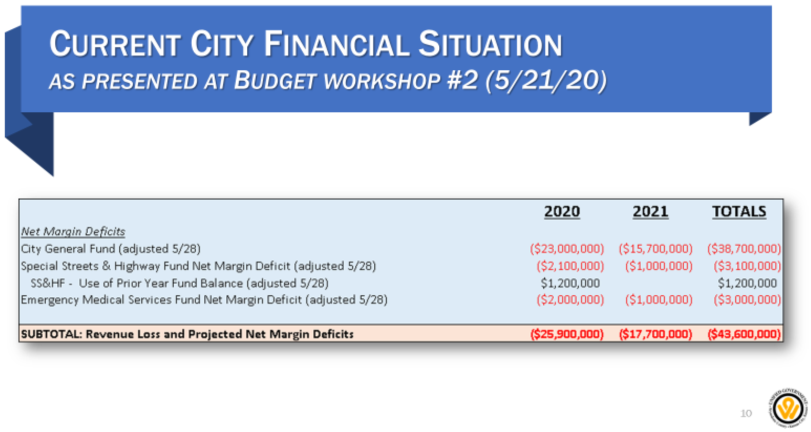
On the Operational side; related to the Body Camera project, as I mentioned before, we have two new civilian positions that will be brought in 2021 and it will be later in the year probably before we can get those staffed. We have five additional Court Security Officers. It's been a high priority to continue increasing the security in the Courthouse, so this adds staffing that does that as well as the staffing that will be there for the new Juvenile Facility, so that will happen later this year. The new Juvenile Justice Center that's going on line, we'll need to have security in that. That follows with two maintenance staff members that will also be assigned to that new facility as part of that new project as it opens this year.

Wolcott Water Treatment Plant; again, this is funded under the Water Pollution Control Enterprise Fund. There are three positions that will be assigned to that new treatment plant next year.

Human Resources; last year our HR Director started working on a Diversity Inclusion Program. She asked for funding—really the funding is for '21. Some of the initiatives that are being put forward are working toward a survey of our employees that we go through and talk to them, find out how they feel about working for the government, interactions, such like that. We get a real good sense of what's going on and then we do some additional training measures that will be done. This is an initiative that was started really last year moving into this year and I think with the timing of everything that's going on in the community, I'm very glad—or this year on a national level, I'm glad that we are putting this extra effort forward and already had plans to implement this year. This was really only slowed down by the COVID measures where our HR staff had to start dedicating a lot of their time to some other issues while they were working apart and helping personnel as we went through these times.

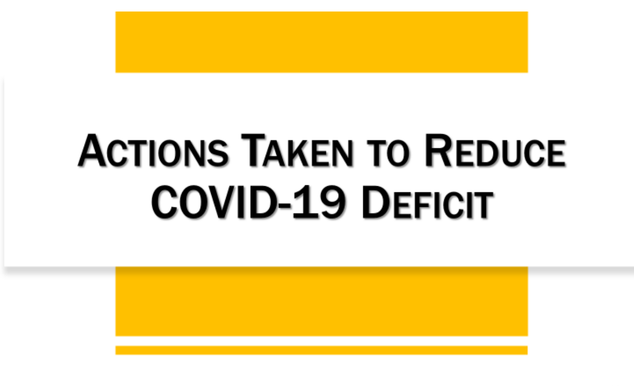
A couple years ago we started digitizing and archiving things within the District Attorney's Office. It turns out this is going to take more time to do and expense. It originally dissipated a very good project to help with this recordkeeping, but we've had to build in additional funding for '21 in order to move through, we believe, what will be the last year to get this done.

Also, for School Crossing Guards, this is just an upgrade in a lot of the equipment we have, new signs, make sure everything—we have all the equipment out there, but we think it's good policy for us to move through and just upgrade all that equipment to make sure we've got the most modern, reflective devices in place at all the stops for our guards.

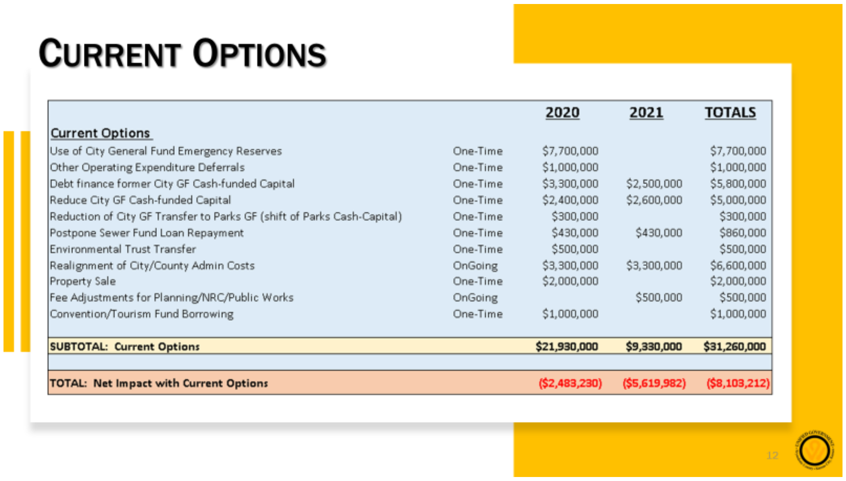


	2020	2021	TOTALS
Net Margin Deficits			
City General Fund (adjusted 5/28)	($23,000,000)	($15,700,000)	($38,700,000)
Special Streets & Highway Fund Net Margin Deficit (adjusted 5/28)	($2,100,000)	($1,000,000)	($3,100,000)
SS&HF - Use of Prior Year Fund Balance (adjusted 5/28)	$1,200,000		$1,200,000
Emergency Medical Services Fund Net Margin Deficit (adjusted 5/28)	($2,000,000)	($1,000,000)	($3,000,000)
SUBTOTAL: Revenue Loss and Projected Net Margin Deficits	**($25,900,000)**	**($17,700,000)**	**($43,600,000)**

This takes me to where we are with our current City financial situation and it's not a good slide. This is a slide you saw last month. We are looking at, after we go through and build in the items that we feel are critical for this year, and then we took out a lot of expenses coming into it. We were still looking at a deficit of about $25.9M this year for the City fund and $17.7M deficit, so unlike the County fund where we see that down to a few million dollars, we felt like this was obviously too much. We can't leave it at that state.

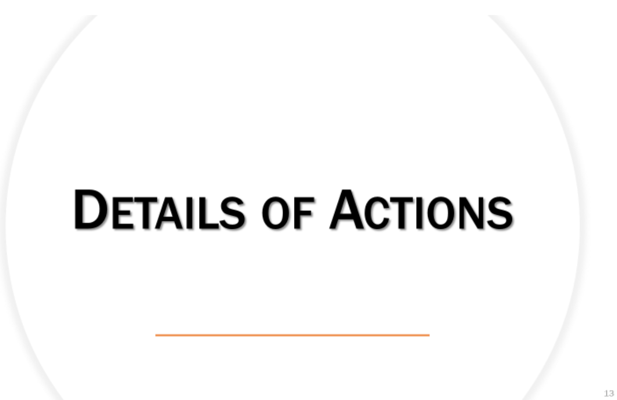


So, started taking some measures of how we're going to make that change, one of those actions to reduce the deficit that has been caused by COVID-19.

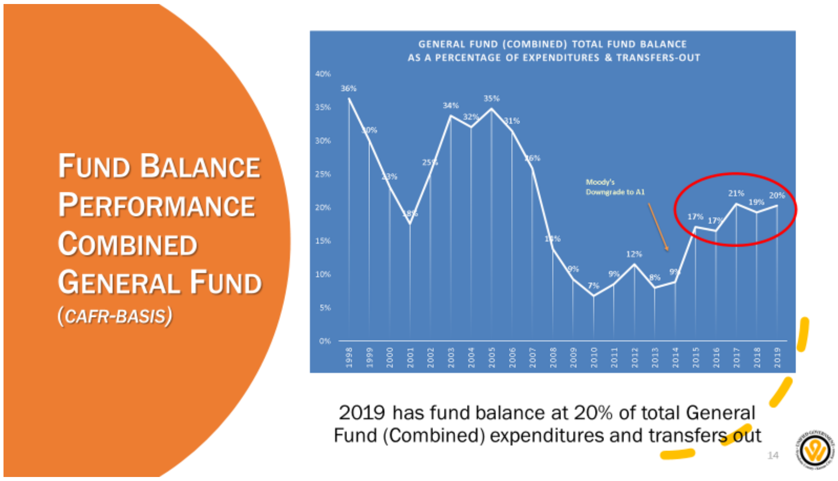


Current Options		2020	2021	TOTALS
Use of City General Fund Emergency Reserves	One-Time	$7,700,000		$7,700,000
Other Operating Expenditure Deferrals	One-Time	$1,000,000		$1,000,000
Debt finance former City GF Cash-funded Capital	One-Time	$3,300,000	$2,500,000	$5,800,000
Reduce City GF Cash-funded Capital	One-Time	$2,400,000	$2,600,000	$5,000,000
Reduction of City GF Transfer to Parks GF (shift of Parks Cash-Capital)	One-Time	$300,000		$300,000
Postpone Sewer Fund Loan Repayment	One-Time	$430,000	$430,000	$860,000
Environmental Trust Transfer	One-Time	$500,000		$500,000
Realignment of City/County Admin Costs	OnGoing	$3,300,000	$3,300,000	$6,600,000
Property Sale	One-Time	$2,000,000		$2,000,000
Fee Adjustments for Planning/NRC/Public Works	OnGoing		$500,000	$500,000
Convention/Tourism Fund Borrowing	One-Time	$1,000,000		$1,000,000
SUBTOTAL: Current Options		**$21,930,000**	**$9,330,000**	**$31,260,000**
TOTAL: Net Impact with Current Options		**($2,483,230)**	**($5,619,982)**	**($8,103,212)**

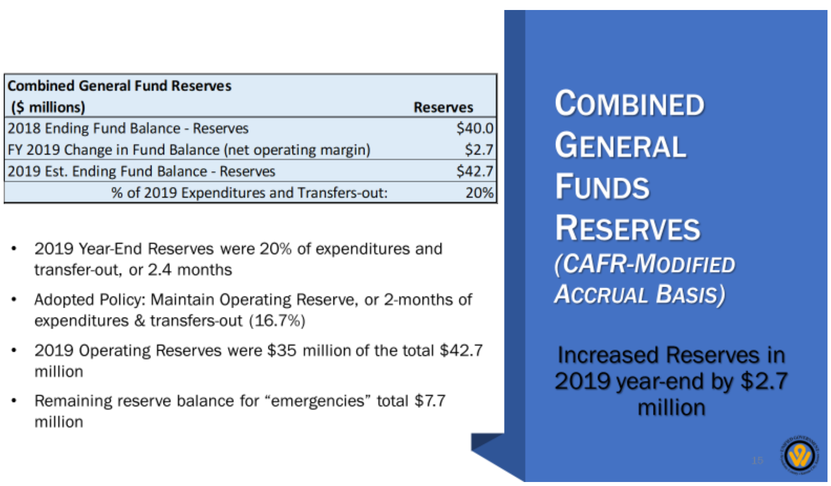
Again, this is similar to a slide you saw before. We made some changes and updates to it and how it gets it down most of the way, part of the way, whatever we want to be. One, using our Emergency Reserves. I'm going to go through each of these in a little bit more detail, so you and members of the public all know just what we're doing. We're dropping some of our operating expenditures, we're debt financing and reducing our Capital funds. We're reducing that transfer I mentioned earlier over to the Parks General Fund. We're going to postpone some payments on our loan to our Sewer Fund and then change where we're going with the Environmental Trust Fund. We have realignment of our City/County administrative costs, we have a pending property sale that we think we can rely on in this project and then we have some fee adjustments and looking to borrow some money from our CVB Fund which is in a good financial position right now.



So, the details on that.



We'll start with the fund balance. Over the years we've worked to build our fund balance back up. We're not where we were back in 2006-07 before the recession, but as you can see, we dropped down as low 7% in years and then we kind of moved through that, but we got back up to where we want to be at about 20%. Thankfully we are there to be able to touch on that money this year.



Combined General Fund Reserves ($ millions)	Reserves
2018 Ending Fund Balance - Reserves	$40.0
FY 2019 Change in Fund Balance (net operating margin)	$2.7
2019 Est. Ending Fund Balance - Reserves	$42.7
% of 2019 Expenditures and Transfers-out:	20%

There are two different slides that I'm going to show you. One is on the CAFR. The CAFR is really on an accrual basis of funds and this is where you see that 20% number and it shows where we're at from the $42M in Reserves to hit that 20%.

COMBINED GENERAL FUNDS RESERVES
(BUDGETARY BASIS)

Fund	City General Fund	City/County Parks General Fund	County General Fund	Total Combined General Fund
2018 Ending Balance	$20.29 M	$0.65 M	$5.91 M	$26.85 M
2019 Change in Balance (net operating margin)	($1.87 M)	($0.20 M)	$3.18 M	$1.11 M
2019 Est. Ending Balance	$18.42 M	$0.45 M	$9.09 M	$27.96 M
% of 2019 Expenditures & Transfers-out	*13%*	*7%*	*15%*	*13%*

Kansas state law requires budgets be adopted on a budgetary basis, often referred to as cash-basis. Budgetary basis balances generally do not include revenues received or expenses made after December 31st.

The percentage of expenditures and transfers-out are provided above for information-only and are not part of the UG adopted General Fund Reserve Policy that is based on the CAFR-modified accrual basis.

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The slide you're used to seeing is what we show you in our budget document and that's one where it shows we have an ending fund balance of $18.42M and if we just show that directly to our budget. That only translate to be about 13% of where we are, but that $18.42M is the money we are drawing down to when we show our budgeted dollars, I think it's $7.7M out of that. That reduces that 13% here down to about 7.5%.

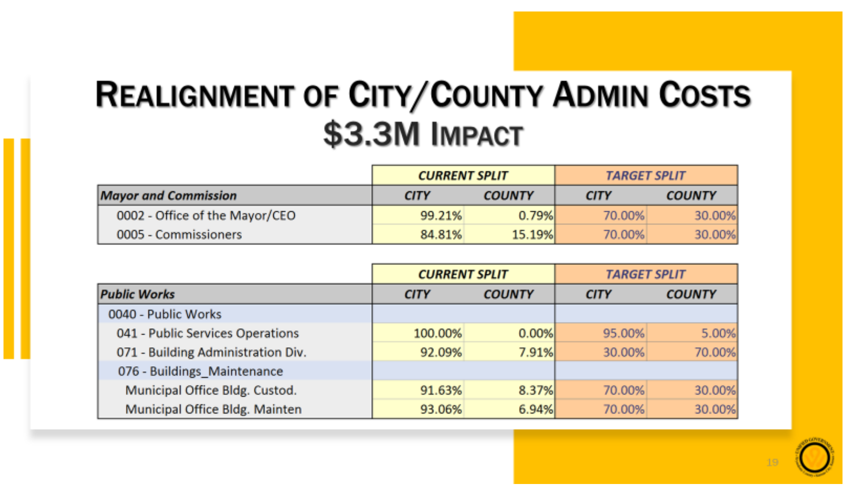
Then on the County General Fund you went up by $3M so it takes it down to a much lower number as well, about 10% coming in there. Again, that's hitting them a little bit harder than we like. I do feel like that is an amount we can't afford to move through, and of course, that's 2020. That doesn't account for any—this number again coming into 2021 so we want to leave it there, not knowing what may happen with COVID, we have our projections and we try to stay conservative as to what we're doing in 2021. If something were to go in a dire direction, the resurgence is higher than anticipated or not being able to rebound as well as we think, we're going to have some money left in our Reserves to draw upon.

Some of our expenditure deferrals to get our budget down; we currently have 291 vacant FTE's across all our funds. This is really the result of last year we were working to reduce some of our expenditures to get the cost down. We came into this year; we did not just jump in and start hiring a lot of positions. When COVID started we immediately slowed down hiring and then as it became worse we moved from there to more of a freeze. This is a large number of employees. We typically have about 2,300, we're usually down around 100, you know just active business going on, but to be down at this additional point now is impacting our service and service delivery as to how quickly we can move on this. I'm building a budget that holds all these positions—continues to hold these positions vacant.

We took an additional million dollars out of different Contractual areas. That's really going in to various line items on the City fund and cutting them back in areas of any kind of training, travel, we have some demo funding that we've reduced down. We still believe there's some money to do demo, but we've cut that back. Just basically, it's going through line items that maybe $5 or $10K of reducing them by a little bit more and then when you add them up across all the different funds, we were able to come up with $1M.

We've also reduced our Commodities cost by $70K for fuel with the reduction in fuel cost.

In the Street Department part of those vacancies—this just demonstrates that we're 19 down and that's just in this one area. We're holding those vacancies. I do want to point out by doing that the Street Department had developed a reorganization where they thought they could go down about nine positions with some of the efficiencies we've created by new equipment we had in place, we felt good about that. This puts us down an additional 10 over that—from that. That will cause a reduced service level particularly in right-of-way mowing and then when we hit weather emergencies, we'll have less people to call upon to get out and do things such as snow removal. So, we will see an impact in service from that perspective.


Realignment of City/County Admin Costs
$3.3M Impact

	Current Split		Target Split	
Mayor and Commission	City	County	City	County
0002 - Office of the Mayor/CEO	99.21%	0.79%	70.00%	30.00%
0005 - Commissioners	84.81%	15.19%	70.00%	30.00%

	Current Split		Target Split	
Public Works	City	County	City	County
0040 - Public Works				
041 - Public Services Operations	100.00%	0.00%	95.00%	5.00%
071 - Building Administration Div.	92.09%	7.91%	30.00%	70.00%
076 - Buildings_Maintenance				
Municipal Office Bldg. Custod.	91.63%	8.37%	70.00%	30.00%
Municipal Office Bldg. Mainten	93.06%	6.94%	70.00%	30.00%

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On the realignment of City/County Administrative Costs; I'm going to take a short break and I'm going to ask Michael Peterson in our Budget Office to explain what this is all about. It's a function we started looking at last fall to get into this and just determine how we were going to do this. We've had a lot of questions asked of all our government as to are we properly paying for things in each area between City and County and it turns out we were not. We were paying for a much higher percentage of overall administrative costs on the City than we should be, so there's been much more time than just through this budget what the (inaudible). It started last year. Michael, if you can jump in here and explain how you did this and then the results of your findings.

Michael Peterson, Assistant Budget Manager, said through the last year we've been looking at the administrative costs across the organization and how they tie to the funding that we have from the revenue that's generated from the City and County. What we looked at was we looked at the Mayor's and the Commissioner's Office, several components in the Public Works Department as well as departments such as Finance, Human Resources, functions that serve the rest of the Unified Government. Going through the allocations we determined that when we looked at our personnel and operating costs across all our certified funds, the spending was typically about 70% City funded and 30% County funded for FTEs. The fulltime equivalent positions, the allocation was about 60% City and 40% County. Mayor and Commissioners, since they support the entire Unified Government, we allocated them the same way as the funding, so 70%/30%.

Public Works; we looked at several different things. For the Municipal Office Building, so for all these slides what you see in yellow is what we currently fund, and the target is the orange. We looked at the departments and what funding source the departments had on each floor of City Hall and came up with an allocation of about the same as the organization allocation of 70/30. Then for Building Administration we looked at the square footage of all the facilities that Buildings & Logistics maintain across the Unified Government and that split was about 30% City and 70% County and usage and then Public Service Operations is the administration portion of Public Works. So, we split that after we determined the Buildings & Logistics and Fleet allocations.

	CURRENT SPLIT		TARGET SPLIT	
General Government	CITY	COUNTY	CITY	COUNTY
0009 - Operations Business Office	100.00%	0.00%	70.00%	30.00%
0010 - County Administrator's Office	91.24%	8.76%	70.00%	30.00%
0013 - Unified Legal	89.92%	10.08%	70.00%	30.00%
0090 - Human Resources	96.25%	3.75%	60.00%	40.00%
0050 - Finance Department				
003 - Budget	100.00%	0.00%	70.00%	30.00%
051 - Finance	99.96%	0.04%	70.00%	30.00%
052 - Auditing/Accounting	82.95%	17.05%	70.00%	30.00%
055 - Payroll	77.98%	22.02%	60.00%	40.00%
058 - Treasurer's Office Program	14.41%	85.59%	40.00%	60.00%
059 - Motor Vehicle	3.37%	96.63%	0.00%	100.00%
0054 - Unified Clerk				
054 - Administration Division				
Administration	63.40%	36.60%	50.00%	50.00%
Mailroom	28.96%	71.04%	50.00%	50.00%
Records Management	19.73%	80.27%	50.00%	50.00%
0240 - Knowledge Department				
017 - Technology Division	58.68%	41.32%	50.00%	50.00%
240 - Innovation	65.64%	34.36%	70.00%	30.00%
245 - Enterprise Systems Support	82.84%	17.16%	70.00%	30.00%
412 - 311 Call Center	-0.46%	100.46%	60.00%	40.00%
0280 - General Services				
057 - Procurement & Contract Compliance	75.18%	24.82%	70.00%	30.00%
128 - Public Safety Business Office	70.11%	29.89%	40.00%	60.00%

REALIGNMENT OF CITY/COUNTY ADMIN COSTS

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These are the General Government or the Administrative functions that we looked at when we went through the allocations. For the most part everything is split the same way across the organization, 70% City, 30% County all aligned with the funding per certified funds. The exceptions would be Human Resources which is split 60/40 based on the FTE level that's funded. Payroll is the same way. They are both heavily involved with personnel. The Treasurer's Office and Motor Vehicle, those are typically heavier on the County side. We did see that there wasn't enough funding on the City side for Treasury and so we allocated more funding out of the realization that they do handle the City finances as well as just property tax management and collections.

Unified Clerk also typically a little bit heavier on the County side lists property tax certifications, so they're split 50/50 and the mailings that go out. 311 Call Center is another notable one where it was typically 100% funded out of the County and set up as a County operation, but when we looked at the call volume, the call volume tended to swing more toward Municipal Court, Public Works and NRC which is Neighborhood Resource Center which are all City functions and so we allocated according to call volume heavier toward the City side.

Mr. Bach said thank you Michael. I appreciate that. As you can see as we went through this to do the allocations equally, this does cause a little bit more of a hit from the County side of the operation right now, but it does equalize out things to make it fair where they should be or at least what we believe. We will publish all this material if we make any finalizations as we go through the final budget and we will put it in the final budget document so it's clear for everyone to see how we do these allocations.

CAPITAL CASH CUTS/DEBT

CMIP CASH SHIFTED TO DEBT	2020	2021
CMIP Cash Projects & Equipment	**$3.3 Million**	**$2.5 Million**
➢ City General Fund	$1,850,000	$2,100,000
➢ Dedicated Sales Tax Fund	$306,000	$60,000
➢ Emergency Medical Services Fund	$875,000	0
➢ Special Street &Highway Fund	$310,000	$372,000

CAPITAL REDUCTIONS	2020	2021
Capital Projects & Equipment	**$2.4 Million**	**$2.6 Million**
➢ City General Fund	$1,104,000	$701,000
➢ Dedicated Sales Tax Fund	$1,026,000	$1,259,000
➢ Emergency Medical Services Fund	$54,000	$405,000
➢ Other Funds	$235,000	$237,000

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On Capital Cash Cuts/Debt; this is an area where we've have taken the Commissions move with the direction and said lets buy more with cash. If we look at it for 2020 we originally came in planning to spend about $5.7M on cash for Capital items. It put us in a position we needed with COVID where could we reach in and grab cash, so this is one area where we did that. There are a couple items left where we really drastically reduced Capital or cash spending. On the top part of this column you can see where we came in and we just moved over to debt about $3.3M and these are the ones that really are funds that directly relate back to the City fund. As you can see, the City General Fund $1.8M, Dedicated Sales Tax Fund which goes toward Police, Fire and different infrastructure projects, we moved $306K over to that. EMS $875K and then Special Street & Highway. All of these are ones where we felt like we needed to keep funding in some degree going forward and couldn't just eliminate all of it, so we put it into Debt and the Debt fund can hopefully heal this, not long-term doing it this way, but can handle it now.

Then we went with that same cash and we just cut out $2.4M and you can see the corresponding areas where we've just taken those expenses out of those areas this year and then again in '21 for that. So, more things going into Debt in order to keep us going through, but between this year and next year we've cut out $5M worth of what we were originally planning to cash fund Capital projects that are pushed out into future years.

INTERFUND TRANSFERS

FUND	2020	2021
Sewer System Enterprise Fund (Loan Payment Postponed)	$430,000	$430,000
• *Outstanding Loan Balance due 12/31/2019: $1.7M*		
Environmental Trust Fund (Fund Transfer)	$500,000	$0.00
• *Fund Balance 12/31/2019: $1.3M*		
Convention/Tourism Fund (Loan)	$1,000,000	$0.00
• *Fund Balance 12/31/2019: $5.7M*		

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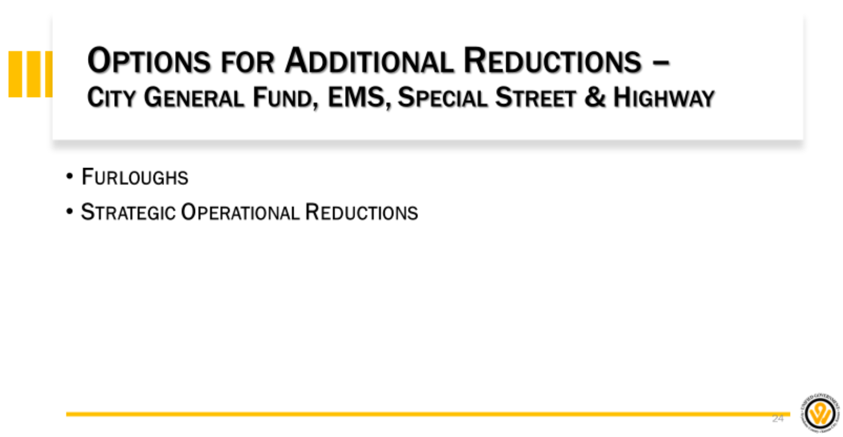
These are fund transfers that I mentioned to you that were set up so that the Sewer System Enterprise Fund has an outstanding loan. This is from many years ago when we were coming back through the recession. We borrowed money from that fund that had some cash balance in it and at that point we were good. Now we're using all that to go towards projects. We're paying that back about $430K a year. Within this budget I'm recommending that we hold on that loan payment for 2020 and 2021 and then work ourselves toward resuming that in future years.

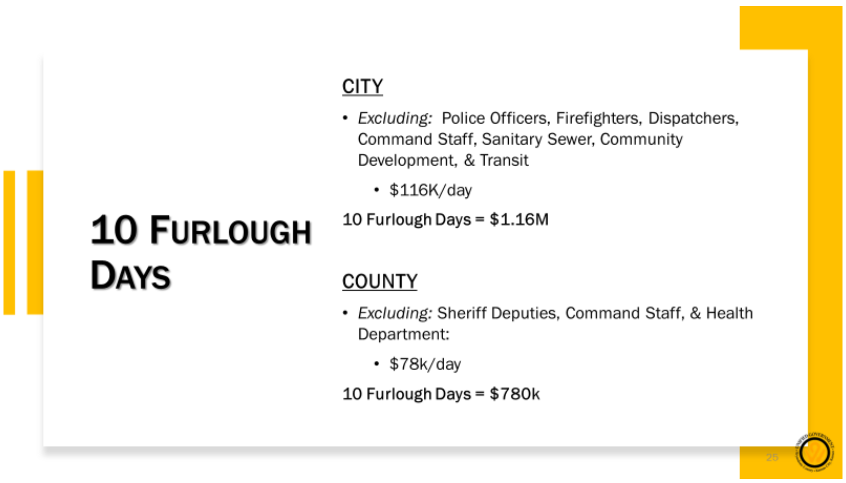
The Environmental Trust Fund is money that we set aside in that fund for a rainy day if there are issues that come up that we need to take care of. In previous years that fund was available, and we went after expenses we had in Garland Park related to that project and that's been taken care of now. We have some other issues that we're looking forward as far as our trash collection and such and we have money left in this account that will handle that, but we feel like there's ample enough where we can transfer part of that rainy day fund over into the City rainy day fund, so we're moving $500K over from that account. This is not a loan from that account, this is something you can do as a governing body. We can move that money back over. We just try to keep this, so it has a respectful balance in it to handle what we believe are pending issues, but right now bigger pending issues with the financial situation we're in on the City side.

The last item on here is a loan and that is for our Convention & Tourism Fund. This is a restricted fund. It can only be expended toward tourism related projects. We do have a $5.7M fund balance at the end of 2019, so we don't have pending projects that takes us over that amount or use up that amount now, so we feel like we have enough money we can draw upon this fund in the City fund and then we can pay it back in future years as projects come up that the CVB needs this. We will be able to pay that money back to it as our revenue streams are better on the City side.

After doing all this and making all these different reductions and cuts to our budget, we're still looking at about a $2.5M deficit in the City and a $5.6M deficit to get down to the point where I said we're using that $7.7M of fund balance. We've got to even take additional measures in order to get us down to this level or closer to being balanced I should say. Even with those cuts, when you look at it, it doesn't put us in the structural balance that looks good because we're—as we go towards the future years, a lot of the measures that I went through with you are one time. There are some things we want to look at that will be continued with us for future years as we watch for our revenues to pick back up.



Options to go into these additional reductions really come into personnel as I noted. These are not ones I like to put up here but it's really the reality of where we're at in order to balance this budget. There are staff furloughs that we can look at and then strategic operational reductions. As I noted earlier, 69% of our costs come from Personnel, so while we're holding 291 vacancies we really have to look a little bit deeper in order to make our budget balance.



When we look at a furlough, what I'm recommending is 10 furloughs days coming into this budget. On the City side I would exclude out areas where we think we're going to have to have overtime to replace on the City and the County where we just have to directly fill back. If we pull off police officers, firefighters, dispatchers out of Operations, I'm paying that position to be filled back with time and a half. That doesn't save us any money so I'm not recommending we put furloughs in those areas. The Sanitary Sewer area, that fund covers their costs. I believe those individuals should continue. We're in a better position having them work all five days and continue through the week right now. Same thing with Community Development, it's a grant funded area. We've been given funding from the federal government to disperse into our community. I would like to have that staff continue to work there. Transit; they receive money that came back from some of the CARES Act of funding that went directly to transit operations. It is to maintain full transit operations, so I can't take them out of operation. We need to continue to fund them the way they are. After you subtract out a few of those categories, we still look at what we can get in the City side of operations about $116K a day, so by 10 furlough days that generates a little bit over $1M that we can do.

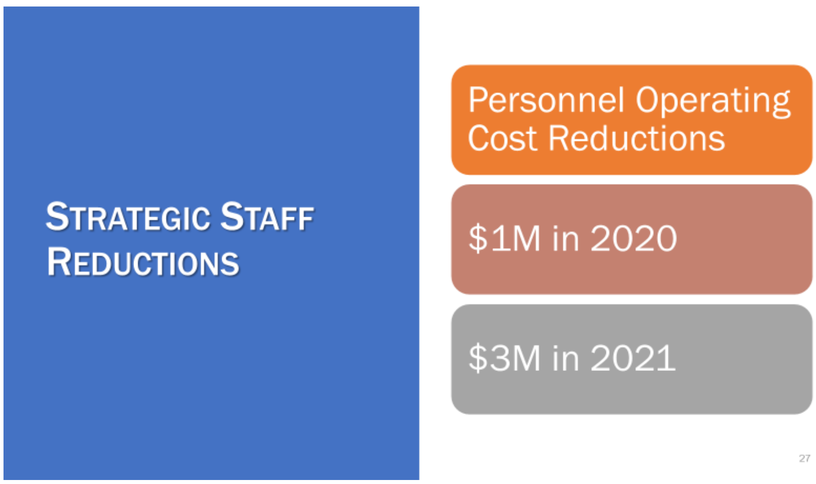
On the County side, when I exclude out, the sheriff deputies is the biggest chunk here, but also the Health Department that can't afford to have their staff go away right now with the pandemic we're dealing with. That leaves about $78K a day or we can get about $780K for that fund.

That will help us reduce the deficit we have on the County side, so we don't have a full in access $3M drawdown on that fund balance. One good thing about where we're at in the world of furloughs today is the federal government has the stimulus that's out there that goes back in unemployment. It provides an additional $600 a week.

We put together a furlough package that if we implement it immediately, we can still take advantage of that because it runs through the end of July. I think by doing it—it will be an impact on our operations. That's not a great thing by any means, but it can have less impact on our employees financially if they can take advantage of the federal money that's being added to the State unemployment.

There's a Work Share Program and we're going to roll this out to our employees. We'll show them they can either take this in the form of 10 straight days or you can do a Work Share Program where they are only off two days a week and you do that for consecutive five weeks in a row and it allows them to make back a higher percentage, if not all, of the money that they would have loss through being in a furlough program.

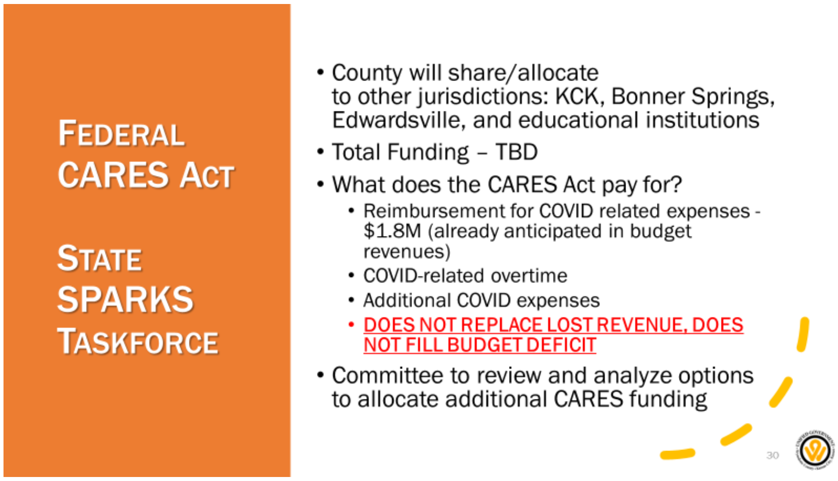
We do have several bargaining units that this does impact that are still left in it and we have to negotiate furloughs with that. I will say I'm hopeful that we will be able to do the furloughs and the bargaining representatives will be able to see that's a better situation for their employees they represent to be in than it is to not take advantage of it. If we don't do the furloughs, then we would have to lay off employees to counterbalance how much we're making up for this $1.16M or this $780K on the County side.



The strategic staff reductions that I'm mentioning, basically, I'm trying to get an additional $1M out of 2020 and then $3M out of 2021. These would be ongoing things that happen immediately really this year, so it will be a full half year in place for 2020 in order to recognize that amount and then it would continue through 2021 and then further going to 2022 to help with those future reductions we're looking at if we don't see our revenues return. How are we going to do that?

We put some enhancements in our technology and software, so we believe that's an area for us to reduce some FTE needs in those areas. We started the Priority Based Budgeting. I wish we were further along, but in working with the Commission over the last year we've been able to identify some of the lower ranking areas, so those are ones we're focusing on. We restructured. By restructuring, and a good example of that, is what I showed you in Public Works by the activity we had already done we're in a position to fully absorb where we're at with nine of those employees that are down and that would be our long-term game, but unfortunately, we're 10 more down with vacancies that exist today. There are some other restructuring ideas we have that we want to implement and then, again, in the areas that we found that are overlapping in service delivery, we would take those out.

The Federal CARES Act; our chance for revenue to come into play. We want to get into this and talk about it because that is a revenue opportunity. Unfortunately, it's somewhat restricted.



Number one, when the county is allocated our share, it's a share that comes to us, but we are asked to share it with the cities. One, Kansas City, Kansas, but also Bonner and Edwardsville and the educational institutions and that is the right thing to do. When we get our allocation, we'll be looking to them to see what expenses the other jurisdictions have and see how we can work on that for allocation out to each.

The total funding is still somewhat being determined, but it really translates into what can we pay for with the CARES Act. I think that's the biggest question you look at. To date, we've had about $1.8M in COVID related expenses, a big number. We have anticipated that we would get revenues to offset that $1.8M. When the CARES Act money comes in and pays for that, all the monies I showed you above, that anticipates we're getting $1.8M to offset that, so that's good. I think everything points to the fact we will get the money to pay for 100% of all those costs that we've already incurred and offset that, but that doesn't help offset any of the deficit dollars I showed you earlier today.

COVID related overtime; this is an area we had not calculated in to the budgets above. It's not a huge number. When we see overtime, we've occurred here has really been over in the Health Department. As COVID started, we actually saw a reduction in service needs going on with like the Fire Department. The Sheriff's Department did a great job of containing and keeping COVID out of their facilities, so we're only probably a little over $100K in overtime today that's directly related to COVID. We've been watching and tracking that closely.

We do know we will have some additional COVID expenses. In fact, in the Health Department, I was talking to Ms. VanLiew earlier today, she anticipates she could easily spend $4 maybe $5M in other items that would come out. When this money gets allocated and we get our share to go to, that will be one of the first areas that we look at because that is our primary function of spending that money where we have within the Health Department and what they can do.

Unfortunately, it does not replace lost revenue, it does not fill our budget deficit. This is what's called out in the federal laws that are out there. That is an area we would like to see changed, but that is locked in and I think I was going to let the Mayor—he indicated he might want to say something about that because I know he has been working diligently to try to find ways for us to help change that.

Mayor Alvey said I have reached out to Senator Roberts office, Senator Moran's office, Representative David's office to (inaudible) forward. In general, the money that is flowing to the State that is then going to be allocated to the counties and through the counties to the municipal places and educational institutions and perhaps also to the BPU, it does have strict guidelines that are set by the Treasury Department. The State does not have any control over how that money can be—used for. Again, it does not replace lost revenues so we can't use it to fill our budget deficit, but I am talking with them to see if there is any movement on Capitol Hill to change that regulation. They would have to go back probably into the CARES Act and open it up and make those changes. I think the best argument for this, first of all, is if the CARES Act was really meant to provide, the way I describe it, as hydraulic fluid to keep the machinery of the economy operational to keep it charged up.

Not allowing local governments or state governments to use it to take care of some of their budget shortfalls, the revenue shortfalls, doesn't really provide the liquidity for the economy. So, again, the first stimulus bill the CARES Act was meant to provide liquidity then this is not really achieving that, so there might be some movement with that kind of argument, but that's not clear. I expect to get a call back from Senator Roberts office tomorrow. Chad Tenpenny was going to research that some more and, of course, we've reached out to our federal lobbyist Jim Davenport to see what's happening there.

At this point, again, we would like to see them expand how these funds could be allocated to really provide aid to state governments, city governments, county governments and other governmental entities like school districts, but that's where we are right now.

Mr. Bach said the other step within this, we do believe there is a high probability that the amount of funding that comes to Wyandotte County will exceed what we have in our already expended money and reimbursing the overtime we have and even adding a few more million on for what the Health Department looks at. We think there will be more money added to Wyandotte County so I think that's where we're looking to have a committee to come in to review and analyze options how we can allocate that additional CARES money within things that we could do from a Unified Government perspective, but also may come forward from different types of businesses or operations. Maybe the Board of Public Utilities to help continue with their fund where they don't have to shut people off or losing power. There are many different things and I think that's one where people really put their thinking caps, get outside the box, and we develop areas to how we can strategically spend that money in our community. Unless things change different from, as the Mayor just described, it does not appear we will be able to use that money to offset the great revenue loss that we're experiencing going through this budget.

Commissioner Bynum said could you speak at this time to funds, other funds, that the Unified Government may have received already as we've moved through COVID-19 response including FEMA dollars from Health & Human Services and HUD. Did we receive them, what did they pay for and do they impact any of our ongoing expenses that we're facing right now with this budget conversation. **Mr. Bach** said I will probably draw upon some of my staff members that are on call to assist me with it. Probably one of the greatest ones that's helping with our ongoing that we built into the cost was we did get $4M for transit and received some money for CDBG. Melissa Sieben, would you jump in and discuss how that funding is—what we know about how that funding can be allocated in those areas and then in any other areas that you're aware of.

Melissa Sieben, Assistant County Administrator, said absolutely. For the transit funding, it was about $4.2M and that is able to offset actually loss transit revenues from the collection boxes, so when we went fare free during all this, that is recoverable. It's also for additional expenses that we've incurred to retrofit buses for safety of our drivers and passengers. Additionally, it also will allow us to be able to purchase some Capital equipment and offset the cost of staff that are actually ongoing operational costs. It has a lot different restrictions than restrictions we will see from the other CARES dollars that we're receiving which is actually really helping the bottom line of several funds, the City and the County fund as we move through this budget process.

On the HUD side, as of this week, we received another allotment, so we've had now two allotments of ESG dollars which is Emergency Sheltering dollars. The total of those dollars is just over $2.2M and those will also be able to be used for things like rent that people aren't able to pay, utilities, other sheltering needs for families who may be displaced because of COVID and other additional issues that had occurred. Those funding's are limited to really specifically toward what is being impacted by COVID as well just like with the other dollars we are receiving.

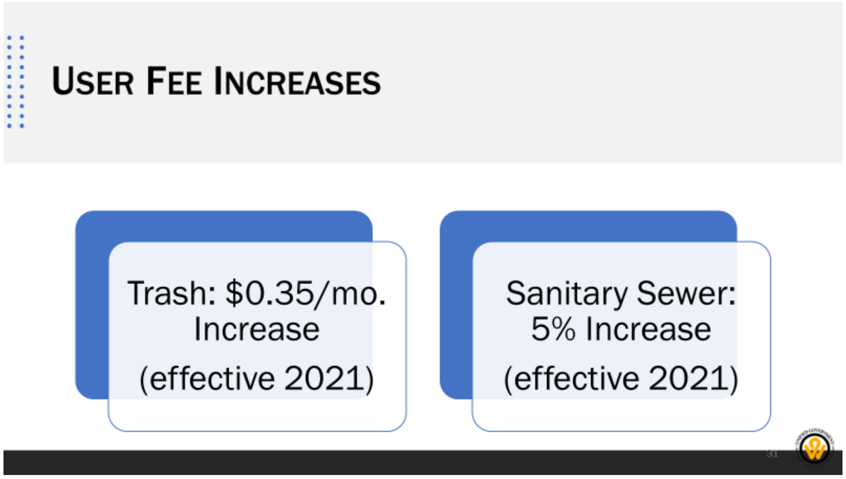
We've also received over $1M in CDBG funds which we are still figuring out how we might allocate. There are a number of different ideas that we're working through and trying to understand how those work with duplication of services which is a big challenge with federal dollars. That's all I have, Doug, unless there's something else you would like me to talk about.

Mr. Bach said, Alan, Emerick, are you guys aware of any other federal dollars or stimulus dollars from this program that are available that are back in operations. **Emerick Cross, Assistant County Administrator,** said not for any of my departments, not at this time anyway. **Alan Howze, Assistant County Administrator,** said negative.

Commissioner Kane asked, is this the last slide you're going to show on this. **Mr. Bach** said on the Federal CARES Act, it's the last slide. **Commissioner Kane** said, okay. I asked you guys last Friday to contact the Governor's office to see how much money we had coming. Did anybody do that? **Mr. Bach** said we do know what the formula is. The formula calls out that we can get about $234 or something like that a person, which would put about $40M coming back to our local county. That is money that then falls into this category of how it will be distributed between—that distribution is not clear as it goes through and works with the SMARTS Task Force. I think we're going to get some additional guidelines on that, but it is a large sum of money and that's why we note that putting together a committee to look at this for review and analyze the options as to how we might deal with the spending—**Commissioner Kane** said that committee would consist of who? **Mr. Bach** said I know we will have staff members working to do it. I think the Mayor will probably want to comment on that, but he's thinking of it from a perspective that he would probably want to have some elected officials on there as well that could help guide this because we will probably see applications as we've looked at some other communities. Kathleen was looking and giving me some information today on what had been done in a few other cities as far as they put together some task force people apply and show how they can spend that money to help restart things in their local economy as a regard to COVID.

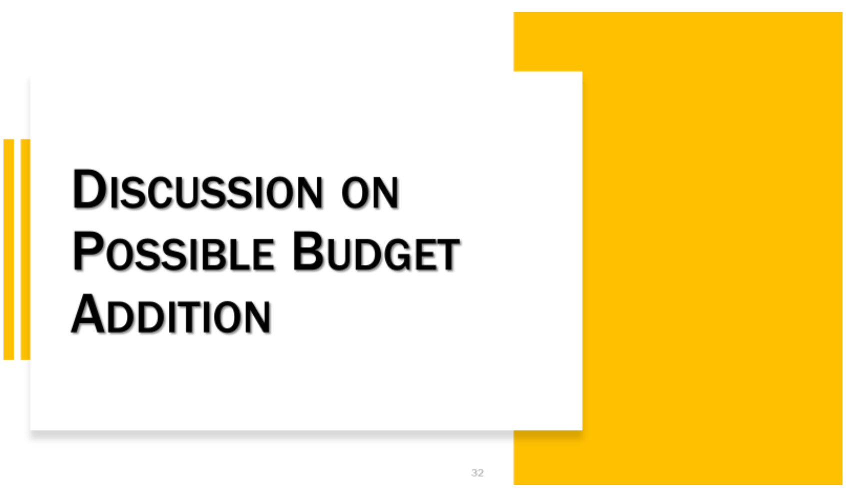
Commissioner Kane said I would like a hard copy of what Melissa said we've got so far, and I think each commissioner should have a hard copy of that. I think we should be updated like Alley updates us every so often on what's going on because I would like to be able to tell the community we've received this much money already and we believe we have this much more money coming. It would be a heck of a lot easier to explain to the community if we had something that we could see because I forgot about half of what she said, but I also know that we have a significant amount of money coming to us and there is only a few ways you can spend it. I think a hard copy and a weekly update would make things a lot easier for us. **Mr. Bach** said we could put together a summary on what's come in so far and then I think this morning added to it—I do know Gordon Criswell is not on, so I couldn't go to him on this, but within the Health Department they received a notice of an additional $750K award they have from a local philanthropic organization today. That's one we will put to adding to the standing committee agenda—or we're putting it on the standing committee agenda that comes out on the 22nd, but it's money that moves fairly quickly.

I think as these grants—I know the ones Melissa mentioned as they come through I include those in my weekly notes, but we can try to summarize all those, so we have them all in one place. I think that would work well for the Commission to see that. As you said, Commissioner, when you look at this additional, I think it will be a large amount of money that comes back to our community and we will be eligible to put into play for things. You know with that in red, I'll just mention again so members of the community sees that, that does not backfill our lost revenues so the things we're talking about today as far as trying to do some furloughs and some other reductions in operations and all the existing vacancies we have and can't use the money for that. I think there will be some good opportunities for us to spend that money to try to make a big impact on our community when it's given to us.

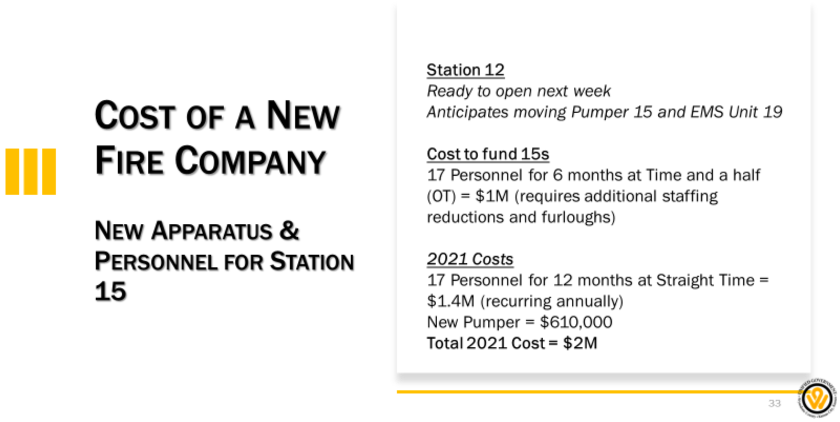


Continuing on with the presentation after the CARES side of it, we have user fee increases that will be built into this year's budget. Nothing flashy about these. We have within our trash contract a cost of living adjustment that comes into play based on different costs that are in that but showing it about $0.35/mo. It always works kind of backwards on our prior years, so a lot of the fuel reduction costs won't be calculated this year. We should probably see that next year so hopefully that holds that line on the cost.

Sanitary Sewers; we went through the consent decree. This is an Enterprise Fund as you all know, but the consent decree was calling for continuing a lot of Capital projects, several hundred million dollars' worth of projects so it puts us in a place where we have to continue to increase this fee 5-7% a year as we move through that.



Discussion on a possible budget addition I wanted to be sure to mention tonight. There has been a lot of conversation regarding 15's.



We are ready to open up Station 12 out in the Piper area next week or at least begin moving our equipment into that station. We think the keys will all be turned over to us from the contractor tomorrow. We anticipated moving Pumper 15 and EMS Unit 19 which is located at 82nd & State out to that station for operation. If we want to continue to fund 15's, that would require 17 personnel, so I just note that, this year that would be all in overtime because we don't have the additional staffing so that would be about $1M and we would attempt to utilize one of our spare trucks. We can't utilize a spare truck forever going forward so when we look at 2021 we would then need 17 personnel for 12 months. That covers at straight time cost and then a new pumper would need to be ordered. It takes about 9-10 months to get a new pumper in, so if we didn't order it until January, we're looking later in the year to get that done, so that 2021 cost is about $2M. I do not have either of these expenses built into the budget numbers that I've shown you above but wanted to make sure we highlighted this, so we knew what it was in the case that we needed to—or we're thinking if we're going to go in this direction.

Commissioner Townsend said, Mayor, Administrator, staff, fellow commissioners; you may have received a request by Fairfax Industrial Association late this afternoon. They were aware that this is on the agenda. If you go back to the Special Session that we had on the presentation that took place back on May 7th wherein our Fire Chief made a presentation and also the Executive Director of the Fairfax Industrial, several of us expressed a desire to look at other options and several other commissioners had questions that they wanted answered. The request of FIA this afternoon is just to table further discussion of this tonight and give FIA an opportunity to meet with other commissioners. I think the slide that's up here now is a good snapshot of what we're up against that the Administrator has presented and it's consistent with the numbers we saw back on May 7th.

I would hate to think of what Wyandotte County would look without Fairfax in the contributions it's made, so it's just asking for time to talk to—get on the schedule to talk to the other commissioners. I've encouraged them to do that if at all possible within the next week. According to the schedule we've got published for upcoming meetings, our next one after tonight would be June 25th. I would ask that we pick this up from here June 25th after FIA has met individually with as many of my fellow commissioners as possible and then at that time we revisit this amount.

I know that the callout today mentions whether to fund 15, but I actually see it from another position, 15 is still working and operable. I guess the question is how do we fund personnel and staff for 12, so that is just my request and I hope the Commission, Mayor and Administrator looks favorably on that.

Commissioner Bynum said I just want to reiterate the request that I had made several weeks ago, last time we had an extensive conversation about this and taken in the context of Commissioner Townsend's request that we respect the email that was sent from Fairfax Industrial and push that conversation to late June. It would give us time to convene the group of folks that I had requested several weeks ago which is an internal committee that consisted of staff from Finance, Administration, Fire Administration and the Local Fire Union. I'm just going to renew my request for that, and I have one question and that is, when we anticipate moving Pumper 15, how many firefighters is that? That's a question I'm asking. I guess it's two questions. **Mr. Bach** said I believe it's 17 that will be reassigned, but I guess I can—17 I guess was the number that I told the Chief that if we were to fully outfit that station coming into. Chief Callahan, how many will be moving out there?

Chief Callahan, Fire Department, said all of the firefighters that are currently assigned would be moving out of Station 15. I don't know the exact number that are assigned, but it's three per shift on a pumper, but sometimes when they're at the station when the engine does not have a completely filled assignment roster, they shift people in for the day. So, I don't know how many are actually assigned to that station right now, but we staff it with three firefighters per day. **Commissioner Bynum** said okay, three firefighters per day meaning per 24-hour period. **Chief**

Callahan said that's correct. **Commissioner Bynum** said we don't know how many total firefighters that equals for a weeks' time for example. I guess how many total firefighters it is period. **Chief Callahan** said as I said, it would be three per day, but I don't—I'm remised because I don't have the actual assignment sheet in front of me as to who is assigned to this station, but on a daily basis three firefighters work there. I can get that information as to the actual number of people who are assigned there.

Commissioner Bynum said I apologize because what I can't remember is the way that firefighters work their shifts is not the same as, for example, the Police Department that works three 8-hour shifts in a 24-hour period. Firefighters are different and they work 48 on, 72 off, whatever it is. **Chief Callahan** said 24 on, 48 off. **Commissioner Bynum** said so 24 on, so three in a 24-hour period. **Chief Callahan** said correct. **Commissioner Bynum** said times 7 days in a week. **Chief Callahan** said correct. **Commissioner Bynum** said equals 21. **Chief Callahan** said the actual number, Commissioner, if you want to use actual the way we figure out our manpower, it's 3x4.1, that's the total number of firefighters. So, it would be 12.3 and round up to 13. **Commissioner Bynum** said okay. I was just trying to get a handle on how many actual personnel are we talking about when we say that if we move Pumper 15 to our new Station 12. That's good, that's close.

I'm going to go back and reiterate my original request which simply was to—I feel like we've got smart people all around us and a problem we can solve. The request that I made was within our existing resources can we solve this problem without eliminating Station 15 and that's the renewed request I'm making again today, so with that, I will concede the floor here.

Mayor Alvey said, again, my opinion is where we are we have to give very strong direction to the Administrator and to the staff to develop the budget for full presentation, final presentation, on July 16th. Tonight, we rarely, the only time we take action to vote during a Special Session is to set the maximum mill levy. What we will be doing tonight is deciding whether we will set the maximum mill levy higher, lower or keep it the same and that won't be ratified, or we won't vote on that officially or finally until we adopt the budget.

The problem is if we think that there are other places, I mean we're really at this place, we are either going to have additional furloughs, additional reductions in staff, additional reductions in services or we're going to increase the PILOT for the mill levy. Those are the only options available to us. There are no other existing resources to draw from in this regard. We are at that either or spot and we have to come to a decision. We have to give the County Administrator the direction he needs in order to continue to develop the budget because the amount of time it takes to do this and especially because some of his staff are probably going to have to go on furlough if we accept what has been presented here.

Commissioner Bynum, as you and I discussed, the communication I had from the union president was they would not accept reducing any force anywhere and so if we want to—and I'm okay, if we want to increase the mill levy in order to fund up the station, then let's vote on that tonight and let that happen and give the room. That gives the County Administrator clear direction that the Commission is willing to increase the mill levy in order to fund up restoring or keeping that in operations in 2021. We don't have any more revenue options for this year.

We cannot increase the mill levy for this year. If we wanted to increase the PILOT, we still have a process to go through. We're required notification meeting with the BPU Board, so there are just no options. We're either going to have to continue to reduce those people who work for the UG, further cut services, more mowing, more of whatever services we provide; those are the options in front of us. We have to provide some direction. So, my suggestion would be if we are seriously considering doing that, then we vote for a mill levy increase to accommodate that. That will come up in a future slide.

Commissioner Townsend said I just want to reemphasize I appreciate the time crunch that the Administrator is up against and you mentioned some other things I hadn't considered in how dire that time crunch is with the anticipated furloughs. Again, all I'm asking is that—we're at June 5th today, according to the schedule the budget calendar on June 25th the Administrator presents budget. I'm just asking for in their email, FIA asked for two weeks. I'm asking for at least a week so they can get with whatever commissioners may have additional questions or comments and then we come back to the Administrator with whatever questions or recommendations we might have so that could be put in his presentation and we go from there. That's all I'm asking for. **Mayor Alvey** said that would be appropriate. My suggestion would be; however, that if we are going to continue to look—the County Administrator has given us recommendations, suggestions about how do we proceed through this budget deficit for 2020 and 2021.

If we want to have another conversation with Fairfax Industrial about how to meet this problem, then we know there are two options. We either cut the budget even more, which is going to be personnel, because again, 69% of our expenditures are for personnel or we give room for an increase in the mill levy. We're going to be voting on whether we give direction—now, we can say we're going to increase the mill levy by one or two and we'll see slide about what this will cost, we can vote to give that room. We would not finalize that until the budget adoption on July 16th. If we want to have this conversation about keeping it open, that's the point of this conversation, let's increase the mill levy to accommodate that or let's contemplate an increase in the PILOT. Those are the options for additional revenues in 2021. For 2020 there are no revenue options. It's simply this, we continue more furloughs, more reductions in force, decrease in services provided throughout the county whether that's mowing, blight remediation, all those things we want to do, these are the options. It's either or. More revenues, more cuts in services. That's the whole framework of the conversation. It's nothing more than that.

We're going to be able to vote on this and I think if we want to have this conversation, we're going to have to vote to give the administration (inaudible). I'm not going to create another committee to look at this. We have the people in place, we have the processes in place, the final decision comes down to the Commission. If Fairfax wants that opportunity to come back and meet with us, then we need to accommodate that with an increase—with an indication that we would contemplate increasing the mill levy when we adopt the final budget. If over that time we decide we do not want to increase the mill levy, we don't have to, but if we want to continue to build out the fire station or the company, then we're going to have to reduce services and that's what the direction that the Administrator needs. He needs this time in order to get this accomplished.

Commissioner Kane said a lot of people know I worked on a joint program at General Motors for 21 years and for 21 years the union and management sat down, made a decision behind closed doors and came out and facilitated that decision. I think it's now time for them to sit down and with Commissioner Bynum and perhaps Commissioner Burroughs and see if there is some way planned that they can come up at a minimal cost to make this where we do not close Station 15. I think we've got two weeks to move this around. They can get it done in the next week or week and a half, but I think it's important that we bring our partners from both sides of the fence together to show them how serious this budget is, to show them the situation that we're currently in, and what our future situation looks like to see if they can come up with a solution that affects us the least. I think you should poll some of the other commissioners to see if they're in agreement with this because you've got at least three of us saying we would really like to do this and I know we're under crunch time, but they can get this done in the next 7 to 10 days. Then come back and say it worked or it didn't work and then we would have to adjust accordingly.

When we, as commissioners, ask to do stuff like that, we are the elected body, we have to answer to the community and some of the community is upset about closing the Fairfax District Station 15. I just think it would be put our best foot forward to solve the issue this has emotions both—very high emotions and the fact that we need to figure this out the best we can before we settle the budget. If any of the other commissioners would like to chime in, I would really appreciate it.

Mayor Alvey said, again, Commissioner Kane, I am okay with giving this but I'm going to suggest then that in order to really move this forward we have to vote to increase the mill levy to cover the cost so that there is room for this to move forward. Again, my understanding, my communication I received from the President of the IAFF was that they would not accept any reduction in companies, so that's already perimeter. That's already a limit. If they're willing to negotiate with that, then that's a good conversation, but it puts us into a place where if they're not willing to accept that and we want to keep that going, again, it's either a reduction in force, additional furloughs, reduction (inaudible). **Commissioner Bynum** said we lost you Mayor. **Mayor Alvey** said we're going to have to vote for the possibility that there is room there.

Commissioner McKiernan said I completely understand where you're coming from in terms of the need to potentially vote for the possibilities, so to set the maximum mill levy higher than it is right now to open up that possibility should we decide as a Commission that we want to go that direction. Historically, we do that almost every year anyway even in the years when we voted ultimately to lower the mill rate, we generally set it high just in case. Just in case something blew up at the eleventh hour, we had that flexibility. I would suggest that to me—first of all, at some point and time we've got to stop kicking this can down the road and we've got to pick it up, we've got to deal with it, we've got to fix it.

I think that the suggestions by Commissioners Townsend, Bynum and Kane are sound in that if we were to vote tonight to open a little bit of headroom in it, we have one final chance to deal with this issue before it becomes real dollars in 2020 and real dollars in 2021. I think that is a reasonable chance to take and so I'm okay with going that direction.

Mayor Alvey said, again, I'm not opposed to that. My point continues to be we've got to open up that headroom to really have the perimeters within which to work. Again, I have no problem and I will say this now, I have no problem going out and telling the public that we need more revenues in order to provide quality services for our residents. I know there are people who say that we cannot raise the mill levy because that's a fundamental. I'm of the opinion our people are more interested in quality services and the extent of services and if we can make the case to them, and I'm willing to make the case that this has to happen, we'll do it.

Commissioner Townsend said I think Commissioner McKiernan summed it up for me and you're right about moving forward with the mill levy, setting the maximum. I fully intended we would deal with that tonight. Again, what FIA had asked for was just not to make a decision tonight about 15 and 12. That was really the ask. I agree with Commissioner McKiernan that we need to move forward with that as protection or covering as we do every year. I don't want the public to necessarily think that this discussion is going to result in a mill increase. This is what we normally do. Again, I was just asking for additional time so that FIA could speak with other members of the Commission and that's it. I'm not saying that we're doing anything more than that and I think Commissioner McKiernan was correct, we have to move on this but tonight we're not talking about whether or not to close 15 or how we're going to fund 12.

I have to say again as I think it's been mentioned before, we, the Commission, had told the Administrator several years ago, go forward with 12 with the resources we then had never anticipating where we would be. It was never do 12 and close 15 and that's the problem we see ourselves with now. If we can move forward with what was planned for tonight with adopting the highest mill levy possible, well not possible, but setting a maximum and then we have room to go down. I'm totally in agreement with that and FIA can reach out to the other commissioners and meet with them individually as their schedules permit. That's all they're asking for right now.

Commissioner Philbrook said I want to say that I agree with having additional conversation, but I also understand that we are under a time crunch and the reality is that, yes, tonight we need to put our maximum mill levy amount, as Brian so artfully brought forward to us, to remind us that, yes, we have a job to do tonight. I do understand that we may have to put that one additional mill on there for the possibility of increasing personnel or not. I'm going in that direction, the same direction with Brian, the realization that yes we need to allow that extra room so our folks down at City Hall can go ahead and work on a budget that would reflect either way.

I would pray, not that I expect it, but I would pray that if there is a conversation among the people that Commissioner Bynum suggests, that there is actually (inaudible). **Commissioner Bynum** said we lost you Commissioner. **Mayor Alvey** asked, can you go back to the least paragraph. We did not catch that. **Commissioner Philbrook** asked where did you lose me. **Commissioner Markley** said you would suggest. **Commissioner Philbrook** said I would suggest that, yes, we go ahead and add a mill as the top amount. It gives us room to work and I agree with Brain that I think that needs to happen and that also allows (inaudible) because we're down to crunch time. So, we give it a week to have that conversation and whatever comes out of it, comes out of it and then we have to move forward.

Commissioner Bynum said asked, could we go back to slide 8 on the presentation which was the Combination Cash and Debt Capital Projects. The reason I'm asking to go back to that one is it indicates the dollar amounts and that the ones with an asterisks are funded with cash or a combination of cash and debt. So, that means the ones without an asterisk are debt, is that a correct assumption to start off with? **Mr. Bach** said yes. **Commissioner Bynum** said so the ones that remain with stars by them starting with Street Preservation/Repair at $7.5M—the two big ones I see are Sanitary Sewer Infrastructure Maintenance $11M and the very first one Street Preservation at $7.5M. Then the rest of them are much smaller numbers, but those two combined are $18.5M, so how much of the $18.5M of those are cash? What I'm driving at is we are holding back and stopping so many things just to survive. How much of this being cash can also be held off and stopped just to survive and then be allocated over to save a fire station? **Kathleen VonAchen, Chief Financial Officer,** said both of those are all cash and the Sanitary Sewer is a Sewer Enterprise Fund so you can't use Enterprise Fund charges for services paid by ratepayers to pay for a fire station. Then the top one, $7.5M, that's already been cut quite a bit and, you understand, that's a one-time cost. It's not an on-going revenue source.

Debbie Jonscher, Deputy Chief Financial Officer, said I would just note on the Street Preservation, I think about $2.5-$3M of that number is cash. That is a combination of cash and debt. **Commissioner Bynum** said on the Street Preservation, $2.5M is cash? **Ms. Jonscher** said right. **Mr. Bach** said, Debbie, is that anything from Special Street & Highway? **Ms. Jonscher** said no, it's Dedicated Sales Tax Fund. **Mr. Bach** said it's the whole share that Public Works gets. **Ms. Jonscher** said right.

Commissioner Johnson said, Doug, back to the original discussion about—I think it was started out by Commissioner McKiernan. I think Commissioner McKiernan is correct although you already know how I feel about increasing the mill levy. The question I have is, if we decided to increase the mill levy tonight, how much will we need to increase it by in order to cover the cost of manning the new fire station? **Mr. Bach** said for '21 I really need about $2M to do it, so that's 2 mills. Then you would be able to reduce it back to about 1.5 mills in future years because we don't that—I know the pumper cost is only a one time cost. You would need to go up 2 mills in '21 and then you could look at reducing that in '22 and '23. **Commissioner Johnson** said okay, so just for clarity and for those that are watching, hypothetically speaking, if we decided to increase the mill levy tonight, it seems to me that we would be looking at needing to increase it by 2 mills. Whether or not we use it or not is a decision to be made at a later time, but if in fact, we need to pull back on that in order to get both of those ventures accomplished, we would probably be talking about 2 mills tonight. Is that correct? **Mr. Bach** said yes. **Commissioner Johnson** said very good. Thank you.

Mayor Alvey said, Commissioner, just to be clear, what we're doing is just giving direction. We would not approve the actual mill levy until we adopt the budget. **Commissioner Johnson** said right. I understand.

Commissioner McKiernan said I want to be clear about this. I am willing tonight to set the maximum possible mill levy higher by up to 2 mills, but let's be very clear about this. Those 2 mills would be paid by households that have themselves suffered revenue loses over the course of this pandemic. So, we can't minimize the burden that this would place on the citizens of Wyandotte County and Kansas City, Kansas and we're going to have to balance out the benefit against the cost of all of this.

I want to make sure we go into this with our eyes wide open and we confront this problem because we have to understand that just as our household is suffering through revenue shortfalls right now, so are the households of our citizens and residents. Yes, there will be a benefit to them, but there will also be a cost to them and I'm asking that we please keep in mind that we have to be mindful of our residents when we consider 1 or 2 mills of increase in this years and next year's budgets.

I do think it's worth it to set it high. I do think it's worth it to come to the table. I do think it's worth it to come face to face and figure this out, but it could come with a cost and we have to keep that in mind.

Commissioner Burroughs said, Mayor, in the presentation we heard about a potential increase in valuation in '21 through '25. I believe the Administrator made comment that we would see an increase in valuation. I believe at that time that will impact our budget in a positive manner. This either/or issue that we're in this evening that we can't have our cake and eat it too, I understand where we're going with this. I guess I'm going to ask a little bit different here. What is the cost to us if we should lose a major industry in Fairfax or we get sued by an organization in Fairfax and we have to litigate that, and we find ourselves in breach of an agreement or in breach of a contract?
Mr. Bach said number one, the proposal that we've put on the table that I tasked the Chief to do was how could we go forward and move forward with the existing staffing that we have and still provide full fire coverage. Let's all remember that the proposal we have on the table is that we completely cover the Fairfax area in a 4-minute response time. Now, that's just a recommended. You're not required, and we have parts of the community that do not have a 4-minute response time today, that's one of the things we're trying to make up with Station 12, so we're not in a position of being liable for that.

We've looked at many industrial sites across the United States and they go from having stations 3 minutes away to 8 or 9 minutes away. From a perspective of where we are, we are continuing to provide 4-minute coverage so your discussion as far as a lawsuit is what kind of overlapping fire coverage do you want to pay for or continue to pay for in the Fairfax area. I don't think we're facing any lawsuits in that regard and I would defer to Ken Moore, our Legal Counsel, if he thinks there's any difference to that, but I don't see anything coming from that.

Ken Moore, Chief Legal Counsel, said Mr. Bach and Commissioner Burroughs, we do have immunity as a Tort Claims Act for the method and manner of providing police and fire protection, so the determination of where to place stations would fall under that discretion and would pretty much protect us from any lawsuits. If there is some contractual obligation that we have, I have not found it, nor have I been apprised by any such obligations that would cause me any concern at this point and time. **Commissioner Burroughs** said thank you.

Mayor Alvey asked, Commissioner Burroughs, did you have more comments. **Commissioner Burroughs** said no, I'll save my questions until we close.

Commissioner Markley said I would just say I am fine with setting the maximum mill levy at whatever level we think is appropriate this evening to allow for additional discussion considering in this time, I think, like things change every day, I was already thinking that maybe we wanted to give ourselves a little bit air. That being said, I really don't have an appetite for increasing our mill levy. I feel like those mills were hard fought to lower the mills to the level they're at today, so I don't really have an appetite for ultimately a budget that increases the mill levy, but I am fine with setting the maximum mill levy at a higher level to allow for further discussion as we try to establish this budget.

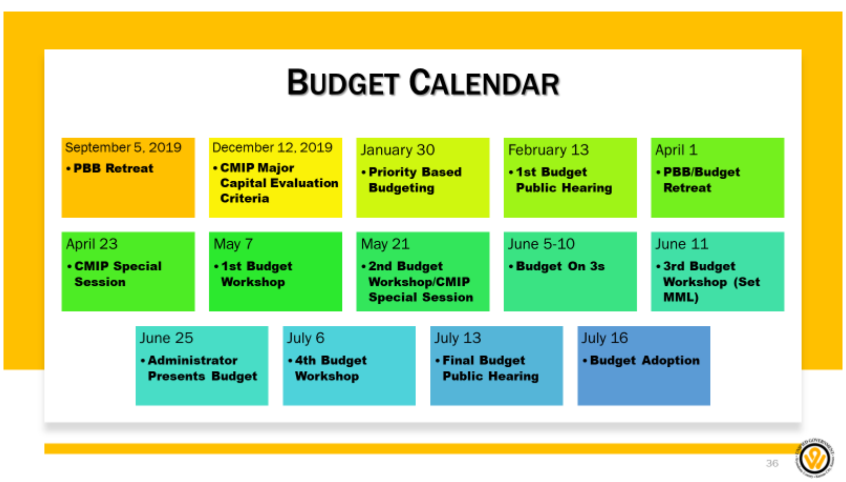
Mayor Alvey said I would say in the same vein, I really do not have an appetite to furlough our employees additionally or to lay off more individuals or really to cut, for instance, our Street Preservation budget. We know that we are not even keeping pace with where we need to be, and I just don't think our community continue to suffer deprivation of its infrastructure. We've had this discussion about stormwater. We have it about streets. We still have to rebuild a lot of our fire stations moving forward, so we have to keep all that in mind as we move forward.

SUMMARY

	2020	2021
Recommended Reductions and Use of Fund Balance	$26M	$17M
Revenue Options for Commission Consideration		
- Increase Mill Rate (1Mill)		$1.1M
- PILOT 1%		$3.2M
- Fee Increases (10%)		$500k

Mr. Bach said, Mayor, as we've had a lot of discussion about the maximum mill levy, this last slide is the last one from the budget, but we also have the maximum mill levy presentation material to put out there. I guess it sounds like you are ready to move for action on that. This just showed the increase in mill rate, what it amounted to, the PILOT and then a fee increase which in going through that earlier with the Commission, it did sound like that $500K option was one that in working on those fees in '21 was something that everyone thought could be palatable.

I will ask at this time, Kathleen VonAchen, I believe you have the mill rate slides ready. **Ms. VonAchen** said yes I do. **Mr. Bach** said why don't you go ahead.



Mr. Bach said this just shows our budget calendar and I will turn this over to Kathleen and let her put up her presentation.

MAXIMUM MILL LEVY

Estimated Property Valuation

Wyandotte County		2019 AV (final) for 2020 Amended Budget Per 10/2019 Valuation Rpt	2020 AV Est. for 2021 Budget (with AV growth) Per 6/2020 Valuation Rpt	Variance	% Change	% of Total
RE	(Existing)	1,199,278,641	1,289,600,525	90,321,884	5.93%	89%
RE	(New Impr/Remodel)	18,075,410	17,068,234	(1,007,176)		1%
	Utilities	98,704,152	97,403,882	(1,300,270)	-1.32%	7%
Subtotal Real Estate Ad Valorem		1,316,058,203	1,404,072,641	88,014,438	6.69%	97%
PP	excludes motor vehicle	52,466,647	50,520,226	(1,946,421)	-3.71%	3%
Total County Assessed Value		1,368,524,850	1,454,592,867	86,068,017	6.29%	100%
Percentage Change from Prior Year		*5.31%*	*6.29%*			

Kathleen VonAchen, Chief Financial Officer, said first we're going to have a few slides on how it's calculated. As you know on June 15th is when the UG Clerk certifies the valuations for the 2020 year that goes into the budget for 2021. What we have here is a listing of the 2019 Assessed Value. That's the final valuation that forms the 2020 Amended Budget. That final valuation came in in October and it resulted in a 5.3% increase in assessed value for this current fiscal year. The estimate for the 2021 Budget assessed value growth is—it's just an estimate based on the information provided to the Finance Department from our County Appraiser Kathy Briney, we, as well as figures from the State, regarding the State Assessed Utilities. These numbers may move a little bit once the UG Clerk comes forward in about four or five days with her final certified number. At this point it's showing at 6.3% increase over the prior year.

Here's the variance. The new improvement and remodels have totaled $17M compared with 18 in the prior year, so that was a drop. The State assessed utilities dropped by $1.3M. Many of you had thought that based on Kathy Briney presentations with you all that the assessed value was going to grow by about 8%. Her 8% includes TIFs and so these numbers do not include Tax Increment Financing values of which that revenue is dedicated—the increment is dedicated to other Tax Increment Financing Districts. We have a 6% increase that were showing.

PROPERTY TAX REVENUE CALCULATION (2020 AMENDED BUDGET)

Fund	2020 Mill Levy (Budget Yr)	2019 Est. Total Assessed Value for 2020 Amended Budget	2020 Property Tax Revenue (before deductions) [A]	Delinquency Rate Deduction Estimate [B]	2020 Property Tax Revenue (after Delinquency deductions)	Hollywood Casino Tax Appeal/Refund [C]	2020 Property Tax Revenue (after all deductions)
County-General Fund	31.389	$ 1,368,524,850	$ 42,956,778	$ (3,006,974)	$ 39,949,804	$ (253,918)	$ 39,695,885
County-Bond & Interest Fund	2.216	$ 1,368,524,850	$ 3,033,237	$ (212,327)	$ 2,820,910	$ (17,930)	$ 2,802,981
County-Parks General Fund	1.400	$ 1,368,524,850	$ 1,916,020	$ (134,121)	$ 1,781,898	$ (11,326)	$ 1,770,573
Other Tax Levy Funds (County)	4.258	$ 1,368,524,850	$ 5,826,969	$ (407,888)	$ 5,419,082	$ (34,443)	$ 5,384,638
City General Fund	21.387	$ 1,218,912,356	$ 26,069,282	$ (1,824,850)	$ 24,244,432	$ (182,019)	$ 24,062,413
City Bond & Interest Fund	17.011	$ 1,218,912,356	$ 20,734,925	$ (1,451,445)	$ 19,283,481	$ (144,774)	$ 19,138,707
Totals	**77.662**		**$ 100,537,212**	**$ (7,037,605)**	**$ 93,499,607**	**$ (644,410)**	**$ 92,855,197**

A. *(Mill levy rate divided by 1000) multiplied by total assessed value; 2019 AV growth for the 2020 Proposed Budget estimated at City 4.9% and County 5.3%.*
B. *Includes delinquency non-collection estimate of 7% for the City and County Amended 2020. Pre-COVID Original Budget rate was 5.7%.*
C. *Refund of taxes to #1 taxpayer in UG – Hollywood Casino; reduced AV as a result of expected tax appeal loss that took effect in 2020 Budget Year.*

This next slide shows how the property tax revenue is calculated. The first slide is for the current fiscal year 2020 and then the next slide is for 2021. We have it broken up by the County General Fund and the County Bond & Interest Fund and the County Parks General Fund and then all of those other County Tax Levy Funds which include Aging, Election, Mental Health, Developmental Disabilities, and the Health Department. That's all rolled in here.

On the Kansas City Kanas mill levy side, there's the City General Fund and then the City Bond & Interest Fund. All those combined total 77.662. That's the final mill rate as certified by the UG Clerk. These are the final assessed valuations for the current fiscal year and if you do the math between the mill rate and the assessed value, the amount of property tax before dedications is represented in this column here totaling $100M.

We deduct an amount for delinquency based on prior year experience, but for the Amended 2020 Budget we are increasing the estimated delinquency rate from the 5.7 amount that was the amount set in the original budget pre-COVID. We're now increasing it to 7% because we feel—well based on our look at current collections, we feel that the collections are going to be dropping a bit because of the economy impact of the COVID on folks who have become unemployed and may be struggling to keep up with their property taxes. This delinquency rate was increased from 5.7 to 7%. If you net out this negative, this is the total property tax after the delinquency rate or $93.5M.

For the next few years we will be having to refund these amounts to the Hollywood Casino as a result of a tax appeal which we fought very hard for many years and ultimately negotiated this level of refund for prior year taxes that they appealed. This is going to be—this went into effect in this current fiscal year and will continue for three more years.

As a result of these deductions, the total property tax for 2020 is estimated to be $92.8M which is roughly what we actually budgeted in the original budget although it has been dropped because of the reduction in delinquency rate.

PROPERTY TAX REVENUE CALCULATION (2021 PROPOSED BUDGET)

Fund	2021 Mill Levy (Budget Yr)	2020 Est. Total Assessed Value for **2021 Proposed Budget**	2021 Property Tax Revenue (before deductions) [A]	Delinquency Rate Deduction Estimate [B]	2021 Property Tax Revenue (after Delinquency deductions)	Hollywood Casino Tax Appeal/Refund [C]	2021 Property Tax Revenue (after all deductions)
County-General Fund	31.389	$ 1,454,592,867	$ 45,658,377	$ (3,652,670)	$ 42,005,707	$ (253,918)	$ 41,751,788
County-Bond & Interest Fund	2.216	$ 1,454,592,867	$ 3,224,000	$ (257,920)	$ 2,966,080	$ (17,930)	$ 2,948,151
County-Parks General Fund	1.400	$ 1,454,592,867	$ 2,036,520	$ (162,922)	$ 1,873,599	$ (11,326)	$ 1,862,273
Other Tax Levy Funds (County)	4.258	$ 1,454,592,867	$ 6,193,434	$ (495,475)	$ 5,697,959	$ (34,443)	$ 5,663,516
City General Fund	21.387	$ 1,299,221,690	$ 27,786,884	$ (2,222,951)	$ 25,563,934	$ (182,019)	$ 25,381,915
City Bond & Interest Fund	17.011	$ 1,299,221,690	$ 22,101,068	$ (1,768,085)	$ 20,332,983	$ (144,774)	$ 20,188,209
Totals	**77.662**		**$ 107,000,284**	**$ (8,560,023)**	**$ 98,440,261**	**$ (644,410)**	**$ 97,795,851**

A. *(Mill levy rate divided by 1000) multiplied by total assessed value; 2020 AV growth for the 2021 Proposed Budget estimated at City 6.6% and County 6.3%.*
B. *Includes delinquency non-collection estimate of 8% for the City and County.*
C. *No mill levy adjustment in the 2021 Proposed budget*
D. *Refund of taxes to #1 taxpayer in UG – Hollywood Casino; reduced AV as a result of expected tax appeal loss that took effect in 2020 Budget Year.*

For 2021 the calculations here assume that the mill rate will remain the same as it's budgeted in the current year budget. It's still 77.66 mills. The estimated assessed value for 2021 Budget is here. As I was showing in the prior—the first slide that I showed you and, of course, these numbers will change slightly once the UG Clerk comes back with her certified amount, but they probably won't change too much, just a little bit. As a result of this calculation we expect we would receive $107M across all these funds.

For 2021 we're estimating that the delinquency rate, instead of being 7% will be 8%, because we expect a continued slowdown of the economy in '21 because of COVID with a lot of properties having trouble keeping up with their property tax payment.

Again, we have that same casino refund, the same amount, so the net amount that we're expecting to receive during 2021 is $97.8M.

VARIANCE BETWEEN 2021 PROPOSED BUDGET AND AMENDED 2020 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 Refund	Property Tax Revenue Variance (after all deductions)
County-General Fund	0.000	$ 86,068,017	$ 2,701,599	$ (645,696)	$ 2,055,903	$ -	$ 2,055,903
County-Bond & Interest Fund	0.000	$ 86,068,017	$ 190,764	$ (45,593)	$ 145,170	$ -	$ 145,170
County-Parks General Fund	0.000	$ 86,068,017	$ 120,501	$ (28,800)	$ 91,700	$ -	$ 91,700
Other Tax Levy Funds (County)	0.000	$ 86,068,017	$ 366,464	$ (87,587)	$ 278,878	$ -	$ 278,878
City General Fund	0.000	$ 80,309,334	$ 1,717,602	$ (398,101)	$ 1,319,501	$ -	$ 1,319,501
City Bond & Interest Fund	0.000	$ 80,309,334	$ 1,366,143	$ (316,641)	$ 1,049,502	$ -	$ 1,049,502
Totals	**0.000**		**$ 6,463,072**	**$ (1,522,418)**	**$ 4,940,654**	**$ -**	**$ 4,940,654**

This very next slide compares the current year Amended Budget of 2020 with the 2021 Proposed Budget as I've demonstrated. As you can see, the variance, there is no variance in the mill levies. All the mill levies remain the same amongst all these funds. There aren't any changes or shifts to the mill levies at this time. This is the increase in the assessed value that we're projecting and as a result before deductions we expected to have a $6.4M increase in revenue, then that's subtracted out by an increase in the delinquency rate. As I mentioned, we're increasing it from 7 to 8% resulting in an increase of $1.5M for an increase of property tax revenue of $4.9M. There is no change in the refund because the refund remains the same every year and so that's how much money across all these City and County funds and the County Tax Levy Fund and the City/County Parks Fund. This is all the additional money we will be receiving to support operations in these funds from the coming year.

PROPERTY TAX REVENUE MILL LEVY KEY FACTS

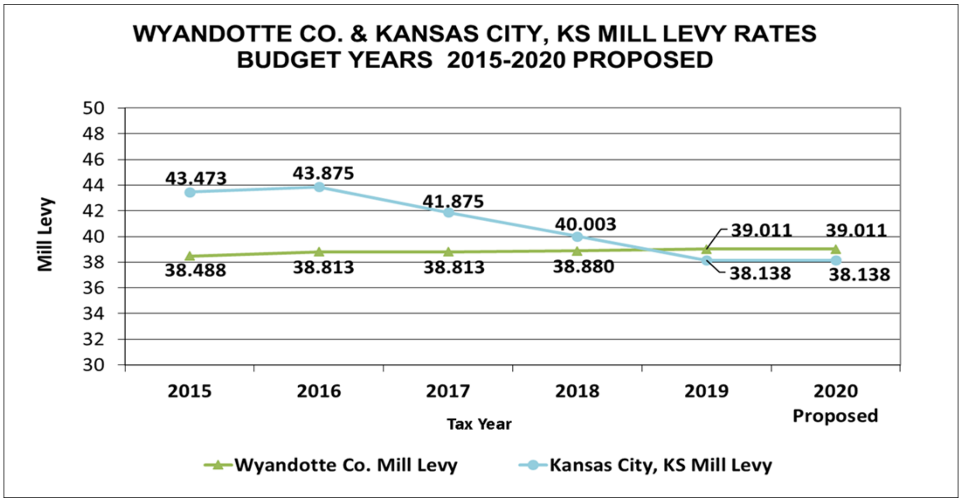
CITY GENERAL FUND	2020 Amended Budget	2021 Proposed Budget
Total City General Fund Revenue	$ 147,183,250	$ 155,169,078
Ad Valorem Property Tax Revenue [a]	$ 24,062,413	$ 25,381,915
Percentage of Total Budget	16.3%	16.4%
City General Fund Mill Rate	21.387	21.387
City General Fund Revenue per Mill	$ 1,125,078	$ 1,186,773

COUNTY GENERAL FUND	2020 Amended Budget	2021 Proposed Budget
Total County General Fund Revenue	$ 63,599,786	$ 67,994,508
Ad Valorem Property Tax Revenue [a]	$ 39,695,885	$ 41,751,788
Percentage of Total Budget	62.4%	61.4%
County General Fund Mill Rate	31.389	31.389
County General Fund Revenue per Mill	$ 1,264,639	$ 1,330,136

[a] *Includes delinquency rate of 7% for City and County (2020) and 8% (2021) and includes Hollywood Casino refund.*

This is a little bit of a revenue mill levy key, you know, just some facts to help you along. This chart actually isolates only the City General Fund and only the County General Fund and it compares it against the total revenue base of each of those. As you can see in the top is the City General Fund and total revenues of the City General Fund in the Amended Budget and the Proposed Budget are totaled here on the top at $147M and $155M. That includes the reduction as a result of COVID pandemic. We have Ad Valorem tax revenues calculated for the City General Fund at $24M in 2020 and $25M in 2021 and these represent roughly 16% of the total revenues collected in the City General Fund. The mill rate, as I mentioned, will remain the same in our calculations and so if you were to do the math, you would see that one mill equals $1.186M. In 2020 it was $1.125M.

On the County side the interesting difference, the total revenues for the County are $63M in 2020 for total revenues and roughly $68M for 2021. This is the calculation of the property tax assigned to the County General Fund at $39.6M and then $41.7M. The property tax represents 62% of the total revenues collected and recorded in the County General Fund, so quite a bit more. The County is very reliant on property tax. Again, the mill rate remains the same between the two years and so one mill for the County General Fund equals to $1.26M in 2020 and $1.33M in 2021.



A little historical look at our property tax mill rate. In 2015—the City is the blue line and so over the course of the last five or six years our City mill rate has dropped from 43 mills—and this is the City which includes the City General Fund and the Bond & Interest Fund. It dropped from 43 down to 38 mills in 2020. The County mill rate remained very constant at 38.4 and then moving to 39.2 in 2020.

2021 Tax Rate (Maximum Mill Levy)

	2020 Mill Levy	Admministrator's 2020 Proposed Mill Levy	Recommendation for Adoption 2021 Maximum Mill levy
Kansas City, Kansas	38.398	38.398	38.398
Wyandotte County	39.263	39.263	39.263
Self-Supporting Municipal Improvement District	9.957	9.957	9.957
Wyandotte County Library	6.122	6.122	6.122

Motions to set the Maximum Mill Levy:

1. Motion to set the Maximum mill levy for the City of Kansas City, Kansas at: 38.398 mills
2. Motion to set the Maximum mill levy for the Wyandotte County at: 39.263 mills
1. Motion to set the Maximum mill levy for the SSMID at: 9.957 mills
1. Motion to set the Maximum mill levy for the Wyandotte County Library at: 6.122 mills

In setting the Maximum Mill Rate, this is a listing of the motions that would be required. What we are recommending is that—the Administrator is recommending that there be no mill rate increase and so it remains the same as it is for the current fiscal year. As you can see, there is no change between these numbers. This column here is—this is for 2020 as well as 2021, so all these numbers are the same. We're not changing any of these numbers.

At this point one of you would have to make a motion—there are four motions that need to be made. These should say 3 and 4, my apologies. We would need a motion to set the mill rate for the City of Kansas City, Kansas mill rate and then again for the County mill rate, then for the Self-Supporting Municipal Improvement District and then for the Wyandotte County Library.

Commissioner McKiernan said I am willing to make all of these motions. I will just say we should be clear that our County Administrator is not recommending any mill rate increase on City, County, SSMID or Library. We as a Commission are considering a two mill increase and we are setting the maximum mill higher.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Townsend, to set the Maximum Mill Levy for the City of Kansas City, Kansas at 40.398 mills. Roll call was taken on the motion and there were eight "Ayes," Philbrook, Bynum, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley; and two "no," Burroughs, Walters.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Markley, to set the Maximum Mill Levy for Wyandotte County at 39.263 mills. Roll call was taken on the motion and there were nine "Ayes," Philbrook, Bynum, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters; and one "no," Burroughs.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Philbrook, to set the Maximum Mill Levy for SSMID at 9.957 mills. Roll call was taken on the motion and there were ten "Ayes," Philbrook, Bynum, Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Philbrook, to set the Maximum Mill Levy for the Wyandotte County Library at 6.122 mills. Roll call was taken on the motion and there were ten "Ayes," Philbrook, Bynum, Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters.

Mr. Bach said if I may just for clarity points as you close up, as I'm understanding the increase consideration that you're looking at for the Maximum Mill Levy is in relation to whether you want to pay for the additional fire company. I am going to proceed forward in building a budget and taking the action which fall under the things I have called out this evening. I will be initiating a furlough program with the employees for measures to reduce our costs in 2020 which is non related to any mill rate next year anyway. I will also be initiating some strategic reductions regarding some staffing that we have in different areas. These are all options that I need to move on now and the budget that we will be building that I will be presenting later this month will be done so with those in mind and then we can contemplate any additional additions we may or may not want to add to the budget. **Mayor Alvey** said understood.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:56 p.m.

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Bridgette D. Cobbins
Unified Government Clerk

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