STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, NOVEMBER 19, 2020**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, November 19, 2020, with eleven members present online. 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; 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; Bridgette Cobbins, Unified Government Clerk; Gordon Criswell, Melissa Sieben and Alan Howze; Assistant County Administrator's; Ken Moore, Chief Counsel; Kathleen VonAchen, Chief Financial Officer; Mike Taylor, Public Relations Director; and Alley Porter, Commission Liaison.

MAYOR ALVEY said before I call the meeting to order, I want to announce that due to COVID-19, individuals are 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 the Kansas Attorney General.

MAYOR ALVEY called the meeting to order.

ROLL CALL: Ramirez, Johnson, Markley, Walters, Bynum, Burroughs, Townsend, McKiernan, Alvey. (Kane and Philbrook missed roll call due to issues getting on Zoom).

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, November 19, 2020, at 5:00 p.m. by way of Zoom and online for a presentation on an overview of the proposed Legislative Program with Delegation followed by a Long Range Financial Plan.

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 first of all I want to welcome all the members of the Wyandotte Delegation, the State Senate and State House. We are happy to have you tonight to discuss our legislative program and I will now pass it over to Mr. Bach.

Doug Bach, County Administrator, said tonight we are ready to present what our Commission has gone through and talk about items we would like to talk about to make part of our legislative agenda this year. Mayor, before I recognize Mike Taylor maybe we should allow our elected representative from the State to introduce themselves, so we know who all we have on tonight. I think most of them are on camera, but I want to make sure if anyone else is just on speaker.

Delegation Present: Representative Kathy Wolfe Moore, District 36; Representative Valdenia Winn, District 34; Representative Pam Curtis, District 32; Senator Pat Pettey, District 6; Senator-elect Jeff Pittman, District 5; Representative Tom Burroughs, District 33; and Representative-elect Aaron Coleman, District 37.

Mr. Bach said with that, Mayor, I think we've gone through and made some adjustments that we've talked about with our Governing Body a couple weeks ago. Mike Taylor, who is our Lobbyist, and works for us in Topeka and also other duties within the Unified Government. Mike, I'll turn it over to you to present the program this evening to talk about some of our bigger issues that we have on slate that we would like to go over with the delegation.

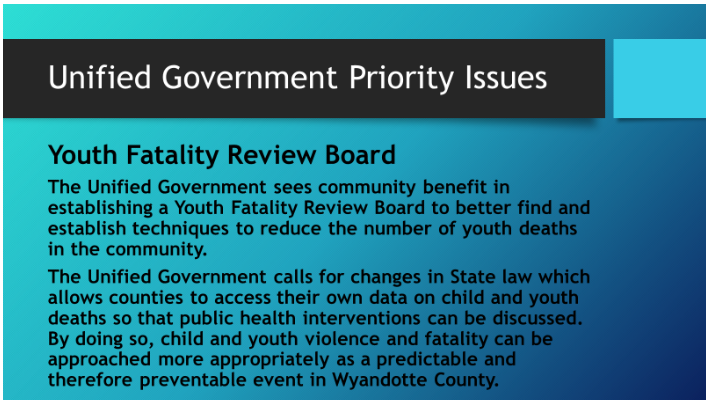
Mike Taylor, Public Relations Director, said I'm going to start and give you just a little legislative landscape, so we know what we're moving into before the 2021 session starts. In the

Kansas House there will be 86 Republicans and 39 Democrats. There was a 27% turnover in the House members based on this last election. Republicans picked up two seats from what they had last year. That does give them a veto proof majority which would be a vote of 84 so if they want to veto something of the Governor's, it would take a coalition with the Democrats and Moderates.

There were several races—you know, everybody says well my vote doesn't count, but I will tell you there were several races around the state that were settled anywhere between 31 and 67 votes, so literally a handful of votes settled several of the races in the House. In the Senate there will be 29 Republicans, 11 Democrats. There was a 35% turnover in Senate membership. That's also veto proof majority and the longstanding House Minority Leader, Anthony Hensley, lost his election, so there will be an issue of who gets elected to that. Susan Wagle, the longtime President of the Senate did not run for reelection, so there's kind of a battle. I won't go into all those details but there's kind of a political issue brewing there about who wants to be the next Senate President, Senate Leadership.

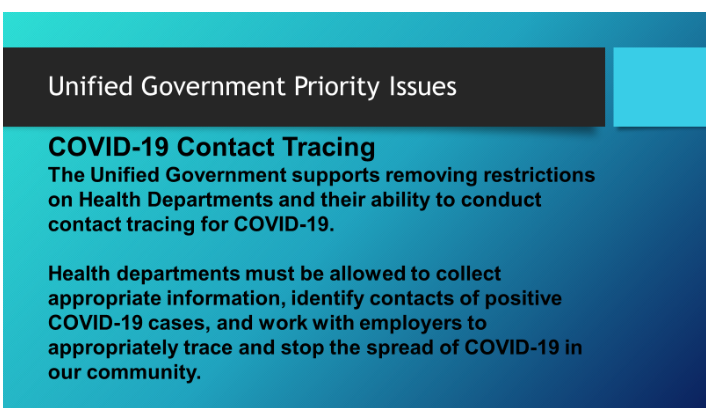
The other thing I want to mention because we're kind of proud of this, most areas in Kansas had a 60 to 75% voter turnout. In Wyandotte County we broke all previous records and we had 69.5% turnout of our active voters. The previous record was 65% which occurred in 2008 when Barack Obama ran for President the first time, so just kind of an interesting fact that we broke a record for voter turnout. There was a huge amount of interest.

Our 2021 Legislative Issues, we have a few issues that are new from what you have seen before.



The first one is something new that came from our Health Department. We are seeking some changes in state law that would allow us to setup a Youth Fatality Review Board. We see great community benefit in that. The Review Board would help us find and establish techniques to reduce the number of youth deaths in the community. It calls for changes in state law which would allow state agencies to share more information with us and their data on deaths of youths and that ranges from not just homicides, but also suicides and other kinds of deaths. By doing so we think we could appropriate better techniques in dealing with youth deaths, so we're going to ask for some changes that would involve Department of Children & Families and probably KDHE.

Senator-elect Jeff Pittman asked, Mike, on that point is it mainly the access to data at the state level that the Unified Government is looking for. **Mr. Taylor** said yes. That's what it really is. It's access to that data because there are some privacy restrictions that don't allow them to share with our Health Department. One of our Health Department workers has written a great white paper about the need for all of this.



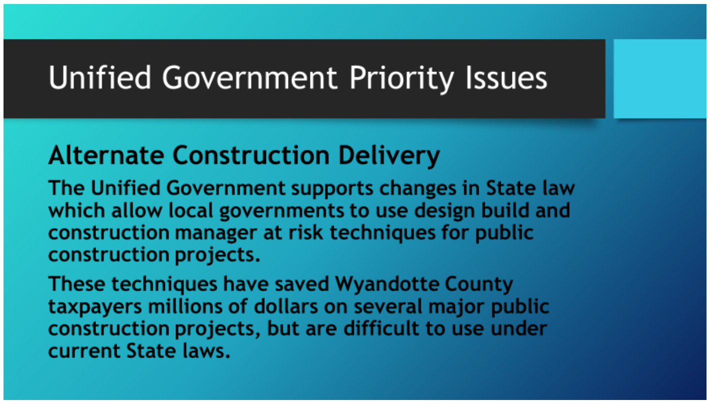
Along with that, I guess this is a little bit out of order, but in the same vein is contact tracing. So, we're in the middle of this COVID and we're trying—when we have someone that's been infected with the COVID, we would like to do a better job of contact tracing to find out who else they were exposed to and who they may have contacted so we can try to stop down that spread. But, we're not allowed, again, to have access to some of the information that we feel we really need in order to track down those folks. For example, employers are not required to share that information with us. In fact, there are some privacy acts that are in place that the legislator approved for protection of privacy, but we would like to see some of those things eased up a bit so we can get that information and be able to do a better job of contact tracing and perhaps help stop the spread.

So, those two items, the Youth Fatality Review Board and the contract tracing kind of go together in a way because it deals with the state sharing information with our local Health Department.

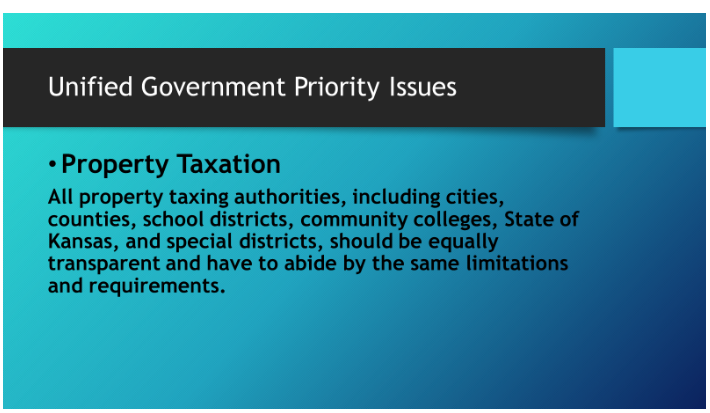
Senator-elect Pittman said the second one is obviously a little bit more contentious right now, but is the second one released sharing data or is it more easing the privacy restrictions inside the business—the protection the businesses have? Is it more along those lines or is it actually KDHE sharing their data with the county—or the Unified Government? **Mr. Taylor** said I think it may be a little bit of both. They're not allowed to share, and the businesses are protected from having to share that information. We would like to get some changes that would allow it. Again, we don't need—well, we would need specific names of people so we could try to trace who maybe they were with, but right now we're kind of blocked on that. We think it would help us stop the spread of COVID if there weren't so many privacy restrictions in place. I have a lot more details on that and would probably bring my Health Department folks over when there's time to testify.

Senator Pat Petty said on the Youth Fatality Review Board, is that going to be legislation that's going to be—Health Department's across the state are going to be asking for? **Mr. Taylor** said I'm hoping so. We're still trying to build that coalition. We're asking for it right now, but I've asked our Health Department to work with KALHD which is the Kansas Association of Local Health Departments, other health departments, and I think we're going to have maybe—I always prefer to come in with a coalition of people. So, I think there will be other Health Departments that ask for this as well.

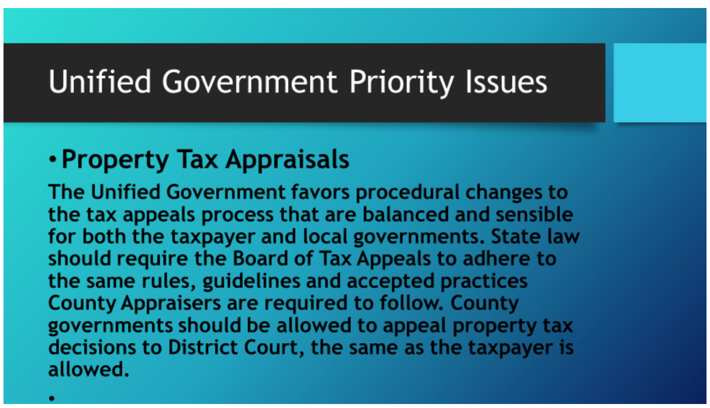
Mayor Alvey said I'm going to ask all participants to please go ahead and use the raise hand feature because otherwise we'll be talking over each other.



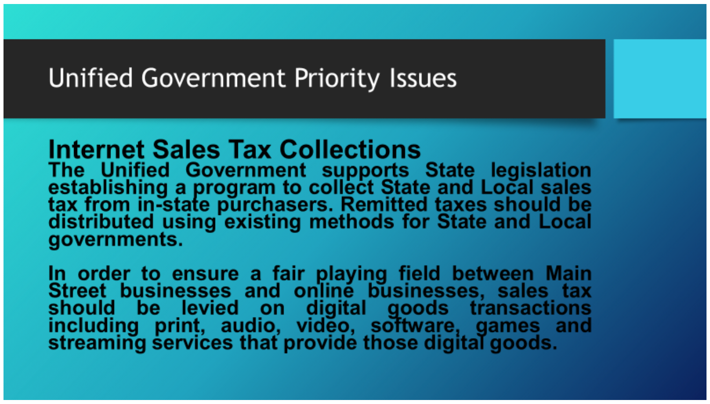
Mr. Taylor said the next item that we're going to be asking for is Alternate Construction Delivery. We support changes in state law which would allow local governments to use design build and construction manager at risk techniques for public construction projects. We've used, through the state this project, and the most visible one is the Turner Diagonal Project. We worked through the State and the Kansas Turnpike Authority to do a design build on that. We saved millions of dollars and finished that project in probably a year ahead of what it would have been had we had to go through traditional bid projects. So, right now, the state law is pretty restrictive on what local governments and can do in terms of design build or construction manager at risk techniques. I'll bring you a lot more information before we get into the session, but we're going to be asking for some changes in that state law. I will expect there will be some of the traditional construction companies that will not like this idea that will oppose us, but I think there's a number of them that will also be supportive of this change.



Property Tax, as you know, is always an issue for local governments. Last year we were able to—the so called Truth In Taxation bill actually passed the House in the Senate, but Governor Kelly vetoed it. What we're asking, if you're going to do that, and there are a number of issues, that bill, for example, didn't allow us to include new growth in our tax base. It simply looked at revenue. If you have more revenue than you did the year before, you've got to cut your mill levy or reduce that revenue and we're saying, well, what if we build a $300M new development. Well, it didn't count, and we thought that was kind of crazy, but it also excluded school districts, community colleges and the State of Kansas itself. As you all understand, the way this works, if our assessed value goes up, the states 21.5 mills gets a windfall. They collect more revenue, but we think they ought to have to be as transparent as they're asking us to be with that. So, if this issue does come back, we're going to push for that change. We think the state should have to declare that, yeah, 21 mills raised $50M more than it did the year before.

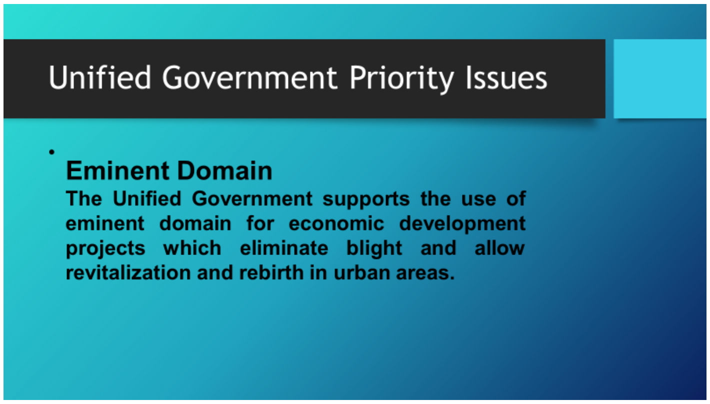


Property Tax Appraisals; we suspect that may come back and this is an issue that's been on there before, but we would like to see some procedural changes in the way the Board of Tax Appeals work. We've had, I'll be honest, some crazy decisions from the Board of Tax Appeals on property valuations and they're not following in many cases the same rules that our appraisers have to follow, and we think they should have to. If this issue comes back up, that's something that we're going to push for.



Internet Sales Tax Collections; this is an oldie but goody. We would like to see the laws change so that people buying online, which particularly because of COVID, we've now seen online purchases are going way up and we think that if you buy something online, you should have to pay the local sales tax the same as if you walk into the store and buy it. That's been an issue that you've all heard about for years. If something did pass on that and the Governor for other reasons vetoed that total bill, but we think it's going to come back, and we would like to that changed. I mean it's a big revenue issue for local government.

Medicaid Expansion; once again, this is one we've had in our program for five or six years. We've come so close so many times in getting this passed. We're going to be pushing for it again.



Eminent Domain; we think there may be some issues that come up on this. It was several years ago after the Kelo Decision that the legislature prohibited local governments from using eminent domain for economic development projects or to eliminate blight. We would like to see that issue revisited. I will mention that KCK was probably the last community that used eminent domain for economic development and what it brought was the development at 18th & I-70 which used to be an old rundown truck stop and it's now the Sun Fresh Market. We also were one of the last, and it may have been the very last, to take Indian Springs down which we now have an exciting new development that's coming in there. We think there's some benefits to this and we understand it's controversial, but we would like to see this issue perhaps revisited.

Mayor Alvey said I would like to ask, some of the veterans in the legislature, what they think the probability of that even coming to the floor is.

Representative Kathy Wolfe Moore said, well Mayor, maybe unlikely. I mean we'll be happy also to get STAR Bonds back up and running again because there's been so much dispute over that, so eminent domain may prove even more difficult in the legislature this year especially the make-up of the legislature, as Mike mentioned, has changed so dramatically with the Primary and General Election. The same goes for many of the other issues especially Medicaid Expansion. I think that's going to be extremely difficult this year and next year unfortunately.

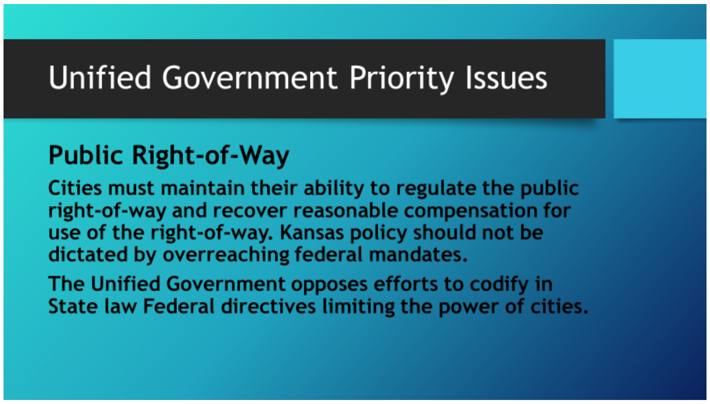
Senator Pat Pettey said I would have to ditto everything Kathy just said. Particularly, you know, as Mike shared the make-up of the Senate, 35% turnover and there's only three of those—four of those I guess that are coming from the House, so that's the majority that are new to the Senate that are coming in. I agree, I think we'll be working really hard to back the Property Taxation bill and as Mike shared earlier, it's going to be hard to have anything that we will be able to protect the Governor's veto. I think that's probably—and also, whole thing about eminent domain, although it's been great for us and we used it so successfully, it has for a lot—especially since they haven't been involved, it has a very negative connotation. So, I would say, dead on arrival.

Mayor Alvey said let me ask you, because the priority for us, obviously, is the STAR Bond legislation renewal. If you were to try to bring eminent domain, would that just simply raise hair on some of the ones who would be opposed to the STAR Bonds and actually increase opposition or highlight opposition to STAR Bonds? **Senator Pettey** said I would agree with just what you said. I think we want to see STAR Bonds reauthorized and certainly you don't want to delay anything in the way of that conversation.

Representative Moore said I was just going to add that fortunately on STAR Bonds a couple Senators, one retired and one—well, both of them really decided not to run again, who are opponents of STAR Bonds, or maybe not directly opponents, but wanted significant changes that may not be workable for many people; they're not coming back to the legislature. That may help us some in terms of STAR Bonds. It's just really hard to tell yet without getting a feel from some of the new members.

Mayor Alvey said you can move on Mike.

Mr. Taylor said eminent domain; just a footnote on that, when the legislator prohibited it, they did leave an open door that if a community has a specific project that they feel there is a compiling reason to use eminent domain, they can bring that project in bill form to the legislature and get specific legislative approval just for that singular project and it wouldn't necessarily be a blanket approval of eminent domain. The fact is since maybe 10 years ago since they prohibited this, no community has ever come forward with a project. We're just putting it in there because we think there might be something.



Public Right-of-Way; this is a fight we've had the past couple of years, largely and quite honestly, with the telecoms. A bill did pass last year, we think that we should be able to have a little more control over the use of our rights-of-ways so that particularly telecoms and with 5G coming, they basically got cart blanc to come into our right-of-way and put up monopoles or hang 5G transmitters up in the wires between poles and not have to get permits, not have them inspected. We would like to see that issue revisited a bit because we think we should be able to control our own public rights-of-ways. The public actually owns that ground and we don't think it should be just turned over to the telecom companies. That's an issue and we think they're going to come back with even more legislation to give them even more rights to use the right-of-way, if you will, then they got in the past year. We put that in almost as a defensive move, and we'll see what happens.

Representative/Commissioner Burroughs said, Mike, there was an agreement made last year or the year before in the eleventh hour, if I remember correctly, in reference to this issue that benefited the telecom community tremendously, if I remember correctly. **Mr. Taylor** said yes. **Representative/Commissioner Burroughs** asked can you share that with us again as a reminder as to just what that specific piece was. **Mr. Taylor** said, basically, what it allowed them to do was to come into a community and if you think about—and it was largely one of the cable companies, you've got a pole and you've got a pole and they've got their cable line running between it, they can now come in and hang microwave oven size 5G transmitters on those wires and on those poles without really having to get a permit or any kind of engineering or permission from the cities. We said we need to be able to have some regulation over the aesthetics of that and we lost on that battle. We think they are going to come back and try to open it up even more. We also believe that if you're a private company making a lot of money using public right-of-way, you should pay something for that, so compensation is also a piece of that issue.

We use the example because the cable companies at that point said, well, you know, we already own the wires between the poles, so why should we have to pay again. I think in testimony I used the example that it's like if I go to a movie, which you could still do back then, and I paid to go to one movie, I can't just walk down the hall and go into the second theatre and said I already paid for that other movie, I shouldn't have to pay to see this one too. That was kind of the argument that we made. It's like this is a whole different new industry that you're getting into and there should be some compensation for using our public rights-of-ways. That's kind of the argument.

One of the biggest part of it, again, Representative/Commissioner Burroughs, is the aesthetics value and us being able to put some controls on them coming into any neighborhood right-of-way and just sticking a monopole in front of your house with a transmitter on it.

Representative/Commissioner Burroughs said if I remember correctly, there was even talk of not putting 5G into Wyandotte County. They were identifying counties that didn't want to cooperate with this agreement and that they would be kind of lower on the expansion table of schedule, so to speak. There was a lot of discussion in reference to this issue. **Mr. Taylor** said yes, there was.

Mayor Alvey said I'm a little confused. The second paragraph, the Unified Government opposes efforts to codify in State law Federal directives limiting the power of cities. Wouldn't a Federal directive, in fact, override anything a State might do? **Mr. Taylor** said, well, yes, Mayor. The point of that is the FCC and it's been held back, but the FCC came down with regulations that would have basically overridden all of this and it really opened the door for telecoms to have free reign. That's why that line is in there as we don't want the State to—we don't want the FCC to be able as a federal agency to come in and override state law or agreements that we worked out locally. **Mayor Alvey** said okay, it may be quibbling over language, but whether the State codified Federal directives is a moot point because if it's a Federal directive from FCC, it overrides state law. Am I right? **Mr. Taylor** said potentially yes. I mean it would be a directive from the FCC, but our concern was that the legislature might try to codify those directives in the state law which then clearly would affect us because you can always fight the directives. Some of those FCC directives have been challenged. **Mayor Alvey** said okay, thank you.

Mr. Taylor said the final one is an issue that has been talked about here and I'm sure in other counties as well. We would support changes in the tax formula used to assess motor vehicles so that we can equalize motor vehicle taxes from county to county. As you all probably know, it's tied to your ad valorem mill levy for your real property. The way that formula works, if you're in a county with high mill levies on your home or your business, you're going to have higher car taxes as well. I don't understand how that formula came about years ago, I'm still researching that. If you're in a county with lower ad valorem property taxes, your car taxes are going to be less. Being in kind of the metro area that we're in, we know that we have a number of folks that drive to Johnson County and try to register their cars there because the car taxes are less.

Commissioner Jim Walters, I would welcome him to jump in, has brought this issue a couple of times and he would like to see the basic property taxes on cars equalized from county to county to county, so that you don't have that advantage. I'll let Commissioner Walters, if you're there, if you would like to jump in and explain it further.

Commissioner Walters said I think you've explained the major portion of it, but when people move to Wyandotte County, they understand their taxes on their homes and that's all factored in when they decide to buy a house and how much they pay for the house. Oftentimes they're surprised that they suddenly have to pay more to register their motor vehicles just because they moved from Shawnee to Bonner Springs or to Piper or to Wyandotte County. I don't know that it needs to be different from county to county. There are certainly a lot of counties that have higher rates than we do, so it's not like we're the worst. I don't see an advantage to having different taxes on the identical vehicles from one county to another and it gives us the ability to regulate our taxes.

If the State decides to sort of average the cost of revenue to the State overall is equal. Some counties might get less revenue, some counties might get more revenue. They can always adjust their mill levies to net that out to zero if they so choose, but it puts the local counties in charge of how much they tax their citizens as opposed to having this sort of default action that we can't make any significant change to. So, that's the issue.

A lot of people do, believe it or not, live in Wyandotte County and register their vehicles either at a location of a second home or just falsify their address to register it in Johnson or Leavenworth County. This would solve that problem as well.

Representative/Commissioner Burroughs said I had this discussion—Commissioner Walters and I had talked Monday. While I was in Topeka, I did bring it up in the committee for the Economic Recovery. There is discussion—the taxes generate about $680M a year. It's set on an average of about 132 mills across the state. It was funny when I brought it up and we had this discussion in committee that a couple of the conservative senators followed me out of the room and said they were very interested in working with me on this to see about getting a bill introduced. I think we're going to talk about setting a cap. There will be some counties that lose money, there will be some counties that will make money and it's the determination of finding that sweet spot, but there is interest in this issue. The fact that I was approached after the committee to bring it forward, I think we may have some movement on this issue this next session but be mindful that this legislation is going to impact the State General Fund as well as some county tax base. It will be a sticky-wicket, but I believe we have to introduce it and at least get the subject matter started.

Senator-elect Pittman said I think it's a matter that we should really look at the basis of the tax and understand how we can amogenise it across all the counties. I think that's a great proposition. I do think though that the Unified Government would be impacted if we as a state, as we should be, we're returning the ad valorem tax appropriately, it would have more of an impact on the Unified Government budget. As it's not being returned now, it goes into the General Fund and so it wouldn't be as much of a local impact. I think it sounds like a much more fair application of this, so this sounds like a great one to move forward.

Mayor Alvey said go ahead and continue Mike.

Mr. Taylor said those are of course—and I will send out to the delegation once the Commission adopts the entire program. There are a lot of standard issues that you've seen before. Things about supporting home rule, local control. These are kind of new hot topic issues that I wanted to bring to your attention,

Now I would like to open it for any more questions or discussion between yourselves.

Senator-elect Pittman said do you want to weigh-in, maybe you don't and it's fine not to, is there anyone who would want to weigh-in on COVID and the mask mandates, business closures, business openings, and just kind of express a Unified Government opinion to the state delegation or would you rather just do that on an individual basis? **Mayor Alvey** said I will say that just today you may have seen that the KCK Chamber of Commerce supported Governor Kelly's order and I think that would be consistent—personally, it's consistent with what I think that we ought to have a statewide mask mandate, but that's going to be left to each county.

Commissioner Ramirez said thank you Mike for the presentation and, of course, thank you to our delegation for being here tonight and for all that you do for our community especially during these difficult times. I just had a statement that—first I would like to thank those who continue to fight for education every day. I know Senator Pettey is very big on that as her being a former educator, thank you for that. I ask that we continue to fight for education to fully fund our schools and a big thing that is very near and dear to my heart is youth programming, for the State to be able to provide for more youth programming and more what I do for my job is out of school time programs, opportunities for children to interact with each other. Unfortunately, now it's a difficult time during COVID. It's hard for us to have those interactions, but in the future if we can—the State can make it a priority to fund these types of programs, especially for Wyandotte County, during these times and during COVID, you know we've seen an increase in crime and especially with youth. It's more imperative now more than ever that we invest in our youth and in these out of school time programs, so I just ask that you continue to fight for those and that is something I look forward to.

Commissioner Bynum said just two quick items. The first one is what is the likelihood that the legislature is willing to look at funding of our library system in terms of the fact that within—Pat Pettey, you're going to speak to this much more clearly than me, but we've got this antiquated system to where I believe we're the only one in the entire state, if not the nation, that funds our library mill levy this way. I just wonder if we locally hope to make any changes to the way that's handled, I don't think we can do that without a change in state law.

The second question is just very broad. What kinds of things are you all hoping to put forward legislatively that are going to impact us? I mean I know you're going to keep trying to work on things like Medicaid Expansion, but what else in addition to that do you hope to put forward?

Senator-elect Pittman said I cannot speak to the library piece. I'm just not advised. I don't really know much about it so I can't speak to that one. I know that I'm going to continue to push—I really want to see us put a veteran's home. You know, put us on the list for the federal. That's kind of a personal agenda of mine that I've been pushing for the last couple of years in northeast Kansas, whether that's Wyandotte, Leavenworth or Shawnee County. I would like to see us have a veteran's home that's funded 75% by the Federal Government VA system and have it located in northeast Kansas where we have a high concentration of veterans.

I would also like to see us continue to push veterans and special youth courts, like drug courts that will help us alleviate the prison population with better remediation techniques, better ways of helping solve some of the issues people are in prison for. So, those are some of my personal agenda items that I'm hoping to push over the next four years. **Commissioner Bynum** said thank you. Those are great.

Representative Moore said although it's going to be a very difficult slog to get anything done with the Medicaid Expansion, I do think we have to keep pushing for it and keep it alive. Although the environment in the Capitol has gotten worse for that, the need for that has gotten greater. Every state around us will have Medicaid Expansion and that's particularly difficult for Kansas because especially on the boarder communities, like we are to Missouri, we're likely to lose many of our professionals across the state line, particularly mental health, because of all the money that will be flowing—federal money that will be flowing into mental health and community mental health centers for the states surrounding it. I think that's a new pressure talking for us.

In addition, with the pandemic and the number of people unemployed, there are families now that would be newly eligible for Medicaid Expansion because they lost their job due to COVID, they might be eligible for Expansion. So, I'm hoping that's another way that we put some pressure on our legislative colleagues. Once again, I'm not optimistic, but I do believe we have to continue to push. It's probably the single greatest thing that would help improve the health of Wyandotte County residents.

Representative Pam Curtis said just a couple of things. I agree with what everybody has chimed in with, the issues that we might be dealing with. I think a lot of this year is going to be dealing with the budget with COVID response, COVID recovery. I expect that—I know there's a committee that's been meeting about the emergency management response, so I expect that we may see some things there in the area of emergency management.

I know the delegation will continue to fight for restoring local control for prevailing wage. You know, another issue that has come up for us that impacts us here locally that I'm not sure what your opinion is, is control over the Election Commissioner, so more accountability locally versus it being at the Secretary of State level. So, that would be something else.

Another thing that I worked with Healthy Communities with last year and we are talking about continuing that effort this year, is a bill for auto expungement, a very low level crime, kind of the low-hanging fruit on that. Anyway, those are just a few things to add.

Representative/Commissioner Burroughs said I agree with my colleagues as to the issues that pertain—here's what we need to be mindful of. We have a conservative legislature with very few moderates left in the House. The bills that will be coming forward, it will be up to us to stop the mean spiritedness and the overreach that these bills will have in reference to impact to our communities and/or to the programs that we hold and value very dear as Democrats.

We have to be very concerned about the redistricting and what it could very well do to Wyandotte County. That will be an issue that will have much attention and much discussion over possibly the next two years. It depends on if it goes to courts and what they decide to do. I support the independent committee to set that up.

The Tax Lid is still going to be a discussion in reference to how local governments spend their money. I think Mike talked about it earlier on when we first got started.

Kathy mentioned the STAR Bond issue. With the revenue typing up the way it is, I believe we're going to see a conservative approach to tighten down expenses and tax giveaways within the state legislature. We see the value of those programs and what we've been able to accomplish in our community.

I know I will personally be keeping my eye and ear on those issues along with the rest of the delegation as to what we look at individually. Those things that we are mindful of that others keep an eye on for us. I just plan on working collectively to stop some of the onerous things that I believe will be coming forward from the newly elected fiscal conservative in the Senate and we'll wait and see what type of leadership we get in the House. If Ron Ryckman obtains an unprecedented third term, it will be interesting to see what kind of legislation will come forward to challenge our Governor in her third year. That's just where I'm at Mayor.

Commissioner Ramirez said thank you Representative Curtis for mentioning about the Election Commissioner. I think that is a conversation we as a Commission, as an elected body, we should have a conversation of how our Unified Government supports that or not and if it's beneficial for our community. I'm not going to say if I support it yet or not, but I think it's a conversation we should have if that is something that may come to the legislature. Again, I think that is a conversation we should have.

Commissioner Kane said I want to agree with Christian, what he said about the Election Commissioner and especially how he handled the situation in the Primary which I thought was not very good.

Also, regardless of how many people are in Topeka and what their party affiliation, we should push as hard as we can for prevailing wage considering the only—it's three communities, actually four. It's Wyandotte County, Lawrence, Topeka and Wichita, so I don't think we should ever let go of that goal. There are ways I think we can present that. Just like what Representative Curtis did and what Burroughs—all you guys did while you're up there is to help us. Maybe we just need to figure out a way to give them a hug and say please help us because it's killing us.

Senator Pettey said I want to say that I agree with all of my colleagues. I think Representative/Commissioner Burroughs is exactly right. We're going to be working defense a lot of the time. I have to say, unfortunately, after the election all I kept thinking was this feels like 2013 and from the Senate perspective it was continual torture every single day. I wish I could say I think we're going to be moving ahead with a lot of great things, I don't think so. From my perspective I think it's going to be real important to protect school funding, both at the K-12 and higher ed and that will be something that I will be hoping—continue to support.

I agree with Kathy. I would love to see Medicaid Expansion, but I don't see the numbers in the Senate. We couldn't make it happen when we had Moderates. Now we really don't have any Moderates and so I'm, you know, on the Senate side we don't know for sure who is going to be in the majority party and who is going to be leadership. Pretty likely it's going to be Senator Masterson, but who will make up the rest of that—there are so many roadblocks in the way of anything happening.

I do think when looking at the UG issues, you know, there may be support for that Youth Fatality Review Board and, hopefully, it would be moving ahead as a statewide effort because there is a lot—I'm serving on Mental Health Revitalization Reform Committee which has been meeting all during the interim, so there is a lot of interest in mental health, but that's just one piece of it. Also, the Youth Fatality Review Board wouldn't carry with it a big price tag, so I think that makes it attractive.

The Contact Tracing, we ran into issues with that in the veto session, so I don't know if that would change.

The Alternative Construction Delivery, that actually is supported by the Secretary of Transportation as something that I know that the Department of Transportation would like to see move ahead. I don't know that will happen, but there is support there.

It's going to be a really difficult session. When it comes to the library deal, Melissa, I would say I think there's a lot that needs to be done at the local level to have a discussion that, yes, you might want to seeing funding to be different but remember it's not just the UG that's involved. It's the Kansas City, Kansas School District that actually oversees all of our Kansas City, Kansas libraries, so there's a lot there. It's been talked about in the past about having a committee at the local level to talk about how that would look. I would say, that's certainly should be where that effort would begin and not want to start it at the State Capitol because the further away, and that's not impacting anybody else but us, so there would really be very little interest that might not necessarily—and the interest that could come about, could be negative in its impact. That's just my thoughts about the library.

Senator-elect Pittman said I will just say given whatever the party make-up, we need to remember we in northeast Kansas, we're a powerhouse of economic development in Kansas and we need to make sure we keep reminding our state that we're developing. We're the Kansas City area and it's where a large base of the tax revenue comes from and I think we can make allies and we can talk about local government to Republicans and to Democrats and I think we can make a case about why local control is so important because there are a lot of people that have shared priorities. I'm hoping this isn't all doom and gloom. I think if we look at it like working people need to have prevailing wage and find some allies who will have more of a union background in the Republican caucus, we can do things and make some allies. I'm very optimistic on that front, maybe naively so, but I think we can do good work in the state of Kansas still.

I'll also say we need to keep an eye on redistricting this year to make sure that Wyandotte County is not subject to any kind of gerrymandering that brings in Wyandotte with some crazy scheme to bring in western Kansas and water down the votes somehow. So, I think that's something all of us needs to watch to make sure that Wyandotte stays a collective voice and is not split somehow down the middle in some weird ways.

Mayor Alvey said I would just comment in terms of the Alternate Construction Delivery, when the Secretary of Transportation presented her program, the League of Kansas Municipalities, there seemed to be kind of heartfelt reception to that process. So, there may be quite a bit of support from other municipalities and counties in Kansas.

Representative Moore said I just didn't want to leave this session without giving my heartfelt thanks to you, the commissioners, and the Health Department for all your work on COVID. I think it's been extraordinary. I can't imagine the hours you all are working. The Health Department I think has been phenomenal and really shown in the metro area. I just wanted to offer that and my sincere thank you.

Mayor Alvey said we are now at 5:57 and we have another presentation, Senator Pettey, you may get the last word.

Senator Pettey said I just wanted to echo what Representative Moore said, so maybe you should add to your list, increase funding for Health Department's because they haven't seen that for a long, long time. This might be the year that maybe there would be reception for that statewide. **Mayor Alvey** said I think we should ask for increased funding for everything, but…. Thank you very much for joining us this evening and thank you for all of your work and we know it's a tough slog, but we will support you.

Mayor Alvey said we will now move to a presentation on the Long-Range Financial Plan.

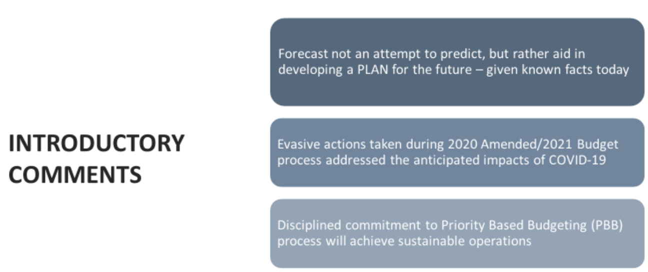
Doug Bach, County Administrator, said as the Mayor said, the next section is about our Long-Range Financial Plan. I think what's key that Ms. VonAchen is going to go over tonight and a few things that are important for us to look at is while we started this year last summer we were really uncertain—a lot of uncertainty about our financial situation. What we did know at the time was we had many businesses closed, sales taxes were kind of shutoff at the spicket in many accounts and we were uncertain for that recovery time.

One of the things you will see in tonight's presentation is that our recovery was a little bit better than we had originally anticipated. I think it's really important to note that as this governing body went through it we made some pretty big decisions to reduce our budget last summer, so we put the impact on our 2020 year and not dig ourselves into such a hole that it would impact us for years to come. I think the way things are projecting right now, and I will qualify that with there is a lot of uncertainty out there with COVID and the reality of some of our biggest sales tax months really finishing with the end of November and December to come. Kathleen has gone through and built forecasts that show us trending back up which is a good thing and we're not having to dig ourselves into a dip hole to come out of for years to come. We're not as good as we were where we originally started last January building our projections.

Going through this first part, the agenda will go through the economic indicators, drivers and outlook that she will present to you. She has done a great job of doing a baseline forecast for everything. I think also you received this information in advance this week to go through it plus yesterday we were able to submit to you additional more detailed information that I think that's kind of a takeaway to go back and look at some of these forecasts. With that, we go through it and make some good conclusions as to where we're at, what we think our projections will be for the future.

We do all this forecasting because the Commission looks at this in building a plan for the future. You know when we step back away from it, if we really don't think about where we're going to be in a few years from a financial health, it's hard for us to say, well when Mr. Fisher comes in from Public Works and we talk about how much money we would like to have or we need to have to build and keep up with our streets so we're not looking at crumbling streets around the city and know we need to put millions more into that program. We have to tie this over to this forecast and say, okay, if we continue the trend we're doing now, what happens to it. How do we maintain those sustainable operations and identifying the opportunities for further investment in all of the seven goals, not just Public Works, but everything that we're after and what we want to spend.

With that, I'm going to turn this over to our Chief Financial Officer Kathleen VonAchen and let her take us through the presentation tonight and, hopefully, we'll be able to get through this since it's 6:00 and have some time for some questions before we go to our 7:00 meeting.



Kathleen VonAchen, Chief Financial Officer, said I would like to thank Doug Bach for his support in developing this. He has provided lots of good quality input. Also, two Assistant County Administrators were involved, Alan Howze and Melissa Sieben. Renee Ramirez, HR Director, really helped as well as my team.

The presentation tonight is only concerning the General Fund, but the report that will be online tomorrow on the Finance Department website, it's a 100 page report concerns all the other governmental funds of the Unified Government.

First off, in the presentation I'm just going to focus on—because of the interest and due to COVID and the changes we've had to make in our budget, I'm really going to focus on 2020 and 2021 just looking at how revenues and personnel costs are expected to perform through the end of the year.

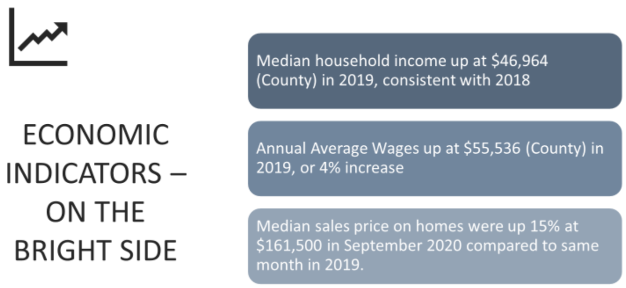
Later on I'm going to talk about—look at the major assumptions behind the forecast. You know, those larger tax revenues and then also personnel just to give you an idea of what built—the assumptions that built the forecast. After that I'm going to progress and show you a graph that shows what the ending cash balance is expected to be.

I did just want to warn you ahead of time the cash balances don't look very good. It's coming into the future because basically our revenue growth is slower than our expenditure growth. There are some challenges that are not insurmountable but are definitely—the point of this is not to really predict the future, but to aid us in developing a plan knowing the facts we have today.

Doug mentioned that we took a number of evasive actions during the 2020 Amended Budget and 2021 Budget to address the impacts of COVID. Of course, we weren't really clear what the impacts would be at the time, but we did make a dramatic action and we also elected to use roughly $7M in fund balance in order to tie up overage and that's why you have fund balance, for that rainy day fund and it certainly was a rainy day. Luckily we were assisted by the CARES Act, but also we were able to back off on our personnel costs and then the sales tax came in much better than anticipated. We are weathering the storm better, but the outyears in 2021 are still at-risk and we're definitely hoping there is additional stimulus money coming.

All of those actions result in renewing our discipline commitment to Priority Based Budgeting at the means to achieve our sustainable operations.

With that, I did want to let you know to feel free to interject and ask any questions along the way.



Just two quick slides to give you some idea of the economic indicators. There are some that are on the bright side and some that are not so bright. The first one, the median household income has remained consistent in '19, consistent with '18 at $47K. Annual average wages were $55K which was a 4% increase over the prior year and the median sale of price on homes have been up. In fact, it's up 15% as of September of this year compared with September of last year, so there is significant home sales are really going up and it will impact property tax revenues that we collect in 2022.

On the downside though, we know that unemployment has gone down during this COVID year and it was around 13.9% during May and April. It's now down to 7.4 and we expect it to trickle down to 6.5 in 2021.

Retail Sales in the county are expected to go down around 6% this year and then recover fully by 5% in '21 and then in the outyears 3% for each year.

Single family building permits were down this year—in 2019 by 15% but that is offset by an increase in new residential units of 268.

City of Kansas City, KS General Fund

2020 Financial Performance

($ in millions)	2019 Actuals	2020 Original*	2020 Amended*	2020 Year-End Estimate	% change 2020 Yr-End Estimate compared to 2019 Actuals
Revenues	$143.5	$150.5	$139.9	**$142.6**	**(1%)**
Expenditures	145.4	153.4	147.1	**143.4**	**(1%)**
Net Impact on Cash Balance	(1.9)	(2.9)	(7.2)	**(0.8)**	
Cash Fund Balance	**$18.4**	**$15.5**	**$11.2**	**$17.6**	

** Budgets exclude the $10 M annual debt appropriation.*

As I mentioned, I'm going to focus in the near terms for the city and the county just to give you an idea of how we expect to perform through the end of the year, and this is the City General Fund.

Commissioner Philbrook said just a quick clarification. I put my hand up, but nobody wants to talk to me, so I'm just going to barge in. Anyway, back to the slide before this one. When you talk about single family building permits, what about commercial building permits? I didn't see that mentioned anywhere in any of the pages that you sent to us. Maybe I missed it. **Ms. VonAchen** said no, I didn't include it, so I don't know off-hand what that was. I do know that my Analyst, Mike Grimm, gave a presentation to the Administration & Public Works Committee last week and we can forward that PowerPoint because it has a lot of information on the performance of permits. **Commissioner Philbrook** said I didn't notice the—well, I'll talk to you later about it, but I wanted to know what kind of affect it has because we do have a lot of commercial building right now. **Ms. VonAchen** said great, I don't have that on the tip of my tongue. **Commissioner Philbrook** said now I know.

Ms. VonAchen said this column over here is the 2020 Year-End Estimate. We're expecting revenues of $142M to come in with expenditures of $143M, so we're only expecting to use our rainy day fund by about $800K leaving us with a fund balance—or cash balance of $17.6M. We came in with a cash balance of $18.4M. I've provided here the original budget as well as the amended budget so you can see the impact with COVID. We amended the budget in July. The original budget was adopted last year, and the impact of the revenues was that we basically expected to lose $10M in revenue. Ultimately, we only lost about $7M, so that's very positive.

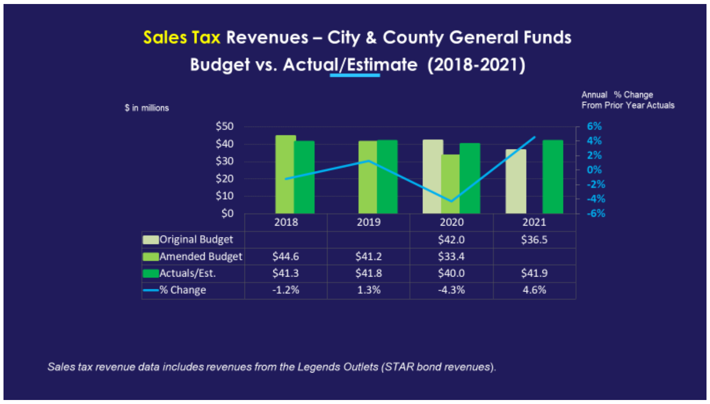
On the expenditure side, we expected to spend $153M and the amended budget was at $147M. In the end we're expecting to spend only $143M which is about $4M less than we budgeted and that is good because the administration has been following and monitoring our vacancies very, very closely and not filling positions that or at least—only filling positions that are essential. It's also because we received CARES Act dollars which reimbursed costs related to public safety. We'll get more into that. There is more detail later in the slides.

Wyandotte County General Fund

2020 Financial Performance

($ in millions)	2019 Actuals	2020 Original	2020 Amended	2020 Year-End Estimate	% change 2020 Yr-End Estimate compared to 2019 Actuals
Revenues	$65.1	$65.9	$63.6	**$63.5**	**(3%)**
Expenditures	61.9	66.9	67.4	**67.4**	**9%**
Net Impact on Cash Balance	3.2	(1.0)	(3.8)	**(3.9)**	
Cash Fund Balance	**$9.1**	**$8.1**	**$5.3**	**$5.2**	

The County side was not near as impacted by COVID because—you'll see a slide later, but a greater portion of the revenue supporting county functions is from the property tax which is not as economically sensitive and was not impacted as much by the COVID pandemic. The revenues we're expecting is $63M and offset by expenditures of $67M for a net negative of $4M. The fund came into the year was a $9M cash balance and is ending—we're expecting to end with a $5M cash balance. That difference for the most part is due to the increase in expenditures between '19 and '20. What we did was we reduced—just as a reminder as part of the budget you all adopted this summer, we analyzed all of the expenses that—administrative and other functions across the city and the county and precluded that the county was not necessarily paying their fair share as a proportion of the total budget. So, there was a reallocation of cost between the city and the county and that's largely why this number is here.



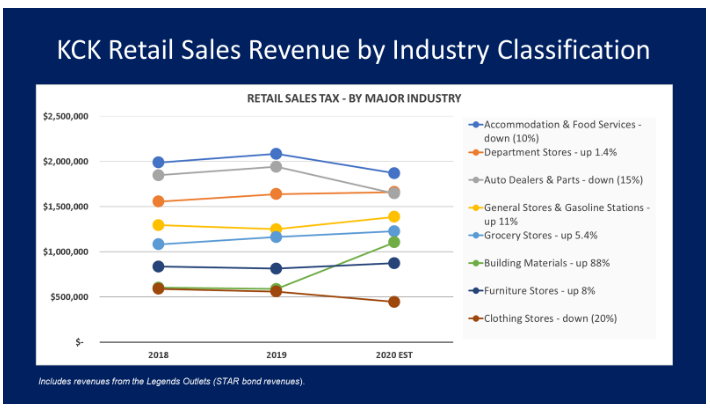
I am not going to talk about the performance of each—I'm going to talk about each of the kind of larger revenue sources and, of course, the sales tax was very much impacted. These green bars are the budget and you can see—well, the Amended Budget went down a little bit in '19 and then we were expecting it to be pretty much level with the prior year, but then because of COVID, we dropped it about 20% and you'll see that later. Then we expected it to only increase a little bit from that lower base, but the actuals and the estimate were pretty consistent in the prior years and this 2020 year is roughly—the numbers are down here before, about $6.5M better than what we anticipated when you adopted the budget this summer. So, that's $6.5M in additional revenue to the City and the County General Funds. It still reflects a 4.3% decline compared with 2019 revenues.

For 2021 we expect to collect $36.5M and now I'm revising the estimate to be $42M or a 4.6% increase off that lower base and it is a little bit, you know, about $2M higher than what we expect to collect in 2020.

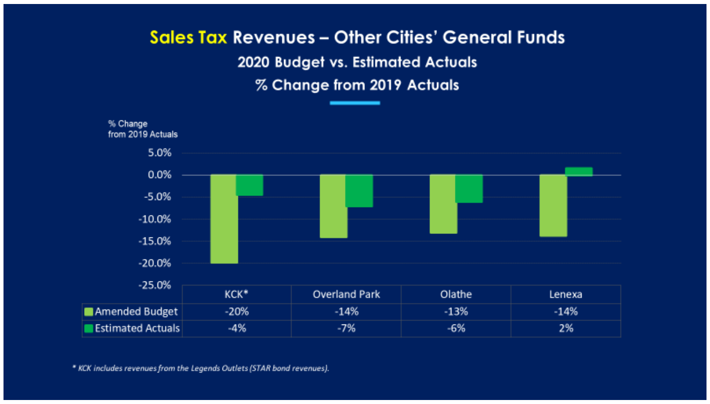
In anticipating your question, these are cash basis, so the amounts that we get from the State in their distributions are delayed by two months compared with where the actual sales tax transaction occurred. So, basically, the money that we're waiting for November and December has already happened. It happened back in, I don't know, September and October or maybe even August and September. So, any kind of impact related to the more recent COVID spread in our community won't take effect until 2021 if there is any impact on our sales tax.

Mayor Alvey said, Kathleen, if I may, the projected for 2021 is $41.9 which is a 4.6% improvement over this year. On what basis are we projecting that? A vaccine? What would change that? **Ms. VonAchen** said from looking at the data, and we'll talk about it later, auto sales have been depressed and dining and so forth has been really very, very depressed and stagnate. Once the vaccine comes out in the middle of the year, we think there's going to be a resurgent of those sorts of activities and so that is why I have the projections modestly increasing.

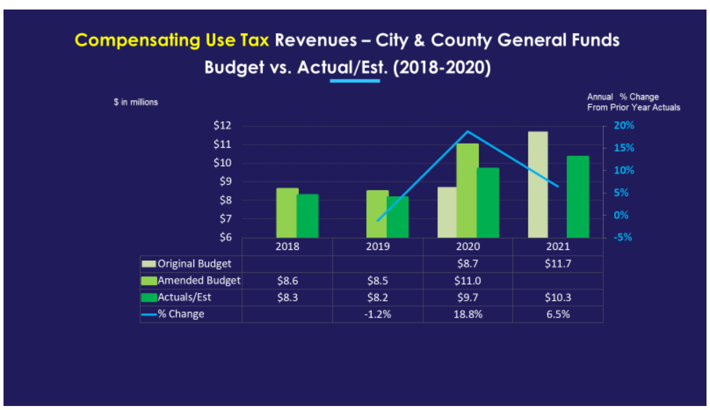
Mr. Bach said I might add, Mayor, one reason we see that we don't have the down—or a little bit more of a bump is that, remember, we had a complete shutdown for a time period through 2020. I don't know that—we can't forecast that can't happen, but that we would go into as long of a complete shutdown as we had last year. I don't think that is anticipated in Kathleen's models. **Ms. VonAchen** said I also want to point out the amount I'm estimating is almost exactly the same as what we collected in '19, so it's two years of no growth basically and Menard's came in so there is the opportunity for additional Menard's money depending on the timing of when Homefield's come on line.



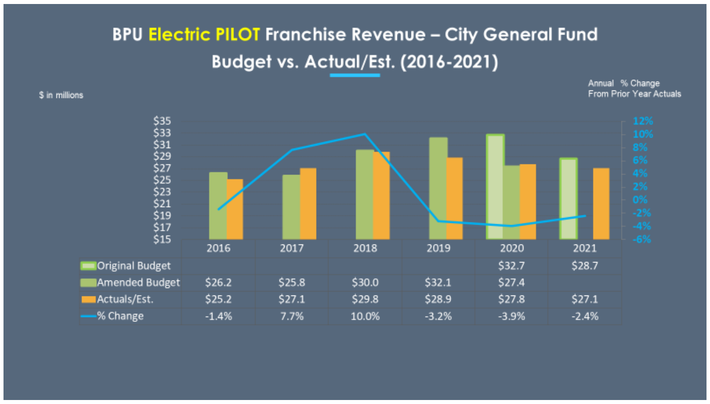
I put this in here because I thought maybe you might be curious on what happened with our sales tax this year and so I've broken up the city of Kansas City, Kansas retail sales tax by industry classification. What we found is that, as you expected, accommodations and food services went down 10% compared with '19. What also went down by 15% was automobile sales and finally, clothing stores. Those items that are a little bit luxury and can be postponed went down in my view, but the other things that are more stables all went up. What's really interesting is that building materials went up 88% which is this green one, so basically, it almost doubled, and furniture stores went up 8%. Unequivocally we do know that a lot of those, you know, Lowe's and Home Depot and such, they were running out of wood because people were doing improvements to their homes. It's interesting.



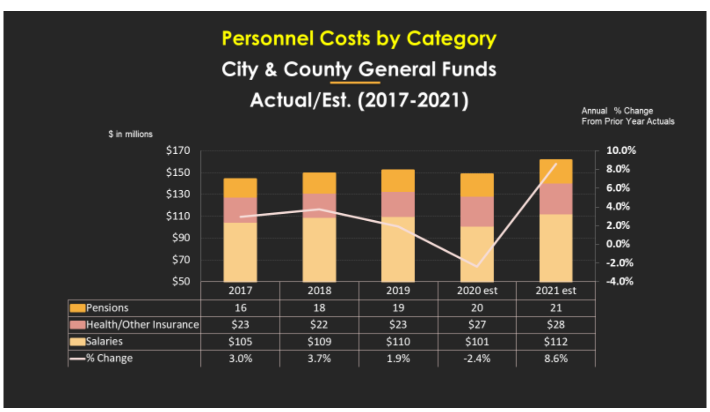
So, how did our estimates compare with other cities'. Overland Park, Olathe and Lenexa are listed here, and they all did an Amended Budget that reduced sales tax by around 14% and my estimate was a reduction of 20%. Part of that is because there is a great deal of reliance on the Legend's which makes up about one-fourth of our sales tax and so we anticipated a greater impact on that. They've all now revised their estimates and it ranges from—Lenexa actually reflecting an increase over '19 of 2% and Olathe is still at a negative 6 and negative 7 and I have a negative 4 because of the impact of COVID on the Legend's revenues wasn't as bad as I thought.



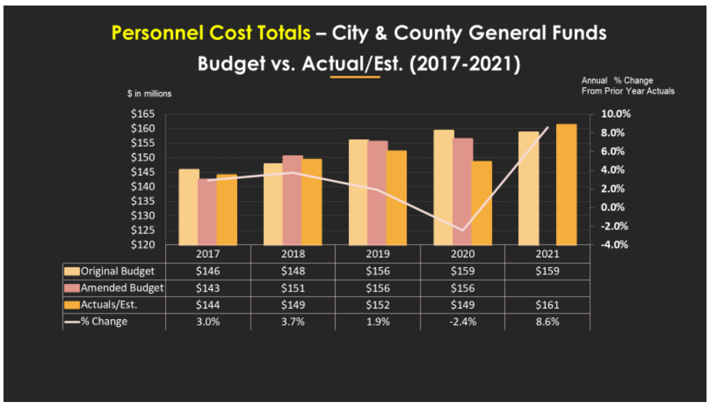
Compensating Use was not in those revenues but I'm showing you this now because we anticipate the revenue growth in this area will be realized because of greater online sales and things, so overall we were budgeting it around the $8M level or the estimate for $8M level. The original budget had it at that number. I bumped it up to $11M because we're anticipating more people will be buying things online but given the tax collections over the past 10 months, I think it's going to be around the $10M level, so I've revised the revenue down about $1M, $1.5M in '21. It's still increasing by 19% over 2019.



The final largest revenue source is the BPU and I have a few more years here just so that you're—to give you a little context. In April of '18 and April of '19 there was a 4% electric rate increase. This is the electric BPU PILOT. There is also a water PILOT that amounts to about $5M but this is the largest one. There was a rate increase and that's built into the estimates. The orange are actual revenues. My estimate for '19 for the BPU is really off and part of it, I believe, is because we did not anticipate that consumption in the commercial and industrial areas would decline, which it did. This decrease here for the BPU PILOT is a result not only of COVID but also just a general decline in the consumption level from industry and commercial businesses. In other words, even though it's $6.5M—we're up $6.5M in sales tax, we're down about $1M on the compensating use side and then now we're down another $3M here because of the BPU.



The largest driver for personnel costs which makes up about 75% of the total cost of the City General Fund is personnel. I broke this up into different categories just so you could see it. Most of them is salary but there is also costs related to health benefits and other—insurance, worker's comp and such and then our pension costs. As you can see, we see a pretty consistently increase between 2 and 3%--2 and 3.5%. 2019 we're anticipating a 2.4% decrease and that is because we are holding positions vacant as they become vacant. We're only filling the positions that are essential. There's been very close monitoring of all those positions. The other reason it has declined is because we received a reimbursement from the State—from Federal CARES Act dollars, the States SPARK Committee, and it was a reimbursement for public safety expenditures related to COVID fighting activity. Those reimbursements reduced the cost, and so basically, we moved all that reimbursement expense over to the Grant Fund. We're not getting any kind of reimbursement in 2021 so that's why you'll see a little bit of an increase.

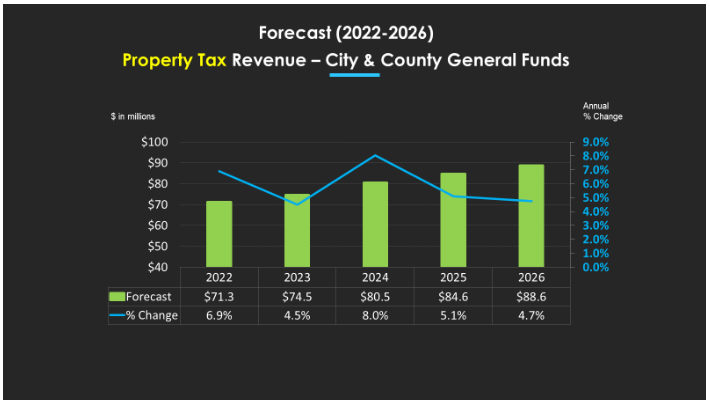


	2017	2018	2019	2020	2021
Original Budget	$146	$148	$156	$159	$159
Amended Budget	$143	$151	$156	$156	
Actuals/Est.	$144	$149	$152	$149	$161
% Change	3.0%	3.7%	1.9%	-2.4%	8.6%

By the way, because this is a forecast, not a budget, you understand, so 2021 actually also includes the addition which you'll see here the addition—some cost of living increase for those employees or labor groups that did not have a contract—whose contract has expired, and we haven't renegotiated it yet. We just felt for a forecasting basis that we do include costs related to CPI in the Personnel line.

Any questions on this chart? So, that's what we have for 2020 and 2021 General Fund. These are the major cost drivers.

Mayor Alvey said what is that trend line, the white trend line? **Ms. VonAchen** said alright, so over on this side is the dollars that represents the bars here. This line is actually the percentage seen from the prior year. This line corresponds with this actual on this side and ours corresponds with the dollars on that side. That line, the actual number is down here.



As I mentioned, now I'm going to go through and share with you the forecast assumptions, so the assumptions I used for building what I think are going to be the revenues and expenditures for the next five years beginning in 2022. Just real briefly, Property Tax, I am anticipating that property tax will grow and here are the percentage changes, see reflected here. My estimate anticipates that property tax will grow by almost 7% in 2022 and that's because we know that housing prices and commercial properties are rising right now in this current year and whatever is happening in this year impacts 2022. I think the rise in prices or demand is due in large part because of the very low interest rates. The feds, you know, dropped the rate.

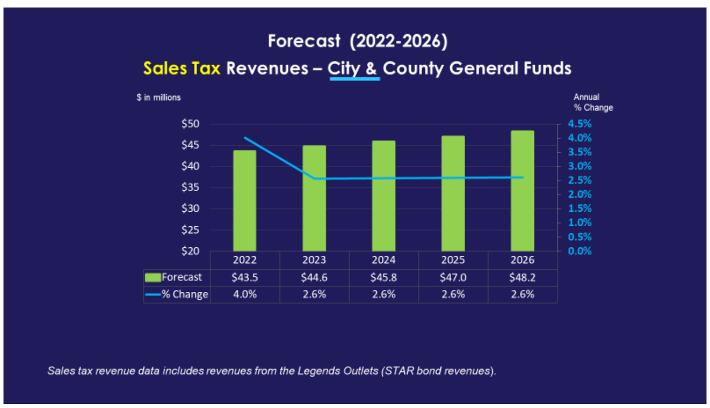
In 2023 I anticipate that there may be some delayed fallout next year from COVID as unemployed people struggle to make their payments on their home and end up selling and downsizing, so there may be a drive—where a demand lessens and so the rate of growth will be smaller.

The increase in 2024 aside from normal level of increase for property value which is roughly about 4.5 or 5%, there's an increase because we anticipate that various economic development projects will be completed, and the property tax will be paid by those firms and then this is just normal growth.

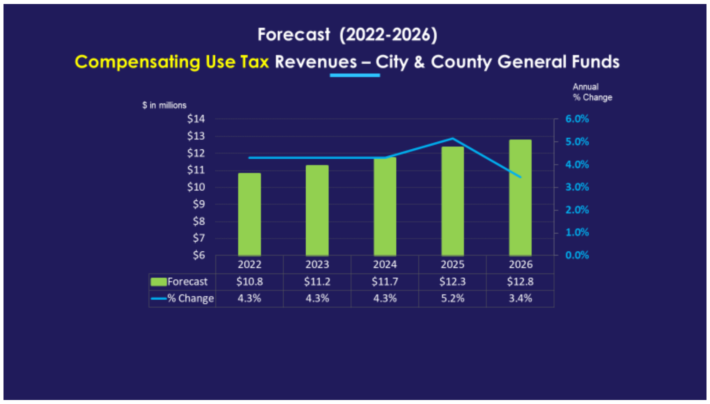
In the additional information, there are three other slides that talk about the factors that go into property tax revenue. So, if you want more information, you have the information on assessed value, delinquency rate and then also what the mills are. Of course, it assumes no increase in mill rates.

I just wanted to show you, residential is staying relatively low, then you bring in the commercial, this is where you see that bump up because of additional economic development and then you fold in a little bit of the personal property which is declining due to the state statutes and then we've got the utility portion. I forgot I had the animation here. So, it totals around $75M for these two funds.

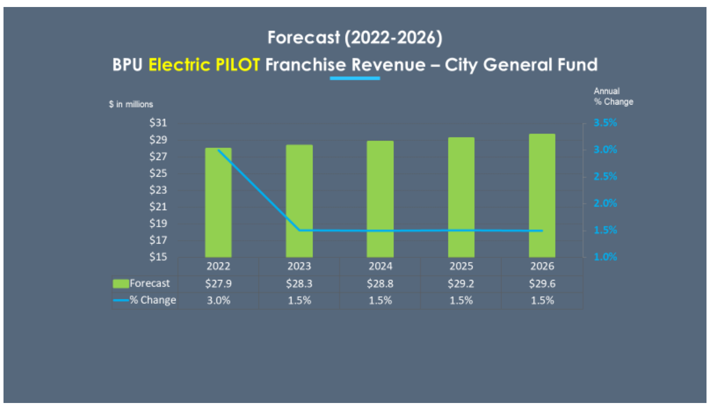
Mayor Alvey said, Kathleen, to be clear, for 2024 you're looking at those properties that we're abated. For instance the General Motors Plant that will now be coming back on to the tax rolls fully. **Ms. VonAchen** said no. I—well, okay, that too, sure; but I'm actually—those numbers are already built in to the abated ones that come back on. I'm actually looking at, and specifically for that year, is that there are several economic development projects that have been approved and I'm assuming they're going to get constructed and built in '21, '22, and '23 and they will start paying property tax in '24. **Mayor Alvey** said gotcha.



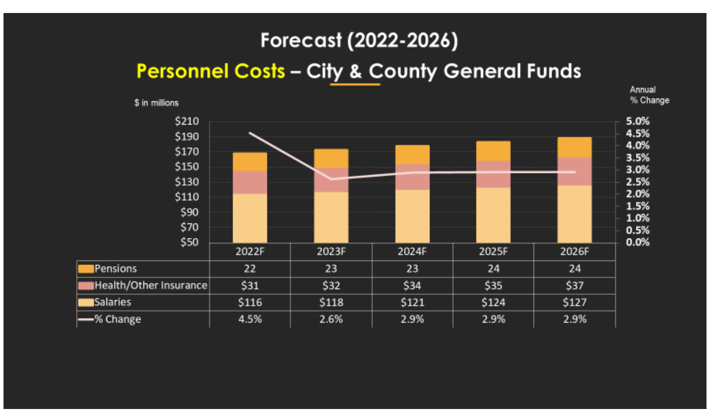
Ms. VonAchen said the forecast for Sales Tax, I expect it to bump-up from a low level in '22 4% and then to only increase by 2.6% in the future. The reason for that, you would wonder why is it so low, 2.6, you know. The thing is that one-fourth of the sales tax is actually coming from the Legend's and the amount that we get from the Legend's is capped at $9.6M. Any kind of incremental growth above the 9.6 in that area goes to pay the soccer bonds. It sort of depresses or, you know, diminishes the growth rate when you have a good portion of the total capped. I have retail sales based on, you know, economic forecast I have retail sales growing about 3% a year in these years, but because of that cap it drops it down to about 2.6. So, very conservative and certainly you can argue it may improve over time.



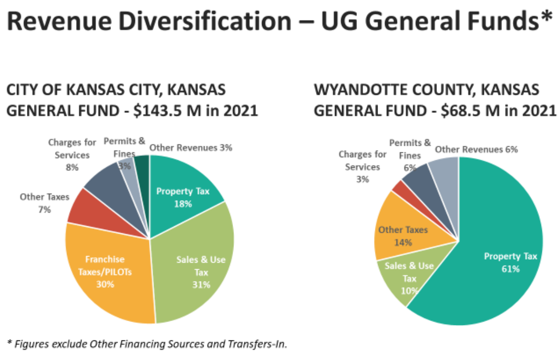
Compensating Use, I have it increasing at a faster rate, 4.3% and that's because of the anticipation of additional online sales over time.



The last large revenue is the BPU. The PILOT just does not grow very much year over year. There's not a lot of inflationary increases. It's relatively flat so I have it improving in '22 as perhaps receivables are collected, but then—resulting from the COVID, but then I have it pretty much flat at 1.5% in the future. So, a conservative estimate.



On the Personnel side I have built in an increase in—a cost of living increase for all personnel across the board, a very kind of modest cost of living increase. I have built in about 5.7% increase for health benefits which reflects an inflationary increase for medical cost and then I built in—built into the pension line is the expectation that we will be making payouts for the expected, you know, Silver Tsunami that I talked about last year, so that's in there. The combination of all those things result in roughly a 3% annual growth rate over the period.



Given these assumptions, I just want to point out between the two funds, they're very different, so in a moment I'm going to show you the forecast, but just keep in mind these two funds are very different. Part of it is because the County fund is reliant 61% on revenue from property tax and property tax just really isn't—we don't believe is going to be impacted too much by the COVID pandemic. Their revenue structure continues to grow as it would have been had the COVID not happened whereas the City General Fund side between sales tax and franchise tax at 60% are collected—that are economically sensitive and so their growth rate is—or their general performance is really kind of, you know, been stymied a little bit or quite a bit. You'll see here in a minute.

UNIFIED GOVT WYANDOTTE COUNTY FINANCIAL SUMMARY — 1-CITY GENERAL FUND — INDEX

	2019A	2020E	2021E	2022F	2023F	2024F	2025F	2026F
REVENUES & SOURCES (BY ACCOUNT GROUP)								
01-TAX REVENUE	120,591,870	117,146,561	122,822,414	127,892,288	131,551,914	136,341,007	140,838,811	145,368,269
02-PERMITS AND LICENSES	1,320,230	1,293,928	1,319,803	1,351,611	1,384,287	1,417,856	1,452,347	1,487,786
03-INTERGOVERNMENTAL REVENUES	786,674	735,000	735,000	757,050	779,762	803,154	827,249	852,066
04-CHARGES FOR SERVICES	11,095,043	9,674,162	11,691,032	11,956,492	12,228,008	12,505,718	12,789,764	13,080,292
05-FINES, FORFEITS, FEES	3,467,622	2,085,007	3,171,846	3,240,566	3,310,775	3,382,505	3,455,789	3,530,661
06-INTEREST INCOME	833,037	395,008	480,729	488,155	495,696	503,353	511,129	519,025
07-MISCELLANEOUS REVENUE	1,564,505	1,154,801	1,621,516	1,656,647	1,692,539	1,729,209	1,766,674	1,804,950
08-REIMBURSEMENTS	1,599,013	1,783,225	1,719,190	1,817,479	1,885,882	2,018,945	2,114,844	2,215,300
09-OTHER FINANCING SOURCES	2,256,300	8,356,000	2,336,000	2,386,611	2,438,318	2,491,146	2,545,118	2,600,260
TOTAL REVENUES & SOURCES	**143,514,294**	**142,623,692**	**145,897,530**	**151,546,899**	**155,767,181**	**161,192,894**	**166,301,726**	**171,458,609**
ANNUAL CHANGE	*-0.2%*	*-0.6%*	*2.3%*	*3.9%*	*2.8%*	*3.5%*	*3.2%*	*3.1%*
EXPENDITURES & USES (BY ACCOUNT GROUP)								
01-PERSONNEL	108,420,414	104,073,813	112,437,578	116,719,614	119,771,167	123,152,212	126,647,962	130,263,179
02-SERVICES	22,423,203	21,426,929	24,587,896	25,325,569	25,971,264	26,836,842	27,592,585	28,373,816
03-SUPPLIES	5,013,930	5,071,871	4,126,292	4,200,240	4,275,574	4,352,322	4,430,511	4,510,171
04-GRANTS, CLAIMS	4,544,974	4,757,687	4,616,786	4,681,421	4,746,961	4,813,418	4,880,806	4,949,137
05-TRANSFERS, OTHER	1,010,242	1,864,040	399,040	399,040	399,040	399,040	399,040	399,040
06-CAPITAL OUTLAY	3,327,451	4,048,167	1,421,667	5,906,754	5,144,629	4,723,594	4,345,634	3,944,695
07-DEBT SERVICE	643,650	154,625	104,223	516,452	638,227	638,787	637,907	641,127
08-RESERVES	-	2,050,000	350,000	350,000	350,000	350,000	350,000	350,000
TOTAL EXPENDITURES & USES	**145,383,864**	**143,447,132**	**148,043,482**	**158,099,090**	**161,296,862**	**165,266,215**	**169,284,445**	**173,431,165**
ANNUAL CHANGE	*0.9%*	*-1.3%*	*3.2%*	*6.8%*	*2.0%*	*2.5%*	*2.4%*	*2.4%*
REVENUES OVER/(UNDER) EXPENDITURES	**$ (1,869,570)**	**$ (823,440)**	**$ (2,145,952)**	**$ (6,552,191)**	**$ (5,529,682)**	**$ (4,073,320)**	**$ (2,982,720)**	**$ (1,972,556)**
TOTAL CASH BALANCE - YEAR END	**18,420,032**	**17,596,592**	**15,450,640**	**8,898,449**	**3,368,767**	**(704,553)**	**(3,687,273)**	**(5,659,830)**
Fund Balance's % of Expenditures	**12.7%**	**12.3%**	**10.4%**	**5.6%**	**2.1%**	**-0.4%**	**-2.2%**	**-3.3%**

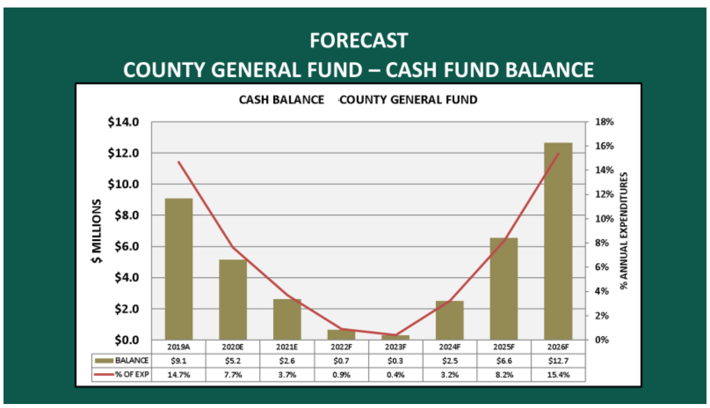
I have provided this information here. This is the income statement basically for the City General Fund and forecast for the future years and there's a lot of numbers here, so I'm not going to go over them in detail because I have a graph on the next page that kind of summarizes the bottom line for this fund. Overall, all of these categories up here are the major categories of revenues and then down here are all the major categories for expenditures. How this works is, you know, just with your own bank account, the money coming in is how much we collect and then how much goes out is how much we spend to provide services to our public and then the difference between the amount we collect and the amount we spend is what this one is, the net revenue—over or under expenditures, sort of the net how much we're—this is how much we will use in our cash balance given this activity in a given year.

Down here, this is called total cash balance at year end. That's how much you have in your checking account, how much you have in your bank, it's cash. So, if we brought in less revenue compared to expenditures in 2020, then we end up using in our cash balance about $800K and so you end up with a cash balance of $17.5M.

All those slides before, I talked about how when we were doing our budget we thought that this amount that we were going to use for cash was going to be I think, I can't remember off-hand, was going to be $5-$6M, but ultimately we're only ending the year expecting to use about $800K. Our cash is not diminishing as much as we anticipated. In '21 we expect the cash balance to be capped at $2M so that fund balance or the cash balance would drop to $15.4M.

The quandary that most Finance Directors have is that all revenue growth, you know, we try to be conservative but not too conservative, so our revenue growth over time is averaging between 2.5-2.8% and 4%, around there, but our expenditures, okay, it's averaging a growth rate of about 2%. You know, pretty conservative, but we're going into—but the total amount of revenues coming in every year is consistently less than the total amount of expenditures we are anticipating. So, for example, in 2022 we have $151.5M in revenue and in 2022 we have $158M in revenues, so there's a net difference of about $6M. That would seem like that's pretty dire because down here as you do that then you end up going into a negative cash position.

How to repair this is to actually talk with all our departments and identify services that can be performed more efficiently to better address the residents needs in a more efficient way. If we only identify 2%, for example, of our total expenditures and diminish our budgets by that amount, in the very first year we would wipeout all of these negatives because any kind of reductions in the first year carry forward. Before you see this graph, which I'm going to show you, know that this is something that together as an organization we can address.



This is graph is the Cash Fund Balance. Each of these bars is how much we expect to have at the end of the year in cash in the City General Fund. This green line here is how much in cash we should have if we are to continue to maintain our two month of operating reserves, that rainy day fund. The rainy day fund policy says that we should try our very best to maintain 17% of our expenditures in cash to cover us for unseen economic events. That certainly happened to us this year and luckily we did have a cash balance and were able to address it and luckily we did receive money from the federal government to assist. So, we did not have to tap into our rainy day fund.

This year really demonstrated how important it is to keep your fund balance up so over time the fund balance is going to be diminished. I provided the little chart here so you could see how much it's being diminished by. These amounts are the amounts we would need to replenish in order to bring our fund balance back up to this green line. As I mentioned, if you make cuts in the base budget of expenditures, say $5M, that same $5M gets saved each and every year so the first year it's 5, the second it's $10M, the third year it's $15M because, you know, you're saving the money from before, it grows like that. So, $5M we need to fine and that's only about 2% of our total budget.

Ms. VonAchen switched to a slide that was not on PowerPoint

Here I have the County for your information. The County General Fund is not as negatively impacted. You can see that net margin. It's $2M in 2022, but then it drops to only $300K and then we start growing the fund balance in the County General Fund beginning in '24. So graphically it looks like that, so this is the County General Fund, so it's dropping too but then it starts to grow.

I know I've given you a lot here and so I'm just going to conclude quickly and again reiterate that in the future—actually beginning this January we're bringing in consultants from the Center for Priority Based Budgeting and we are going to be visiting with every department and conducting insight workshops and these departments and us will be asking lots of hard questions about how can we provide services more efficiently and garner ideas from our departments on how to proceed.

As a reminder, earlier this year, we actually together provided an objective for what we planned to do with Priority Based Budgeting, so the objective was we were going to try to identify 5% of our total governmental expenditures for potentially reallocation and that's like $15M and we gave ourselves about four years to do that. So, we're going to brushoff that goal and continue to pursue it. We were interrupted a little bit by the COVID, but now we're going to pick that up and do it again.

The other thing is, we're also going to continue to pursue new sources of revenue such as economic development projects that pay tax revenue as well as housing infill initiatives that will grow our tax base. With that, I'm happy to answer any questions.

Commissioner Walters said I don't have as many questions as just a couple comments. I see a lot of good information here or positive information here particularly in growing our tax base. You know one of the things we've been talking about since I've been on the Commission is growing the tax base so we can reduce the burden of high property taxes that we have here in Wyandotte County. We talk about that a lot, but it looks like based on the charts that I'm seeing is that's happening, so I think that's good news. I understand this is a projection but that's very positive to me.

Secondly, just a comment, when we see these projections that show challenges in the future, it seems like we always immediately start thinking about, okay, how can we cut expenditures and I'm all for that. I'm all for efficiencies and doing things as smartly as possible, but I don't think we spend nearly enough time thinking about how we can grow revenues and you touched on it with this last slide that we're going to pursue economic development opportunities. I think we could spend some time developing a more comprehensive strategy on that than we have now, and I would be glad to participate in that and maybe the Economic Development Subcommittee could do something like that too. Review all of our processes and procedures and see if we can figure out a way to take advantage of what appears to be a very positive development environment here in Wyandotte County to make it even more positive, so those are my comments.

Commissioner McKiernan said I will just echo what Commissioner Walters just said. I really do think that we are getting much better at growing our tax base. I will just add my usual qualification to that. I think we get the most value from growing our tax base when we are as careful as we can be about the incentives that we use to grow and get additional valuation because valuation that is not taxed, that is exempt from tax for some period of time, doesn't add as immediately to our General Fund as it might otherwise. I think we're definitely on the way, but every half of a percent, every percent that we can improve the immediate dollars into our General Funds, the better off we will be.

Mayor Alvey said excellent comments Commissioner Walters and Commissioner McKiernan and I want to really focus in on the housing infill initiatives. We saw the presentation from Urban 3 and also what we've heard from Strong Towns and others and the necessity of making use of existing infrastructure that we have power and water supply running to most of the Land Bank lots that we have and we're doing a better job, I think, of bringing developers in there. I remember something that Commissioner McKiernan had mentioned about two years ago that we really need to bring it to scale and there's some opportunities for us to do that.

Also, what Commissioner Walters had mentioned last year, that when we look at what kind of economic development incentives can we bring for additional housing and really to grow our population which grows our consumer base. Our retail stores would benefit from that and we're not going to get there overnight, but we may need to find ways to invest in improving our neighborhoods so that they become more attractive and encourage more and more development.

Ms. VonAchen said can I just make one more comment, so, about that initiative on the Motor Vehicle Registration and leveling that rate, I just want to mention another benefit to that approach may potentially be that more people will buy more expensive or newer cars because I think the amount they're currently paying in taxes causes people not to replace their cars. So, there's a sales tax benefit to that I think.

Commissioner Philbrook said, Kathleen, thanks for saying that. I have to agree with all that. I agree with everything everybody has said and I just really want to emphasize that the housing infill initiatives are going to be a big help to us because we need to look at a lot more 55 and older housing. I'm saying that selfishly because I would really like to get into a patio two-bedroom home with an apartment type atmosphere where I don't have to mow the lawn and stay in my district. I know that we lose a lot of folks over to other areas because we just don't have that kind of housing. It's nice to see that we're getting some, but I would like to see some of it moved a little bit further toward 635 if we could.

The other thing is that I so appreciate this type of presentation because the numbers sometimes make my eyes cross, but it definitely does help when you have the bar graphs and all the other stuff. It really helps put it—it gives me a visual perspective to it, so thank you so much Kathleen.

Representative/Commissioner Burroughs said, Kathleen, you're absolutely right. The purpose of that bill introduction would be to encourage additional sales and especially for those communities that have a number of auto dealerships as well as repair shops as well as car manufacturer, but that discussion is there.

I would encourage my colleagues to review Jerome Powell, he is the Chair of the Board of Governor's of the Federal Reserve. I had the privilege of listening to his speech and got a copy of it the other day when I was looking at the economic recovery for the state of Kansas. His presentation isn't all gloom and doom in reference to our economy and where we are. As I stated early on last year and, Kathleen, we talked about the conservative number for our sales tax and our compensating use tax; the state has seen a tremendous increase over what they projected and its changed our forecast also. I mean people still need to buy goods and still need to buy products and we are looking at, on the state side, additional ways to deal with the compensating use tax.

We have a continued opportunity here, as Commissioner Walters stated, about lowering our mill. We see the appraised valuation of the property in Kansas City, Kansas continuing to grow, and the hardest thing is messaging that to the people in our community as that property does have value. The best thing we can do as commissioners is encourage those that have property in Wyandotte County to continue to invest in that property and that means to do the upkeep and not punish them for that by raising their taxes because they painted their home or put new gutters on. That increase also sends a message into our community that the beautification of our community is happening, that rebirth and that stabilization comes into play.

We need to keep young families in this community. They will be the lifeblood of this community and I'm one of those gray hairs that could leave at any time. I choose to stay, but it doesn't mean that will happen, so we need to have housing stock that allows them to move in that's affordable, that is warranted for what it is they need and has amenities around it to supply whatever their families may need for the recreation purposes—purchases, whatever it may be.

I don't see the forecast as dire as some may see it. I think we're holding our own and in some areas we're even doing much better than people anticipated. I would encourage you to look at Mr. Powell's speech that he gave to the Federal Reserve. I think it would give you some insight as to why things are holding their own right now and that the economy is stable and we have a few hiccups here and there, but I believe we're going to pull through this. I'm not saying we will pull through it without more pain, but we're going to pull through it better than what we did through the—back in the 30's, the Depression. I mean that's the light at the end of the tunnel and some of the decisions that you all have made as commissioners is reflected in the budget and how we've been able to cut it down. I believe there's opportunity to save the additional eight hundred and some thousand. Kathleen says we're going to have to take out of the General Fund reserves, but I think there are ways to save that and carry that zero balance and then grow it quicker, but that will be a discussion for another day collectively.

Mayor, thank you for the opportunity to state that and, fellow commissioners, I look forward to having this financial discussion as we move forward.

Mayor Alvey said, Kathleen, I see no more hands raised. Thank you for your presentation. Thank you commissioners and all who zoomed in on this.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:53 p.m.

Bridgette Cobbins
Unified Government Clerk

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