STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL MEETING, TUESDAY, SEPTEMBER 7, 2021**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in a Special Commission Meeting, Tuesday, September 7, 2021, with eleven members present remotely. 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 (left the meeting early); 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; Alan Howze, Emerick Cross, and Bridgette Cobbins, Assistant County Administrator's; Brett Deichler, Interim Unified Government Clerk; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Michael Peterson, Assistant Budget Manager; Misty Brown, Chief Counsel; Jeff Conway, Assistant Counsel; Ashley Hand, Director of Strategic Communications; 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 as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is participating knows who is speaking. This is critical given the number of remote participants in his current guidance from the Kansas Attorney General.

MAYOR ALVEY called the meeting to order.

MAYOR ALVEY said I would ask the Clerk to announce the meeting and call the roll.

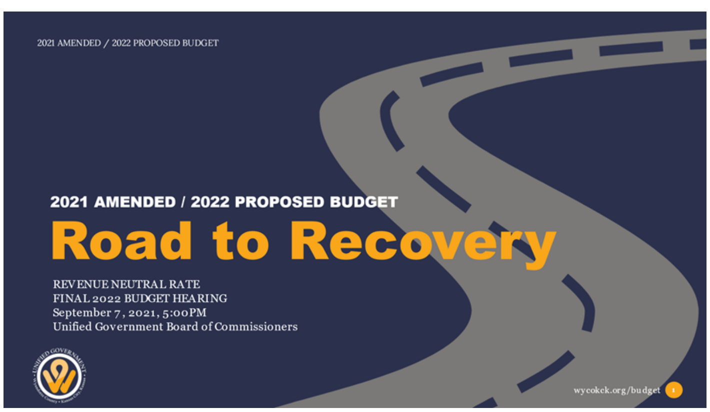
ROLL CALL: Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Alvey.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Tuesday, September 7, 2021, at 5:00 p.m. to be conducted virtually for a Public Hearing on exceeding the Revenue Neutral Rate and the Final Budget Public Hearing. I should also note prior to roll call that a blue sheet was issued modifying tonight's heading to convey Special Meeting and to also attach the Ordinance/Resolution language regarding the Revenue Neutral Rate as an addendum. Lastly, I would also like to note that tonight's agenda items will be held in reverse order where the final Budget Public Hearing will be held first followed by the Public Hearing on exceeding the Revenue Neutral Rate.

Due to COVID-19 the public will be able to observe or listen to the meeting live on YouTube or UGTV or through Zoom. The public may also view the special session from the lobby of the Municipal Office Building.

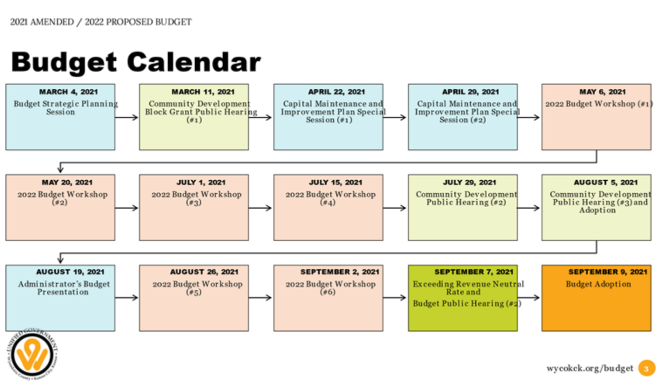
CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Alvey said as the Clerk announced, first we'll conduct the final public hearing on the 2021 Amended Budget and the 2022 Proposed Budget, so I would ask Mr. Bach to make some opening remarks.



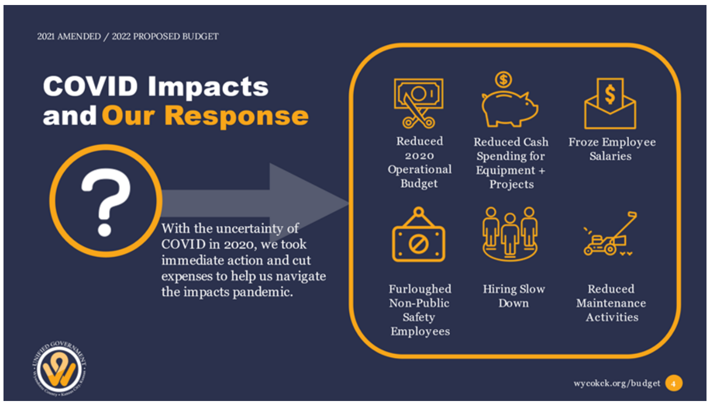
Doug Bach, County Administrator, said as it has been said twice as we're coming into tonight, we will offer a brief presentation regarding what is out there. There are some requirements in this presentation that we need to put forth regarding the Revenue Neutral Rate, so it is our intent to walk through what we have in the budget this year. First, as far as the numbers and the amounts that will be in it and then how the Revenue Neutral Rate is impacted by this as far as the state's statutory requirements.

One thing as we go through this year's budget presentation, and while we were in closing days of what is the proposed adoption date this Thursday…



I will note this Commission has spent a considerable amount of time working on this budget throughout this calendar year. Back in March of this year we started our Budget Strategic Planning to really go through and highlight what areas we thought would be key to focus on this year. We had a public hearing in March to get input on the Community Development funds that would be spent this year as well as the Community Block Grant as well as the public hearing on the budget. We went through a couple of Capital Maintenance sessions and then in May we started the first of what has been six budget workshops that have been conducted for the public to have input on, May 6th, May 20th, July 1st, July 15th, August 26th, and September 2nd. During that time we had two more public hearings. These were focused more on the Community Development funding and then we had the final adoption of that on August 5th.

The budget work that was put together as a result of this work was presented by myself and team on August 19th and now we're at September 7th to meet the statutory requirement for public hearing dates that they want to have us conduct right before we go into final adoption stages of the budget and that's why we're here this evening, so it's good to have you.



On the 19th we talked about what was to be in this year's budget, the impacts we had from our previous 2020, which was quite a year for us, where we saw significant budget reduction in order to meet the time—or the anticipated lowering of revenues that were coming in during 2020.

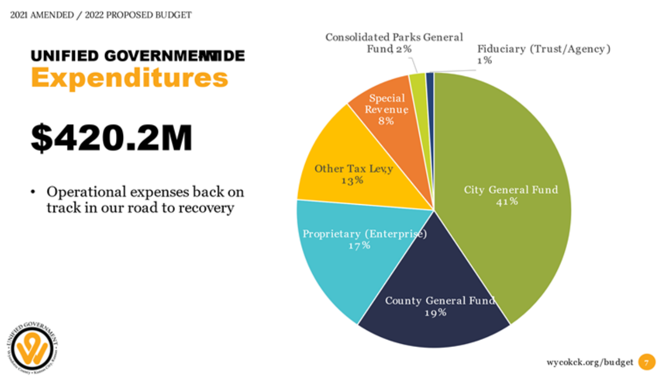
We moved forward from that to take a lot of action in 2021 as we saw our revenue start to return to normal and we still receive some CARES funding from the federal government as well as the anticipated ARPA funding that's coming in to help us replace some of our lost revenue. We're able to return to our fight on blight, go after the long-term infrastructure, our housing infill strategy, addressing our workforce as proposed in this budget as we look into 2022, stabilizing our fiscal position and then as we move forward defining where we will have our ARPA priorities.

So, this is the action we've taken as I go to the next slide.

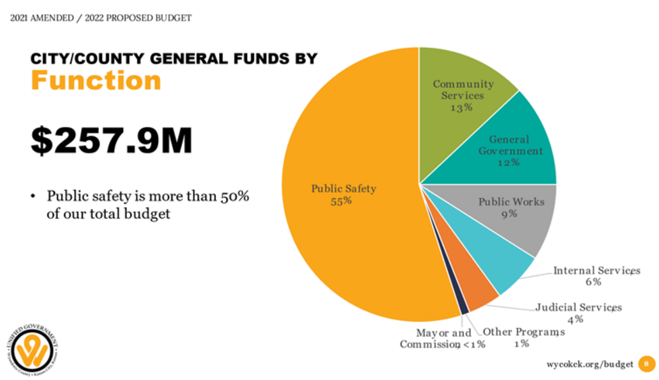
This budget that we are presenting this year does focus on improving the quality of life through that continued fight on blight, investing in our neighborhoods particularly with our infrastructure investments, we maintain equity-centered investments in public health by really getting out there and trying to get those that are underserved in our community, so we continued our focus on public health as we started doing much more in 2020 in relation to COVID. This keeps that going in '21 and then on into 2022.

More community engagement through our communications. We started this from a couple of years ago but this year's the first year we actually have had money to put in place to start to do more in this regard by having a couple of positions focused in regard to this. Address our public through community-based programs. You particularly see this with the Police Department where we had to reduce a high number of their positions in 2020 and held those open. We put those back in place so they can get much more back toward their community-minded interaction with the public with this budget. We'll fill those critical positions that we have in our government that help us address the highest priorities of the governing body and address our workforce culture by having various training programs that are in place and by allowing us to have more for compensation and we reinstate our cash position instead of just going after everything from a debt perspective which we were not able to do in 2020.

Now to go through this, I'm going to turn the presentation over to Reginald Lindsey, our Budget Director, who is going to walk through some of the numbers we have and then we'll have our Chief Financial Officer, Kathleen VonAchen, talk through some of the issues regarding the revenue neutral numbers as set out by the new state statute.

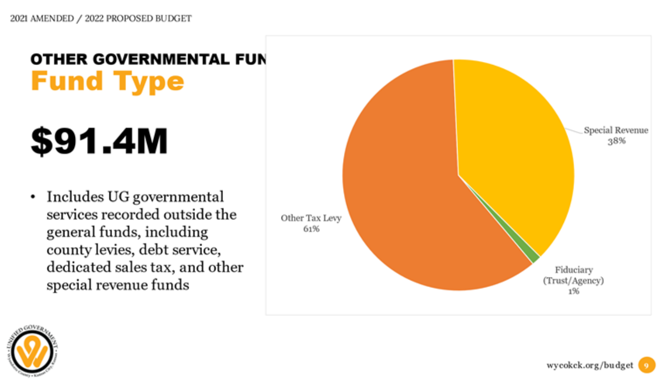


Reginald Lindsey, Budget Manager, said the Unified Government is a proposed $420M balanced budget where revenues and expenditures are accounted for. It funds 29 state certified funds and funds over 40 departments that provides 200 services to the county. Some of the larger funds that are shown in the pie chart is the City General Fund which is $172M and also the County General Fund which is $77M. The third largest one will be the Sewer System Fund at $50M.

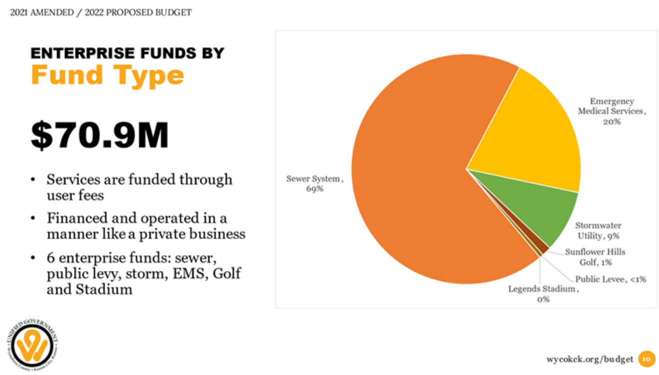


On this next slide, I'm going to drill into the General Fund by expenditure type. The General Fund is a $258M balanced budget. Our largest expenditure category here is our Personnel and this funds over 2,400 full-time equivalent employees across the government and also pays for their benefits. Our next largest expenditure type is our Contractual Services and it funds Transit Services, Trash, Software and other related costs. Some of the other expenditure categories are Contractual Services and Commodities and Commodities fund natural gas, fuel, vehicle parts, and office equipment, and then we also have Capital Expenditure which funds our Fleet and also cash that we pay for projects across the organization.

The current slide looks at our General Fund by function area. Our largest function area is our Public Safety which the Police Department is included in it and then we also have the Sheriff's Department, Fire Department, which is within there. The next largest functional area is our Community Services and it makes up 13% of the pie chart. Here we have Parks & Rec, Transit, Neighborhood Resource Center, and Urban Planning. We also have some smaller departments that provides some very crucial functions to the County which are the Historical Museum and also the Wyandotte County Coroner. Next, we have General Government which makes up 12% of the pie and here we have the Appraiser's Office, Human Services, Legal and Finance and then we also have Public Works at 9% of the pie. Included there is Building & Logistics, Fleet Services, Traffic and Engineering. Then, our fifth largest one is Judicial Services at 4% and it makes up District Courts, Municipal Courts, and then also our District Attorney.

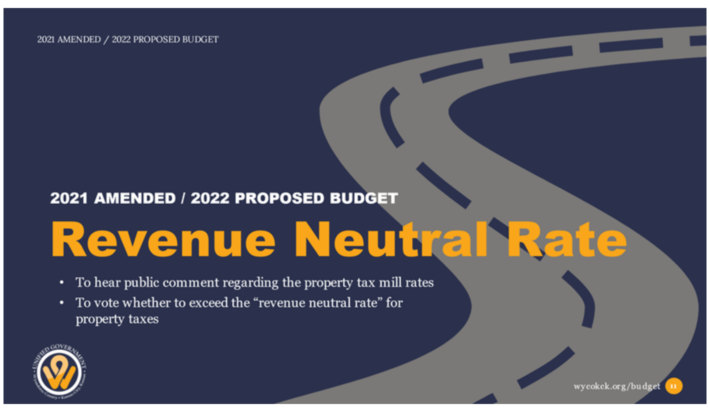


Currently, we are looking at our other Governmental Funds and here are 20 other funds that make up $91M. One of the largest funds here is our $45M Debt Fund and then also we have our Special Revenue Funds which are like $34M. Our largest fund there is the Dedicated Sales Tax at $15M.

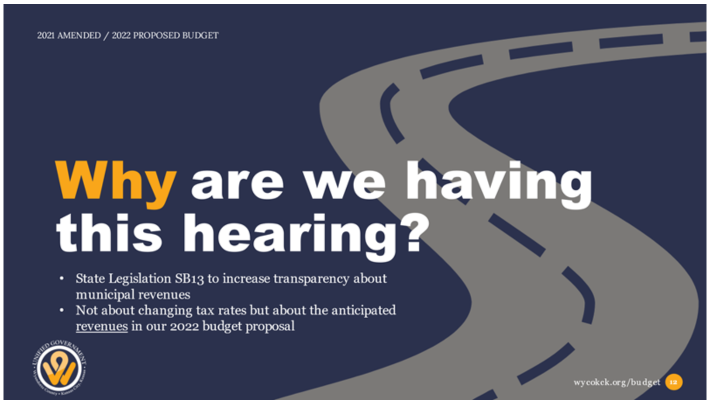


Here we have the Enterprise Funds. Basically, we have six Enterprise Funds that are almost a $71M budget. Here we have funds that are financed and operated in a manner similar to private businesses. Some of the larger funds here are the Sewer System Fund at $50M and also our Emergency Medical Services Fund at $14M, and also our Storm Utility Fund at $6.1M.

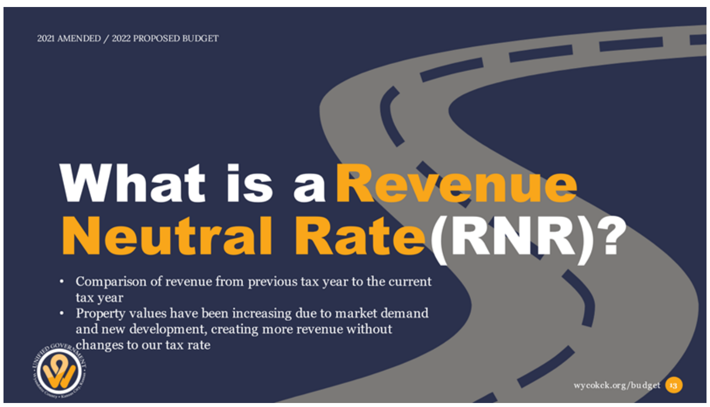
Now, I'll turn it over to our CFO Kathleen VonAchen.



Kathleen VonAchen, Chief Financial Officer, said I'm going to talk briefly here about the Revenue Neutral Rate.

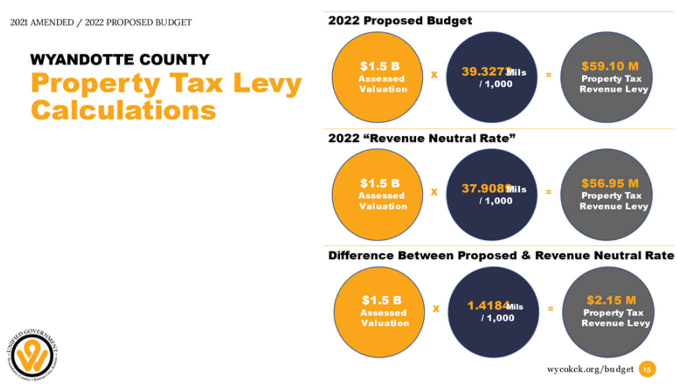


We are having a public hearing on the Revenue Neutral Rate and the reason for that is that the State Legislation in Senate Bill 13 sought to increase transparency about our municipal revenues, but not necessarily about changing tax rates, but about the anticipated revenues from our 2022 Budget proposal.



So, what is the Revenue Neutral Rate? It's the comparison of revenues from the previous tax year to the current tax year. What's happened is, the property values have increased due to market demand and new development and that has caused more revenues to be collected without changing our current property tax rate.

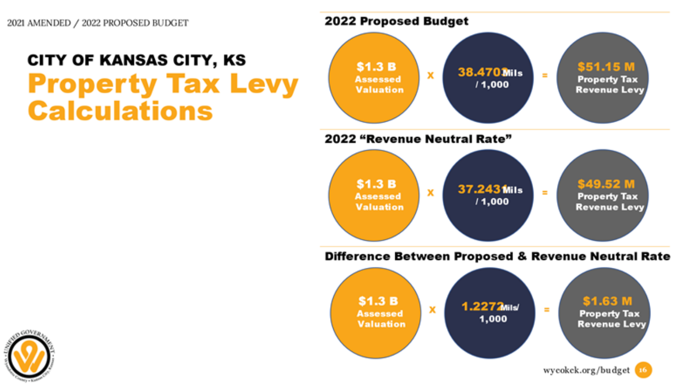
So, how does our property tax revenue get calculated. You've often heard about, you know, what is a mill rate. We calculate our property tax revenue based on this very basic formula. We take the taxable assessed value, times the mill levy, divide it by 1,000, and that gives us the amount of property tax revenue that is levied each year.



We do that for all of the Wyandotte County property tax levies as well as the Kansas City, Kansas property tax levies. For the Wyandotte County property tax levy, as part of our proposed budget, the County Assessor and the UG Clerk has certified that the assessed valuation for 2021 which is part of how we calculate our 2022 Proposed Budget totals $1.5B. That's the total value of all the property in Wyandotte County and we're going to multiply that by the mill rate, which this mill rate here, 39.3273, is the mill rates that currently are in place for both '21 and '22. We're not proposing to change the mill rate at all based on the current budget or the future 2022 Budget.

So, doing that math, it totals $59.10M in property tax revenue levy and that's our proposed budget. Now, if we have—we apply the same calculation using the State Senate Bill 13 Revenue Neutral Rate, what they're asking us to do is take the assessed value for the 2022 Budget of $1.5B of all of our property which is the same as you can see up here in the proposed budget and then multiplying that by a mill rate which would derive the same amount of revenue as we are collecting as part of our current year budget. So, by doing that, we have to drop the mill rate from the 39.32 to 37.9089 mills in order to come up with the same amount that we're collecting in 2021 which is $56.95M in property tax revenue.

The difference then is that the amount of assessed value remains the same, but the difference in mills is the 1.4184 mills resulting in an additional $2.15M in the County General Fund and the other County Special Levee Funds that is used to provide for growth in various services that we are providing to our residents. This reflects the increase in property tax revenue levy between the 2021 Budget and the '22 Budget.



The same approach is used for the Kansas City, Kansas property tax calculation. For Kansas City, Kansas the assessed value is $1.3B. The total levy for Kansas City, Kansas funds is 38.4703 mills divided by 1,000 to derive a total proposed 2022 Budget for property tax of $51.15M.

With the Revenue Neutral Rate, in order to reduce the amount of mills to get to the same amount we collected in 2021, we would have to reduce the mill to 37.24 mills to come up with $49.52M. So, the difference in mills is 1.2272 and the additional revenue that we are proposing to utilize as part of the 2022 Budget is $1.63M for the Kansas City, Kansas Levy Fund.

Entity	2021 Property Taxes Levied	2021 Mill Rate	2022 Estimated Property Tax Levied*	2022 "Revenue Neutral" Mill Rate *	Levied Revenue Reduction at "Revenue Neutral" Rate	Mill Reduction at "Revenue Neutral" Rate
County General Fund	$ 45,526,712	31.4402	$ 47,230,114	30.3063	($ 1,703,403)	**(1.1339)**
Elections	1,275,023	.8805	1,322,729	.8488	(47,706)	**(0.0318)**
Parks General Fund	2,030,648	1.4023	2,106,626	1.3518	(75,978)	**(0.0506)**
Aging	1,499,510	1.0355	1,555,615	.9982	(56,105)	**(0.0373)**
Mental Health	620,638	.4286	643,860	.4131	(23,221)	**(0.0155)**
Health Department*	2,480,045	1.7127	2,362,526	1.5911	117,519	**(0.0618)**
Developmental Disabilities*	300,357	.2074	521,906	.3399	(211,549)	**(0.0075)**
County Bond & Interest	3,214704	2.2200	3,334,983	2.1400	(120,280)	**(0.0801)**
Subtotal– Wyandotte County	$ 56,947,637	39.3273	$ 59,078,359	37.9090	($ 2,130,722)	**(1.4184)**
City General Fund	27,580,877	21.4274	28,489,680	20.7439	(908,802)	**(0.6835)**
City Bond & Interest	21,937,214	17.0429	22,660,056	16.4992	(722,842)	**(0.5437)**
Subtotal– City of Kansas City, KS	$ 49,581,091	38.4703	$51,149,736	37.2431	($ 1,631,644)	**(1.2272)**
Grand Total– Unified Govt	$ 106,465,729	77.7976	$ 110,228,095	75.1520	($ 3,762,366)	**(2.6456)**

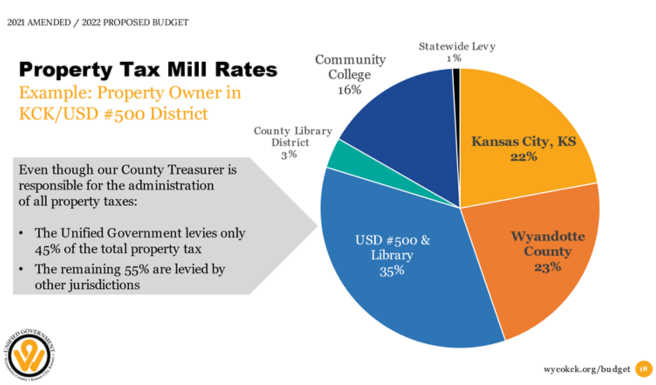
* Assumes 3.5% for City and 3.9% for County assessed value growth (per UG Clerk June Certification) and the 2022 Proposed Budget uses the same mill rates as in 2021 for each entity. Revenues do not include deductions for delinquencies or refunds. 2022 columns include a 0.14 mill shift from Health Department Levy Fund to the Developmental Disability Levy Fund.

wycokck.org/budget 17

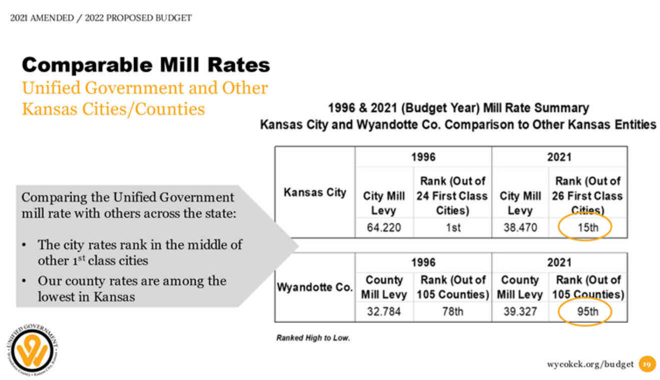
The levy is set by the entity which is Wyandotte County and then Kansas City, Kansas, but within these entities there are a number of specified mills that are dedicated for these functions; the County General Fund, the Election, Parks General Fund, Aging, Mental Health, Health Department, Developmental Disabilities, and the County Bond & Interest Fund. Here's a breakout of all of those—the same calculation I showed you before, but split out by these various mill rates. The totals add up to the same that I showed you in the previous slide.

For Kansas City, Kansas there are two mills—two categories under the Kansas City, Kansas mill rate. One for the City General Fund and one for the Bond & Interest Fund. Combined together, it shows that the total assessed value of—the total amount levied in the current 2021 budget year was $106M with the mill rate being 77.79 mills for the total of these two entities. If we were to levy at the proposed budget level without—by exceeding the revenue neutral rate, we are proposing to collect $110M in property tax revenue to support our services.

If we were to not exceed the revenue neutral rate, those mills would total 75 mills rather than 77 mills and that would result in a reduction in revenue for our property tax for the 2022 Budget of $3.7M.

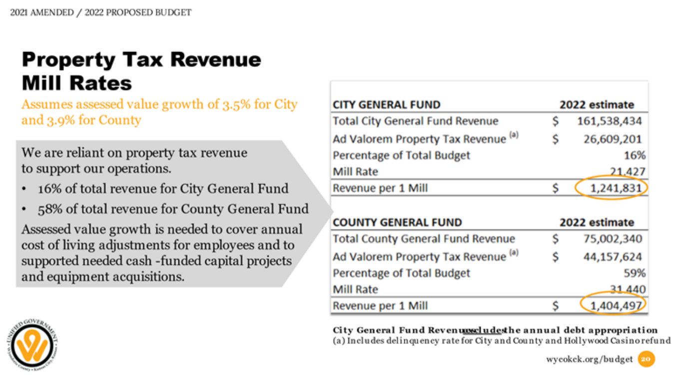


One thing to point out that we like to remind folks is that even though our County Assessor and County Appraiser—and County Treasurer collects all of the property tax for the entire county or all of the entities within the County, we're responsible for the administration of all property tax. The Unified Government only levies 45% of the total property tax with the remaining 55% for other jurisdictions. That 45 is made up of 22% for Kansas City, Kansas and 23% for Wyandotte County, but 35% of the property tax that we administer is for—for example, if you live in the Kansas City, Kansas USD 500 District, 35% of it is for USD 500 and their library, 3% of it is for the County Library District, 16% of it is for Kansas City, Kansas Community College, and 1% is the state levy.



A couple of things we wanted to point out is that since consolidation, our property tax mill rates have changed quite a bit over the last 20+ years. So, for example, in Kansas City, Kansas the total City mill was 64 mills and we were on the top of the list of all of the 24 first class cities at that time whereas the Kansas City, Kansas mill levy is only 38 mills and we rate 15th among the 26 first class cities.

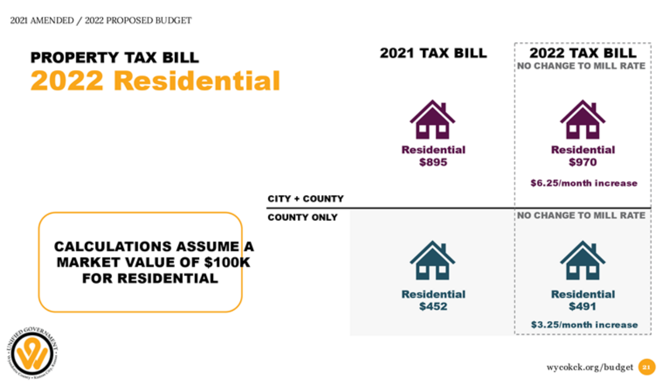
For Wyandotte County it was 32 mills and we were 78th amongst the 105 counties and now in 2021 the mill rate is 39 mills and we are among one of the lowest at 95th of the 105 counties.



How much is a mill? This slide shows you how much one mill generates in revenue to pay for services. For example, the City General Fund, their total revenues are roughly $161M and that excludes the annual debt appropriation. The Ad Valorem Property Tax Revenue for Kansas City, Kansas General Fund is $26.6M which roughly equates to 16% of its total budget and applying the one mill rate results in one mill equaling $1.2M.

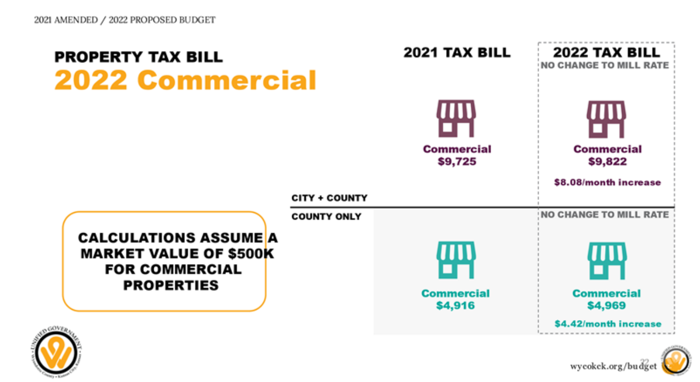
On the County side, the same calculation goes and one mill equals $1.4M and that accounts for 59% of the total County General Fund revenues, so the County is much more reliant on property tax than the City is because the City collects more sales tax and other revenues.

Assessed value growth is needed to cover annual cost of living adjustments for city employees and County employees and to support needed cash-funded capital projects and equipment acquisitions in order to maintain the level of service that we provide to our residents.



This slide provides you an overview of how much a property tax bill is for the City and the County as well as just the County alone. This is how much, on the residential side, if you own a home of about $100K and you live in the city and county, then your tax bill last year, or this current fiscal year, was roughly—was $895. Without any kind of mill change, the result is that your tax bill grows to $970 and that's due to the rise in property values within the city and that equates to about a $6 a month increase.

If you just live in the county, then your residential property tax bill is only $452, it will grow to $491 due to the growth in assessed value which equates to $3.25 per month.



If you're a commercial business that has a market value of $500K, your property tax bill in the current year will equate to $9,725 if you live in the city and the county and that grows by $9,822 which is roughly $8 a month. If you have a business in the county alone, it equates to $4,916 which with no mill change or factoring in the assessed value growth climbs to $4,969 which is about a $4 increase per month.

So, why does this matter to me as a resident? Well, overall growth in the property tax revenue is important in order to support the fiscal health of our community in order to continue to provide quality services. That additional revenue helps us to invest in our infrastructure, services, and other community priorities.

That’s the conclusion of my presentation and we’ll pass this back to the Mayor for further action here.

Mr. Bach said with that, Mayor, we do recommend that we do have two public hearings tonight. One is just our legislative required public hearing and then the second would be a public hearing regarding the Revenue Neutral which then requires action.

Mayor Alvey said we’ll now open the public hearing. Before we take public comments, I would ask Mr. Deichler, the County Clerk, to read the statement governing the public hearing.

Brett Deichler, Interim County Clerk, said we would like to welcome all present to the public meetings of the Unified Government of Wyandotte County, Kansas City, Kansas regarding the final budget public hearing followed by the public hearing on exceeding the Revenue Neutral Rate. We appreciate the attendance of everyone here this evening and we recognize the importance of your views. We would, however, remind you there is already one individual signed up to speak this evening. Each person will be allowed three minutes to speak. Should you reach the two minute mark, I will announce that you have one minute remaining which should allow you time to wrap up your comments. Once you are recognized, please state your name and city for the record. We would also appreciate your efforts to be considerate to all during their comments and ask that your devices are muted so you will not disturb the hearing for recording purposes and for those joining virtually.

With that being stated, Mayor, we do have Murrell Bland who registered. He is already with us and I want to make sure he’s been promoted.

Mayor Alvey said if there's anyone present who did not sign up and wishes to speak on this item via Zoom, please raise your hand at this time to be recognized and we will make sure we note that and will call on you at the appropriate time. So, now I'll go to Mr. Bland.

Murrell Bland said I have lived at 8311 Garfield Ave. for nearly 50 years. I appear today on behalf of Business West. Business West is an independent voluntary organization of mostly small businesses. Property taxes play an important role in our members businesses particularly when considering expansion. I would hope that the increase in valuation can finally mean property tax relief and it's most important to increase the tax base, not the tax rate. Thank you for your consideration.

Mayor Alvey asked, Mr. Deichler, has anyone else raised their hand? **Mr. Deichler** said no one has nor do we see having anyone in the lobby at this time.

Mayor Alvey said I will close the public hearing. Comments or questions from the Commission?

Mayor Alvey said I would like to begin, Reggie or Kathleen, when we stated $100K and a valuation of $100K, I think the median value homes in Wyandotte County is $96K if I recall, so most people have not—we have paid $895, moving forward which would be $920 which is about $6 a month more in City/County. If you look at the total revenues that will be generated by the increase in valuation, so just for purposes for any of the public that may be watching, when we do economic development projects, when we incentivize projects to grow our tax base, that should result, obviously, in greater valuation across the county. Applying the same rate to that will generate more revenue and so much of our economic development incentives really are not defensible unless we would see the increase in valuations which would allow us, if we apply the same rate or even a lower rate, to generate more revenues to continue to sustain the growth and expenses for our Unified Government.

If we say on the City side, total valuation of $1.5B, and to get to the revenue neutral generation of funds, we would need to reduce total—we need to reduce it by 1.4, that would result in $2.15M less revenue. So, $2.15M in less revenue, what was the increase or what is the projected increase in costs, just for cost of living increases for our employees, just what we would anticipate in increased costs for contracted services or for materials, whatever those costs may be, does the $2.15M in increased revenues actually cover the increase in expenses that we anticipate moving forward in this budget? **Mr. Lindsey** said I don't have the exact percentages with me right now. I would have to find those. **Mayor Alvey** said I'm going to get back to the point and that is that as we grow our tax base, the hope is that we can continue to either provide more services and/or reduce the mill levy rate so that we can accomplish both things, improve our quality of life by improving services, providing more services, fixing our infrastructure and perhaps also at the same time reducing the mill levy.

But, on the City side, if we have $2.15M in decreased revenues because of the increase in valuation of our property, does that $2.15M increase revenue cover the costs that we anticipate in the coming budget?

Ms. VonAchen said, Mayor, I can answer that by telling you yes. Our annual costs continue to rise and they do exceed the amount that we anticipate collecting in additional property tax revenue that has come about due to the increase in assessed value. I should point out, of that total cost, again, as I mentioned before, on the County side, 59% of our total expenditures are supported by property tax and on the City side, 16% are supported by property tax. So, without that property tax assessed value growth every year, the percentage of reliance would continue to decline and we would have to find that additional revenue through other sources. The other sources available are various fees and fines, permits, as well as charges for services, and sales tax. Many of those revenue sources also are growing at a very slow rate so it is imperative that we continue to capture the growth in property tax revenue in order to support the level of services that we're currently providing. Without that growth, we would not be able to provide the services we're right now providing.

Mayor Alvey said one of the largest sources—and I have to say I understand the comparison when we look at, and I've used this myself, where we are—in relationship to where we were before, that we were first out of first-class cities in mill levy for the City side and we are now at 15th, but we don't take into account—I think to be more realistic we need to take into account the increase in the PILOT over that time period because now the PILOT does generate approximately $33-35M a year in revenue for our General Fund. But we do not anticipate in the BPU—I think the BPU does not anticipate much low growth. In fact it's fairly flat for the City low growth and so they're not expecting to generate more than—with the downturn last year, there was even greater loss.

Again, I need to say that one of the benefits of the PILOT is we're able to distribute the cost for running the city for institutions that do not pay property tax. So, specifically, I look to the University of Kansas Medical Center and the University, again, don't pay property taxes, but they are one of the largest, if not the largest customers of the BPU, and so we realize quite a bit of revenues from the University of Kansas Medical Center and Hospital through the PILOT, so that's one of the advantages of distributing that to the PILOT.

I guess my—again, I just understand only 16% on the City side comes from property tax and the rest comes from other sources and the BPU, again, anticipated to be flat and the sales tax anticipated to be flat.

Commissioner Walters said just a brief comment. We all have statistics that we like to quote to support our positions and I'm no different than anyone else and it results in a good discussion from people who have various points of view. The statistic that I'm looking at that is of most interest to me is the calculation that Kathleen just presented which shows that the residential homeowners in Wyandotte County will experience an 8% tax increase this year if we do not do anything to adjust the mill levy. It looks to me, based on the budget, that most of this increased revenue that we will be receiving from these residential taxpayers, will be merely going to reserves.

I think whenever we have appreciation levels that are this far in excess of a cost of living levels, that should be an automatic trigger for someone to do some serious evaluation of whether that's good for our community to have such a big increase in taxes compared to the cost of living.

I said the same thing last Thursday, I do not support an increase—excuse me, a status quo on the mill levy. I think this is the perfect time to be lowering it and so the statistic that I wish everybody would keep in mind, 8% increase residential taxes based on keeping the mill levy where it is.

Commissioner Bynum said, Kathleen, is it easy to go back to the slide that shows those increases that Commissioner Walters was just discussing? My question, for clarification is, this slide speaks only to the City and the County mill rates, correct? So, this slide does not take into consideration the mill levy of the public school district, the community college or the library. Is that correct?

Ms. VonAchen said that is correct. It's only—well, with respect to this section here, it's just the County and then the top section is KCK and the County. It does not include the school districts or the community college.

Commissioner Bynum said so it would be a fair statement to say that if neither the community college nor the school district adjusts their mill levy downward, then they too would also experience increases at the residential and commercial levels. So, this is a picture of the increase with no change to the mill rate only on your City and County portion of the bill keeping in mind that if the college and the school district also holds their mill levy flat, there will be an increase there as well and I will reiterate that I support Commissioner Walters in his call for an opportunity to make at least a one mill lowering. I have suggested on the County side—I would be satisfied either way, but the County side was my suggestion since the previous reductions have all taken place on the City side.

Commissioner Ramirez said thank you staff for the presentation and all the hard work you have done to put this budget together. This is definitely a topic that I have spent—I believe it was last week we had a meeting over this and I definitely spent a considerable amount of time thinking and considering everything that has been said by my fellow commissioners. I agree that we need to lower the mill rate, and I may say this naively since I'm still learning everything, but I agree that we need a mill reduction, but I don't believe we're at the perfect time for it just yet.

Commissioner Kane last week in our meeting brought up something that hadn't been said yet. We're still in a pandemic. We may be on a good side at the moment, but we may not know when it may happen next year. It's all unknown and I just think we need to make sure that if we do it, that it's timed perfectly. That we have more information of what next year is going to look like because if it was a normal year without COVID, without a pandemic, I would 100% support a mill rate reduction. But just because of COVID and the pandemic, we don't know what's going to happen, just like we didn't know this year with our budget, we didn't know what was going to happen. I just make this ask as we talk about it, that we make sure that the timing is right.

Commissioner Burroughs said, Kathleen, can we go back to slide 19? I believe it was the one that talks about mill rate in '96. That's what I'm looking for. We're looking at a accumulative mill rate in the City and the County at that time of—I'm going to say '98 and we look at our mill levy today, the City has dropped considerably over those years, but the County has gone up, but so has valuation. If I'm following the Mayor's comments, so did the PILOT and we've had additional development in our community that has increased our valuation. I believe that, as we stated the other night, a few of us commissioners, that the budget could absorb the mill cuts that we had discussed. I think at the time the other night we were discussing a mill on the City and a mill on the County side and in your discussion I think we're talking about a total of 3.8 mills if we take and accept the revenue neutral and not take the new proposed budget. Is that an accurate statement? Am I stating that correctly, a total of—I have $1.4M and $2.6M which would be almost $4M, would that be correct, $3.8M, something like that? **Ms. VonAchen** said yes, $3.8M would be lost or the equivalent of 2.6 mills between the two, City and County.

Commissioner Burroughs said I believe that is still doable. I think the fact that we have just recouped a tremendous amount of money from the feds on the ARPA funding for lost revenue, that should fill that hole. This has been a very trying year for a number of the people in our community who have struggled to get through. Some of them have lost jobs, many of them have had rent assistance, many had utility assistance, and we're going to at this time come back and basically demand an increase on the City and County side.

I really believe that Commissioner Bynum brought up the taxing entities because when valuation goes up, that's even more money that's taxed. We talk about the average size home being $98K, if I remember, the Mayor stated that earlier. I believe the budget could absorb it. I truly believe that even if we stayed at revenue neutral it wouldn't bankrupt this budget like we stated. I think the time is right because I think it demonstrates goodwill to the citizens of Wyandotte County by the leadership team to understand the financial challenge that they have had this year personally with their finances. I'm supportive of continuing discussion about lowering the mill.

Commissioner Kane said I don't have a crystal ball and I don't want one, but I was here when we had money and in one year Cooley said don't take points off the board. We took points off the board and we were forced to raise the mill levy the following year. I still believe we're in a pandemic. We don't know what our future holds, so I wouldn't want to put anymore stress on the budget than it is. I think my comment was the other day that we take a look at it in December, leave it the way it is and I know that's hard for some of you to struggle, but I've been here long enough to know if we lower it this year and raise it next year that we're nowhere.

My thought process is, start working on lowering the mill levy in January so when we get to this budget we've already had a long time to think about what we can and what we can't do and then maybe we have a better grip on the pandemic and that's the position I'm taking.

Commissioner Philbrook said this is probably one of the hardest decisions I've had to make besides dealing with pandemic issues and that is do we want to lower the levy, do we want to increase it. Right now, with the way things are, still uncertain, I'm going to say that I'm going to go with Christian and Mike and say I really don't know, you know, what the future is holding. I do know that we have a heck of a problem with a lot of our infrastructure and so at the time we're talking about trying to take care of infrastructure, roads, sidewalks; all those sort of things and then talk about decreasing that bit of money we get, every little bit counts right now and I believe we're going to need it to take care of that.

Commissioner McKiernan said I'll be very brief and I'll agree with Commissioner Philbrook that we are currently organizing, prioritizing improvements to our infrastructure. Frankly, we have let the built infrastructure of this city/county deteriorate for the last 40 or 50 years. It's time to start digging out slowly, but surely, from that deterioration. It's time to improve the roads, curbs, sidewalks, alley's, sewers, and other built infrastructure that support the operation, not only of this city, but of all its citizens as well as they go to work, as they go to play, as they go to church, as they travel around. So, I agree with Commissioner Philbrook that by not lowering the mill, we afford ourselves an opportunity to put more into infrastructure improvement and repair to start making a concrete step toward the ultimate improvement that all of us want to see in the City and County that we live in.

Commissioner Burroughs said for the second time, and commissioners I do understand, I have the same wants and needs that many of us in this community have expressed this evening. However, I'm also very sympathetic to the number of calls that I have received in reference to the assistance needed through our not-for-profits. I don't believe that—I'm one that doesn't believe that $2M is going to make that much of a difference in infrastructure in our community. We have an opportunity, as we stated, to go back and look at contracts, to look at franchise taxes, to look at continued lowering of PILOT, to look how we've gone through the PBB, Priority Based Budgeting, and to continue to look how we can cut expenses for $2M out of a $420.2M budget.

We have enough reserves to absorb this budget. The valuation of our community continues to climb and what we are doing is forcing many people who could have—that can ill afford to meet the very criteria of our tax base to stay in our community. It is time that we give some serious thought, and you're absolutely correct, it was stated that we might have to come back and raise the mill. Well, we talk about having to raise the mill, but we don't have the discussion about lowering the mill. We have an opportunity here and it's not a knee jerk reaction, it's not because we're flushed with cash. It's because if we don't do it, then we're going to continuing to raise taxes to the point that those that choose to live here, may not choose to do so because the tax burden has gotten so great and we'll create another cycle of poverty.

Mayor Alvey said I'm going to follow up with Commissioner McKiernan and Commissioner Philbrook's comments on infrastructure. I have to tell you that the number of people who call me almost always start with, Mayor, we need—I've got water flowing through my yard from a clogged culvert, when are we going to get sidewalks, the roads need to be repaired, and they follow that with and I pay my taxes. It's a hard conversation to have with people that we, in fact, are not generating enough revenues to do the infrastructure we need and that the only option is to bond more—to borrow money to do major infrastructure projects. But, of course, we know that would simply increase our indebtedness and that debt service that is currently 17 mills a year would only increase and the Commission wisely has tried to prevent that from going beyond $15-$16M a year so that long-term, that debt service decreases, and that actually allows us to decrease the mill levy for our debt service.

If you compare what our costs for operations are at 20 mills, 20 of our mills go to operations, that's very comparable, in fact, that is comparable to Lenexa. Lenexa has very young infrastructure. It was designed into it required by the developers to install all that. They don't have the same level of maintenance that we have and when I talk to people who have moved out, they talk about moving out because they like clean, nicely designed, well-managed neighborhoods and they're willing to—even if they're—they're paying the same amount of taxes because their valuations are higher, their mill levy is lower because their valuations are higher. We're gradually getting to that point.

Again, I think we're—we're really not disagreeing. We all know we need better infrastructure, we all know we need lower taxes. It is a long-term resolution to this problem and I think Commissioner McKiernan said it best, we have to start making these little down payments on this. We've neglected it too long. We know so much of our infrastructure is at the point of failure, has failed, and more will fail. The longer we delay taking care of some of this infrastructure, the more expensive it gets and the greater the failures.

Commissioner Johnson said I think I made my point last week when we had this very same conversation. Again, we're talking about the portion that we make up of one mill which is 40, I forget the percentage, but it is less than half of what one mill is that goes towards—that comes from the City/County. So, again, the decisions that we make need to be done in conjunction, I believe, with our taxing counterparts strategically, not in competition or not in critique of one another, but strategically because we all are taxing the same taxpayer. Again, we need to continue to look at, you know, the decisions that we make as the Commission are for the City/County and that does not speak for the entirety of all taxing jurisdictions.

The other point that I do want to make and we continue to hear people say I'm going to take my money elsewhere, I'm moving elsewhere, but if I'm not mistaken, the last report that I received is that Wyandotte County is starting to grow again. I just had a conversation yesterday with somebody that is moving into Wyandotte County and we had a very, I would say, educated conversation about how property values are increasing in Wyandotte County. Again, these are market forces that are driving that.

I think the numbers tell us what's going on. Is this the time to continue to talk about lowering the mill. I don't have a problem with that if we can have a full-throated conversation across all the taxing jurisdictions. I don't have a problem with it at all if I can understand what the priorities are for other taxing jurisdictions and then we can have a thought-out strategic long-term plan, as I think Commissioner Markley had spoken about last week, that will help us not only for today but for next year, three years, five years, seven years down the line. We need to be thinking more long-term. We need to be thinking more strategic and not just in the moment and with that I will yield the floor.

Mayor Alvey said I see no more hands raised. I want to thank staff and the public for your comments. Thank you Mr. Bland, as always, for showing up. You are a true good citizen. Thank you.

Next, we have a public hearing on exceeding the Revenue Neutral Rate, so this will be the public hearing. I think we've already, in fact, had our discussion. The first discussion was on the budget itself, but it kind of morphed into the discussion on exceeding the Revenue Neutral Rate. I'll now open the public hearing. I'll ask Mr. Bach for opening comments.

Mr. Bach said I believe during the first presentation we tried to go through and talk about everything from the Revenue Neutral Rate and the requirements that are within that. We stated in that opening presentation, so we have made our remarks and would recommend you proceed to the public hearing process.

Mayor Alvey said I will open the public hearing. This is regarding the Revenue Neutral Rate. Mr. Deichler, have you received comments or requests to speak from the public? **Mr. Deichler** said, Mayor, none we're received in the Clerk's Office. **Mayor Alvey** asked, is there anyone present in the lobby? **Mr. Deichler** said seeing none. **Mayor Alvey** said, frankly, I'm disappointed. This is a very important conversation. We'll certainly hear about it elsewhere, but I'll close the public hearing regrettably.

Again, any comments or questions from the Commission? Seeing none, I'll entertain a motion on a joint ordinance and resolution to improve exceeding the Revenue Neutral Rate. I'm going to make a clarification here. We are not raising the mill levy rate. I think the way the legislature requires us to report this or state this actually can mislead people to think that we are exceeding the Revenue Neutral Rate. What we are doing is, deciding or not deciding to maintain the current mill levy on the County and the City side and the other that would actually generate more revenues unless we were to adjust the rate—mill levy downward that we would be revenue neutral from this year to last year. I would entertain a motion.

Action: **ORDINANCE NO. O-116-21 and RESOLUTION NO. R-60-21,** "An ordinance and resolution of the Unified Government of Wyandotte County/Kansas City, Kansas to approve exceeding the Revenue Neutral Rate." **Commissioner McKiernan made a**

motion, seconded by Commissioner Bynum, to approve the ordinance. Roll call was taken and there were seven "Ayes," Ramirez, Johnson, Markley, Philbrook, Bynum, Townsend, McKiernan, and two "no's." Walters, Burroughs. (Commissioner Kane had left the meeting.)

Commissioner Philbrook said just to mention, Commissioner Kane had to go to another meeting.

Mayor Alvey said I would like to thank everyone for joining us tonight and for your comments.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:06 p.m.

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Brett A. Deichler
Unified Government Clerk

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