STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, SEPTEMBER 2, 2021**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, September 2, 2021, with eleven members present remotely. Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District (present remotely at 5:02 p.m.); 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; Alan Howze, Emerick Cross, and Melissa Sieben, 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; Patrick Waters, Deputy Chief Counsel; Don Ash, Sheriff; 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, Townsend, McKiernan, Alvey.

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, September 2, 2021, at 5:00 p.m. to be conducted virtually for a Budget Workshop.

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 tonight we have a Budget Workshop. I'll turn it over to Mr. Bach.

Doug Bach, County Administrator, said this is our sixth workshop in the overall program.

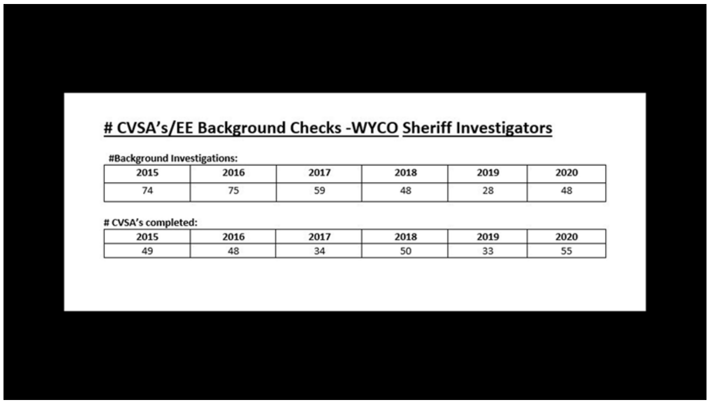
I will run through our agenda for this evening. Our first presentation is by County Sheriff Ash. He will be here this evening. Commissioners had requested to discuss Mill Levy/PILOT Change, implications of that and part of the presentation we sent out this afternoon, we just will walk through the different scenarios that are built into that program which are put out there as food for thought for you all to then work with as we go through your discussion. That is the two formal items for this evening and then we will talk about our budget calendar moving from this point forward.

With that, Mayor, I will turn this over to Sheriff Ash and let him offer his presentation to the Commission.

Sheriff Don Ash said thank you for allowing me a few minutes to speak with you. I come at you tonight from the overall standpoint of understanding that we are more than 30 positions short. We've had four resignations this week alone from starting Saturday moving through today. We didn't get any last night or today, so that was good. That puts us short a little more than 30 deputies. With that said, that's not really why I'm here to talk to you. I just want you to keep that in mind as a backdrop because what I'm about to present to you presents a dilemma on how we would actually accomplish it anyway, but it's a very serious situation that has been getting progressively more difficult over the last four or five years. I want to talk to you about our authorized staffing level in our Investigations Unit.

Currently we have a Captain who is a Supervisor/Commander of the Investigations Unit and does not necessarily investigate cases although he has been pressed into service. Actually, he and his predecessors—two previous predecessors both, in assisting over this time period. We have four full-time Detectives or Investigators that are assigned. They investigate cases that come from all of our law enforcement activities whether that be in the field, specifically in the parks. It might come from our Offender Registration Unit. It might come from Judicial, and certainly, anything on the magnitude of a criminal act that occurs in the Detention Center. This is where they get their workload if you will.

In addition to working criminal cases from all of those—in all of those ways, they conduct all of the background investigations, the pre-employment background investigations and the CVSA exams for all Sheriff Office employee applicants that are required to have those. Some have different levels of them, but certainly everybody that's coming in into a sworn capacity and people are coming in to work with sensitive criminal history record information, like our Records Clerks, and even those now that are coming in to work our Court Security Officer positions, we conduct extensive background checks on them to vet them out. They also conduct our internal investigations of alleged employee misconduct unless it is something that is incredibly high profile or demands extra high level of accountability and transparency within our community, within our Criminal Justice System and certainly for the public. Those investigations, largely we have partnered with the Kansas City, Kansas Police Department Internal Affairs to do those and in some cases we've gone out to other agencies such as Leavenworth County Sheriff, Johnson County Sheriff, and even the Kansas Bureau of Investigation on one real serious one.



CVSA's/EE Background Checks -WYCO Sheriff Investigators

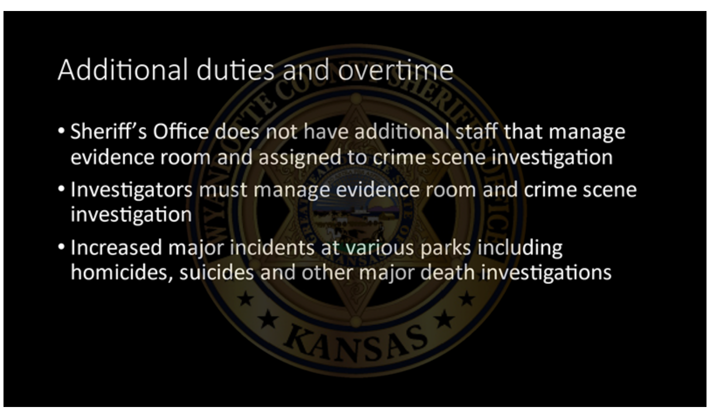
#Background Investigations:

2015	2016	2017	2018	2019	2020
74	75	59	48	28	48

CVSA's completed:

2015	2016	2017	2018	2019	2020
49	48	34	50	33	55

Here's just a little bit of an indication over the past five or six years of what some of that workload looks like in terms of the background investigations and the CVSA's that were completed. Some of those numbers have come down like in 2019, 2017 in terms of the CVSA's. A lot of that was due to the fact that maybe applications were down, we didn't have as many background investigations that we were doing. Unfortunately, we are in one of those cycles right now. Since January, I only have now five applicants that have applied that are making it through the pre-employment screening process. Of the five, there were six, I had to remove one just this week based on some background information. So, of those five or six, two have already been cleared for work and three are still in the background phase so I don't even know if they are going to be acceptable, and remember, that's since January. Obviously, we're not doing a whole lot of CVSA's and background investigations for Deputy applicants.



The other things that our Investigators have to deal with is, we do not have additional staff that manage our evidence room or our property room, nor do we have dedicated additional staff assigned to crime scene investigations. For example, at the Police Department, they have a CSI Unit, that's all those employees specialize in and they have property room, evidence of logistics managers. That’s all they deal with is maintaining and keeping on occasion, releasing found property or confiscated property that is ultimately going to be released back to an owner somewhere, and certainly, keeping track of all of their evidence from various crime scenes.

Our detectives do all of that in addition to the investigations and we have had, as you probably well know, increased major incidents at various parks in the last couple of years that include homicides, suicides and other major death investigations. For example, the body that was found at the Turner boat ramp. That investigation had to be worked as if it were a homicide. Just this week, the medical examiners ruled that it was a natural death likely due to drug abuse in some form and we did not discover any evidence that indicates that the victim died at that location. So, more than likely, she died somewhere else, somebody didn’t want the Police and the Fire Departments and everybody else coming to their house for what should be probably obvious reasons to all of you, so they took her body out and left it at the boat ramp.

Then, of course, we had the unfortunate incident, Parkwood Pool. So, we have handled all of these investigations. We have had homicides in Edwardsville Park—I’m sorry, Eisenhower Park. Most recently, Matney Park. We had a major shooting at St. Margaret’s Park, we had another alleged shooting at Kensington Park and we had one at Kaw Point Park that at the time our investigative resources were overwhelmed and we could not work it, so the Police Department ended up managing that and handling that investigation that by all accounts we were responsible for and should have done, but didn’t have the capacity to do it.

Average # Cases per Investigator per Year:

Wyandotte County Sheriff’s Office

	2015	2016	2017	2018	2019	2020
Total Cases	408	531	544	516	555	389
# Investigators	3	3	4	4	3	3
Avg. # Cases Per Investigator	136	177	136	129	185	130

- 2019 – 1 detective out on medical leave which lead to retirement.
- 2020 – 1 detective out on administrative leave for 9+ months/case numbers were down due to COVID 19 protocols.

Kansas City Kansas Police Department (2015 Data Not Available)

	2016	2017	2018	2019	2020
Total Cases	2343	2963	3144	2988	2448
# Investigators	40	40	40	35	35
Avg. # Cases per Investigator	59	74	79	86	70

This is really the key slide here. Every year for the last four or five years I have requested authorization for one additional detective, one additional investigator to help us with this workload and this is why, and I want to really draw your attention to a couple of things here. You will notice that since 2015 going forward the number of cases we've worked in each year has been pretty much significantly higher. 2020 was a little bit of an outlier because of COVID obviously, but what happened in 2015. Well, in 2015 we had two Kansas City, Kansas Police Officers murdered in the line of duty and Chief Zeigler and his staff made the decision to go to two-man cars versus a one-man car. So, they didn't have as many cars out on the street in any given 24-hour period answering calls for service and it was the Sheriff's Office Deputies that made up the difference in answering and responding to a lot of those calls for service. A lot of those resulted in the necessity to have follow-up investigations whether it was robbery or a sex crime of some type or an aggravated shooting or cutting or even a homicide. So, the caseload went up that was going on to our detectives.

Some of you might be thinking, well, you know, you've got detectives and the Police Department has detectives and duplication of services. You're going to have to explain to me how that can be a duplication of a service if there's nobody at the Police Department able to respond to either the call or conduct the follow-up investigation and we do it. I don't care whether it's a call for service or an investigation or a traffic stop or anything else. The reason we're doing it is because there isn't another law enforcement officer there doing it, so I don't see it as a duplication of services whatsoever.

Look at those numbers in the red and we requested this data from the KCKPD and they graciously provided it to us. In terms of the number of cases, you can see the disparity in the number of investigators. I'm not asking to get anywhere close to that, but look at the caseload, look at the caseload and how it has increased during these years.

We are falling behind and the reason that's important is because we have victims and secondary victims that are oftentimes their justice is way delayed because we've got such a significant workload.

I put in the budget a request this year, again, for one, just one, just one additional investigator and it's difficult to learn that the PD is getting 27 new positions authorized and I'm sure they need every one of them. I'm not disputing that whatsoever and even a parks—there's something in for parks for a Park Ranger and we are supplying two deputies to the parks now, so I don't know if I'm going to need to come up with another deputy to—I'm not sure what that's all about. Nobody has had a conversation with me about that, so I don't know what's up with that.

I would really like to ask you all to seriously consider authorizing us for one more investigator and I can't tell you right now when I would be able to actually promote the position, but the sooner I could do it, you know, the better.

That is the end of my presentation. I will stand for questions and then I will let you get on to the remainder of your agenda.

Mayor Alvey said thank you Sheriff Ash. I appreciate you bringing forward this data and presenting the problem clearly and in real terms. I would state that clearly I think you have demonstrated a need for this and, obviously, the commitment of the Sheriff's Department to fulfill the duty of providing quick service for our people who are reaching out for law enforcement assistance. Thank you for bringing this forward.

Commissioner Bynum said I do support the Sheriff's request. I have two questions. I hope there is someone on the meeting tonight that can clarify for the Sheriff the Parks Department request for, I believe, he said Park Ranger. Then, secondly, the dollar amount associated with the position.

Emerick Cross, Assistant County Administrator, said with COVID last year in '20, there is a significant increase of use in our public parks of people using them. As you know, our fishing license permits went up 313% and that request for the Park Ranger to work specifically in the parks, that's the reason it was made. Our parks are being used, which is a good thing, but at an unprecedented rate and that was the driving force behind that.

Commissioner Kane said I actually think he needs more than one. I think he needs several in order to do the job safely and get things done in a timely manner, so I would support even more than one. As far as going up 300%, the use of the parks and stuff like that and the fishing licenses, I think we should take that excess money that we got from there and restock the lakes that are in Wyandotte County because I don't know what we're doing with that money but the lakes are being fished out and Wyandotte County Lake cannot be covered just on weekends. They need the extra person out there to help make sure the lake is safe.

Commissioner Bynum said, Sheriff, I wonder if you could answer my second question, the budget implication of the position you are requesting? **Sheriff Ash** said I should have that at my fingertips for you, Commissioner, but I don't. Reggie, I don't know if you recall what it is or what it was or not. **Reginald Lindsey, Budget Manager,** said it's $109K with benefits. **Sheriff Ash** said yeah, with the $30 right, I would not dispute that. I would say that's very accurate.

Commissioner Townsend said I think Commissioner Bynum asked a couple of the questions that I wanted to put forward, but just for clarity sake, you are talking about an increase in headcount. There was something that you said near the end of your presentation that just tweaked a question in my mind. Are you talking about taking someone already onboard and promoting them or are you talking about an increase in headcount which from these numbers seem to definitely support your request, but just for clarity sake, could you address that? **Sheriff Ash** said to be clear, we would promote internally, so by the MOU this is a promotable position under the provisions of the MOU with the union. We would promote a Deputy to Investigator, but I'm currently only authorized for four so I'm asking for authorization for one more FTE for five because I can't really afford to give up the Deputy position. So, yes, my specific request is one additional FTE at the level of Investigator/Detective that would be an internal promotion for somebody from Deputy to Detective. **Commissioner Townsend** said so you do need the body and I just appreciate what you have done with the workforce that you have. This has been a particularly trying summer with regard to what's been needed in our parks, so thank you and your staff for that.

Mayor Alvey said, Mr. Bach, I'm assuming that we're not—unless you vote on this, that you would want to censor the Commission, correct? **Mr. Bach** said correct Mayor. I'm just getting a sense of the Commission, so as we've done in previous years, we will build a yellow sheet as basically an amendment to bring back to the governing body on such an item.

Commissioner Burroughs said I too am in support of the additional personnel. We just had a meeting yesterday with the CVB Board and we talked about public safety being an issue. The tourist in our community and those that visit our community need to know that they can feel safe. Anytime we have public safety presence and are able to address crime in a proactive manner and assist victims, I believe that there is a residual value not only just to the wages, but to the perception of the community. Sheriff Ash, thank you for the commitment and service to our community and please let the rest of your officers and staff know that we value and respect the work that they do under the most trying of times.

Commissioner Philbrook said we're talking about a Park Ranger and who does that person respond to, who is their immediate boss, Emerick, and to what capacity is this person allowed to—well, in other words, are they going to be an officer of the law? Are they going to be under Sheriff Ash? What's the story? Tell me a little bit more Emerick. **Mr. Cross** said what we're looking for, Commissioner, since we had that large increase, is having a Park Ranger that reports to the Park Director and that would be an LEO person at this time. We have not worked out the finite details. What we're looking for is somebody who could—we're looking for a Ranger that can work with our Director and the Assistant Director out there who knows where the large activities, the large group activities, where the rentals are taking place so we can have somebody at large gatherings and group gatherings and things like that and try to anticipate exactly where the crowds and where the need is going to be. The final details, we have not worked out with the Sheriff. Of course, this has not been approved in the budget yet, but that was our plan after that.

Commissioner Philbrook said so I'm still not sure if you mean this person is going to be an officer of the law and carry a gun, okay, or if they are just going to be calling in the Police or the Sheriff if there's a problem. **Mr. Cross** said our intention at this time was to have it be an LEO position. **Commissioner Philbrook** asked, what does that mean? **Mr. Cross** said Law Enforcement Officer, I'm sorry. **Commissioner Philbrook** said you know acronym's they kind of stink if you don't know them. You guys were thinking that one person would be able to handle all of that? **Mr. Cross** said no. You know we have 54 parks, so the answer is no to that. I would take five if you would give me five, but we were just trying to be realistic and head in the right direction. **Commissioner Philbrook** said trying to get your foot in the door. **Mr. Cross** said yeah, just trying to—there's a lot of activity going on especially out at Wyandotte County Lake on the weekends. I think Commissioner Kane spoke to that earlier in this meeting or a previous meeting, but there's just a demand. Like I said, it goes back to COVID because everybody is outdoors now and that's a good thing, but we just want to make sure everything is safe and secure.

Commissioner Philbrook asked, how much is it per officer that you're looking at? You're looking at one so what does that kick it up—how much you're paying them?

Mayor Alvey said Kathleen VonAchen sent us—it said $80K with salary and benefits for this position. Is that correct Kathleen? **Kathleen VonAchen, Chief Financial Officer,** said correct. **Commissioner Philbrook** said I would rather see two, but that's just me. I don't know how one is going to be able to keep their head above water and especially with those type of long hours and seven days a week, but I'm at two on that.

I'm also with Sheriff Ash on the one. Sheriff Ash, did you say then you will be pulling from your pool, are you going to be replacing that person that you're pulling from your general pool? **Sheriff Ash** said yes Commissioner. That's what I'm asking for. If you give the approval for the additional FTE as a Detective, don't take the Deputy pin away from me. I will ultimately need to backfill that. I want to clarify that we already have two deputies assigned full-time to parks. One on the day shift and one on our night shift—our evening shift. **Commissioner Philbrook** said I guess the question is then, are you opposed to having another person working in that area too along with that so they can cover more territory? **Sheriff Ash** said no, I'm certainly not opposed to that, but once again, we've got to get them from somewhere. **Commissioner Philbrook** said I understand. **Sheriff Ash** said if we get approval for that and you want us to do it, we can do it. As soon as I do it, I'm one more short in the Detention Center and we're getting pretty critical unless we can get some applicants. If we can get some applicants and we get some people hired, I don't see that coming very quickly. **Commissioner Philbrook** said I understand. Thank you for answering all those questions for me.

Commissioner McKiernan said I just want to say that I absolutely support this line. I support the personnel moves that the Sheriff has proposed. The Sheriff certainly has been involved in a lot of discussions with me lately about some of the challenges that we have in some of our parks with activities. I'm just going to say now that as we look forward to next year's budget, building for 2023, we really need to think about the size of the workforce versus the size of the job, the territory that they have to cover, the hours of the day that they have to cover that territory, so I absolutely support this. I want to say now, we need to really be very mindful of what a proper workforce would look like in 2023 given this increased use of our parks and given the increased challenges that we're facing at least in some of them.

Sheriff Ash said I would just add, we've had some meetings about Loring. I don't know how much you been briefed or what you know, but we've still got to figure that out probably for 2022 as well.

Mayor Alvey said, Mr. Bach, how would you want to get the sense of the Commission? **Mr. Bach** said I probably heard the majority of the commissioners offer their support for it during the course of this session tonight. If you want to take a straw poll, you could or I believe I've heard the majority, like I said, of commissioners supporting this and we should add this to our yellow sheet. **Mayor Alvey** said let's go ahead and do a straw poll.

Mayor Alvey said roll call Mr. Deichler. Again, this is not binding. A simple straw poll sends to the Commission.

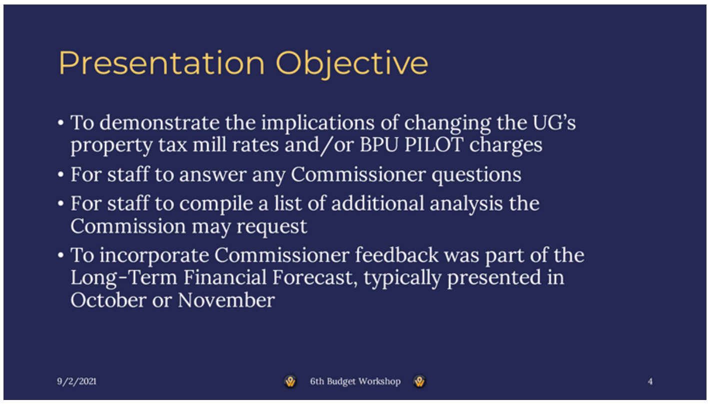
Roll call was taken and there were eleven "Ayes," Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Alvey.

Sheriff Ash said thank you all very much and I'm available at your leisure to discuss any of these things.

Mayor Alvey said move on to the next topic.

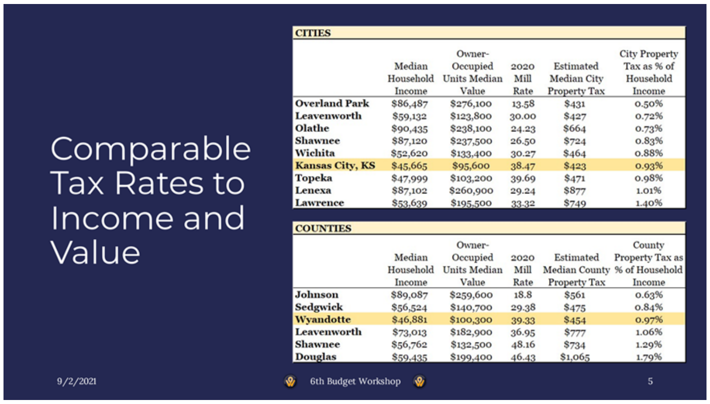
Mr. Bach said as we concluded our last meeting or we had the request to come back and talk about where we are with the Mill Levy and the PILOT that we currently charge with the Board of Public

Utilities and if we made some changes to this, what the implications would be. I know the Commission would have some discussions, but you also put this forward to us to be able to kind of walk through how this would work.



What Kathleen has put together in various scenarios tonight is to demonstrate what these implications will be. So, if we were to move the property tax mill rate or the PILOT, and let you see some different scenarios. None of these are meant to be suggestions or recommendations coming from staff. This is in order for you to look at it. We can answer questions that you have and kind of work through it so these are just out there as food for thought. I think she has done a good job with her staff of working through and kind of making a good analysis based on your request for what could happen. Really, what all these scenarios do is look at the long-term for where we're at with the Commission—or where we're at from our budget, so you would have to take in the implications.

One thing that I want to point out is the Commission, just like you did talking to Sheriff Ash, whenever we make decisions to spend money on additional staffing, that's a long-term implication. Any adjustment to the mill rate or PILOT is a long-term implication. The priorities that we've heard from Commission also you need to weigh against this mill rate adjustment or PILOT change against investments and infrastructure or investments in our salary—salaries for our staff which is becoming more and more demanding of where we put this out. We've tried to weigh in where we are on some of these things, if we assume, make certain assumptions that are in play.



CITIES	Median Household Income	Owner-Occupied Units Median Value	2020 Mill Rate	Estimated Median City Property Tax	City Property Tax as % of Household Income
Overland Park	$86,487	$276,100	13.58	$431	0.50%
Leavenworth	$59,132	$123,800	30.00	$427	0.72%
Olathe	$90,435	$238,100	24.23	$664	0.73%
Shawnee	$87,120	$237,500	26.50	$724	0.83%
Wichita	$52,620	$133,400	30.27	$464	0.88%
Kansas City, KS	$45,665	$95,600	38.47	$423	0.93%
Topeka	$47,999	$103,200	39.69	$471	0.98%
Lenexa	$87,102	$260,900	29.24	$877	1.01%
Lawrence	$53,639	$195,500	33.32	$749	1.40%

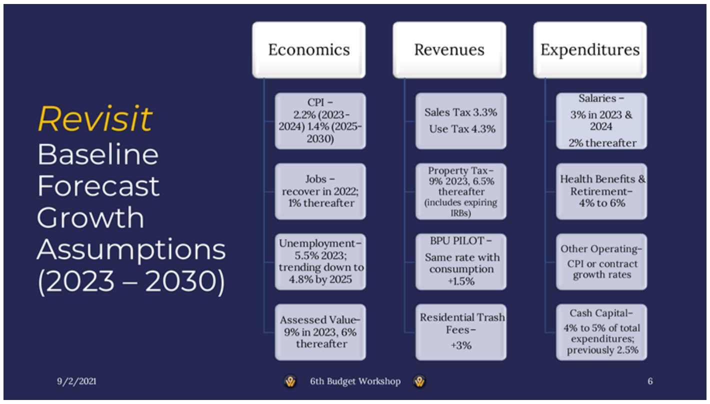
COUNTIES	Median Household Income	Owner-Occupied Units Median Value	2020 Mill Rate	Estimated Median County Property Tax	County Property Tax as % of Household Income
Johnson	$89,087	$259,600	18.8	$561	0.63%
Sedgwick	$56,524	$140,700	29.38	$475	0.84%
Wyandotte	$46,881	$100,300	39.33	$454	0.97%
Leavenworth	$73,013	$182,900	36.95	$777	1.06%
Shawnee	$56,762	$132,500	48.16	$734	1.29%
Douglas	$59,435	$199,400	46.43	$1,065	1.79%

I'm just going to throw out too, this next slide, which we saw the County one presented, so Kathleen's team put this together just to show how we compare and there's a couple of different good stats that are really brought out from this slide. As you can see, the top one is for the cities and the bottom one is for counties and we tried to use very similar cities in our comparison as well as we did counties. It's ranked by the City Property Tax as a Percentage of Household Income. You can see we rank kind of in that middle category. You see there's several in the 80-90% is where we fall in play.

You'll note in the second to last column the Estimated Median City Property Tax, we are the lowest. So, if we were to rank it by this based on where this goes to, and this is a chart that we modeled after what Johnson County did in their county, and then we just did it compared for our own city. In fact, the bottom chart is, I believe, their chart. They're demonstrating, if you look at the county one, that as a percentage of Household Income, they had the lowest comparable, again, we rank in the lower mid of that. If you look at the Estimated Median County Property Tax paid, we are the lowest already. So, a lot of these things come into play based on the fact that we have a lower household income than any of the other jurisdictions, so the amount of property tax total coming into play is lower because of the value of the household's across the board are lower in looking at the services we have.

I found this to be a very interesting chart that Johnson County has put forward with their governing body and looking at it and seeing how we rank out when you look at tax dollars going to provide the services that we are charged with providing for all of our citizens.

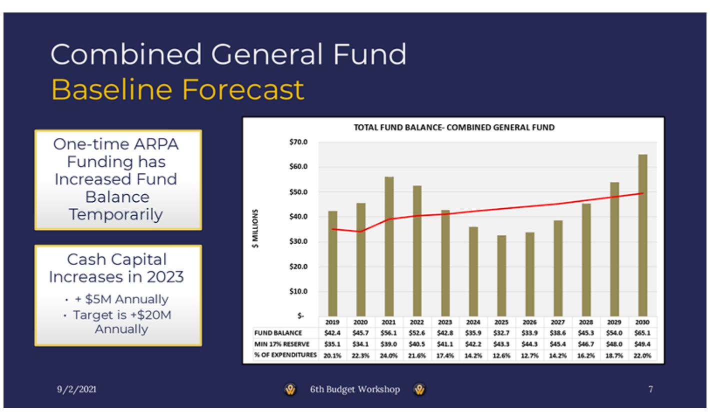
With that, I will turn this presentation over to Kathleen and she is going to walk through the different scenarios or the different information she has put forth this evening for you to look at and then we will let you all ask questions and discuss.



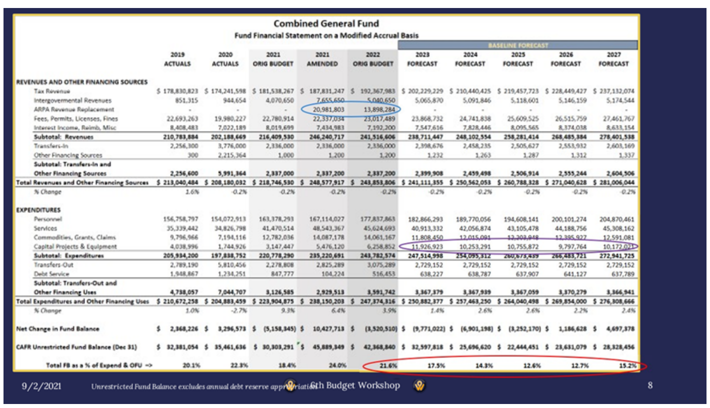
Kathleen VonAchen, Chief Financial Officer, said this slide here is a revisit of the same slide I presented last week. It provides us what is the Baseline Forecast Growth Assumptions. All of these assumptions are the same except I did want to make one revision which is that last week I said that the salaries had only been increased by 3% in 2023, but then in looking in the model I realized it was for ‘23 and ‘24 so just keep that in mind. That was in the baseline I presented last week.

Just to revisit, the CPI is set for 2.2% through the next three years and 1.4 after that. The Mayor had suggested that is likely to go up because of the recent federal legislation and its influx of dollars into communities, which is also very likely, so we’re presenting some scenarios around that topic.

Everything else is the same. We are projecting roughly 6.5% growth in property tax, but the base property tax revenue is increasing by 5% in our estimate. The extra 1.5% is due to expiring IRBs so still a conservative estimate and, again, the baseline includes a 4-5% of total expenditures for Cash Capital and Equipment which previously it’s always been around 2.5%.



The Baseline Forecast—again this is the same chart as last week where you can see that in the outyears—even though COVID—well, the ARPA funding that we have deposited into the Combined General Fund is resulting from the ARPA revenue replacement does show our fund balances at a higher level in ‘21 and ‘22, but then those balances drop back down to right around the Operating Reserve target which is two months of operating expenditures. Then, it dips below that in years ‘24 through ‘27 and then comes back up in the outer years. Keep in mind that even though we have projected—in the CMIP sheets we have proposed increased level of cash and equipment beginning in 2023. That isn’t near the amount that’s actually necessary to maintain our roads and keep our streets at a pavement connection index that is the same as it has been in the past without it declining. In order for that to happen we need to invest $20M more per year from the City General Fund for road maintenance, so none of that $20M more per year is included in here.

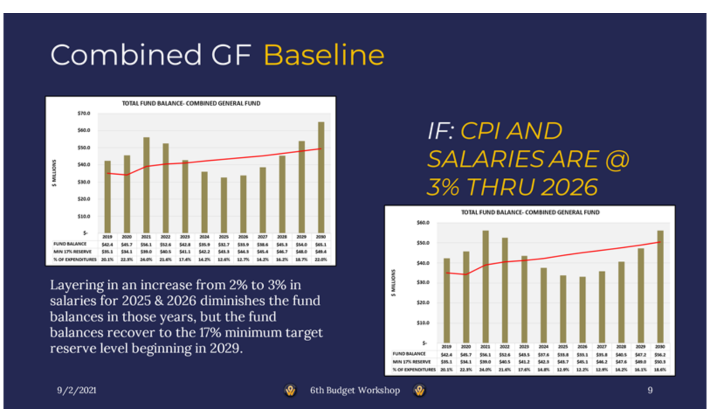


Combined General Fund

Fund Financial Statement on a Modified Accrual Basis

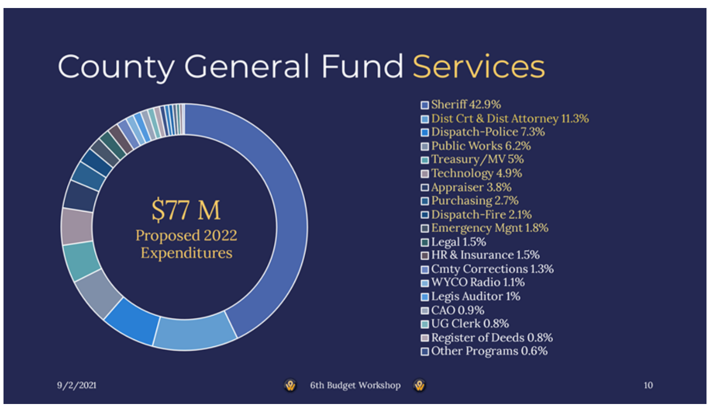
	2019 ACTUALS	2020 ACTUALS	2021 ORIG BUDGET	2021 AMENDED	2022 ORIG BUDGET	BASELINE FORECAST 2023 FORECAST	2024 FORECAST	2025 FORECAST	2026 FORECAST	2027 FORECAST
REVENUES AND OTHER FINANCING SOURCES										
Tax Revenue	$ 178,830,823	$ 174,241,598	$ 181,538,267	$ 187,831,247	$ 192,367,983	$ 202,229,229	$ 210,440,425	$ 219,457,723	$ 228,449,427	$ 237,132,074
Intergovermental Revenues	851,315	944,654	4,070,650	7,655,650	5,040,650	5,065,870	5,091,846	5,118,601	5,146,159	5,174,544
ARPA Revenue Replacement	-	-	-	20,981,803	13,898,284	-	-	-	-	-
Fees, Permits, Licenses, Fines	22,693,263	19,980,227	22,780,914	22,337,034	23,017,489	23,868,732	24,741,838	25,609,525	26,515,759	27,461,767
Interest Income, Reimb, Misc	8,408,483	7,022,189	8,019,699	7,434,983	7,192,200	7,547,616	7,828,446	8,095,565	8,374,038	8,633,154
Subtotal: Revenues	**210,783,884**	**202,188,669**	**216,409,530**	**246,240,717**	**241,516,606**	**238,711,447**	**248,102,554**	**258,281,414**	**268,485,384**	**278,401,538**
Transfers-In	2,256,300	3,776,000	2,336,000	2,336,000	2,336,000	2,398,676	2,458,235	2,505,627	2,553,932	2,603,169
Other Financing Sources	300	2,215,364	1,000	1,200	1,200	1,232	1,263	1,287	1,312	1,337
Subtotal: Transfers-In and Other Financing Sources	**2,256,600**	**5,991,364**	**2,337,000**	**2,337,200**	**2,337,200**	**2,399,908**	**2,459,498**	**2,506,914**	**2,555,244**	**2,604,506**
Total Revenues and Other Financing Sources	**$ 213,040,484**	**$ 208,180,032**	**$ 218,746,530**	**$ 248,577,917**	**$ 243,853,806**	**$ 241,111,355**	**$ 250,562,053**	**$ 260,788,328**	**$ 271,040,628**	**$ 281,006,044**
% Change	*1.6%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*
EXPENDITURES										
Personnel	156,758,797	154,072,913	163,378,293	167,114,027	177,837,863	182,866,293	189,770,056	194,608,141	200,101,274	204,870,461
Services	35,339,442	34,826,798	41,470,514	48,543,367	45,624,693	40,913,332	42,056,874	43,105,478	44,188,756	45,308,162
Commodities, Grants, Claims	9,796,966	7,194,116	12,782,036	14,087,178	14,061,167	11,808,450	12,015,091	12,203,948	12,395,927	12,591,081
Capital Projects & Equipment	4,038,996	1,744,926	3,147,447	5,476,120	6,258,852	11,926,923	10,253,291	10,755,872	9,797,764	10,172,021
Subtotal: Expenditures	**205,934,200**	**197,838,752**	**220,778,290**	**235,220,691**	**243,782,574**	**247,514,998**	**254,095,312**	**260,673,439**	**266,483,721**	**272,941,725**
Transfers-Out	2,789,190	5,810,456	2,278,808	2,825,289	3,075,289	2,729,152	2,729,152	2,729,152	2,729,152	2,729,152
Debt Service	1,948,867	1,234,251	847,777	104,224	516,453	638,227	638,787	637,907	641,127	637,789
Subtotal: Transfers-Out and Other Financing Uses	**4,738,057**	**7,044,707**	**3,126,585**	**2,929,513**	**3,591,742**	**3,367,379**	**3,367,939**	**3,367,059**	**3,370,279**	**3,366,941**
Total Expenditures and Other Financing Uses	**$ 210,672,258**	**$ 204,883,459**	**$ 223,904,875**	**$ 238,150,203**	**$ 247,374,316**	**$ 250,882,377**	**$ 257,463,250**	**$ 264,040,498**	**$ 269,854,000**	**$ 276,308,666**
% Change	*1.0%*	*-2.7%*	*9.3%*	*6.4%*	*3.9%*	*1.4%*	*2.6%*	*2.6%*	*2.2%*	*2.4%*
Net Change in Fund Balance	**$ 2,368,226**	**$ 3,296,573**	**$ (5,158,345)**	**$ 10,427,713**	**$ (3,520,510)**	**$ (9,771,022)**	**$ (6,901,198)**	**$ (3,252,170)**	**$ 1,186,628**	**$ 4,697,378**
CAFR Unrestricted Fund Balance (Dec 31)	**$ 32,381,054**	**$ 35,461,636**	**$ 30,303,291**	**$ 45,889,349**	**$ 42,368,840**	**$ 32,597,818**	**$ 25,696,620**	**$ 22,444,451**	**$ 23,631,079**	**$ 28,328,456**
Total FB as a % of Expend & OFU ->	**20.1%**	**22.3%**	**18.4%**	**24.0%**	**21.6%**	**17.5%**	**14.3%**	**12.6%**	**12.7%**	**15.2%**

I’m not going to go over this again. This is for your information. It’s basically all the detail behind the baseline forecast and these numbers are the same as they were presented last week.



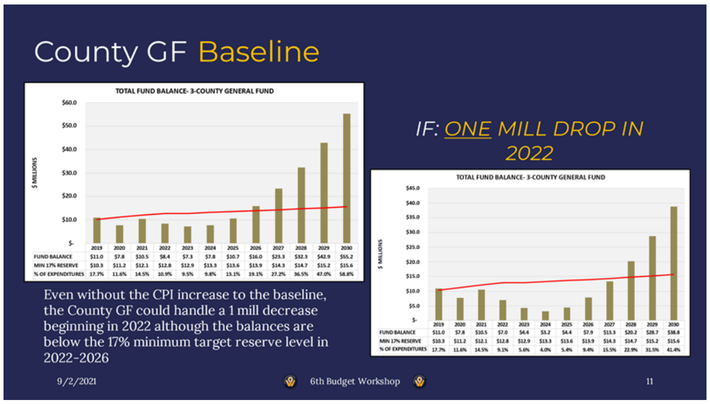
Now I'm going to go in and talk about what-if scenarios. So, all these slides on the left is the baseline which—the baseline for whatever fund I'm referring to and then it's provided there as a comparison for the what-if scenario which is over on the right. Again, we're still talking about the Combined General Fund and this slide shows that if both CPI and salaries are at 3% all the way to 2026 then you will see that the fund balance grows from the baseline at the end of 2030 of $65M to the end of 2026 at $56M. Even though it does cause additional costs if the CPI goes up or is maintained at that 3% level, not only for operating costs and personnel, but there's also a corresponding revenue increase because we earn regular interest. If inflation goes up, then the interest rates go up.

Layering in an increase from 2-3% in salaries for 2025 and 2026 because the baseline has 3% for 2024. It diminishes the fund balances in those years but the fund balance is recovered to the 17% minimum target level beginning in 2029.



Now I'm going to talk about the County and we're presenting this pie chart and a listing of all of the County departments because oftentimes folks forget what services are provided by the County and the County General Fund. The County General Fund for 2022 total expenditures are proposed at $77M, 43% of that is for the Sheriff Department. The next largest is a combination of District Court and District Attorney Office together, comprising 11% followed by Dispatch for the Police Department at 7%, Public Works at 6%, the Treasury/Motor Vehicle Division at 5%, Technology at 5, Appraiser at 3.8, Purchasing and Dispatch for Fire at 2, and then it kind of goes down in terms of percentage from there. You can see there are a number of various State required departments that are included in the County General Fund.

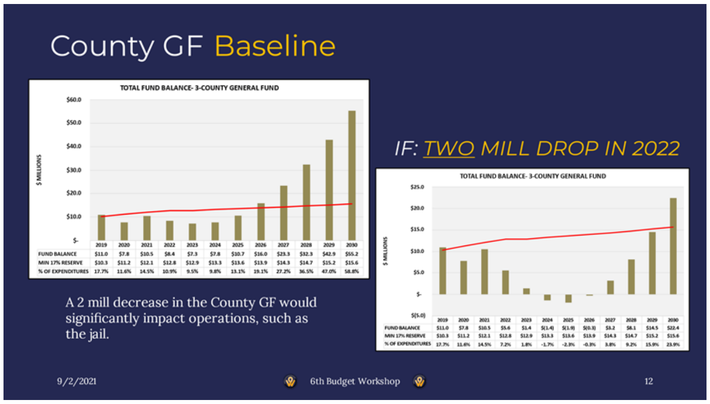
This doesn't include the Levy Funds, well, the Human Services and Developmentally Disabled Fund and then we have the Election and we have Aging and Mental Health; all of those are separate Levy Funds that are not included here.



The Baseline County General Fund forecast, as you can see, it's doing all right. We've got—you know, it's below the two-month operating target between 2022 through 2025, but then it really starts to—the balances start to really take off here. That's partially due to a—well, you know, the growth and the assessed value and over time it starts to accumulate.

The outyears are a product of just kind of keeping the Capital Outlay at level of prior years without really growing it for inflation, so that's part of the cause for the increase in the outyears as well as increased costs—increased assessed value.

If we were to decrease the County General Fund by one mill, then you'll see those balances in the near term dropping down far below the two-month operating reserve level, but then it recovers in 2027. Keep in mind, this is the baseline where it does not include the increase in CPI or interest income, so it's still at the 2.2% level for '23 and '24 and then dropping to 1.4 after that. This is all based on the lower CPI level.



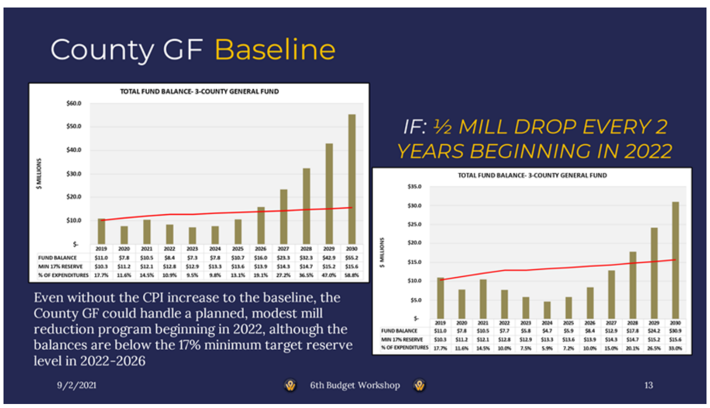
In looking at the County General Fund again, if we were to drop it by two mills in 2022, then you could see that would dramatically impact the operations of the County for such operations as the jail.

Commissioner Philbrook said let's go back to the other slide. If we drop the one mill and it takes us, you know, lower, definitely lower than 17%, we're talking 9, 5, 4; through that area, how much does it affect our bonding rates and issues like that in funding? **Ms. VonAchen** said the credit rating analysts look at the entire Combined General Fund so the City, County and Parks altogether so, of course, all these fund balances add up to—roll up to the Combined. So, it kind of depends on what's happening with the other two funds, but in general the credit rating analysts really like it that we are at least at the two-month operating reserve. In fact, they would prefer us to have a three-month operating reserve which is 25%, not 17%. It would not be looked upon very well favorably.

Commissioner Philbrook said but if all of those funds combined—**Ms. VonAchen** said that's right. **Commissioner Philbrook** said if we were going to leave other things similar to what we have them and put this into the mix, what kind of impact do you think that would be? **Ms. VonAchen** said later in the other slides, I'm going to show some combo scenarios so you can see that.

Commissioner Walters said, Kathleen, I believe I just heard you say that cutting the mill levy would have a negative impact on jail operations. **Ms. VonAchen** said cutting it by two because then we're down at the negative cash, two mills instead of one. **Commissioner Walters** said the operations. Is this just a revenue analysis or are you also adjusting expenses as a part of this presentation? **Ms. VonAchen** said no, the expenses are not touched at all in this, it's all revenue. **Commissioner Walters** said so explain how jail operations are negatively affected. **Ms. VonAchen** said since half of the 40—roughly half of the County General Fund total expenditures are for the jail operations, if you run into a negative cash position here, it would just not statutorily allow. We would have to cut expenses and it's likely that, for example, the jail would probably feel that impact given the fact they're half the operations of the County. We're not saying that the jail would be cut if we did this, it was just an example because the jail is one of the largest departments in the County, that's all. It's just an example.

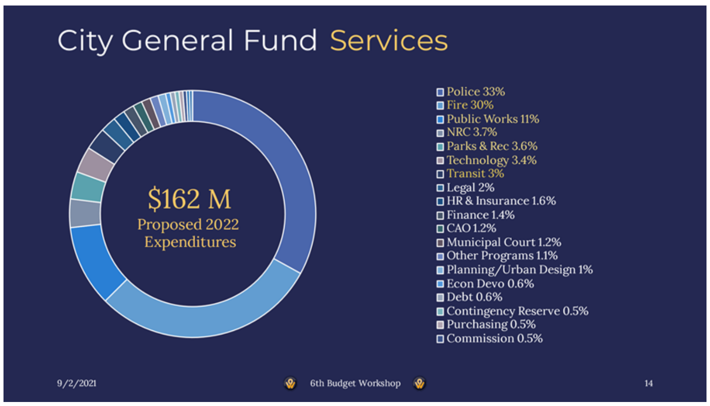
Ms. VonAchen said this is a scenario if you cut it by two mills in this current budget year.



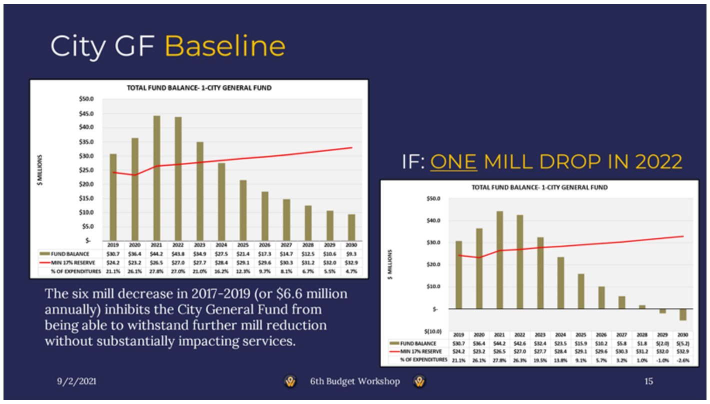
If we were to embark on kind of a modest mill rate, mill reduction program in the County, one opportunity would be to reduce the mill one-half every other year starting this year and by doing that then the fund balance looks like this. So, you end, for example, 2027 in the baseline it was $23M in fund balance, but in this scenario it's $13M. We do dip below the 17% target especially in years '22 through '26 but then we start building back up. Now, keep in mind this is with the lower CPI and the lower investment income.

Mayor Alvey said, Kathleen, to be clear, when you say based upon the 2.2% increase on the CPI, so again, if we're in fact—I was reading today that they are looking at changing the target inflation rate to 3%, perhaps at the federal reserve, if it did go to 3% annually, these numbers would again put us in more difficult positions. Am I clear about that? **Ms. VonAchen** said no, actually it would have a positive effect because we would start earning approximately $1M to $1.5M more per year in interest income. Most of the interest income is deposited in the County, yet on the other hand, we would likely have to also consider a 3% increase for salaries in some of the outyears farther out than 2024, that's a possibility. There's a lot of kind of variables to that. The reason I left the baseline at that 2.2% is because that's what the baseline was when I presented last week.

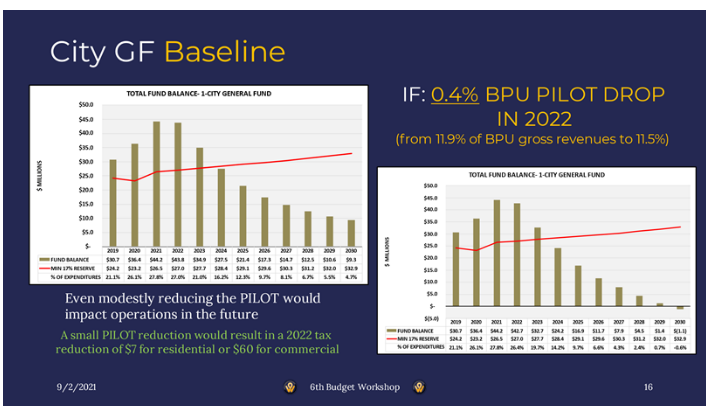
In the coming slides I'm going to show you what some of this looks like in combination including an increase in inflation which has some impact on expenditures, but it also impacts revenues in a positive way because it grows—it not only grows investment income, but it also likely will impact sales tax. It will probably increase the amount of sales tax revenue we collect as well.



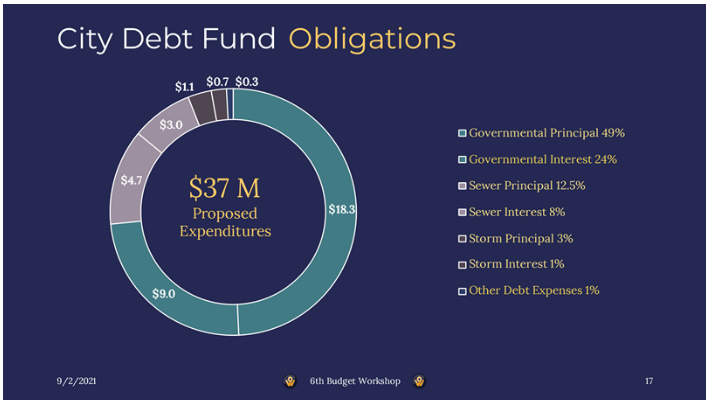
Moving on to the City and then if we can get through the City and some of the debt ones tonight, to take you to the combo scenarios, then you could see some of your questions answered. The City General Fund is, again, it's—here's all the programs offered—the departments in the City General Fund, it's $162M proposed for 2022. A third of it is dedicated for the Police Department, another third for the Fire Department, then Public Works receives 11%, the Neighborhood Resource Center 3.7, Parks & Recreation 3.6, Technology 3.4, Transit 3% and then all the others are lower.



The baseline for the City General Fund is not looking as good as the County, so the 6 mill decrease that took place between '17 and '19 which, in fact, it amounts to about $6M annually. It really inhibits the General Fund from being able to withstand any kind of mill reduction without substantially impacting services. In this instance, if we were to reduce the City mill by just one in the budget year 2022, it would drive fund balance down into negative cash position—or negative fund balance.

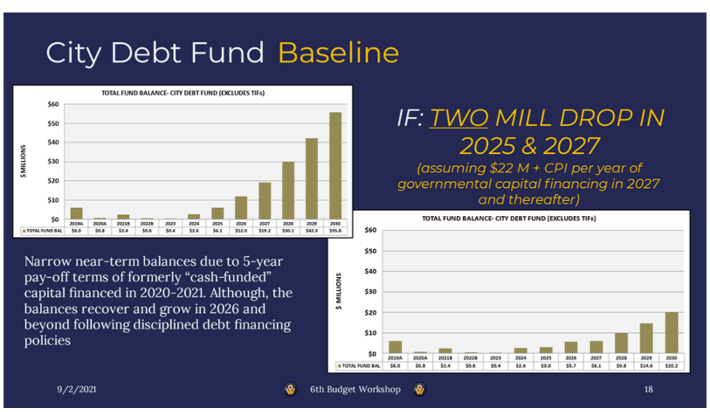


If we were to instead of changing the mill, we were to adjust the Board of Public Utilities Payment In Lieu of Taxes which is what that stands for, BPU PILOT. If we were to drop the PILOT beginning in '22 from 11.9 of BPU gross revenues to 11.5%, which is a very modest reduction, then this would be the impact on the City General Fund because all those revenues are deposited in the City General Fund. The BPU PILOT amounts to roughly $35M in total, so this would be—I think it's $1.5M or so, this .4, and it would be $1.5M every year so it drops down the fund balance. That modest reduction in PILOT results—I looked it up and I figured out that it results in a $7 decrease for residential and a $60 decrease for commercial. **Mayor Alvey** asked, and that's annually? **Ms. VonAchen** said yes, annually. The residential, you know, it's assuming you have a $40 bill.



On the City Debt Fund, again, this is an interesting chart. I'm not sure we've looked at it this way before. This is where all the governmental debt and enterprise fund debt is debt service paid. So, in 2022 the total expenditures of the City Debt Fund are proposed to be $37M and the green here is all of the debt related to the Unified Government kind of governmental funds so the roads, the fire stations, etc., all that. This light gray area is with respect to the Sewer Fund and then this little darker gray area is Stormwater. In the governmental debt, 49% of the total costs are paid to payoff principal on governmental debt and 24% of it is paid for interest. That's $18M for principal and $9M for interest every year.

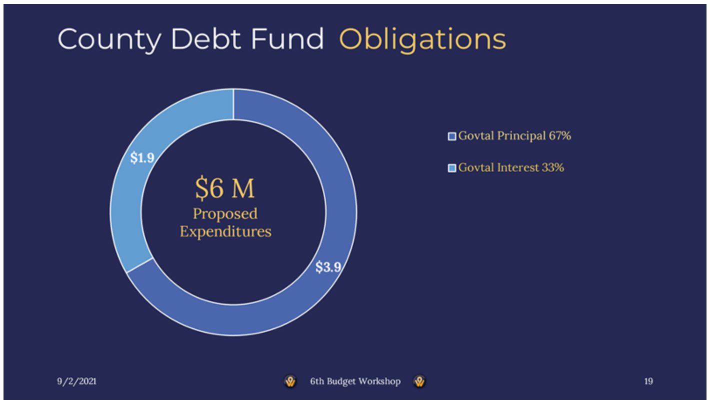
For sewer, which the Sewer Fund makes a transfer into this fund to cover these costs which are 4.7% for principal and 3% for interest for the sewer and then also for storm.



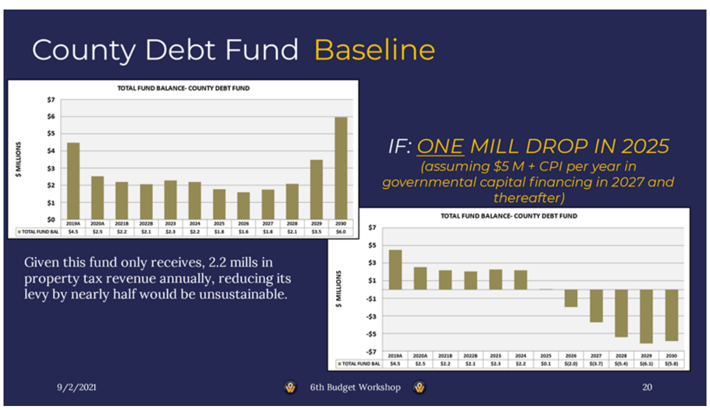
On the City Debt Fund, we know exactly what these costs are for the City Debt Fund because it's based on outstanding obligations plus the amount of debt that we have proposed in the CMIP to be issued for debt and so we know exactly what these costs are. The only variable may be how much in property tax the assessed value will grow by, but as I mentioned before, we have it growing by 5% to the base, plus the IRB increase that allows for the total increase of 6.5% on average over the period.

What we found is that there is an opportunity to reduce the two mills—to reduce two mills in '25 and then another two mills in '27 and by doing that, it drops the fund balance down to these levels. I have kept the scale the same here, so it's still 60, you know, and this one is 60 just so you can see the slope properly. This fund does not require to have an operating reserve because it is a fund that—we know exactly what the expenditures are going to be. It is pretty low during '22 and '23, but I haven't factored in the fact that we will likely be refinancing debt and there's likely to be some great opportunities next year to do that which means that the fund balance will grow or end up higher than this.

So, in other words, you've often talked about what if we took—how many mills do we have in the debt—if we were to be disciplined and keep our debt finance governmental expenses down to a disciplined level, roughly $22M a year, is what I'm projecting. If you take 15M%--you know about three or four or five years ago, there was kind of a general policy that we were not to issue debt anymore than $15M a year. Since that was about four or five years ago, if you apply inflation to it all the way out to 2027, that $15M is actually around $22M, so just to keep conservative but not issue too much debt, what I've projected is $22M in new government debt after the CMIP sheets end which is in 2026. In 2027, we've just plugged $22M in general—so by doing that, you can see that we're still able to transfer or shift two mills in '25 and two mills in '27 to the City General Fund or whatever fund you wish actually. In the proposal that I've—not proposal, but the scenario that you'll see later, I have this shift going into the City General Fund in order to augment our Cash-Funded Capital, so you'll see that in a little bit.



The County General Fund—or the County Debt Fund, almost $4M of it is paid principal and $2M of it is in interest. A big portion of the $6M total, roughly $1.7M of the total is for debt service on the new Juvenile Center. It's also paying for a number of other jail improvements as well as the radio project, so there's a variety of projects in there, but it's just a much smaller debt service fund. This fund can basically only pay for public facilities. By state statute it's not allowed to pay for other infrastructure like roads and the County doesn't oversee road maintenance. This is basically for County facilities and buildings.



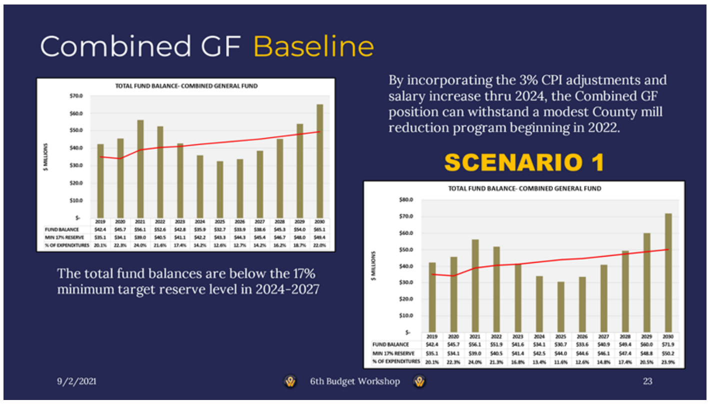
What we included in the baseline is not only what's in the CMIP but we've also identified that there was sufficient revenue coming into this fund to cover the debt service for $15M improvement to the jail. That's a deferred maintenance to the jail that the Ameresco Study identified and we've plugged it into this forecast baseline to show that we could support those costs for that project if we debt financed it. This includes not only what's showing in the CMIP, but also the addition of $15M investment in our jail in order to keep it compliant with the Department of Justice.

Over here, if we were to reduce the County Debt Fund by one mill, boy, it would just wipe it out and that's because this debt, as I mentioned, this debt fund is pretty small and it only receives two mills, so by cutting it by one mill, you've reduced it by half and that's just not sustainable. In the outyears, we're projecting after the CMIP sheets drop off, we're projecting $5M a year in additional County building improvements. It includes some future capital investment, but with this one mill drop, it really does wipe it out. There's really not an opportunity to—you know, there may be some very small millage reduction in the future that can be done, certainly in these outyears, but this is just an example of how sensitive this Debt Service Fund is.

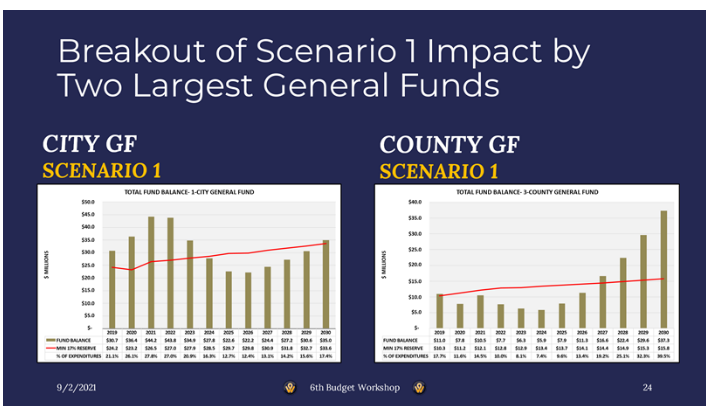
This is where the combo's start, so the Financial Planning Scenarios.

These are all adjustments to the base forecast and it's a combination of a variety of those things. In this scenario, for the first one, it includes the higher CPI which is 3% through 2024 and then I have it at 2% in 2025 and then 1.4 after that. So I have salary increases all the way to 2024 at 3%. I have a County mill drop of one-half beginning in 2025 and dropping by one-half every other year and that results in a tax reduction of $11.50 per year if you own a home of $200K and $63 a year if you own a business valued at $500K.

Then, I also have the City Debt Mill Shift to the City General Fund. So, two mills in ‘25, two mills in 2027 and the corresponding 1.25M—well it would be about $2.5M increase to the City General Fund Cash Capital line for ‘25 and then again in ‘27.



With those scenarios, then you can see that the combined—this is the Combined Baseline and this is the Combined Scenario 1. By doing that you can see that the CPI adjustments and salary increase through 2024 it’s—along with the modest County Mill Reduction Program. It does drop our fund balances below the 17% level between ‘24 and ‘27, but then it picks back up after that.

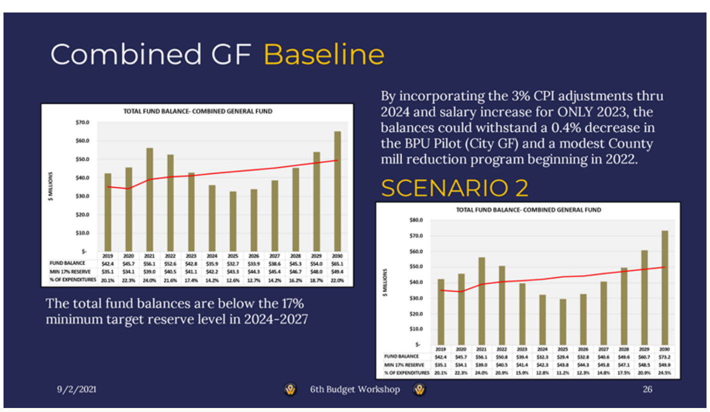


We don’t want to just look at the Combined Scenario. We also want to see how it impacts each of the individual funds, so that’s what this is. This side on the City General Fund side, you can see the increase in salaries and the increase in investment income and increase in revenue and then—you don’t really see an increase in expenditures because it increases—there’s an increase in ‘25 and ‘27 from the Debt Mill Shift but there is a corresponding expenditure increase, so it has no impact on the outyear fund balance.

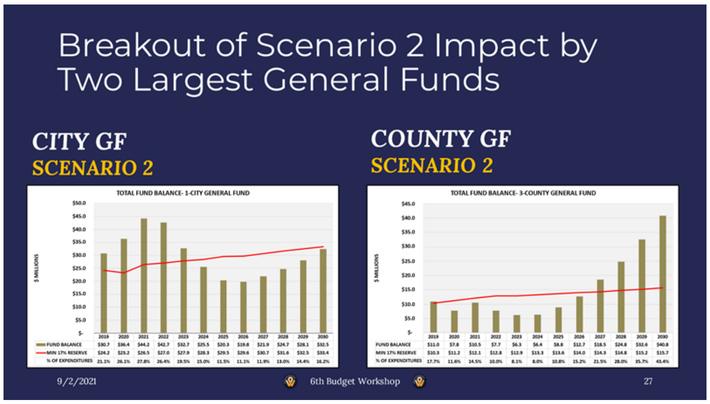
On the County General Fund side, you can see that modest half mill increase every two years as well as the addition of investment income coming in, so the fund balances are below the 17% suggested reserve level but it does come back in year 2027. So, this isn't as low as the original baseline number, this dip here.

Again, looking at that, here's the Combined, how it looks and then individually each fund, this is how it looks.

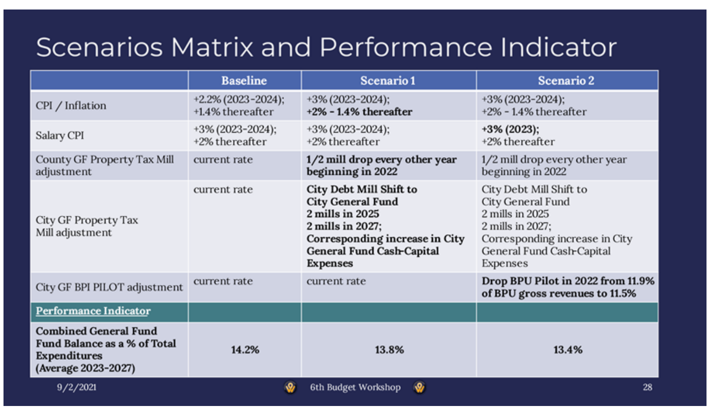
The second scenario and last scenario is to have CPI through 2024 but only have salaries increasing by 3% in 2023. We have salaries set at 2% beginning in 2024 going forward and by reducing that increase in salaries in that year, then we incorporated—we drop the PILOT from 11.9 to 11.5% of BPU gross revenues, so we've included that. We've left in the drop, the progressive half mill drop, in every other year for the County and we left in the Debt Mill Shift in the outyears.



The combined combination of those, here's the baseline, here's the revised with the—for Scenario 2 and you can see that by incorporating that, it looks very similar to Scenario 1 except it's just slightly different because of those adjustments.



Scenario 2, again, broken out by City and County and you can see that the County's fund balances grows quite a bit and that's because we've dropped the salaries in that one year.



	Baseline	Scenario 1	Scenario 2
CPI / Inflation	+2.2% (2023-2024); +1.4% thereafter	+3% (2023-2024); **+2% - 1.4% thereafter**	+3% (2023-2024); +2% - 1.4% thereafter
Salary CPI	+3% (2023-2024); +2% thereafter	+3% (2023-2024); +2% thereafter	**+3% (2023);** +2% thereafter
County GF Property Tax Mill adjustment	current rate	**1/2 mill drop every other year beginning in 2022**	1/2 mill drop every other year beginning in 2022
City GF Property Tax Mill adjustment	current rate	**City Debt Mill Shift to City General Fund 2 mills in 2025 2 mills in 2027; Corresponding increase in City General Fund Cash-Capital Expenses**	City Debt Mill Shift to City General Fund 2 mills in 2025 2 mills in 2027; Corresponding increase in City General Fund Cash-Capital Expenses
City GF BPI PILOT adjustment	current rate	current rate	**Drop BPU Pilot in 2022 from 11.9% of BPU gross revenues to 11.5%**
Performance Indicator			
Combined General Fund Fund Balance as a % of Total Expenditures (Average 2023-2027)	**14.2%**	**13.8%**	**13.4%**

What I've done in order to summarize all this, because there's a lot of assumptions, is I've put together this matrix for you to follow. Again, here's the General Baseline Assumptions where you've got 2.2% in CPI and 1.4% thereafter, after 2024. Salaries are set at 3% for '23 and '24 and 2% after that. The mill rates are all the same and then in Scenario 2 we have increased the CPI from 2.2 to 3% and then 2%--between 2 and 1.5 and 1.4% thereafter. By increasing the CPI it does increase revenue coming in for investment income and for sales tax, but it also increases expenditures in various contract services and professional services.

For salaries for Scenario 1, I have salaries at 3% for '23 and '24 and then 2% after that and then Scenario 1, again, has a half mill drop and then the mill shift. Scenario 2, again, it has the same CPI assumptions as Scenario 1 but in Scenario 2 I've only included a 3% increase for salaries in 2023 and then 2% thereafter. By doing that, then I dropped the BPU PILOT revenue from 11.9 to 11.5. By just doing a general comparison of the fund balance performance under these various baselines and then two scenarios, what I've done is I've done an average of the Combined General Fund fund balance of the percentage of total expenditures between the years of '23 and '27 and so under the baseline that average is 14.2%. Under Scenario 1 it's 13.8 and then under Scenario 2 it's 13.4. It is roughly almost a full percentage point difference of eight-tenths of a percent between baseline and Scenario 2 and then Scenario 1 is right in the middle.

That's all I've got, so I'm happy to answer any questions you have.

Mr. Bach said as Kathleen concludes, as you can see there are many different scenarios and Kathleen did a great job of throwing these in here. I will just add my comments before you start to talk. She could have factored in some for increasing investment infrastructure. These scenarios don't account for us putting any more money into infrastructure than we've already showed you moving forward with our budget. These scenarios are all about changing the mill rate or the PILOT, not investing more in the community.

I would also clarify that I do not think a 2% factor going forward for inflation rate for our employees is adequate. It has put us in the position we are today. I think 3% is a bare minimum, not enough, and that's an area we should be looking at adding more if we're going to have a workforce to perform services out here in the community and we want to keep them.

Commissioner McKiernan said Mr. Bach really started to go to the very place that I was going to make some comments. I have to give it to Kathleen. These are great scenarios, they're great food for thought. My personal opinion is, they come late in the game for the 2022 Budget. I think that even in 2022 we're going to still be getting our feet back under us from a cashflow perspective, from a service delivery perspective. I believe that we absolutely need to invest more in infrastructure, in the roads, the streets, the bridges, the streetlights, the buildings; all of those things that our citizens use on a daily basis. We're having some great meetings about infrastructure improvement, but so far we haven't dedicated any capital to said improvements, so at this point, it's just a lot of talk that we have yet to fund.

I also think that we need to finish our Priority Based Budgeting exercises. I think that we can find efficiencies within our operation that we have not yet found. But given the fact that these scenarios are coming late, given the fact that we are still going to spend 2022 getting our feet back under us, given the fact that we really have not considered how we're going to fund an enhanced workforce nor how we're going to fund enhancements in our infrastructure, I have to say that I think we should start considering these scenarios right now for 2023 and beyond. My impression is that we should stay the course in terms of the 2022 Budget. **Ms. VonAchen** said right.

Commissioner Markley said I agree with everything that Brian just said. I would add, you know, when we lowered the mill levy those six mills previously, we did that as part of a strategy that had been long thought out and had been laid out and said when the STAR Bonds payoff, we're going to lower our mill. We decided we weren't going to do it all at once, that we were going to do it over several years. We decided we were going to do two mills each of those years because we wanted to make sure we were still on even footing each year going forward. I do think that's how a mill levy reduction should happen. I think it should be part of a longer term financial plan. I think we should be looking into the outyears saying how can we do this year over year as a strategy rather than just sort of a knee jerk reaction of here's some extra money, a lot of which is because of ARPA, but there's extra money and it looks like our fund balance is good, let's lower the mill. I think it needs to be more strategic than that and I think it needs to be longer term. I would prefer to see us look at these scenarios layout what we could do over several years' time, decide when the start year is going to be, when the end year is going to be, and what we're going to do in each of those years and layout that longer term strategy for a mill levy reduction.

Commissioner Ramirez said just mirroring all the past comments from Commissioner Markley and Commissioner McKiernan, we're literally a week from today adopting our budget and we're now getting these type of scenarios that are going to drastically change it in some way, shape or form. I assume that this is a patterned where at the very last minute there's a lot of information that's dumped on us that's going to change things in a different way and I feel personally frustrated with it because this is information that should have been brought to us months ago when we started talking about our budget and started our workshops and thinking about these scenarios. Since we're a week away, I personally could not vote or give any opinion on any of these scenarios because I need time to think and to go over the graphs and all the data and a week is not enough. I'm a person that I need to think hard and a while on it and these are scenarios and choices that are going to have impacts on our community for better or for worse, we don't know yet.

I just ask that in going forward, especially for 2023, if we're going to do scenarios like this, they need to be brought up in the beginning of our budget process, not at the very end.

Commissioner Walters said a couple of comments. Since this budgeting season started I have at every opportunity suggested that we consider reducing the mill levy and the fact that staff has not responded to that until tonight and then commissioners are reasonably concerned about the late breaking information is disappointing to me. I agree, we should have had this information long ago and I requested it repeatedly.

Secondly, as Brian McKiernan suggested, we have a lot of infrastructure expenditures and you've all seen the amount of reserve that we have for 2022 and 2023. It appears that we have just gotten caught flatfooted and don't have projects that we think are ready to go even though we've had millions and millions of dollars from ARPA in our possession for months, so that's another disappointment and a shortcoming, I believe, to this budget.

My observation is that it's not—I don't want to completely redo the budget, but I think if we consider a mill levy reduction and simply—and change nothing internally in the budget except reduce the reserve, that would have no impact to anything that's been presented, but it would give our taxpaying residents some relief that is always high on their (inaudible). **Ms. VonAchen** asked, can I respond to Commissioner Walters, a couple of things he said.

Commissioner Walters said lastly, I would like to suggest—I think I heard County Administrator Bach say a mill reduction is a long-term commitment. It's a one-year commitment. We are only considering 2022 and we certainly can't commit a mill levy reduction to futures (inaudible) in 2025 or 2027. That might be interesting to talk about that it's not important to our deliberation.

If we do something in 2022 that causes what some people might think is a problem in 2026 or 2027, we'll have annual chances to adjust the mill levy if those financial projections are anywhere close. I am not convinced by anything I've heard tonight that we should not consider a mill levy reduction.

Commissioner Bynum said I know that earlier in the presentation we had a reference to the conversations starting in October and November of last year and that's certainly true, but that was a much different time especially in our analysis of where we would be financially. So, tonight's information that Kathleen has brought us is the result of the Mayor telling us two meetings ago to please send him our questions and I submitted these questions as perhaps others of you did also, but I specifically asked, could we see the impact of a one mill reduction on the County side and could we see the impact of a half of a percent off of the PILOT and that is why Kathleen has put it together. Tonight is the night that these questions we were to submit to the Mayor were to be addressed.

I've been asking for a mill levy reduction for a number of years also and I really appreciate the well thought out explanation and presentation that she brought. Like Commissioner Walters, I think it's worthy of more consideration and I guess I will go on record if it is not the consensus of our body in this budget cycle to pursue reductions in any of these levels, then I'll just go on record right now as stating that I'm asking the governing body for '23, '24, '25 and other years coming for serious, deliberative, strategic conversations about tax relief. The only way we can provide that are with these tools that Kathleen has given us, the mill levy, the PILOT. The other portions of how taxes are collected are out of our hands, so I'll just state for the record that if we don't come to a consensus among us for the budget cycle we're in, then I'm just stating early for the next one, that I'm asking us to seriously consider beginning to bring some level of tax relief to this community.

Commissioner Burroughs said I really don't know where to start. I want to thank Commissioner Walters for being so bold in his comments. I really know it is difficult to be on opposite sides of issues when there is a majority and an uphill battle when we start talking about funding the government for our community. I've been around this for a while and my experience I've seen budgets presented in a manner that always identifies those things that we hold dear as being cut and hurt and damaged because of reduction in funds. Those aren't our priorities, those are priorities that are presented by those presenting the budget. Now, are they realistic? You take a one mill cut which we've been advised about a million dollars across the board, a little over a million, $1.7M, I'm going to be generous and say $1.7M, a $1.7M spread across the entire county is less than .002% cut in any budget anywhere and to call out the jail or to call out employee wages is one of those issues that pull at people's heartstrings and say we can't do that and I don't want to be on record of stating that I want to cut something because these are the things that have been targeted.

In my experience in budgets, those are the kind of things that pique your interest, but what I want to talk about is our projected budget for 2022. Is our ending balance inclusive, the 17% ending balance that you talked about, Kathleen, is it inclusive of the funds that we have in possession today of the federal ARPA money? **Ms. VonAchen** said it only includes the revenue replacement portion. **Commissioner Burroughs** said that was—if I remember correctly, $24M, was that correct? **Ms. VonAchen** said I don't remember offhand, but in total over the two years and for all the funds—I don't remember offhand, something like that. **Mr. Bach** said a little over 30 I think. It's below 30. **Commissioner Burroughs** said yeah and I appreciate, what I'm trying to do is talk about we built our reserves inclusive of the ARPA money, so we can either call that efficient or we can call that a taking, however you want to look at it. It goes back to Commissioner Walters point, that we have this money sitting there and we're not putting it into action and to generate additional revenue in the community by putting people to work and getting that money out into the community, we're sitting on it.

Since I have been on the Commission I have seen our valuations rise considerably and that is not necessarily a bad thing, but we haven't reduced the mill in correlation to the increase in valuation. We have been told every year since I have been here, prior to the budget coming out, we are broke, we have no money and we can't do anything. Well, I'm here to tell you, we are sitting with some extra cash and that's not why I'm projecting cutting the budget. That scenario was brought up at the request of two or three commissioners and, Kathleen, I appreciate all your work in it and this is not a—not because there's more cash in there and it's not because of the knee jerk reaction, there are some of us that have looked at the budget over the years and seen a continued growth in our revenue, but we are still not addressing the mill rate that is causing the property tax increase. That is just not fair to our constituents.

I can get into a number of questions about what is our projected budget for 2022 without the ARPA funds in it, what was our mill rate and what was our budget in '97 when the Unified Government consolidated and then here we are today with over a $400M budget. So, you have to ask yourself, what happened to the $150M of growth in those 20 years. Where have we seen the enhancement in our community and I'm not saying there hasn't been. I'm just stating these are the questions that I'm getting from constituents that say why aren't we seeing this money that has come in through increased valuations in our community. To promise moving forward that we're going to cut mill rates, I agree with Commissioner Walters, every year is a new year. We will go through this budget again, we do it every year and the state projections are just that, they're projections and things change.

I am absolutely supportive of a mill reduction in both the County and the City. Our budget can absorb it and to call out two or three scenarios that it is going to cost our jail and it's going to cost our employee wages, I think was unfortunate that they were called out as those two items that would not be considered if we chose not to—if we chose to do the mill reduction. I support Commissioner Walters position on the mill levy reduction. I just wish we would give stronger consideration how we can address the PILOT. We've got a PILOT increase, I believe, that's going to bring 1.5 more in this year, but yet the proposal was only a .04% cut if I remember Kathleen. **Ms. VonAchen** said well yes, I have a scenario in there for .4, yeah, but actually the PILOT is going to be flat or less than it was last year because industrial and commercial growth has really not resumed. That's based on when I've talked with Lori Austin, CFO at the BPU.

Commissioner Burroughs said I appreciate the Commission's patience with me this evening. I made it clear where I stand in my thoughts and I want to thank Commissioner Walters for his brevity and sticking to his guns and calling for a mill reduction. He's called for a mill reduction the last couple of years. I know he's been a budget hawk working on this and having him be part of the Finance Committee has been a pleasure to get to work with someone that's dedicated to doing what his constituents are asking us to do, specifically, when we have the opportunity to do it, not one year, two years, but two or three years back and so that's where I stand. Thank you, Mayor, for your patience.

Commissioner Townsend said I tend to agree more with Commissioner McKiernan and Markley in that this body is the only entity that is charged with supplying major services like infrastructure, like public service to our constituents. I believe that until we identify from this budget or ones in the future, money to deal with those basic services, only after then if we have money sitting around, let's start funneling it toward those basic needs that our citizens have already told us we want before we actually go and cut the mill rate. I get what Commissioner Walters and Commissioner Burroughs want and I would want it too, to see our constituents write out a smaller check when it comes to paying taxes, but we have seen in the past where this Commission has decreased the mill levy but it did not result in an overall decrease to our constituents of the check that they actually wrote to us. That was a combination of the increase in valuation of properties and the fact that we're not the only taxing entity. I agree with where Commissioner Walters and Burroughs want to go, but I'm saying that the only entity that can fix roads, streets, bridges, provide lighting, public safety, we need to address those issues first so we don't have to go back and tell our constituents we didn't provide those services at the level that you called for and even though we reduced the mill levy, you still wrote the same amount of money in your check for taxes or more.

I do appreciate the presentation that was made tonight whenever it came, so thank you for the opportunity to comment.

Commissioner Johnson said I hesitated to speak to this matter, but I just feel like I have to. First of all, Kathleen, thank you for this presentation. Thank you Commissioner Bynum for requesting to see what those circumstances—scenarios rather, would look like. We have had this conversation about lowering mill levy's and leveraging that against the increased property values and, yes, both need to happen. The thing that I have been requesting for years seems to just continue to fall upon deaf ears and I'm not sure if that's because it's not a realistic request or expectation, but that simply is that we are the main entity and it kind of segues off of what Commissioner Townsend talked about, we're the main entity that is asked, that is demanded to make—you know, to bring about lower taxes, to lower the mill levy and yet none of the other taxing agencies are feeling the same kind of pressure. I've asked for us to have some kind of discussion over the course of the years with the other taxing agencies to have a pragmatic discussion about the mill levy, how it impacts each one of our jurisdictions and then how we can collectively look at mill rate reductions and tax rate reductions to our overall constituents. We are all in this together.

The mill rate reductions that we haven't made in the past, again, everybody knows that's on this call, 46% of one mill comes from City/County, so what about the other 54% that make up the greater part of one mill. That comes from the other taxing—I'm not here to suggest what they do, I'm just saying we need to have a strategic, pragmatic conversation and until we do so, I think we're going to be continuing having these kind of problems in the future. I'm going to continue to make that request and whether or not anybody hears and thinks it's relevant or not, I think it definitely needs to be had and the sooner the better. Thank you, Mayor, I appreciate it.

Mayor Alvey said I want to address several things. I think what we have to look at is, we saw that first chart that was presented, the comparisons to other areas. We are at a disadvantage because our median household valuation is much lower and, in fact, I understand that Overland Park, for instance, one-third of all their general revenues comes from Oak Park Mall. That's a significant advantage that Overland Park has and has had over the years.

The other thing that we are dealing with, and it was mentioned by Commissioners Markley, McKiernan, and Ramirez, is that our infrastructure is much older and based upon the nature of how our city grew and we continued to annex more and more areas, we adopted a lot of township infrastructure that, frankly, we did not require in the Shawnee Township that when developers built that they would add sidewalks, that they would add storm sewers or sanitary sewers and so where I live, for instance, the sanitary sewer begins two blocks north. It begins again two block south. There are sanitary sewers two blocks east and two blocks west, but my area—my neighborhood, we're not going to get sanitary sewers because the city doesn't have the funds to come in and even help us along with that.

When I talk to constituents, I hear consistently questions—and people will call and say why isn't Key Lane fixed, why aren't the curbs in our neighborhoods fixed, why don't I have storm sewers. Those are the questions that I get consistently and I have to answer them honestly, because we don't have the funding.

Fifty-nine percent of our budget, again, goes to Public Safety. There is no constituent out there who is asking us to cut drastically the police coverage or the fire coverage. In fact, what we hear consistently is, let's fund more of that. So, this is the situation we're in and I recommend—I mean I like Commissioner Markley's suggestion, this is a long-term strategic move because of the decline and the blight over the decades in Wyandotte County, the value of our—the decline in property valuation meant for us to collect the same amount of money we collected in the prior year, mill levies can go up because the valuations were smaller. Now that we are growing in the past 20 years, our property valuations are growing, our assessed valuation total aggregate and individual are increasing, that's going to continue to provide us room for continuous mill reduction, which is again, why we have to continue to bring in economic development that works for us and that is going to bring more people in who are going to continue to build new housing, rehab old housing, raise those property values and spread that tax burden around.

The thing that's discouraging, frankly, and I've asked some folks this when they tell me that they—and I understand, I want tax reductions too, I say let me ask you, what level of—what amount of money would you notice on a reduction of taxes and what would that be. They don't really often have an answer but it's got to be at least several hundred dollars for them to notice that if you have a $500K home and you do a one mill reduction on that home, that is about $57 a year. So, on a mortgage of $500K, what is it, a $5 a month reduction in my property tax bill is not going to change it, but that kind of reduction in the money, the revenues its generates does mean, for instance, you know, ten miles of roads. We saw that. A one mill reduction pays for ten miles of road and those are the complaints I get.

I get complaints about Code Enforcement, they're overworked, we don't have enough people out there. I hear complaints about traffic control. We don't have enough traffic control. I hear complaints about broken curbs, I hear complaints about stormwater, I hear complaints about any number of infrastructure issues, just the basic services that people want and what I hear more and more from people is, I am willing to pay for better service. What's hard is, even with our tax level at what it is, we're still not able to provide the level of service we need. It's a long-term play that takes us a long time to get into this situation, it's taking us a long time to come out of it.

Commissioner Ramirez said I just want to back up and second what Commissioner Johnson mentioned. Since I've been on the Commission I've at least heard twice, once from Commissioner Johnson and I believe, correct me if I'm wrong, Commissioner Bynum asking that we work with the other taxing jurisdictions in the county to ensure we have a strategic way forward. We may be reducing our levy and reducing our taxing, but what about the library, what about the schools. That's where the majority of all of their tax dollars go is there. We get only a portion of it. But again, the answer that we've been given is well they have their own governing body, you need to go talk to them.

It's our responsibility, I believe as a governing body of the County and City, to work with our other taxing jurisdictions and making sure that when one entity is trying to make a strategic move of lowering taxing, talk with the other taxing jurisdictions. Let the governing bodies talk, let us have the conversation together.

Yes, I know you, Mr. Mayor, may speak with the Superintendent of the Schools or maybe speaking with the library, but we need us as a governing body, we need to have those conversations as well and not individually with individual school board members, but as a collective, because that's what we are, we're a collective. I just wanted to back up what Commissioner Johnson said and I think it's something that we really do need to have.

Commissioner Philbrook said I'm going along with the concept with Harold Johnson and also with Christian and that is that I know that Melissa Bynum, since she's been elected, has been asking for that conversation among. I think it's up to us as commissioners to put out that olive branch and ask for transparency and ask them to come to the table because they're elected officials too. You know, we all come to the table and we have that conversation of transparency in front of everybody. If we don't do that, then, yes, we are hiding behind closed doors and that is true, so I agree with that and I wholeheartedly go for that because it is all of us that are representing our community. Thanks, Christian, for saying that and thank you definitely for Commissioner Bynum for pushing for this for a long time and I agree with that.

I also agree with Commissioner Brian McKiernan and Angela Markley and those that believe that we need to finish this work of infrastructure restructuring and figure out how we're going to do that before we start throwing pennies at people and small amounts of dollars, you know, because yes, when I'm not making much money, $5 does matter. When you multiple $5 by a whole bunch of people, that helps pay for some of things that they are wanting.

What I hear about are roads and codes, you know, roads and codes and that's what I hear a lot about and the only other thing that I hear about, then you can add parks and so those are the three highest things that I hear about. They want roads to be good, they want people coded so they're supposed to be doing their job and not tearing down their community. Then, of course, parks so they feel safe going out and enjoying the parks with their families and those are the three high priorities that I hear about all the time.

Commissioner Burroughs said the comments that were made by Commissioner Johnson, I remember my very first year as a commissioner, we were in a meeting and I had asked that we send a letter requesting other entities to hold the line until we could have a meeting. I remember the discussion that occurred about that and the way it was handled and so there have been many of us that have called for that and so if everybody is really adamant about doing that, why hasn't it been done? I guess that's just my comment.

The other thing I wanted to bring up is if we're going to continue to collectively work on this PBB, we've had all year long with the commitment of PBB bringing reductions and here we are in the eleventh hour, that was stated earlier, about the impact that these mill reductions would have. I go back to my original statement, the statement made by Commissioner Walters, that this budget can absorb it. I believe last year's budget could have absorbed it, but anytime we get new revenue, we spend it and we spend it on giveaways to large corporations and our property owners want relief. I'm seeing it everywhere, I'm hearing it much like many of you, and we must not lose sight that if you want to continue to grow this community, you can't push people out with increased property taxation.

Commissioner Kane said I've got a couple of concerns and one of them is, we're still in a pandemic. We don't know what's going to happen in the next 10 months, 12 months and I have serious concerns about that. I also have serious concerns about our employees getting raises because a lot of people are leaving us and 3% is not enough. This is late in the game to get this information and we're supposed to make in a week and I agree with Commissioner Bynum that we're kind of stuck right now, but we need to start January 1 trying to figure out how to lower the mill levy and not come up a week before we're supposed to do it and say, hey, oh by the way, if you do this, then this is what's going to happen. We have to do a better job of planning what we're going to do further out than what we're doing it and this last minute surge is frustrating for me because I'm like why weren't we told that before.

As far as talking to the other taxing entities, I'm okay with that, but I am in contact with some of the school members—board members already and I think that's something we should do collectively. Have everyone come in, sit down and not point fingers, but figure out what each one can do to help the other one. I know that some of the schools are going to be looking for some school bond stuff.

You threw a lot at us today and I don't think we can—it's palatable between now and next week, so I caution us to lowering it right now and start in January to figure out what we can do for next year.

Mayor Alvey said thank you, very good discussion and we will pick this up again next week.

Mr. Bach said I appreciate all the comments. I would like to at least respond. We know we've been working through the budget through the course of this year. I believe I've heard, and I believe I hear what the numbers of people in discussion, the direction we were given in building the budget was to work within the money we have to work toward building infrastructure and staffing and find ways to find some increases in pay for our staffing. In discussion, the direction was not given to me and I will—to reduce the mill rate. You asked for scenarios to look at that coming into it and that's why we provided this information, as has been said it's late in the game. It's information we can provide anytime the Commission wants to dig into it, but we didn't bring it forward tonight from a standpoint of thinking, okay, here, let's throw this out at you. It was a request to come but our earlier direction I think is consistent with what I've heard from the majority of the commissioners tonight on where we're investing, trying to invest back into the community with the budget.

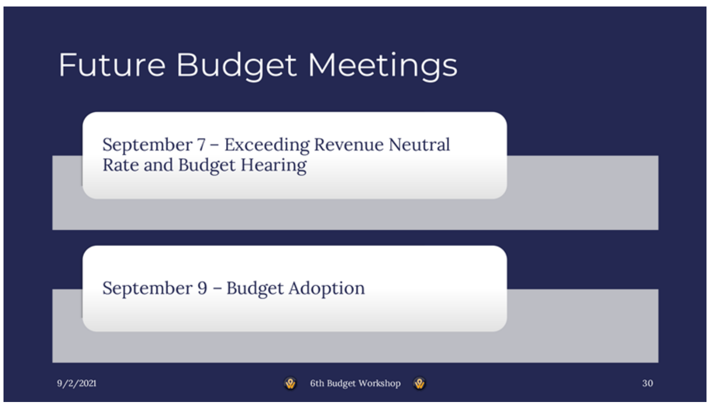
I appreciate the last comments made by Commissioner Kane about investing in our employees because this is just barely putting much more to them and I have several unions that are out of contract at this point and all are looking for additional money so those are areas that come to it and employees get thrown out there because they are 70% of our budget. It's hard to talk about our overall revenue and costs without thinking of where we spend 70% of our money.

I would also say that we can provide to the Commission and your decision of how you decide you want to meet with them or whatever. We can put together some ten-year charts on each of the taxing jurisdictions and show what they've done over the last decade in terms of their mill rates. I think that gives you a little bit of information in working toward that and I think it would be strong information for you all to look at.

Commissioner Bynum said, Mr. Bach, I really appreciate your comments and I would reiterate that what Kathleen brought was a direct response to questions I emailed. I would also really like to see the chart that you suggest could be created with maybe the ten years of mill levy rates from the taxing jurisdictions. I recognize how unwieldy the concept is of bringing all the taxing entities together. For one thing, it would obviously be an open public meeting. My suggestion would be that it would be a facilitated public meeting with a neutral third party.

I've been thinking about this a lot and I know Commissioner Johnson has too because we've talked about it so many times, but perhaps if there were a small subcommittee created on how exactly to go about holding such a meeting, I would also suggest that it's probably more than one meeting. It's probably a series of meetings, but nonetheless, I appreciate Commissioner Johnson ringing that bell yet one more time. Maybe we can take some steps toward convening that group in a very thoughtful way.

Mr. Bach said, Mayor, before we adjourn, can I throw one thing out there as we look ahead at the calendar.



The last item, we do have our Exceeding Revenue Neutral public hearing on Tuesday, which is a required action. There is one other item I have that I believe is there for a yellow sheet that we didn't take action on and I would just like to know because there were several commissioners that spoke to it, but I don't know that we really worked it around the room to say.

As far as building the yellow sheet and changes to this year's budget, we have the Sheriff's Office Investigator position that we heard. Also, Commissioner Kane had raised the issue of moving $250K from the Parks Operating Fund, basically I believe, from what we would have in the fund balance to a modified park on Hutton Road by the new fire station, out in that area. I need to know whether that's something probably from a straw poll perspective that we want to build into the yellow sheet or not.

Mayor Alvey said I will now ask for a straw poll to approve the $250K transfer of funds, General Funds, into a specific reserve for moving on the Piper Park. Is that sufficient? **Mr. Bach** said yes, that's what I'm looking to understand.

Mayor Alvey said, Mr. Deichler, roll call please.

Roll call was taken and there were eleven "Ayes," Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan.

Commissioner Kane said thank you commissioners. I really appreciate that.

Mayor Alvey asked, was that it, Mr. Bach? **Mr. Bach** said, Mayor, unless I'm anything, those are the only two items that we will build the yellow sheet. We will show you the plus, the minuses, how those will work and we will provide that with you as you have the information for the Revenue Neutral Rate public budget hearing. Otherwise, we don't have any topics for any type of workshops to follow that hearing.

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

Brett A. Deichler
Unified Government Clerk

dt