STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, JUNE 30, 2022**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, June 30, 2022, with eleven members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District (not in attendance for Executive Session); McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District 4 (arrived at 4:07 p.m.); Kane, Commissioner Fifth District; Markley, Commissioner Sixth District (not in attendance for Executive Session); Stites, Commissioner Seventh District (arrived at 4:07 p.m.); Davis, Commissioner Eighth District (not in attendance for Executive Session); and Garner, Mayor/CEO, presiding. The following officials were also in attendance: Cheryl Harrison-Lee, Interim County Administrator; Misty Brown, Chief Legal Counsel; Bridgette Cobbins, Assistant County Administrator; Brett Deichler, Interim Assistant County Administrator; Monica L. Sparks, Acting Unified Government Clerk; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Director; Michael Peterson, Assistant Budget Manager; Alley Porter, Commission Liaison; Jeff Fisher, Executive Director of Public Works; Angel Obert, Director of Parks & Recreation; Mike Callahan, Fire Chief; Daniel Soptic, Sheriff; LaVert Murray, Economic Development Advisor in Mayor's Office; Brandon Grover, Public Works Asset Coordination Manager; Jack Andrade, First Deputy Fire Chief; and Taylor Wash, Organization Effectiveness Coordinator in County Administrator's Office.

Mayor Garner said before I call this meeting to order, I want to announce that 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 and is current guidance from the Kansas Attorney General.

MAYOR GARNER called the meeting to order.

ROLL CALL: McKiernan, Ramirez, Kane, Bynum, Burroughs, Garner.

AMENDED NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in a hybrid format on Thursday, June 30, 2022, at 4:00 p.m. in the Commission Chambers of the Municipal Office Building for an Executive Session to discuss matters regarding litigation, followed by a 5:00 p.m. Budget Workshop.

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

Commissioner Ramirez made a motion, seconded by Commissioner McKiernan, for the Commission to go into Executive Session until 4:30 p.m. to consult with our attorneys and to discuss confidential matters related to pending claims and litigation, as permitted by the Kansas Open Meetings Act; and that staff designated by the County Administrator be present to participate in the discussion, and that we reconvene in open session at 4:30 p.m. Roll call was taken on the motion and there were six "Ayes," McKiernan, Ramirez, Kane, Bynum, Burroughs, Garner.

Present for the Executive Session regarding litigation: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District (arrived at 4:07 p.m.); Kane, Commissioner Fifth District; Stites, Commissioner Seventh District (arrived at 4:07 p.m.); Davis, Commissioner Eighth District; and Garner, Mayor/CEO presiding. **Staff present:** Cheryl Harrison-Lee, Interim County Administrator; Misty Brown, Chief Legal Counsel; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; and David Cooper, Outside Counsel.

4:30 p.m.

Mayor Garner said we will reconvene back from Executive Session. **Commissioner Kane made a motion, seconded by Commissioner McKiernan, to reconvene from the Executive Session.** Roll call was taken and there were six "Ayes," McKiernan, Ramirez, Kane, Bynum, Burroughs, Garner.

Mayor Garner said I will entertain a motion to reconvene into Special Session. Our Special Session is a Budget Workshop at 5:00 p.m., but until we get to that point, we will take a recess. **Commissioner Ramirez made a motion, seconded by Commissioner Burroughs, to recess.** Roll call was taken and there were six "Ayes," McKiernan, Ramirez, Kane, Bynum, Burroughs, Garner.

5:00 p.m.

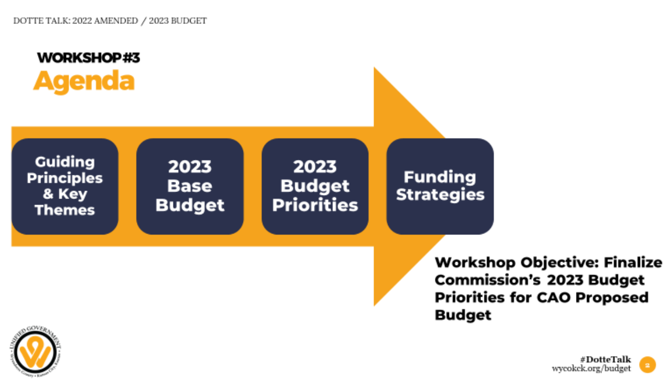
Mayor Garner said at this time we'll entertain a motion to reconvene into our Special Session for a Budget Workshop session that we will be initiating. **Commissioner Ramirez made a motion, seconded by Commissioner Burroughs, to reconvene into Special Session**. Roll call was taken and there were eleven "Ayes," McKiernan, Ramirez, Johnson, Kane, Markley, Stites, Davis, Bynum, Burroughs, Townsend, Garner.

Mayor Garner said we are now in Special Session and I'll turn it over to our County Administrator for her presentation.

Cheryl Harrison-Lee, Interim County Administrator, said this is our third budget workshop and as a brief recap of our journey we've reviewed our budget assumptions as well as our preliminary revenue projections. We'll also discuss what we've heard from the community and we've received some initial feedback from the Commission. You'll recall at our initial session I talked about the budget development is a three-legged stool. It is input from staff, input from the community, and input from you as members of the governing body. All very important, none of which could survive without the other.

Tonight, we want to continue the conversation with the Commission by solidifying our budget priorities for 2023 and we want to explore some funding strategies for those priorities. Based on your guidance from this meeting, staff will build the proposed budget to be presented to you later this summer. We're going to do a combined tag team presentation for you and then we will proceed to get your feedback.

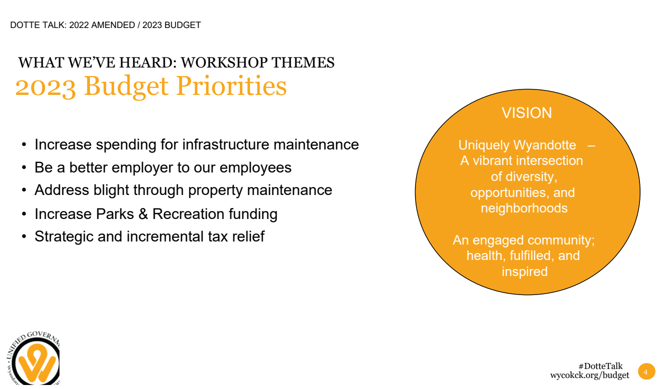
At this time I'm going to turn it over to Alley Porter, our Commission Liaison, to start our presentation.



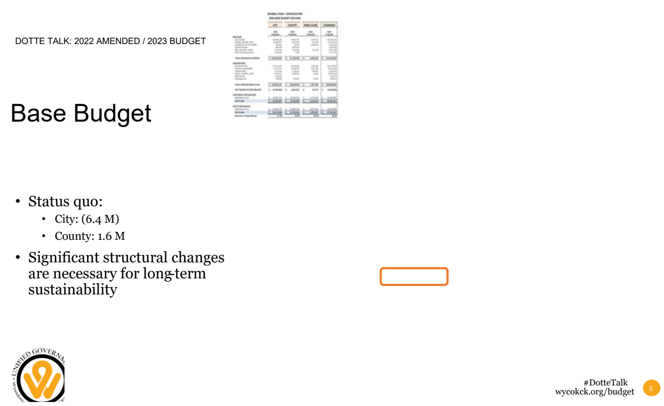
Alley Porter, Commission Liaison, said here is our agenda for our workshop this evening. We will briefly go over our guiding principles and key themes. Debbie will review the 2023 Base Budget, and finally, Jeff and then Cheryl will go over some budget priorities as well as funding strategies. Again, our workshop objective tonight is really to hear from you, from our commissioners, your priorities so we are going to try to keep this presentation brief to allow time for discussion.

These are the guiding principles for our budget. You have seen these before incorporating Commission priorities and community feedback, maintain essential services, be balanced and sustainable, invest in our workforce, and no tax rate increases.

On the right-hand side, you'll start to see some of the themes that we heard from the community throughout the community survey, the Dotte Talk workshops, as well as the budget simulator. They touch on things like street maintenance, the appearance of our community, access to Parks and Recreation, taxes, as well as other priorities.



Throughout our discussions, but particularly in the last budget workshop, these are the main things that we heard from our commissioners. Increase spending for infrastructure maintenance, being a better employer to our employees, addressing blight through property maintenance, increase Parks and Recreation funding. We heard that a lot. I think Angel is in the audience to collect, and then tax relief, but tax relief in a very strategic and incremental way.



So, that's where we want to go, but in order to get where we want to go, we have to know where do we start. So, I'm going to turn it over to Debbie to review our Base Budget.

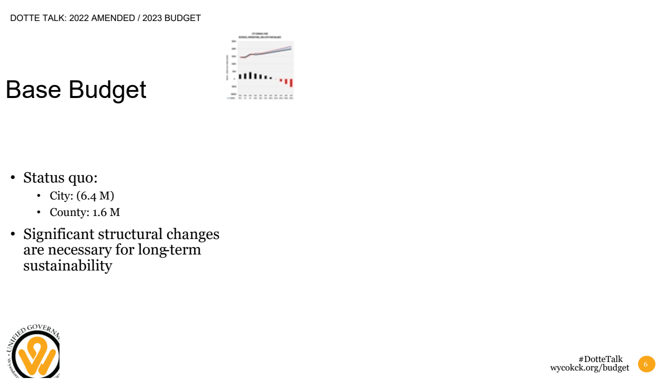
Debbie Jonscher, Deputy Chief Financial Officer, said I'm going to start out just reviewing our 2023 Base Budget. We have looked at projections for 2023 for revenues as well as we've captured all the expenditures that we are currently estimating.

As you can see, we've got up there—usually we talk about the Combined General Fund which we do have that column over on the far right-hand side, but we've also listed out the three General funds: the City, the County, and the Parks & Recreation General Fund separately so you can see the impacts on each of the individual funds.

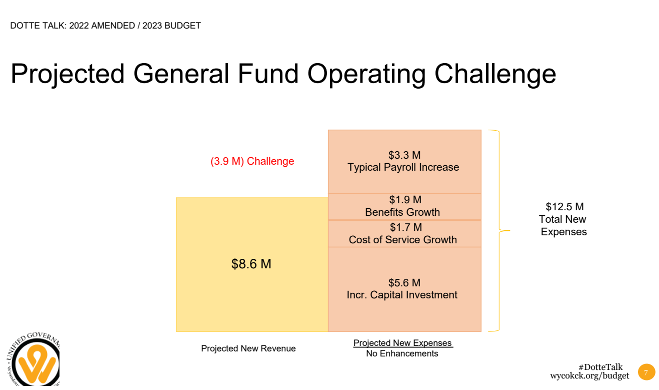
I'll first talk about the Combined. As you can see a total—total revenues, we're estimating $253M and $258M on the expenditure side for a decrease in our fund balance of about $4.6. As we've talked about in previous presentations, we've had a five—you know, we've talked about that $5M deficit in our fund balance, but now I'll shift back over to the individual funds so you can see how that is accounted for in each of the funds. The first column on the right-hand side is the City General Fund and then we've got County and Parks & Rec.

For the City side, I'll just talk about the highlighted box there. When we talk about the $5M, that's the combined total, but as you can see $6.4M of that deficit occurs on the City General Fund side and on the County we've got—there's actually a positive number, about $1.6M. Then on the Parks & Rec side, it's just an $81K increase in fund balance. I just wanted to point out that you can see that for the City side we do have that deficit, so obviously, the budget is not balanced. We're not in balance there and if we want to get that in balance, we need to look at making some structural changes that would be necessary for the long-term sustainability.

I did want to also note that with that deficit we are still—if you look to the very bottom line on that graph, our reserve percentage—fund balance percentage, is still at 17.4% which is in compliance with our fund balance policy, but that is the minimum amount for the two-month reserve. On the County side, we're at 19.7% and for Parks & Rec we're at 24.7%, for the Combined General Fund we're at 18.3%.



On this next slide we're just looking at the City General Fund side since we did have the $6.4M decrease in fund balance projected for 2023. The solid black line is the revenue projections and the red dotted line is the expenditure projections moving forward. So, as you can see, that out in the future years the expenses are outpacing—the growth and expenditures is outpacing the growth in our revenue based on our projections and if nothing were to change by 2026, we would be looking at zero fund—almost zero fund balance and then going forward if we did not make some changes in that fund.



Then the final slide I have here is just projected General Fund Operating Challenges. So, we've noted projected new revenue of $8.6M. The majority of that is the increase in property tax valuations and the increase that would generate and then over on the—that's the yellow column and then on the orange column we show all the projected new expenses. So, we've got payroll increases of $3.3M that are built into our projections. Those are union increases per the contracts as well as a 3% COLA for non-union. On the benefits, we've got $1.9M in growth and that's related to health insurance increase of about 7%, $1.7M for cost of service growth and that would just be annual increases in our contractual services and then $5.6M in increased capital investment. That would be for equipment such as police cars, fire trucks, building maintenance, software maintenance, software equipment; just capital that has currently either been submitted or has—you know, it's in the Five-Year Capital Plan that we show you capital expenses that have come up.

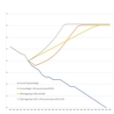
I did just want to note, that number does not include any of the additional funding that we've talked about, you know, possibly needing for street or bridge maintenance. So, for now, I'm going to turn this over to Jeff Fisher, our Director of Public Works, for a few strategies.

DOTTE TALK: 2022 AMENDED / 2023 BUDGET

Street Preservation

The Expectation: Street maintenance was the top priority in all eight districts.

UG Response: Funding level options to increase pavement condition index (PCI) from 56 to goal of 65



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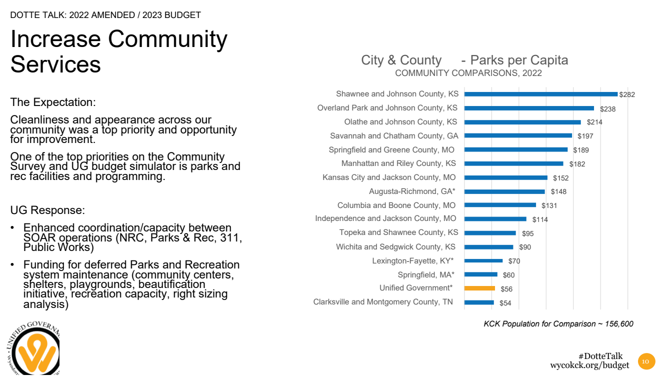
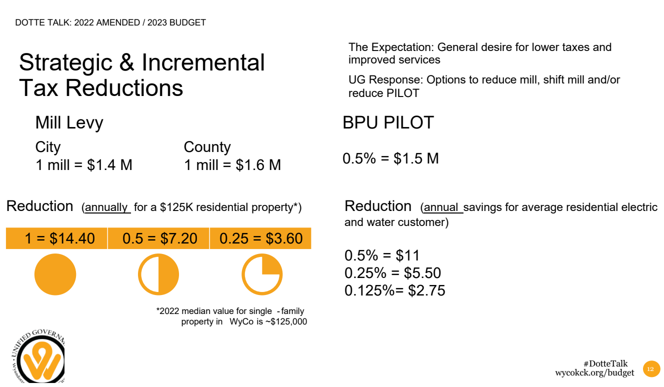
Jeff Fisher, Executive Director of Public Works, said I think we all know the last three or four cycles of the community survey the street maintenance has ranked as the top priority for the community and I feel like most of you have seen these types of graphs many times and probably walk through it on your own and understand the implications, but I'll highlight it. Of course, the current status quo strategy would result in systemic failure in the system over time and then you could go current budget plus 25% each year and that compounding effect would get you to a PCI of 65 in 2033 which is the red line. Then another strategy could be $26M beginning next year through 2042, that would be the yellow line and then $26M beginning in 2023 and at 15% annually until you reach a PCI of 65. That would be the most aggressive. Of course the differences between the three are total cost over a 20-year period.

The gray, the more aggressive line, would be the total cost and would be less than the others over that 20-year period.

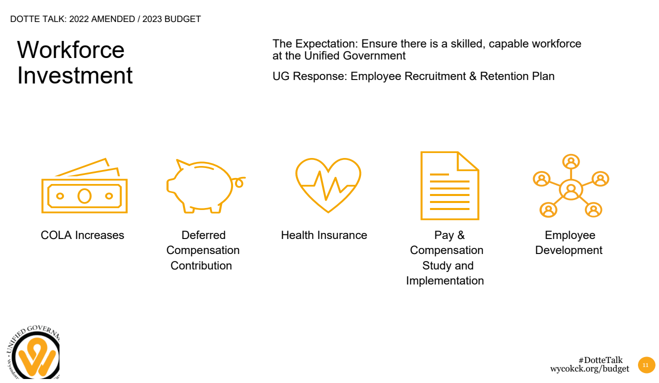


Next strategy or priority would be increase community services regarding community appearance and Parks & Rec. I think this graph says a lot. I thought it was very noteworthy when I first saw it. When compared to a number of different cities and counties, the Unified Government Parks & Rec system ranks very low in spend per capita. So the response to that would be—for community appearance, would be make enhancements in the coordination capacity of the SOAR operations and I believe there's eventually going to be some additional discussion about the future of SOAR, maybe in the next couple of months. Then, also, maybe throw—spending more money in Parks & Rec and then I would also note that through the subcommittees for facilities and parks, a few of you know, maybe all of you remember, that the primary theme of that subcommittee was to right-size facilities and parks, so I think the two have to go together.



The next priority being taxes, BPU PILOT, and strategies associated with that. I'll tell you serving three different cities now, this is always a priority, and I think it's best said by a member of the team that the level of concern with how much folks pay in taxes can be directly related to how much value they believe they're getting for those taxes. So, in each community I've searched, the level of concern is different and, you know, different drivers.

In this case, incremental reductions in the mill levy, BPU PILOT, incremental differences or impacts to a person's wallet and I think there are two ways to look at that. One is every dollar counts in a person's wallet, right, and so any reduction is a good thing for the folks. The other way I look at this is, these are meaningful impacts to the UG revenue streams, so it's a tough balance of course. I'm going to hand it over to Cheryl now to talk about Workforce Development.



Ms. Harrison-Lee said our last priority is Workforce Investment and I want to share some thoughts as your Interim County Administrator on this. A couple things, first, just kind of valuing the service of employees and understanding that when you lose an employee, just the down time and the cost of retraining and the cost of the institutional knowledge and the need to be able to just retain a ready workforce. The long-term economic development success is contingent upon two things; that is a talent pipeline as well as being able to retain a workforce that is able to deliver the services of the UG in an efficient and effective manner.

As we look at the Workforce Development, there are several factors that go into workforce retention. One is the additional COLA increases. We want to consider that for a number of reasons. First, there is a challenging and competitive labor market which creates opportunities outside the organization while also creating compression issues inside the organization. Additionally, for our non-union employees, they really don't have a step schedule like union employees, so the COLA is the only means unless you go to a merit-based performance increase. That would give them an increase.

Second, Deferred Compensation is what you're seeing as kind of a best practice and many jurisdictions where they're looking at a potential one-to-one match which would be at a capped amount.

Looking at health insurance, looking at how we would offer some different affordable and quality insurance options for our employees and their dependents. Last year, they absorbed quite an increase. It looks like we'll have a pretty substantial increase this time as well and so we want to look at how we might be able to kind of buy down some of that cost of health insurance.

Pay & Compensation Study and Implementation; the reason why I listed the study and the implementation is because oftentimes the study is budgeted, but the implementation costs are not. Because studies are expensive, you want to do the study at a time when you can implement. After you wait a few years and the timeframe is you really want to try and implement a pay in cost—a Pay and Compensation Study within about two years because if you wait to the third year, you're going to be significantly out of line again, so those two items would go together.

Finally, Employee Development; looking at opportunities to train, to build leadership skills, to be able to develop opportunities for badging, which is really important now in higher ed, the whole issue of badging and certificate. It's so much of an issue now that they're going digital and people are posting those items on Linkedin and so we want to provide great leadership opportunities and we've talked about DotteLEADS and we'll continue to talk about that more with you in the future.

DOTTE TALK: 2022 AMENDED / 2023 BUDGET

Priorities for 2023 Budget

- Street Preservation/Bridges
- Increase Community Services
  - Reducing Blight and Increasing Parks & Recreation Funding
- Workforce Investment
- Tax Relief

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To summarize the top priorities, we've heard from the community and the Commission. We've heard about Street Preservation and Bridges, Increase in Community Services, Blight Elimination. The community was very vocal about blight elimination. We've had the Everybody Loves Parks Session, so increasing Parks & Recreation funding, Workforce Development, and then we've heard from several of you on the Tax Relief.

DOTTE TALK: 2022 AMENDED / 2023 BUDGET

How do we get there?

Strategies to fund our priorities

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I want to talk a little bit about how do we get there. What are some strategies that you might consider.

DOTTE TALK: 2022 AMENDED / 2023 BUDGET

Funding strategies

- Shift County mill to Parks
- Shift County mill to City
- Realign budget based on Community Survey's importance - satisfaction rating (I - S)
- Force additional vacancies
- Reduce reserve funds on one - time expenditures

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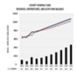
First, looking at shifting a County mill to either Parks or a mill to the City.

DOTTE TALK: 2022 AMENDED / 2023 BUDGET

Shifting County mill to City and/or Parks



County revenues are expected to grow faster than base expenditure levels in future years

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There is capacity in the County General Fund now as well as into the future, but we don't have that capacity in the City General Fund, so you could shift a mill over to the City or you could shift a mill over to Parks and create some additional funding for Parks to develop some of the amenities that we heard from the community.

DOTTE TALK: 2022 AMENDED / 2023 BUDGET

Budget realignment

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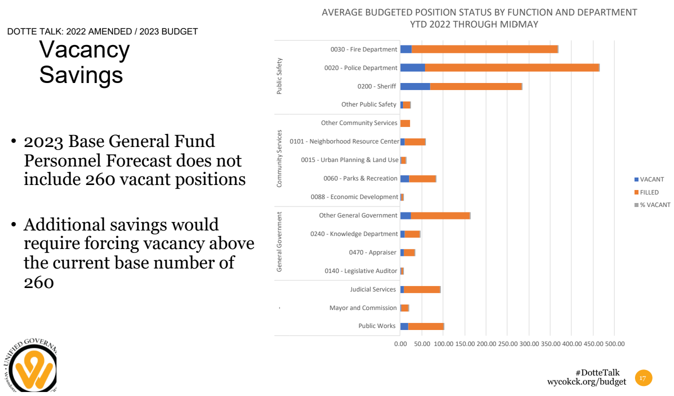
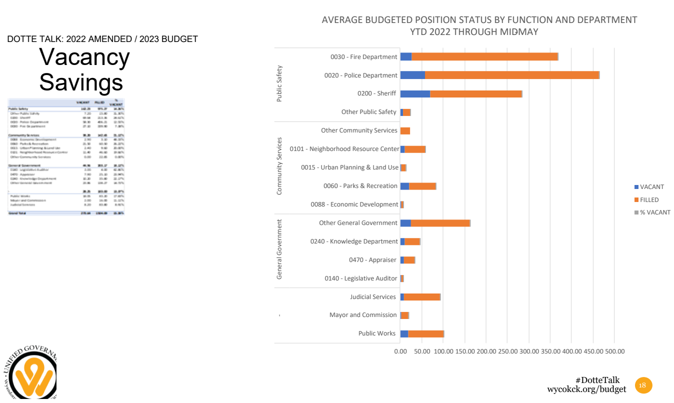
The other option would be to look at budget alignment. Through the Dotte Talks, through the budget simulator, through the ETC Survey, we heard several things from the community and I would equate this to kind of like a red high alert yellow, green, red being those areas where they're not quite satisfied. These projects got ranked based on looking at the investment and looking at those items that they are most satisfied with. So, if you will just kind of focus on those red areas, that's kind of what we've heard from the community in terms of areas they would like to see us consider reallocating resources to.



The third strategy would be you have an opportunity to look at vacancy savings. There's a little bit of a misconception on vacancies, what they create in terms of savings. We have 260 positions that we keep in the budget as vacant positions, so they're not included in terms of being fully funded in the budget.

So, if you're looking to achieve some additional savings, we would need to look at how we create additional opportunities from positions that we have in the budget. The realignment and the vacancy issues need to be explored further.



We have the organizational assessments that are going to be presented at the July 14th commission meeting. You will hear some things about efficiencies, about departments, about areas that you can consider for realignment and so getting your feedback at that meeting would also be important.

DOTTE TALK: 2022 AMENDED / 2023 BUDGET

Spend reserves on one -time expenditures

Reserve Policy	
Operating Reserve	17% (two months)
Economic Uncertainty/Emergency Reserve	8% (one month)
Total Reserve Level	25% (three months)

- Consequences:
  - Potential to impact credit rating
  - Not protected in economic downturns

City Fund Balance	County Fund Balance
17.4%	19.7%

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Lastly, we heard about spending Reserves. I want to talk a little bit about Reserves and just kind of remind you again that the Operating Reserve is two months, 17%. It's good to have that emergency reserve with a jurisdiction just like you would have that in your personal households, which would be an additional month, so that would equate to three months at 25%. You'll recall on a slide that we presented, we're at about 17 and 19%. There's a lot of opportunities for you to consider. We're really interested in your feedback.

DOTTE TALK: 2022 AMENDED / 2023 BUDGET

Let's hear from the Commission…

Finalize 2023 Budget Priorities

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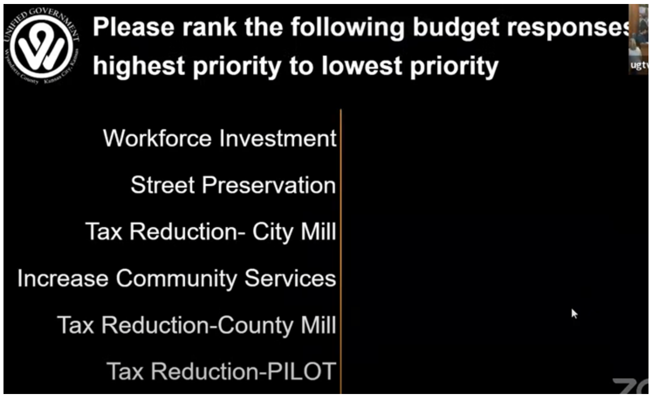
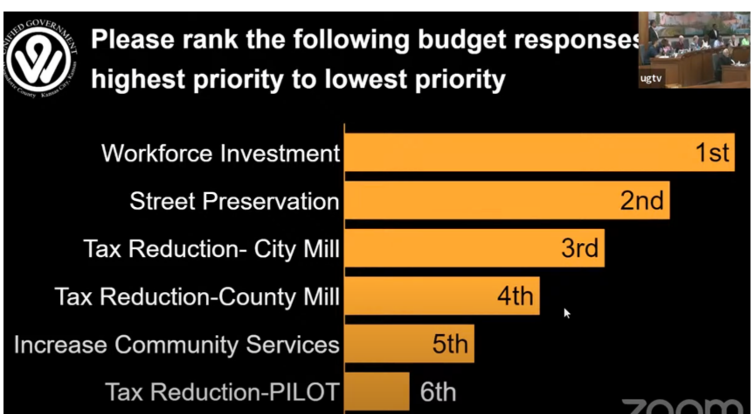
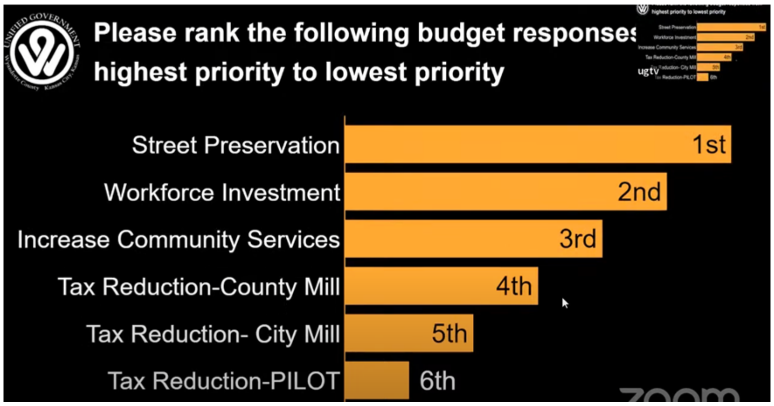
That concludes the staff presentation and what I would like to do is hear from you all at this time. We have your iPads set up to be able to get your feedback. Staff is going to come forward and help you to make sure that we've got them all ready to be able to get your feedback, so as they come forward, Alley and Taylor will be preparing the questions that we will be asking you. To make it a little bit easy, staff is also going to provide you with a handout so that you'll see the questions that we're asking this evening.

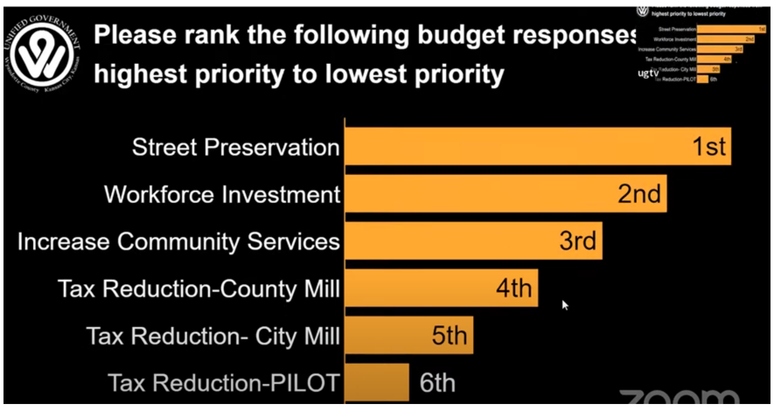


We have five questions that we would like to ask you and then we will be asking you to discuss and give us some feedback after we see the benefit of some of the questions that we're asking.

Alley, it appears that we have everybody ready. Is that yes, everybody's iPad—staff is ready to go. **Alley Porter, Commission Liaison,** said I can see the excitement on all of their faces. **Ms. Harrison-Lee** said I think we have a little bit of a hold over here to my right. Are we on go over here team? Alley is going to talk a little bit about kind of what we've—**Ms. Porter** said our first question here; we talked about the various budget priorities for 2023, so this gives you the opportunity to rank those in order and we have broken up Tax Reduction, the City mill, County mill, and the PILOT, so you will want to put those in order from the most important to the least important for the 2023 Budget and there is staff behind you to assist. We mainly focused on blight reduction and Parks & Recreation funding.




Please rank the following budget responses
highest priority to lowest priority
Street Preservation
1st
Workforce Investment
2nd
Increase Community Services
3rd
Tax Reduction-County Mill
4th
Tax Reduction- City Mill
5th
Tax Reduction-PILOT
6th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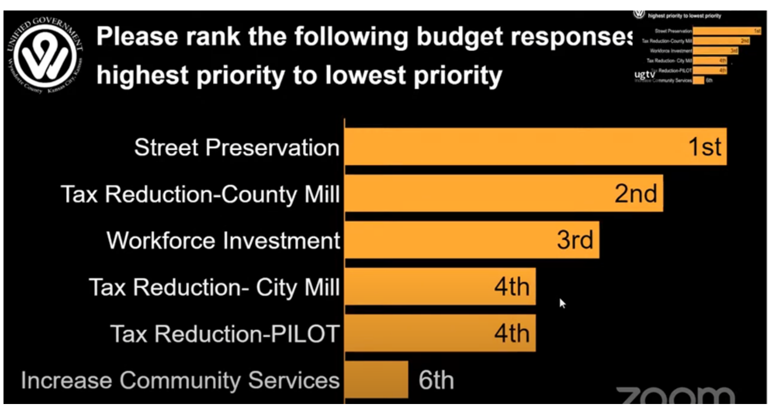
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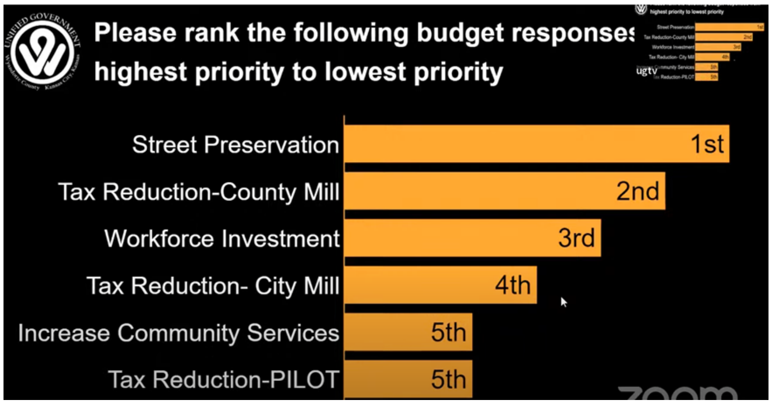
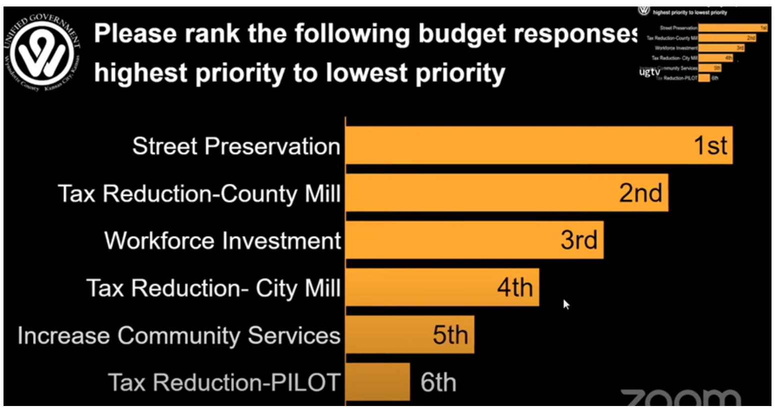
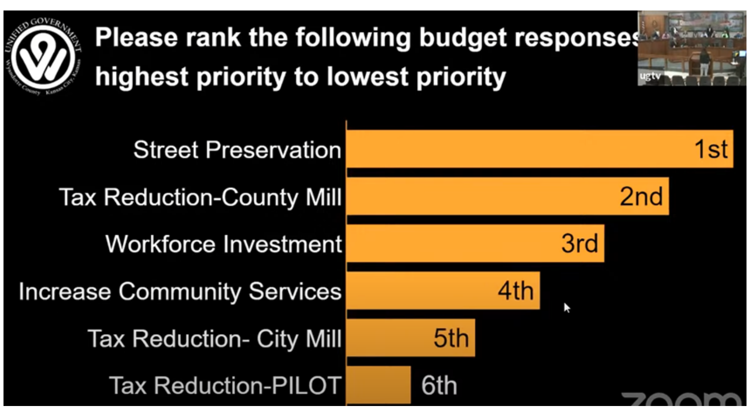




Ms. Harrison-Lee said okay staff, if I can get a thumbs up that everybody that you're assisting is completed and submitted. Okay, all right.



Commissioner Townsend said I need for Alley, if she'd be so kind, to send me that link again. I'm trying to do it from my phone, but I cannot find that email that I transferred. **Ms. Harrison-Lee** said I'll have someone send that right over.

Ms. Porter said we have 10 responses. **Ms. Harrison-Lee** said we have all responses so what we're hearing is Street Preservation, looking at a tax reduction in the County mill. Let's talk a little bit about kind of that reduction. Part of what we talked about in the presentation as we looked at that reduction was one mill was equivalent of 1.6 if we went to—which would be a reduction for the average residential property of $14.40 annually. I would like to kind of get some feedback on what you would like us looking at in terms of—is that a full mill that we would consider or a half mill or two mills or three mills or eight? Yes, I just want to know what to build in so I can get some feedback from commissioners of what we're building in on that.

Commissioner Stites said if I go back to previous presentations where the mill was reduced, 2015, '16, and '17, by two mills, two mills, and two mills, I can't see any reason at all that we wouldn't consider a bare minimum of two mills on the County side.

Commissioner Ramirez said I agree with Commissioner Stites. We've done it for the City, I think we should do for the County for the other two cities, that we're not only just City Council, but we're also a County Commission. We have two other cities that we have to watch out for and make sure that if we're providing tax relief for KCK, we should provide tax relief also for Bonner and Edwardsville.

Commissioner Burroughs said I agree with the 2% mill reduction. I would like to see us look at other considerations before we identify exactly how many mills. I think collectively in the discussion there may be room to do additional mill levy cuts out of the County, but we also have the Parks coming up that we may want to bring into consideration with moving a mill over to the Parks being most of those are in the County budget.

Commissioner Davis said I ideally would like for us to be put in a position where every year we can reduce property taxes, but if we do it so aggressively, we're not going to be able to do it every year. I would look at maybe half or maybe .25. That way every year we can give some relief while also investing in our Workforce, Community Services, and all those other things.

Commissioner Ramirez said for clarification and this question would be for you Cheryl. What we mean by tax reduction, could that be in the strategy that you had mentioned about shifting the mill, correct? **Ms. Harrison-Lee** said you could look at shifting it over and you wouldn't be lowering it, you would be moving that over to the City side to support Parks if that's what you want to allocate. That's a question coming up. That's a quick—that is a question—I was going to say that is one of our questions. **Commissioner Ramirez** said sorry, I jumped ahead.

Commissioner Stites said, Commissioner Davis, I can appreciate the incremental reduction on the mill levy on the County side, but here's what I would say about that. The folks didn't see an incremental change this year when they were slammed with appraisals that went sky high. It wasn't a little at a time, they went crazy and so I think we've got to get caught up with that and then look at an incremental change.

Commissioner Bynum said I'm going to have to make sure I understand what we're talking about. When we say shifting a mill for Parks, what do we mean? There is no separate Parks mill. So, that's question one.

Question 2 is Parks are funded out of the County side of the budget generally. Is that a true statement? **Ms. Harrison-Lee** said our Assistant CFO, Debbie, is going to respond. **Commissioner Bynum** said okay. Let's start with those two. There's no Parks mill levy.

Debbie Jonscher, Deputy Chief Financial Officer, said that's correct. The Parks mill levy is included with the total County mill, so in addition to the County General Fund, the Bond & Interest Fund, you have the Consolidated Parks as well as several other levy funds also. So a shift from the County—what we're talking about would be a shift from the County General Fund over to the County Parks, so the effect on the total County mill would be neutral, but it would be a reduction on the County General Fund side fund and an increase to the Parks & Rec General Fund—**Commissioner Bynum** said and that doesn't help Bonner Springs or Edwardsville at all. **Ms. Jonscher** said no, it would be neutral. The total mill would remain the same, but it would shift the funding from the County Fund so we're—**Commissioner Bynum** said so we're kind of talking two different things. We're hearing tax relief for our residents in Bonner and Edwardsville that we can control which is only on the County mill levy whether it's Parks, whatever, and then secondarily we are discussing, could we provide more support for Parks by directing a mill away from the County General into the County Parks. I just think those are two separate things.

If we seek a mill levy reduction that benefits every parcel owner in the county, then I'm supporting a minimum two mills on the County side and I don't know how I feel about shifting a mill. I definitely would love to see more support for Parks, but if we shift a mill, then that would be—we would just be moving the money—**Ms. Jonscher** said that's correct—**Commissioner Bynum** said and still levying it, right? **Ms. Jonscher** said right. In order to see an actual reduction in that, you would have to take a mill away from the entire County mill.

Commissioner Bynum said right, so I just want to be clear, I'm fine with a shift that is not mill levy reduction and I would support two mills for the county.

Commissioner Townsend said I think Commissioner Bynum hit on my concerns. I want to see our people get tax relief, but as I've said in earlier budget discussions about this, we can cut mills and our constituents still don't get the tax relief that they're searching for. The check they're going to write, they don't see a reduction in it, so I'm still concerned about that, I want to support that.

The other thing about this is, I think Commissioner Bynum raised the questions or concerns that I had. It clearly—most of our constituents have indicated a desire to have more money made available for Parks and park related improvements and programs. So, if I understand the recommendation, or an option, I'll put it that way, that's been offered is actually to move a mill from one of the other County funds into Parks specifically. But then if we're talking about turning around and decreasing the mill rate for the County, do we really gain any more money to support Parks or is the point of it that we are just designating more money specifically for park improvement, which I'm okay with, but it seems like the bottom line money we have available to us decreases.

I have to ask about one of the previous slides that we've shown, I just don't remember which fund it impacted that showed a decrease. I would have to see those slides again in our budget.

Commissioner Davis asked, do we have any information on what other jurisdictions are doing because I think it's good for us to clarify, especially if we're talking about the county that is 23% of your property tax bill for everyone in Wyandotte County. We're talking about 23%. The rest is the responsibility of school districts, the community college, the library board, which I believe they're not going to reduce anything, and so do we have any information on what other jurisdictions are doing within Wyandotte County who also control property taxes?

Commissioner Stites said I think I'll say something while we're getting to that, but we asked to have that information provided, all taxing entities to be brought to the table to see where they're at and to actually have a meeting regarding this.

Mayor Garner said one of the ACA's, Mr. Deichler, should be able to touch on the question that Commissioner Davis had.

Brett Deichler, Interim Assistant County Administrator, said we did reach out through an interagency email to inquire about that. The problem that we had was not everybody responded to it. We also received some information back that was, I would say a little bit preliminary because they had not received their July valuations just yet, so there was pretty much an even split across the board. A third was expecting to exceed, one-third was expecting to remain neutral, and the other third, the respondents, were expecting to really not know until they got their July valuations. The problem that we experienced is that July valuations just now went out. The school boards themselves are in a little bit of a crunch because they've got a little bit of a shorter timeline to get numbers turned around on what they do for their budget calendar year. With that in mind, it appears that what we will see in July, before July 20th, is probably about an even split of yes and no on expected increases across the board. Now, what they may be in partisan as far as percentages go remains to be seen because each of those have different levy rates and different valuations models too, so we did reach out to them, but that was a tough push to try to get everybody to the table because there was some uncertainty at that time about what the valuations were going to be prior to getting certified to them in July, if that makes sense.

Commissioner Burroughs said I know the discussion is about the two mill reduction on the County side. If the one mill reduction or movement to the Parks is of question, I might suggest that we look at half a mill this year, allow Parks to identify what projects they need to address and those shovel ready projects or those projects that are ready to be moved forward, that we look at a half mill this year and then a half a mill next year and just actually increase the funding in Parks without doing a mill cut per se. We're just moving a half mill into the budget. It's a priority of the community. As much as I would like to continue to cut the mill rate, I also want to be understanding that the community has asked for investments in its parks. It's a health issue for our community, so I might suggest we look at a two mill reduction in the County and then move a half mill over to the Parks; those monies to be split half this year and half next year or next budget process.

Commissioner Johnson said I am always mindful of whatever decision we make with regard to the mill levy, how it's going to affect our fund balance on both sides, both City and County. I can't see the ground or the landing spot with us lowering the County mill levy by two mills. I just think that's cutting too close to the bone. I'm for a mill—or I'm for a reduction. Let me just say it like this, in the PILOT of some percentage, or half or a quarter or whatever. I'm for that. I'm for the shift as has been recommended in terms of moving it from County to actually to the Parks. I think you need that. Beyond those three things I just outlined, I can't see the ground on where we land if we cut. I think we're going to cut too close to the bone. I think that's going to put us in a negative position budgetwise. I don't see how we can have a budget that will be balanced at that particular time with those kind of cuts, so I am not for a two mill reduction until I can feel comfortable that our fund balance will be able to sustain such a move.

Commissioner McKiernan said I think that Commissioner Stites has already identified one of the key pieces that we're so far missing. I mean although we can recognize some savings within our current operations, we're generally in all these priorities talking about increasing our level of funding for at least targeted services within the Unified Government. So, my question is and this does not have to be answered tonight, but I would like to know, will the increase in valuation allow us to cut the mill, City or County, and at least stay neutral in terms of collection of General Fund revenue compared to last year or conversely if we cut the mill levy, will the increases in valuation allow us to actually generate more funds for the General Funds compared to last year so that we can pay for increasing our service levels? I think the valuation piece is what has not been factored in. For me to say I'm going to cut two mills is baseless because I don't know the revenue change that that will generate because we haven't factored in at least the overall valuation change from last year. So, I would like to see those two factored together.

Commissioner Ramirez said I completely agree with Commissioner McKiernan. I think I understand, but to Commissioner Burroughs, to what your proposal is coupling reduction and then the shift together, correct?

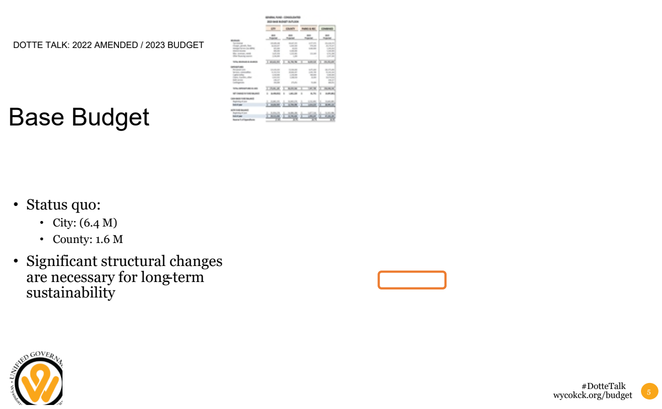
Commissioner Burroughs said it would be the prerogative of the Commission to determine if we want to couple them together or if you want to have them separate items, separate votes. If you couple them together, they may not pass collectively. So, if it's more feasible to separate them and have the discussion on both, I'm open either way. I just think it's a cleaner way to do it. To move $1.6M over to Parks, I'm not saying they can't use it, it's just that sometimes people need to gear up, projects need to be identified and it would give them a full year with half that funding of $1.6M, I believe was the number that was thrown out, so it would be $800K new to their budget which would give them a heads up that next year another $800K would come. So, if they wanted to carry over into year two, it addresses two things; it's a mill reduction and it's also identifying the support for the Parks investment.

Commissioner Ramirez said okay. I think coupling was the wrong word I should have used. Them going hand in hand as a joint proposal moving forward. I would say that is an interesting proposal. At the moment I would entertain it to look at further. I know some are wanting a two mill reduction and I think I would like, and what I think some of us had asked at the last workshop, is to look at scenarios of different mill reductions and what they look like including what Commissioner McKiernan was asking. Having that all included with any scenarios or that staff could create for us to look at what a one mill reduction or a two mill reduction, one and a half, or a quarter, what have you; what that looks like. I think that would help us, but I am in support of some form of—some measure of reduction, but also looking at possibly doing what Commissioner Burroughs has said, half mill for next year, half mill for another, shifting it over to Parks.

Mayor Garner said in interest of time I'm going to take one more question. Commissioner Kane hasn't had an opportunity, then I have to turn it over to our Administrator, she's got a few questions for this Commission.

Commissioner Kane said you know Commissioner Johnson was a banker and I think we have to remember that and I don't think—I think two is too much. I do like the idea of giving the Parks $800K and figuring that out down the road, but I've been here when we reduced it. In the following year we had to raise it back up. If you think it's hard working on trying to figure out how to reduce it, try to do it and keep everyone happy and they have to raise the mill levy back up and then go out and tell your constituents we made a mistake the year before. So, I don't want to make that same mistake. I think we need to be very, very cautious about what we're doing.

Ms. Harrison-Lee said I'm going to go to Debbie and then I would like to move to question two. Thank you for this great discussion. We got four more questions to go in about 19 minutes. **Someone** said that clock isn't right. **Ms. Harrison-Lee** said okay, then we've got time. Let's cover that up. Thank you, you've got more time.



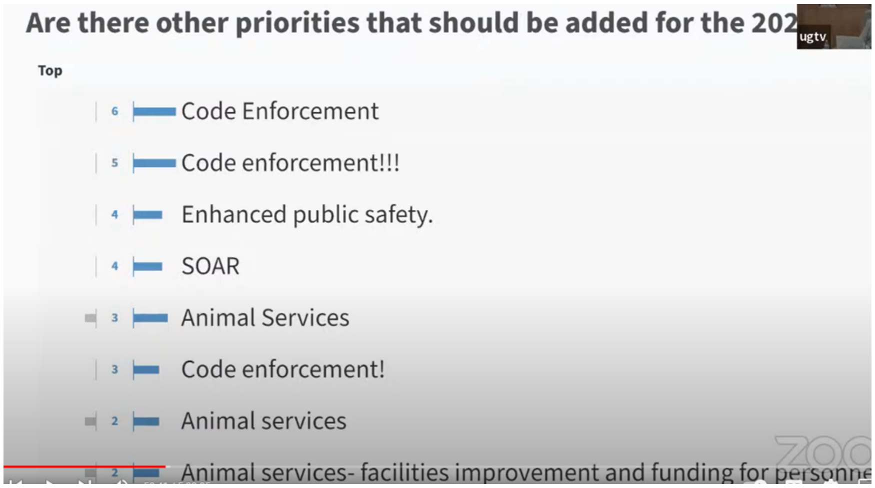
Ms. Jonscher said I just wanted to respond to Commissioner McKiernan's comments about the tax valuation and that's the July 1 valuation front that was certified from the Clerk is that increase in valuation is included in our tax revenue number that we presented here in the Base Budget. We have included projections for items that we know about, we did include in both our revenues and our expenditures.

Commissioner McKiernan said so that chart shows that even with the increase in valuation, there's going to be a decrease of $6.4M in City General Fund at the current mill level. **Ms. Jonscher** said that's correct. **Commissioner McKiernan** said and there will be an increase of but $1.6M in the County General Fund at the current mill level factoring in all of the incremental changes in valuation. **Ms. Jonscher** said that's correct. **Commissioner McKiernan** said I'll go back to what I said earlier, I'm not sure how we're going to pay for all these things we want to do in terms of improving service delivery if that is the case.

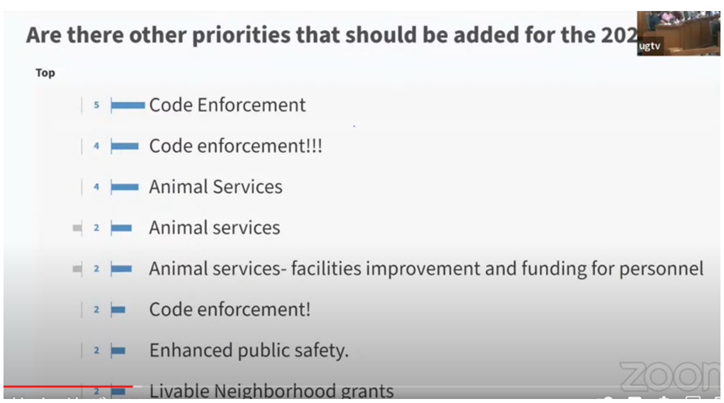
Commissioner Bynum said those expenditures are also accounted for. **Ms. Harrison-Lee** said that is correct. Those expenditures are accounted for, so that includes the increase of the increased payroll expenses which would include the union contracts, that includes the increase in the benefits, cost of service, so that does include the increase in your Base Budget. **Commissioner McKiernan** said but we would just be holding serve at best. These numbers suggest to me that anything we want to do that's going to substantially change service delivery or salary is going to effectively more than negate the additional dollars brought by additional value. **Ms. Harrison-Lee** said correct. You're going to need the additional funds for that.

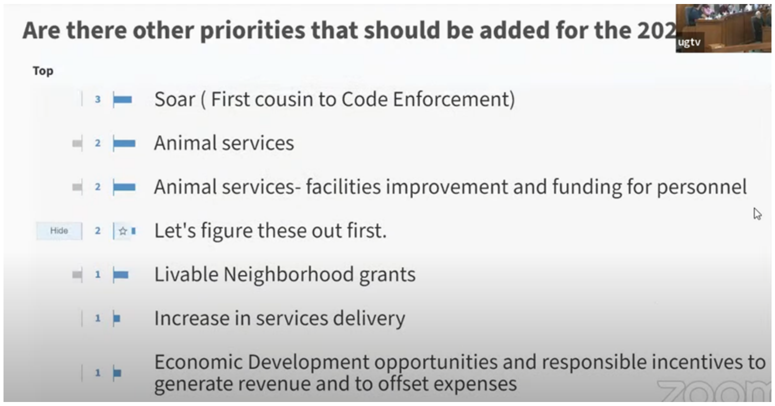
Ms. Harrison-Lee said I also want to call your attention to—Commissioner Ramirez talked about scenarios. What we have—also provided for you this evening is if you were to look at one mill, one mill is $1.4M, so if you were to cut it a half, you would be about $700K on the City side and about 800 on the County side. We've also provided what that looks like in terms of reduction to the residents. So, if we look at an average value of $125K in terms of property, one mill would reflect about $14 in savings annually and a half, about $7.20. We'll now go to question two.

Ms. Porter said our second question, we have outlined priorities based off of what we heard from Commission and the community, but if there are things that you feel like we missed, you can type them in and we can see them on the screen. In addition to adding any, you can also see what your colleagues have input and like or dislike those.

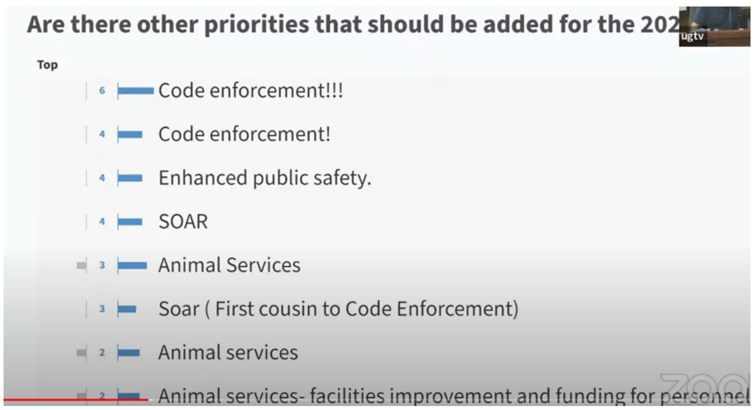


Ms. Harrison-Lee asked, everyone on the right good? Bridgette, on your side, are you all good on that side? The numbers on the Base Budget do not include making any changes. It would be the same number that you currently have for the PILOT. We have not made adjustments to it yet. Okay, so we're all good with everybody's responses as well as review and evaluation of what we have from commissioners in terms of thumbs up, thumbs down. Let's see what we have. If you can just scroll down and let me take a—let's take a look.





Sorry, it's real live. You can see just see input, real time. Okay, anything here that we need to add, any feedback, comments?



Commissioner Davis said so within these additional things that are identified, how much of this is already in the Base Budget because it does feel like there's some lack of clarity on what is all included in the community service piece. So, do we have any info on, is there anything that's already there that we just don't know about or are we all just asking for new things here? **Ms. Harrison-Lee** said we're asking for new printers here, new things. **Commissioner Davis** said I see SOAR is on there, but is SOAR already identified as something that we already—**Ms. Harrison-Lee** said SOAR is in there. So, the question would be if you want to add additional.

One of the things that the community survey included was additional property maintenance, blight reduction, so we have a base funding level for SOAR. This would be, do we increase the funding to enhance the blight elimination efforts. **Commissioner Davis** said gotcha.

Commissioner Townsend said yes, I'm the first cousin to the code enforcement comment. I see SOAR as the overarching program and code enforcement is one way to execute on that, so that's why I put that in. I'm happy to see code enforcement come up again and again as well as SOAR, but the SOAR was the overall program, blight reduction, and code enforcement is one way to execute that.

Commissioner Bynum said I really don't want to take up a lot of our time, but I want to go over some really basic stuff and we may not have answers directly in front of us right now, but the percentage increase, let's just leave it at residential, so the dilation increase on just our residential properties—well no, if you know commercial or whatever it averaged out to, Debbie, I don't know, what was that when we all got our valuations in April? **Ms. Jonscher** said I know what the Clerk certified to us. I don't have the breakdown here between residential and commercial, although we can do that. I believe Kathleen provided that breakdown once, but I think the total valuation increase for both the City and the County was around 13% for both of them.

Commissioner Bynum said I'm going to be real upfront, real quick, as quickly as I'm able. A 13% valuation increase on approximately a $1B total county valuation is a bunch of money and I know that we have to knock some millions off for things like delinquent, or non-paying, or projects that are on a PILOT rather than, you know, a tax payment or a tax exempt. I'm going to need to understand a whole lot better than I do right now how it is that a 13% valuation increase on $1B of valuation leaves us 6.4 in the hole on the City side of the budget. I don't get it. This is what I've been trying to grasp since March and I'm just struggling because I'm sitting here going—and I'm telling my colleague, yeah, two mills on the County side is 3.2M. That reduces our combined fund balance of a current projected 47M to 44, 43.7; seems pretty good to me. Commissioner McKiernan is reminding me that's less than two months operating and I just don't get it, period.

Mayor Garner said I would like to follow up real quick with Commissioner Bynum because I hit on that earlier back in March. I believe Commissioner Burroughs as well as other people—and I heard this even last year, there's a lot of—what we're looking for is clarity. Can you tell me what last year's budget, I believe it was four hundred and some million dollars, but that included ARPA funds I do believe. Is that correct? **Ms. Jonscher** said it was $420M. **Mayor Garner** said if you take the ARPA funds out of there, what was the actual budget? **Ms. Jonscher** said we're trying to remember what our total ARPA number was. I don't have that right in front of me. (Someone was inaudible). **Mayor Garner** said I want to say it was about 380 or so, correct me if I'm wrong. **Ms. Jonscher** said we're thinking maybe 397. **Mayor Garner** said okay, so about 397. As we look at this year and we're budgeting and with the valuation increases, what are we projecting our budget to be going into this year? What are we working off of? **Ms. Jonscher** asked, are you wanting 2022 or 2023? **Mayor Garner** said the one that the Commission is trying to make an informed decision about right now to consider. **Ms. Jonscher** said I guess this just shows the General Fund. I don't know if we have—**Mr. Lindsey, Budget Manager,** said we don't have all 30 funds figured out yet. As far as our City General Fund (inaudible) like $8M in the City General Fund.

Mayor Garner said just walk with me through this. So our expenses are increasing and I know there was a slide that the CFO had put out, I believe, in March or April that kind of gave estimates on what the mill levy increase would equate to as far as incoming tax revenues and then what that would look like for—and I know we were talking revenue neutral and we're not talking about that, but just to balance it, I think it was like 8.5 mills just to keep the budget of last year going into this year, which we're debating the exact same. Is that correct? **Ms. Jonscher** said I believe so, yeah. She had that table that showed—right, that we were talking about the revenue neutral rate, is that was you're referring to? **Mayor Garner** said right. **Ms. Jonscher** said and that if we were going to go with the revenue neutral rate, we would be looking at dropping about 8 mills. **Mayor Garner** said 8 mills, okay, and—**Ms. Jonscher** said that equated to about 12 or 13 million. **Mayor Garner** said so if you put that in dollars, what are we projected as far as increases this year as far as a million, just take that. **Ms. Jonscher** said I'm not quite sure what you're asking. I know between the City and the County General Fund, the increase in tax revenue was about $13M which is built into those numbers.

Mayor Garner said I guess where I'm going with this is, looking at all of our expenses, and so what you're telling the Commission is that our expenses going into this coming year exceed what we're bringing in, correct? **Ms. Jonscher** said that's correct. The growth on the expenditures is higher than the growth that we're capturing for revenue.

Mayor Garner said I guess where I'm going with this is if you look at that and you take that into consideration, have we talked—anybody talked about streamlining our government efficiencies. How do we bring in more revenues to bring about a balanced budget, that can bring about the tax relief and other things that we need in a responsible way? Maybe I'm missing it, but

I haven't seen that yet as far as topics of discussions for this Commission. On top of what some of the commissioners have noted, in which I have a question too, and a lot of constituents say it just in layman term—I get a lot from constituents, where is all this money going? Where is the money and how does that break down, how do we account for that and when you audit this, is our money being used responsibly because I can tell you, $420M and I know we still have ARPA money floating out there, but I'm just going to—the exact words of a resident told me I do not see $420M worth of investment thus far anywhere in Wyandotte County.

When you talk about a deeper dive in auditing of where our money is going and how we can operate more efficiently, those are some of the things that I think that we really need to have a hard conversation about. Number one, streamline government. How economic development can play into these things especially if we do economic development responsibly and not give away the farm with these huge incentives. Then, also, really break down on where every dollar, every penny is going and how that is being spent and then how much money is being carried over from last year that wasn't spent. Especially when you talk about CMIP projects, infrastructure projects, and things of that nature that we haven't even began to—I'll just use—we haven't filled this pothole yet, but it's been funded and how does that money generate from year to year. Just something that I would like an answer to fall in line with—I know what some of the commissioners have expressed is really to just get a handle and visual of present, not just to us, but to the public, where this money is going. When you talk about increase cost for a variety of things that coincide with the increased taxes, but then when you look around Wyandotte County a lot of people are saying I don't see the value in my tax increases when you look at what you see in the community at large. So, I'm going to leave it there.

Commissioner Ramirez said I agree with everything that Commissioner Bynum and the Mayor has been saying. A couple of questions. For this year, for the 2022 Budget, how much of ARPA was used? What was the dollar amount of ARPA used for revenue replacement for 2022? Does anyone know the exact (inaudible). **Ms. Jonscher** said I was just looking at this today because I'm actually going to be presenting some of that information at the July Economic Development & Finance Committee because we are recalculating the amount. I believe the amount that we had estimated for 2022 was around $12M and that was—we did that last year when we were projecting what our 2021 balance was going to be because that calculation takes into account what our actual totals were when we do that calculation. So we have recalculated that now that the audit is complete and we have final 2021 numbers. We're recalculating that and that number is going down because our revenues came in higher so that means there's not as much revenue replacement fundings. I believe it's dropping to somewhere around $5-6M for the City General Fund.

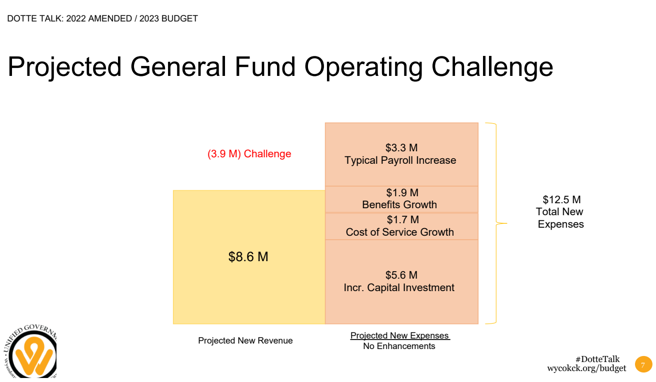
Commissioner Ramirez said okay. The only reason why I ask, in the budget document here that we got, last years, for the 2022 Proposed Budget for the revenues was $172M and that was for this years proposed budget. Now, for next years proposed budget, it's down to $163M. **Ms. Jonscher** said I will note that I believe the—in the proposed budget document we include—in the revenue number there is an additional $10M that's included. It's the annual appropriation for the STAR Bonds debt service, the revenue that comes in for that, that's included. If you're looking at the proposed budget document, that is included. I have not included that in these numbers here, so when I add that $10M there, the City General Fund number would actually be $173M. **Commissioner Ramirez** said okay. I saw the discrepancy and I got confused.

Mayor Garner said this kind of coincides—I think for me and I'm just speaking for me, I don't want to sound like I'm speaking for this Commission because I know everybody has their own ideas and I don't want to take away from that. But, just for me, I really would like a conversation because I'm here today because I shared in the belief that we cannot keep operating this government doing the same things and expect a different result. We are literally taxing people out of this county. We are literally—and when you talk about PILOT and fees, and I don't want to get into fees, where we nickel and dime folks here and we generate all this revenue, just talking to our CFO and our Administrator, this trajectory that we're on is not sustainable as a county. I hate to compare us to anybody—anywhere else, but I get nightmares when I look at what happened in East St. Louis years ago and Detroit and places like that.

At some point you've got to look about how you broaden your tax base to generate more revenues to offset these taxes and you also have to look at best practices, and that could be a variety of things, technology, but the biggest thing is personnel. That's where a lot of our costs go to and how you streamline this government in a responsible way to where we can provide essential services because you can't keep raising taxes and raising taxes and raising taxes, in my opinion and raising fees and raising fees. I think that's a sustainable model moving forward for any city.

I wouldn't even operate my own budget like that, let alone, a city government where you've got people that are struggling day to day.

You've heard me say it before, I've seen tears in people's eyes saying I cannot do this, seniors that are on fixed incomes, and I know we have a lot of needs, but the real conversation is, what do these essential services look like and where do we start cutting. Our Administrator—I had this conversation with her and I just want her to share with me, when you look at cities of a similar size and you look at our personnel and our personnel costs, how we compare and how we measure up. I would like for our Administrator to give that vantage point to this Commission and to the public and her thoughts as far as a recommendation on whether this is a sustainable model or do we really need to start looking at streamlining this government in a way for long-term sustainability.

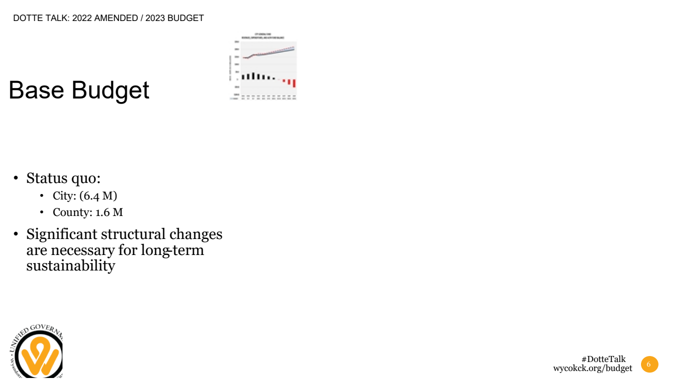


Ms. Harrison-Lee said I want to call your attention first to the slide that we have here because I think it's all good questions. When you look at the projected new revenue of $8.6M, but we look at the total new expenses of 12, pretty quickly you see you're in the red. A large portion of that is the payroll increases that are attributed to approvals that are already committed and made and then you have your benefits growth. If you just look at roughly 2 plus the 3.3, you're at about 5M, so you're over half of the projected new revenue before you get into any additional components. So, clearly, the greatest costs of being able to sustain the increase is in personnel.

One of the things that the audits that will be reviewed with you next month will show is the organizational setup, what it looks like, what similar jurisdictions of population, a budget size of even socioeconomic data, how they compare to the number of personnel that we have in this organization and then you, as a governing body, can evaluate that and see if you continue to want to be structured with the same level of staff. Part of the attempt to kind of hold positions initially was understanding kind of that first 30 days of what this looked like compared to other organizations and trying to see if we can hold them until you've had an opportunity to have this budget discussion.

With that, I'm going to go to Debbie to add anything related to just kind of these numbers. You're quickly upside down when you look at these numbers.

Ms. Jonscher said I just wanted to follow up with the comments from the Mayor about we can certainly provide the detail on all the funds that makes up this budget.



As you can see when we showed the Base Budget, about $250M of it is City and County General Fund and we have all the other Special Revenue funds. Streets & Highway Fund, which gets about 7 to 8M, the Enterprise Funds, EMS is about 15M, the Sewer Fund is almost 50M, so that 420M comprises all of those funds. You know some of those funds are restricted for certain purposes and we're going to be covering that report, we're going to be talking about those ending fund balances also at the next Economic Development & Finance Committee. I just wanted to note that we can provide some additional detail if you would like to see some of what's in those funds or if it's more concentrated to the General Funds, but we can provide that detail if needed.

Mayor Garner said I think more information is always best for our commissioners so they can make an informed decision. At least they will have a reference point as these questions come up.

Commissioner Burroughs said I'm going to take my legislative hat off and my commissioner hat off and put my Wyandotte County Kansas City, Kansas taxpayer hat on. My taxes are too high. I'm hearing it from all my neighbors and what I have concern about is the mass exodus when we continue to increase the tax burden on those that are paying now and then what we will do, we will export our wealth and those houses will sit vacant or somebody might move up and create additional housing, but we don't know that. What we do know is that the taxpayers are telling us please lower our taxes.

I am with the Mayor. I've advocated for a mill levy reduction since I have been here and it is only appropriate that when we listen to the parks, infrastructure, and roads that we must not ignore lowering the taxes. In my 20+ years doing budgets on the state side, I can share with you that we can get very creative within the budget to make these numbers work. Ever since I've been here our budgets have exceeded the ability to meet our expenses in almost all cases. There's been opportunity for us to lower mills, but we took that additional dollars and I, as a taxpayer, wonder where are those dollars going. So, these aren't my dollars as a commissioner, but they are my dollars as a taxpayer and they are my colleagues tax dollars and the community tax dollars and I just want the best return on investment and to encourage them to have trust in us that we're being very prudent, fiscally responsible, with their tax dollars.

Commissioner Davis said I share in some of the concerns here. If you'll all indulge me, just some questions. When this revenue, when this Base Budget was put together, what assumptions were made as far as inflation, as far as property tax payments, as far as sales tax? The reason why I'm asking about assumptions is because that's really what we're looking at and these are projections, these aren't actual numbers and it feels like we're looking at a very, very conservative projection and that is causing obviously a lot of confliction up here. So, if you all can provide just some clarity on what assumptions were made when you were making an assumption in regard to the revenue in particular. What assumptions on the revenue were made that led you all to put these numbers up here and then I have a few more.

Ms. Jonscher said I will just note that, of course, on the tax revenue, the property tax we're using the certified valuation. Sales Tax, I believe we had—it was about 3.5-4% is what we use for the insulator. **Commissioner Davis** said 3.5-4% inflation? **Ms. Jonscher** said yes. **Commissioner Davis** said so that would be the increase on that. **Ms. Jonscher** said yes. As far as some of the others, I don’t have all that right in front of me. If I went back to our long-range forecast, I could probably tell you what’s built in there, but it’s probably a similar range, you know, in the 3-4% is typically what we have been. Sales Tax—we also look at the—when we get to this point we’re looking at trends to what we budgeted when we look at what monthly, you know, for Sales Tax, is that meeting what we budgeted. If it’s trending lower, we might be tempted to lower that projection for the current year and then we would inflate that number. We’re not only looking at the inflationary number, but we’re also looking at the trends for the current year. **Commissioner Davis** said gotcha.

I ask those particular questions because I’m assuming similar assumptions were also made for expenditures, so about 3-4%, is that accurate as well? **Mr. Lindsey** said there are different things across expenses like different types of categories, so I mean there’s multiple different percentages that are associated. **Commissioner Davis** said if I understand that—just because I think you said something very profound there, Mr. Lindsey. For the revenue it was kind of a blanket 3-4% projection, for the expenses it was a more tailored by the expenses, so it could have exceeded the 3-4% projection. Is that accurate? **Mr. Lindsey** said definitely. **Commissioner Davis** said okay.

Ms. Jonscher said we’ve included—if there’s increases per the union contracts, we’re including what that is. **Commissioner Davis** said okay, gotcha.

I think when we come back here, and these are just my last thoughts here at least for right now, I would love to know where ARPA went. It’s kind of weird that the federal government keeps saying that we’re doing so well that we actually have to claim less money in revenue replacement and then we actually don’t have a lot of that money. So, what is the federal government seeing that we’re not necessarily seeing or how are they saying we’re doing so well in COVID recovery that we’re not necessarily getting some of that money, if you have an answer? **Ms. Jonscher** said I was just going to say the revenue replacement is just a portion of the total ARPA funding and the revenue replacement is what’s in the certified funds, so within the General Funds and that would—that’s not shown here, that would be for—it was for 2021 and 2022. That’s what we’re recalculating. The remainder of the ARPA funds that will be—where the spending is decided with the ARPA subcommittee, those funds are actually in a separate grant fund, so you’re not seeing those here. Of course, if we reduce the lost revenue calculation so less money goes here, then the remainder of that ARPA funding would then go over to the grant fund to be decided by the subcommittee on how that money would be spent.

Commissioner Davis said gotcha. I would say when we come back and talk about this, it would be helpful to get info and kind of just more information on what led to the projections because I think that's where a lot of the frustration is. It seems like there's a little bit more detail put on the expenditures, not necessarily on the revenue side. I will remind this body that the last budget that was adopted did have, I believe, the $17M deficit, so it's not as though deficits are just completely unforeign to the Unified Government.

I agree with Commissioner Bynum, it's one thing to say to our residents that taxes are going to go up and the hope that I had was that we would be able to provide physical improvements in services and structures so folks can say this is where our money is going. Now we're saying you're paying more and at our Base Budget meeting we're not even getting anything that we necessarily want. We're in debt. Something is not necessarily making sense and so more information on that would be great.

Commissioner Stites asked, what is the reason that we're presented a combination Parks, why do they not stand on their own? In my opinion, I think they should stand on their own and why is it kind of comingled together that the city ought to have their Parks budget and the County ought to have their Parks budget and they stand on their own and they shouldn't have this comingled funds that seem to not make sense.

What I will say is, I don't believe that it is fair for the City's struggles to impact the County side of the ledger because the City struggling that we're afraid to lower the mill levy on the County side. We were okay with lowering the mill levy on the City side three years in a roll, two, two, and two and nobody ever even talked about the County, but when it comes to value and thinking about the County side, everybody's got this problem about it. If there needs to be a mill shift, let's take it off the City side to go to Parks & Rec, not the County.

I will concur with the Mayor, and you know what, I find it very hard to believe that there's any commissioner up here that hasn't heard everybody in their district say, we're being taxed to death and they want tax relief. I will just refer to my district, District 7, I've heard it a lot. I heard it while I ran, I hear it today, and the tax relief—we've been told and told and told and told, my whole life in Wyandotte County, just wait. The next project that pays off, as soon as the

Legend's, as soon as the Speedway, as soon as Schlitterbahn, it's always the next project, the Speedway, we're going to lower your taxes and it never happens. Maybe on the City side it happened, but it sure didn't happen on the County side.

Commissioner Johnson said I can appreciate what Commissioner Stites is saying. We didn't have the foreknowledge at that time when we made those three years of mill levy reduction. We did not have the foreknowledge or I think at that time to think about the County side, so I can appreciate you and I appreciate the fact that you're fighting for your district and for the cities that sometimes get left out of the conversations, so I really appreciate that. However, if we lower the mill levy anywhere, we have to know that there will be a correlating decrease in services and/or there will be a decrease to our fund balance. Furthermore, over the past year we have had a few departments come to us asking for increase funding for their staff and we approved it right on the spot. Now, basically, what we're seeing is that the chickens are coming home to roost and that's what is being played out in the numbers right now.

The changes that our constituents want from us can only be done in an incremental fashion. You can't do it in a cycle, one cycle you can't do it. It will bankrupt the city and we have to be mindful of that. The changes that they want from us, that they demand from us, we have to do it incrementally over a period of time and it will not satisfy the average citizen, I guarantee you that. So, we have to mindful. That's why I really want to listen to recommendations of our Interim County Administrator to kind of give us some recommendations on how we should look at this going forward.

Commissioner Davis said, Debbie or Reggie, can you all comment on (a) what is our current credit rating and it can be Moody's or S&P? Then (b), it is my estimation it's a $17M deficit, but can you all provide thoughts on debt? Not all debt is bad and that's something that will be known, think about personal finances, and so we are still able to deliver, right, especially if we have economic development projects that are going to be no longer receiving incentives and kind of coming on our tax roll, but can you comment on our credit rating and then just comment on debt, good debt and bad debt?

Ms. Jonscher said our credit ratings—we get ratings from both Standard & Poor and Moody's. Standard & Poor has us at AA and Moody's has us at A—it's the highest A rating—

Commissioner Davis asked A1? **Ms. Jonscher** said I can't remember if it's A3, yeah, I sometimes get that confused, yeah, but it's the highest A rating. Both of them have—when they issue their reports they do comment on our high debt level, but I think they look at all of our debt, not just the GO debt, but they look at everything and they have committed on that before that we are higher than other entities of similar size that they rate. But, they also rate positive things, our liquidly, our management. You know, there's a lot of strong—we manage to maintain our current ratings for—I think the last time there was a change was maybe 2013, so we have managed to—but they do also look at—another thing they look at is the percentage of fund balance. If our fund balance starts to go down, they will start watching that and if we don't correct it, then we are—right now, I think both of them have us at a stable outlook. If they were to shift us to a negative outlook, then that could indicate a downgrade is coming and that's what happened back in 2013 and we had a pretty low fund balance at that time. **Commissioner Davis** said that's good information I think for us to know and consider as we make these decisions.

Mayor Garner said Commissioner Stites and then we will go to Commissioner McKiernan and then Commissioner Burroughs. After Commissioner Burroughs, we're going to have to wrap it up. In the interest of time, our Administrator needs to get us through three more questions. We will go with three more commissioners in that order and then our Administrator.

Commissioner Stites said six years I was in Edwardsville. Every single year we reduced our mill levy and I was told, well, you know what, it's only $10 here a year, it might be $12 a year, but guess what, for six years that happened and you take six years times the amount that it was lowered every year, and I know it doesn't sound like a lot when we talk about $14 a year a mill. There's a mill right now and I can appreciate, Commissioner Johnson, what you said and how you said it about incrementally reducing it. But, something I disagree with is saying that if we do lower the mill levy, that's there's going to be a reduce in services, and correct me if I'm wrong, because I'm not saying that I'm right. When I see $1.6M that's showing to the good, so there's a mill right there with no reduction of services, correct? **Ms. Jonscher** was inaudible. **Commissioner Stites** said no, no, that's one mill, right? So, we could wipe that out and that could be a zero. We still have our fund balance and there's a mill there and no reduction of services. Okay, so there's one mill right off the bat with no reduction of services.

We continually heard it's only this, it's only this. It's incremental changes that make a difference. It's $14 this year, it $14 the next year and in five years that adds up to the person that's trying to make a decision on whether they can afford to buy their medication or to pay their property taxes and there are those folks out there. There are those folks that are out there in my district and that $14 means something to them and I'm going to continue to fight for every dollar that we can to reduce on that County side.

Commissioner McKiernan said I would point out that is a mill, it still leaves us 6.5M short on the City side, but we still have to figure that out. I do hear people say, I want my taxes lowered, and the next breath they say, I want more services and with the cost of goods and services and personnel continuing to rise at the rate they're rising now globally, I'll just tell you, I'm not smart enough to figure out how to do it, how to increase service delivery and at the same time decrease the amount that we all pay. So, I'm hoping to be shown the way.

Commissioner Burroughs said I have a question for Debbie and Reggie. Was it two years ago that we switched some of the expenses and sent the mills over to the County side for those expenses within the budget? **Ms. Jonscher** asked, are you talking about when we reallocated some of the expenses? **Commissioner Burroughs** said yes. **Ms. Jonscher** said when we looked at the employees and staff and where they were being paid because some of them do both City and County, we did look at the allocations and we did shift some expenses. I don't remember how much from the City, I'll let Reggie speak. **Mr. Lindsey** said we moved some City employees over to the County because they did County functions that we kind of split. We went through the organization and did an assessment of our own. **Commissioner Burroughs** asked, has that worked out financially beneficial for the County side? **Mr. Lindsey** said the County has endured those costs and those costs are in there right now.

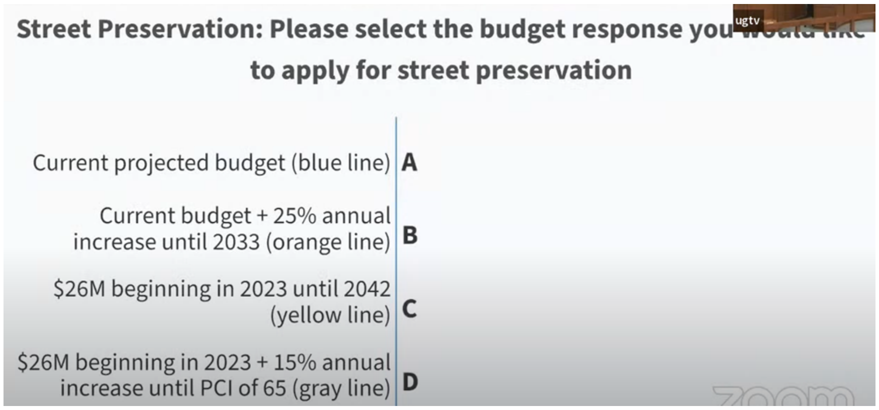
Commissioner Burroughs said and even though those costs are still in there, we still see a revenue increase on the County side of the budget on the ledger. **Mr. Lindsey** said in the City General Fund where we see—continue to have a deficit, the City General Fund doesn't get the same amount of property tax revenue that the County General Fund gets so the tax revenue that comes into the City General Fund, it's kind of stagnant. It doesn't grow as quick. It depends on (inaudible) property tax doesn't grow as quick and sales taxes pretty much doesn't grow at all.

Commissioner Burroughs said with that in mind, does the City have more commercial real estate or does the County have more commercial real estate which affects how much each fund brings in in property tax? **Ms. Jonscher** said I don't know. I don't have that information. I will just point on Reggie's point, that the County General Fund, the main source of revenue is property tax whereas on the City side it's property taxes a third, I think the third highest revenue; sales tax and then franchise tax, I believe, are the higher. So, there's a less percentage on the City side. The City side has more, say, volatile revenues with the sales tax that can be affected by the economy versus the County side, which is—the majority of support is from property tax.

Commissioner Burroughs said you did state sales tax and franchise tax, we have seen an increase in those even when we didn't think they were because I want to get back to the conservative comment, conservative projection and I don't mind that conservative projection, but I am mindful that that's what it is. When I see the monies coming into the state, it gives me an idea what we could be or should be or can expect here on the City side being a city of the first class with the population that we have, we trend in the metropolitan area. So, I utilize those figures when we come forward with some of the questions, but I just wanted to ensure that we were mindful that some of that flip that occurred—was it two years ago? **Ms. Jonscher** said I believe so, yes. **Commissioner Burroughs** said okay, thank you.

Commissioner Davis said I'll be quick. The first question I'll ask, the next time we convene is if we can get the reserve percentages for all of the fund balances, that will be good. I know for Parks we're looking at 24.7%, so instead of maybe shifting over a mill, maybe we look at for at least one time expenditures, how do we shift over some of that money from the reserves over to Parks so they can use some of that money, but I would like to see if there are other comparable opportunities that we have available.

The other thing is maybe we also look at our deficit and look at how we can lower our deficit incrementality as well. I'm for incremental tax relief year by year. Maybe we kind of set a mark of how much we want our deficit to be and we adopt a budget year by year that lowers that deficit every year. I don't know if we can get some questions or anything on that, but those are my thoughts.



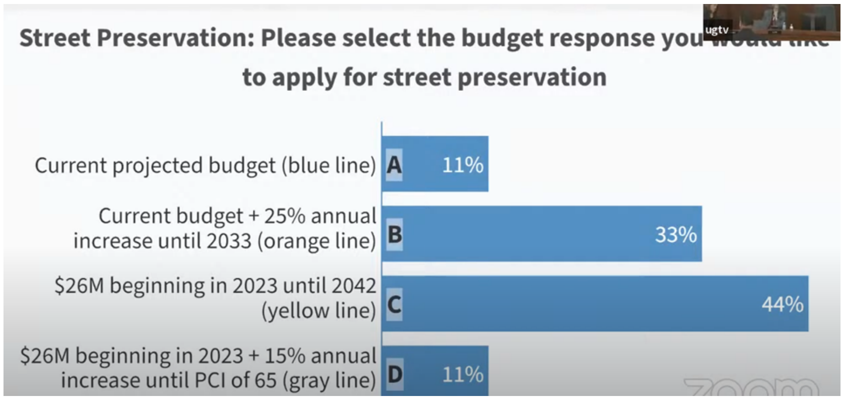
Ms. Harrison-Lee said we will move to question #3. You previously told us that Street Preservation was the number one priority. So, the question now is, is it good, is it better, or best. It's basically which of the scenarios you would like to see us do. Alley, question #3.

Ms. Porter said all I would add is that you have in front of you, you do have the chart that Jeff showed earlier for reference, so you're just going to chose one. We, unfortunately, can't see a count, so we need to know when you're—**Ms. Harrison-Lee** asked, are we all clear on the right?

Commissioner Ramirez said just more of a question, more clarification. When it says current budget plus 25% annual increase, does that mean for 2023 we'll leave the current budget or is that current budget plus increase? **Mr. Fisher** said Brandon Grover from the Engineering Division is responsible for our Pavement Preservation Program.

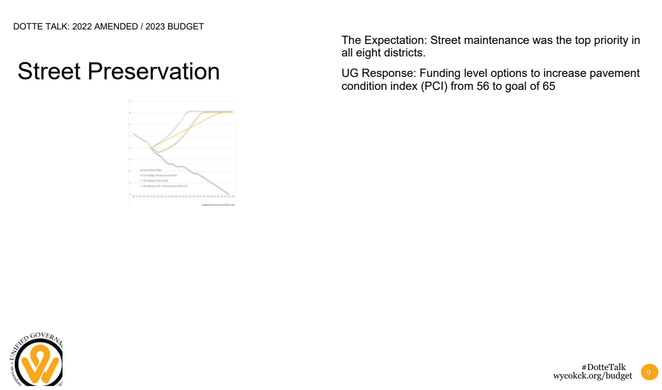
Brandon Grover, Public Works Asset Coordination Manager, said what you're seeing in that one, it says current budget, is the currently proposed 2023 Budget and then the plus adds on after that, so for 2023 our budget is like $7M plus 25% would be what that line would increase to, so—**Mr. Fisher** asked, is that each year after, Brandon? **Mr. Grover** said that 25% does include the annual increase after that. **Mr. Fisher** said so it's compounding. **Mr. Grover** said yes. That would move us up to $26.7M in the following year.

Commissioner Ramirez said so 2023 would be—**Mr. Grover** said what is currently proposed as the 2023 Budget is on the blue line. **Commissioner Ramirez** said and then 2024 would be that plus the 25%. **Mr. Grover** said yes. **Commissioner Ramirez** said okay.



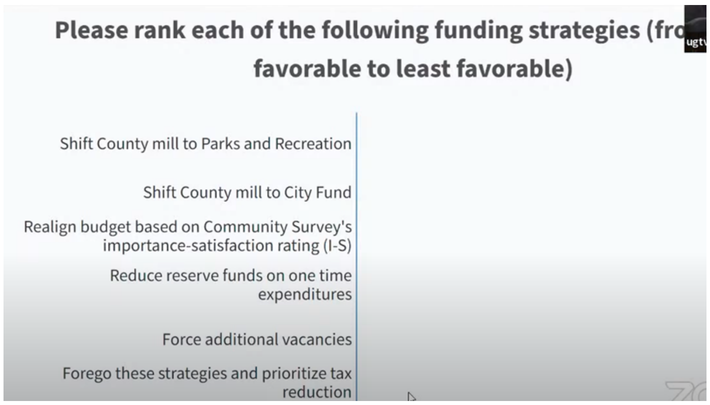
Ms. Harrison-Lee asked, do I have all responses submitted? I'm not able to see if I've got 10 responses here. **Commissioner Johnson** said you don't have mine. I don't know why I have to pick a certain percentage increase. I don't know what this decision will—how this will affect other segments of our financial statement. **Mr. Grover** said what we tried to present in this is just three options of timeframes of getting to our PCI goal of 65 in 2015 in 10 years. That's the three options you're seeing. There's hundreds of iterations of this we could run, but these are what we wanted to show as kind of a good, better, best option at this point to give us direction on how we wanted to move forward. **Commissioner Johnson** said I can't answer this question. I'm not capable of answering this question.

Commissioner Townsend asked, is there some way to show again the actual depiction of what these proposals look like by the line? They're identified here by the orange line, yellow line, gray line, blue line, but I can't see that.



Mr. Grover said just for vocally hearing the Commissioner, the gray line would get us to a 65 in 10 years, the orange line would get us to a 65 in 15 years, and the yellow line would get us to a 65 in 20 years based on the various increases that we're talking about.

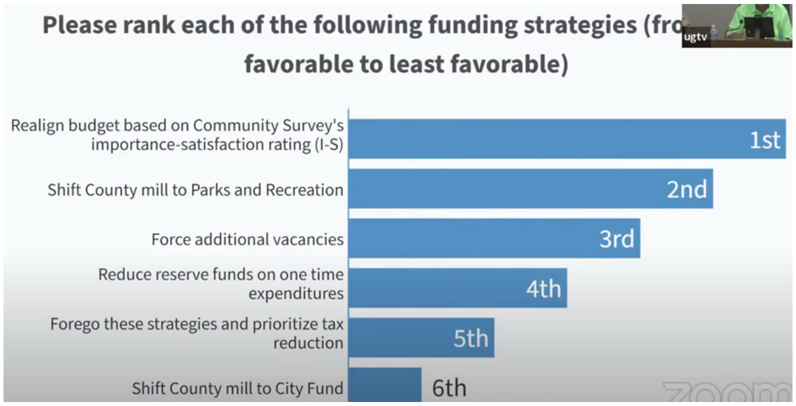
Mr. Fisher said I will note, the red line means potholes and the bad experience for motorists because of that dip and it's going to take a little while for that line to catch up, so more maintenance money as well. **Commissioner Townsend** said okay.



Ms. Harrison-Lee said we'll go to question #4. **Ms. Porter** said our fourth question is going to take us back to the strategies. I know there's been a lot of conversation in regard to the various strategies, but this is where you can start ranking those, so shifting County mill to Parks or the City, realigning the budget, reducing reserves, forcing additional vacancies, or foregoing these strategies and prioritizing tax reduction.

Ms. Harrison-Lee said as you're ranking those, you will have an opportunity if your preferred strategy is not shown, to write that in on the final question.

Commissioner Townsend asked, what is the meaning of this force additional vacancies? I don't understand that. **Ms. Harrison-Lee** said additional vacancies would be looking at if you're looking to streamline expenses by looking at the staffing levels that you currently have. **Commissioner Townsend** said oh okay, something totally different—so basically, staff reduction. **Ms. Harrison-Lee** said yes, looking at the open positions, looking at staffing, looking at realigning with efficiencies. **Commissioner Townsend** said okay.



Commissioner Kane asked, what happens if you don't like any of these choices? **Ms. Harrison-Lee** said you will have an opportunity on question 5 to write in what you would like for us to consider.

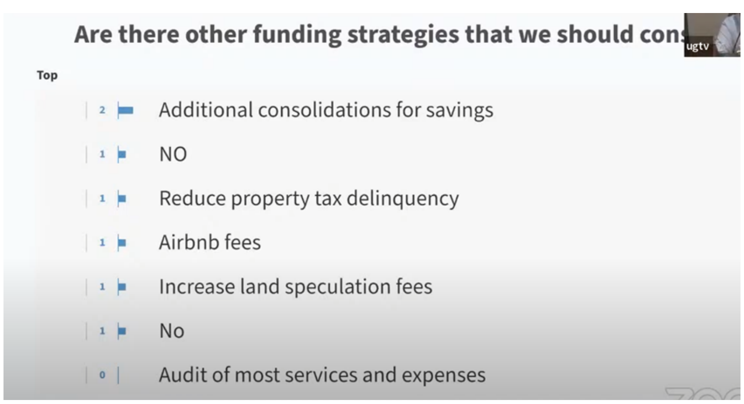
Commissioner Kane said let me make a comment while we're doing this. One, I do like this one, but one of the things that we have to keep in mind, we're recovering from COVID and we don't know if we're going to get the ARPA money or more or less or whatever. Then, just look at gas prices that went up, bread prices has went up, the cost-of-living as a whole has went up drastically. The real estate—what you have to pay now when you buy a house is 5 or 6% when it was just 2 or 3% recently. I know people want to make bold changes and stuff like that, but I want to make changes that don't hurt us all in the long run and we have to be mindful of what's happening across the world right now.

So, when we say we want to move this and we say we want to move that, each grocery store, each facility now has to pay a sub-charge when they get their stuff delivered. Wood is at an all time high. There's more vacancies for jobs than there are people to work the jobs. When we're looking at the budget, we have to encompass all these things that are happening around us. So, I caution us to—we need to do the best we can for the community, but we also have to protect the community as well.

Commissioner Ramirez said this may be my last comment tonight on this. Commissioner Kane is correct. I want to do something, we need to do something for our community. They are still themselves, each family is still feeling the financial affects of COVID and the pandemic, but at the same time so are we and the government. We took a big hit during COVID, a big hit, and we are still recovering, still building up to where we need to be. If we didn't have ARPA, I don't know where we would be now. We wouldn't be here. Our government wouldn't be here. We wouldn't be efficiently operating as it is now.

We want to do something whether it be incremental or what have you, I just want us to do something, but again, it's strategic and commonsense that's going to help our community, but also help our government be able to provide the necessary services and I think we can do that. Each and everyone of us loves and are fighting for their communities, for their districts. We can do it. I know we can. We've done it before, we did it during COVID, we made a lot of tough decisions about what we had to do and this is just another one. I just hope that we can work together and find that compromise amongst ourselves and that happy medium that helps everyone.

Ms. Porter said our last question again, like the previous one, are there other strategies that we may have missed that you would like to add.



Mayor Garner said while you're doing that, I would just like to make a point to follow up on Commissioner Kane and Commissioner Ramirez and these are just my thoughts. I agree that we are really in uncertain times right now in our country. We're coming out of the pandemic, it looks like we may be, if not in the middle of a recession, headed towards that way. Commissioner Kane outlined what that looks like in real time, so I agree with Commissioner Kane and Commissioner Ramirez in part. Where I defer with my colleagues is that yes, we're a government, but we cannot continue to expect our residents who have been begging and pleading for relief to carry that burden in a way that's irresponsible.

At some point the Unified Government is going to have to tighten its belts just like anybody that has a checkbook during hard times has to do. We expect our residents in hard times to have to pay their property taxes or buy that extra slab of hamburger to feed their families. Those are hard decisions that some people have to make and that's real for some people. Keeping the lights on, gas is at an all time high. At some point when you look at our government, and the majority of our expenditures are personnel costs, and I've talked to our Administrator and please feel free to ask her, for a city of our size when you look at our staffing, especially when you look at middle number management, we're overstaffed by several. Then you look at our vacancies and the funding that goes there. I just ask for this Commission to take into account we're asking people in our community to make hard decisions when it comes to their budget, it's time for this Unified Government to do the same thing.

Number one, I was balked at when I talked about real tax relief, when you talked about revenue neutral, and that's okay, you don't have to agree with me. Some looked at that 8.5% mill levy reduction as an actual mill reduction that would reduce taxes and in all actuality it wouldn't. Really, I was proposing that we prevent a tax increase because there is no tax decrease because we can't afford it.

When you talk about streamlining our government and looking at personnel and looking at how we can operate a more efficient government, those are the conversations that I would like to see us talk about. Look at our essential services and really define what that means and who that is and as a governing body make those hard decisions.

Economic development, we have to expand our rooftops and our businesses to bring more income into our county. I haven't heard very much talk about that and how that plays into anything. Part of that, and you've heard me say it, we can't keep giving away huge incentives to big corporations that really don't need the money that really adds no relief to Wyandotte County. So, economic development is important.

I want to wrap this up. Our Administrator is saying that we're running out of time with where we're at, so please just take these things into consideration because people are suffering. The bottom line, we've got to tighten our belt and operate a more efficient government.

I'm going to turn it over to our Administrator and I apologize to the commissioners that we weren't able to get to in the interest of time.

Ms. Harrison-Lee said thank you Mayor and members of the Commission for the feedback, for your insight, for the recommendations. I want to take this opportunity to thank Alley and Taylor for kind of helping to coordinate the questions and putting it together and I want to thank Jeff, Debbie, Reggie, and the entire Budget staff behind you to help put together and Michael and Bridgette for helping you all work through this. This is a team effort, so I just want to take the opportunity to thank all the staff involved and we will continue to work with you as we build the budget.

Mayor Garner said she has asked for a 10 minute break. We're going to have to take a short recess and break so we can reset our technology equipment for our next meeting.

Commissioner Burroughs made a motion, seconded by Commissioner Stites, to adjourn the meeting. Roll call was taken and there were eight "Ayes," McKiernan, Ramirez, Johnson, Markley, Stites, Davis, Burroughs, Townsend.

MAYOR GARNER ADJOURNED
THE MEETING AT 6:57 p.m.

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Monica L. Sparks
Acting Unified Government Clerk

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