STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, AUGUST 17, 2023**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, August 17, 2023, with nine members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; McKiernan, Commissioner Second District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District; and Garner, Mayor/CEO, presiding. Townsend, Commissioner First District; and Ramirez, Commissioner Third District; were absent. The following officials were also in attendance: David Johnston, County Administrator; Bridgette Cobbins, Assistant County Administrator; Wendy Green, Assistant Counsel; Brett Deichler, Unified Government Clerk; Monica Sparks, Deputy Unified Government Clerk; Debbie Jonscher, Interim Chief Financial Officer; Reginald Lindsey, Budget Director; Michael Peterson, Assistant Budget Director; Mike Grimm, Research Manager; Adrian Alemifar, Senior Analyst in Budget Department; LaVert Murray, Economic Development Advisor in Mayor's Office; and Irene Caudillo, Chief of Staff in Mayor's Office.

Mayor Garner said before I call the meeting to order I want to announce that we do have individuals attending remotely as well as on-site. All participants joining by phone, should please mute your phones when not speaking to avoid background noise. During the meeting, make sure you announce yourself by name and title every time you speak so the public that is participating knows exactly who is speaking. This is critical given the number of remote participants and is also current guidance from the Kansas Attorney General Office. I would also like to remind, especially here on the 5th floor, that you please be sure to speak loudly and clearly into the microphone to ensure that your comments are being captured by the Clerk for an accurate record of the meeting.

Mayor Garner called the meeting to order.

ROLL CALL: Markley, Stites, Davis, Bynum, Burroughs, McKiernan, Johnson, Kane, Garner.

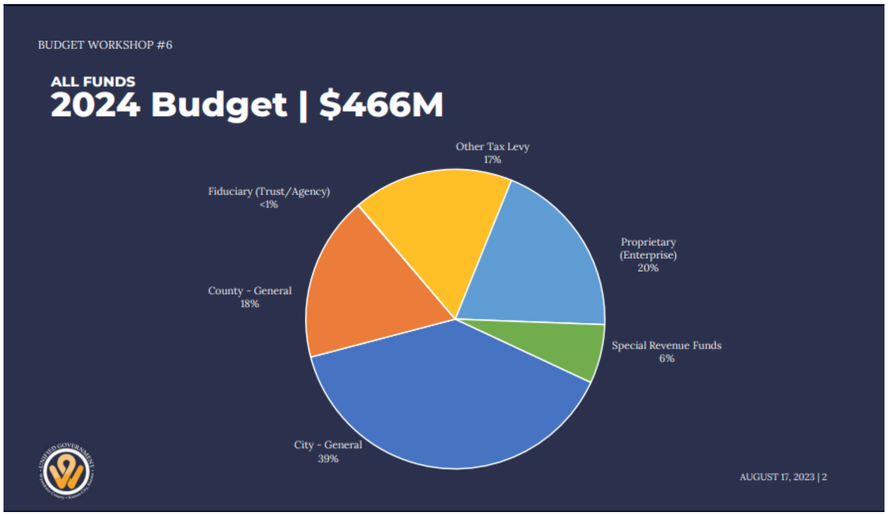
NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in a hybrid format on Thursday, August 17, 2023, at 5:00 p.m. in the fifth floor conference room of the Municipal Office Building for a Budget Workshop.

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.

Mayor Garner said tonight's meeting will be a continuation of our ongoing budget workshops that are being presented by our staff, led by our County Administrator. I'll turn it over to our County Administrator, David Johnston, and he will lead the meeting from here.

David Johnston, County Administrator, said if you recall, last week we gave an overview of the County Administrator's recommended budget to the Commission. In that discussion there were requests from individual commissioners that wanted to start off the next phase of the discussion because I presented the budget to them. It's in the commissioner's hands to finalize a budget that will be the Unified Government's budget. We're going to turn it over to Reggie Lindsey to guide our process tonight.

Reginald Lindsey, Budget Director, said some of the things Debbie Jonscher and I are going to cover tonight, we're going to drill down into the total budget, talk about what the differences are from 2023's Budget to 2024's Budget and then we're also going to drill down into the County General Fund and the City General Fund and talk about what the differences are between what we forecasted back on May 18th compared to what we proposed. Then we're going to talk about a few things that were requested last week. One of them was to drill down into—or look into the County General Fund, what it looks like with a two mill cut and also look at the County General Fund how it looks at a revenue neutral status and then look at the City General Fund with a two mill cut and also look at it at a revenue neutral status. Then we'll look at the City General Fund with the BPU rate increase, taking that funding out and putting it on the expense side, and then we're going to look at outside agencies and also we have a number of different expenses to look at just in case we want to do some modeling. We have come prepared today to do some modeling on the expense side and the revenue side with everyone, so that is what we plan today.

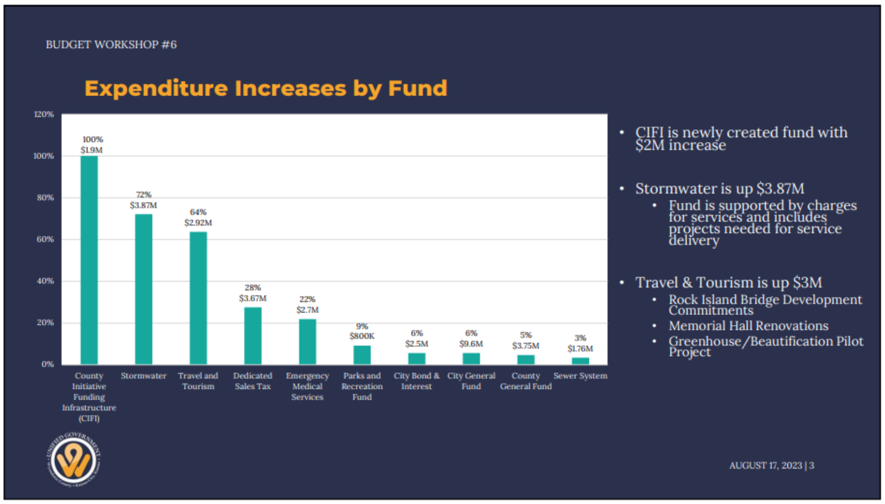


We're going to talk about the 2024 Proposed Budget. It's a $466M budget. Last year the budget that we proposed was $432M, so that's about a $33M increase. On the screen we see where we have Other Tax Levy Funds at 17%. Of the budget, they total about $79M and that includes the City Bond & Interest Fund, the County Bond & Interest Fund, and also Parks & Rec and then we have our Enterprise Funds. These are our funds that provide services to the community that run on their own. They don't have any funding that comes from taxes, it's charges for services that they provide and then they are also fully capable of running themselves. Some of the funds that are in there are the Sewer Fund, Sunflower Hills, our Solid Waste Fund and then also our Stormwater Fund.

Then we have our Special Revenue Funds which are about $27M. Some of the funds there are Dedicated Sales Tax, also our Special Street & Highway Fund, and then our Alcohol Fund. We have our City General Fund which is a $180M budget and we have the County General Fund which is an $84M budget.

One of the things Debbie Jonscher—I'm going to turn it over to her. She is going to drill down into and tell you what the differences were in the $466M budget we presented last week compared to the $432M budget we presented for 2023's Budget.

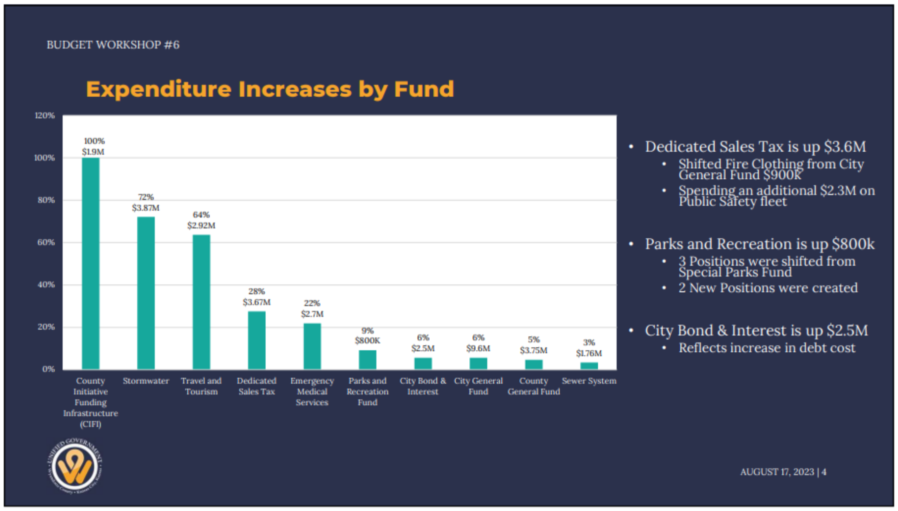
Debbie Jonscher, Interim Chief Financial Officer, said as Reggie said I'm going to talk about the expenditures. We have a graph showing the 10 funds that had the largest changes between 2023 and the 2024 Proposed Budget. I've got several slides where I'm going to talk about the differences. The graph is the same on each one of the slides, but I'll go through each one of those.



The first one we'll talk about is the new CIFI Fund which is the Infrastructure Fund, funding that's going to come from the County Mill Levy. We dedicated a mill over to that fund that will be used for infrastructure improvements between Kansas City, Kansas, Bonner Springs, and Edwardsville. That fund was not in existence last year, so that's a new increase. I will say on the CIFI the increase is about equal to one County mill which is just under $2M.

The Stormwater Fund is up about $3.87M and that is due to additional Capital Improvements that have been added to the budget in response to the rate structure that was also put in place starting—the rate started increasing in 2022 with the new rate structure for 2024 that starts with the impervious surface.

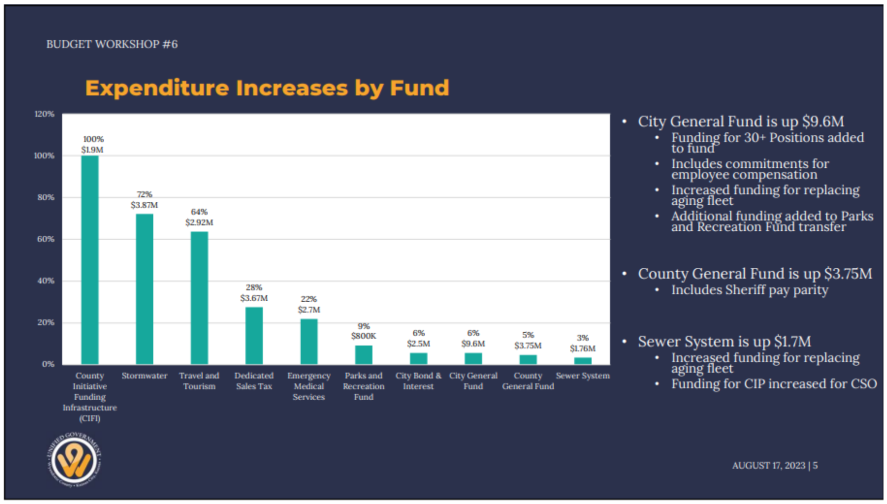
Travel and Tourism is up about $3M. We've got additional Capital Improvements that are included there. The Rock Island Bridge Development had commitments that are coming from that fund as well as Memorial Hall Renovations and the Greenhouse/Beautification Pilot Project.



On the next slide we're going to talk about Dedicated Sales Tax which is up about $3.6M. We're spending about an additional $2.3M on the Public Safety Fleet which is coming from this fund. This fund is—the revenue source is sales tax, so with the increases built in there, there's room for additional fleet. As well as we've shifted some other expenses from the City General Fund over to this fund.

Parks & Recreation is up about $800K. There were two new positions created in 2024 for Parks & Rec. There was a Marina Specialist and a Program Manager. We also shifted three positions that were in the Special Parks Fund over to Parks & Rec. That's not an increase to the overall budget, but it increases the Parks & Rec General Fund, but then we also added some additional Capital onto the Special Parks & Rec Fund.

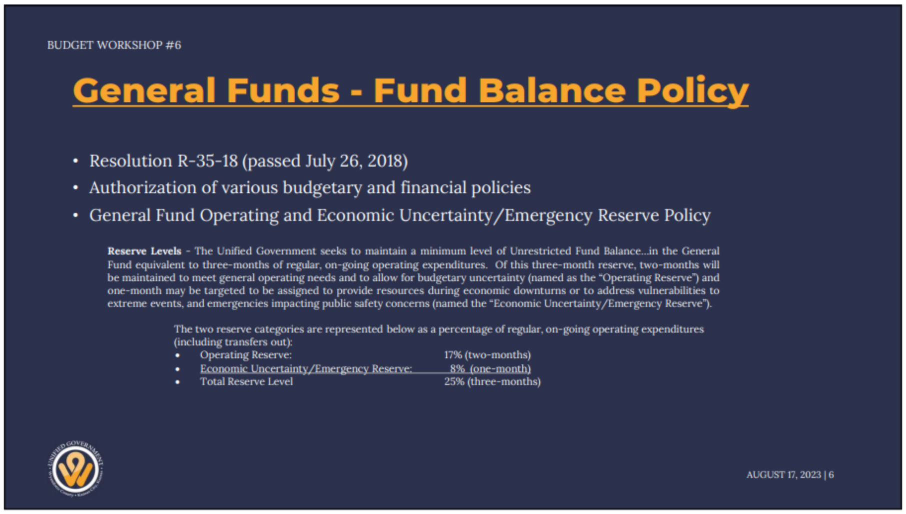
The City Bond & Interest Fund is up about $2.5M and just reflects increases in the additional debt service cost.



This next slide we'll talk about the City General Fund. It's up about $9.6M. There is funding for 30+ positions in this fund, 17 of them are part of a SAFER Grant. That is the grant expiring, so now we are picking up the cost for those additional firefighters. There were also 9 new positions for Station 15, which is the one in Fairfax and that accounts for about 26 positions and then there are several others throughout the organization that are funded there. We've also got commitments for employee compensation, increased funding on Capital for replacing the fleet and additional funding that was added to the Parks & Recreation Fund transfer.

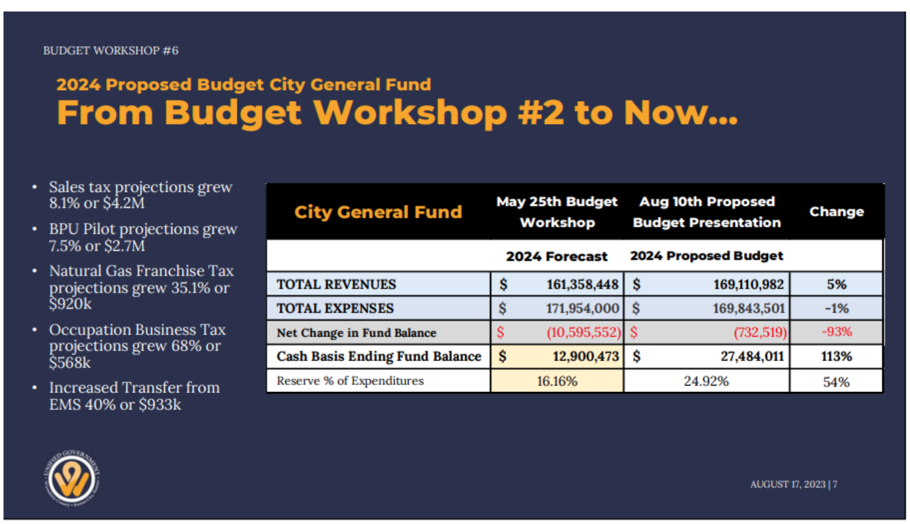
The County General Fund is up about $3.75M. The majority of this is due to the Sheriff's parity pay that was added at the end of last year and then added to the 2023 Budget and going forward.

The last one is the Sewer System Fund which is up about $1.7M, increased funding for their fleet as well as funding for additional CIP related to the CSO consent decree.



The last one I'm going to talk about—Reggie's going to start talking about the fund forecast and the fund balance, so we thought we would just go over and remind everyone of the Fund Balance Policy that we have. This policy was approved in 2018. There was a resolution passed by the Commission that authorized various budgetary and financial policies and one of them was the General Fund Operating and Economic Uncertainty Reserve Policy. So, just reminding everyone the Operating Reserve is a two-month reserve which equates to just under 17% and then we have the Economic Uncertainty which is an additional one-month or 8% for a total reserve level of 25% which is what we have strived—we are striving to keep our fund balance at that percentage.

I'll turn it back over to Reggie to talk about the funds.



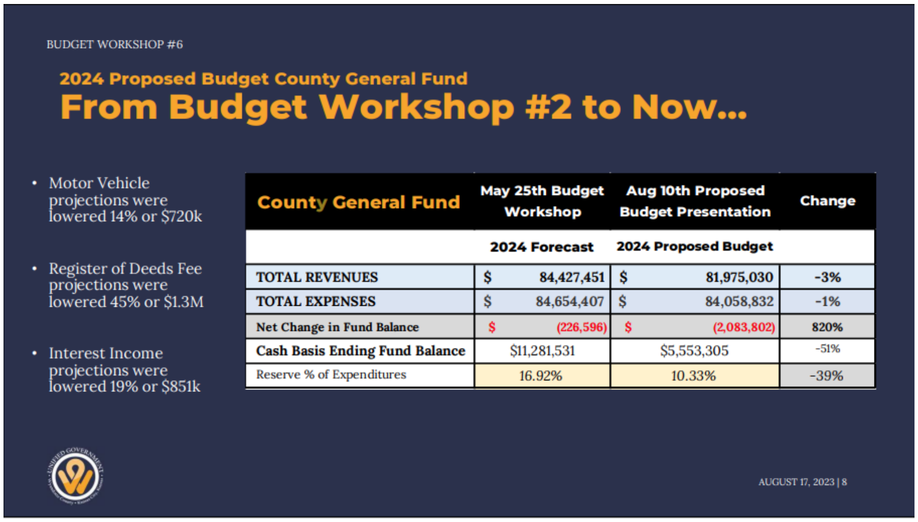
City General Fund	May 25th Budget Workshop	Aug 10th Proposed Budget Presentation	Change
	2024 Forecast	2024 Proposed Budget	
TOTAL REVENUES	$ 161,358,448	$ 169,110,982	5%
TOTAL EXPENSES	$ 171,954,000	$ 169,843,501	-1%
Net Change in Fund Balance	$ (10,595,552)	$ (732,519)	-93%
Cash Basis Ending Fund Balance	$ 12,900,473	$ 27,484,011	113%
Reserve % of Expenditures	16.16%	24.92%	54%

Mr. Lindsey said I want to start out with the City General Fund. We have two columns and what we forecasted on May 25th initially to the elected body for the City General Fund and we also have what we proposed on August 10th, which was last Thursday. When we first started the budget process back in May we initially thought the City General Fund was going to be a $10.5M structurally imbalanced, so what we want to do is talk about those differences where in 2024's Proposed Budget the structurally imbalanced now is only $732K. Some of the main things that happened there were our total revenues went from $161M to $169M and then our total expenses did drop from $171M to $169M. Some of the key things that happened there were that after we got to digging into the budget we found that our sales projections were low, so we jumped our sales tax projections up by 8.1%, which is about $4.2M. Initially we had forecasted $52M, so now that forecast is equal to $57M.

Also, as we were going through the process our BPU PILOT projections, we found that we thought they were a little lower than what they should have been and also BPU did have its rate increase that happened. Initially we were estimating $36M in revenue from the PILOT and we ended up in it to $39M which is a 7.5% increase for about $2.7M.

Natural Gas Franchise Tax projections did grow. We initially were estimating $2.6M and that number has grown 35% to $3.5M which is about $920K and then also our Occupation Business Tax projections grew there about 68%. We initially were estimating $1.9M and it went up to $2.4M, which is almost a $600K increase.

Also, one of the things after examining things within our own funds, we have a transfer that comes from our EMS Fund which should be equal to two mills and it was not equal to two mills so we did increase that from $1.9M to $2.4M, so that was an increase of 40% and it was a $933K increase. One of the things with the EMS Fund, the EMS Division within the Fire Department is like a $21M budget. The EMS Fund funds $14M of that. The rest of it is mostly funded from the City General Fund and so when the tax to start the Special EMS Fund was first put in place, one of the things that was put in place was a commitment to the citizens to have a two point—two mill reduction to the City General Fund and that comes in the form of a transfer back to the City General Fund. We hadn't been doing a full two mills so we increased that to a full two mills, so that's what's going on there.



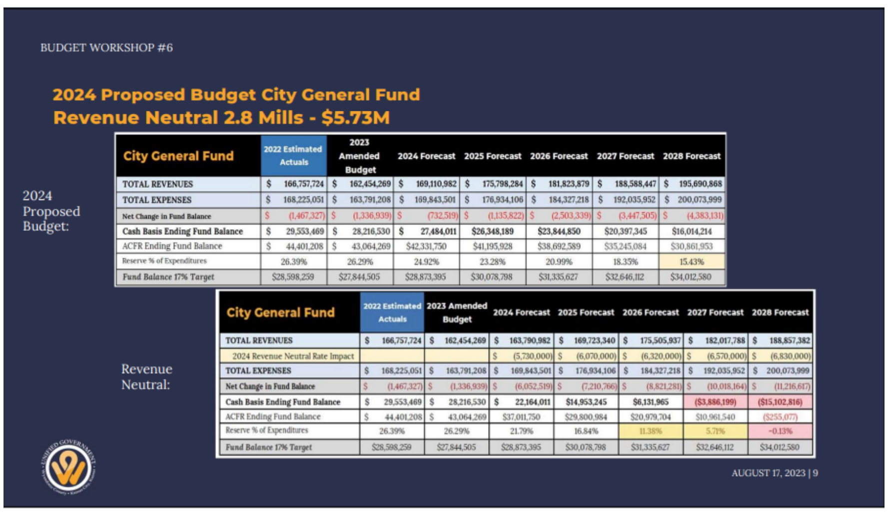
The next fund we're going to talk about is what the differences are. The County General Fund, when we first opened up the budget season and started discussing the budget, the County General Fund we had a structural imbalance where we were expecting only $226K to be structurally imbalanced, but as we got into the budget and digging into the revenues we found that some of our revenues were forecasted too high and it was based on how revenues have been coming in in 2023 when we were looking at the revenues and how they were built in. Some of those revenues were built last summer, so looking into them we found out that some of our revenue targets weren't meeting what we quite expected, so we ended up having to go in and reduce some of our revenue targets and there were really just three revenues that really impacted the County General Fund. We'll see on August 10th when we proposed the budget we went from $84M that we were forecasting to almost $82M, which is about a $2.5M drop in revenues.

The main story there is Motor Vehicle projections were lowered 14% and, Debbie, she may want to touch on some of that. I know she has some information on that.

Ms. Jonscher said I'll just say I think our projections were higher based on what had been coming in over the last several years. If you recall, in 2020 when we had COVID, registrations were delayed and so we had—I believe we were seeing over the next year after that, we started seeing more registrations; however, in looking at where we have been last year and this year, according to the Treasurer, the new vehicle registrations appear to be down and we're seeing more renewals now versus new vehicle purchases. So, we went ahead and lowered our estimates on those.

I'll go ahead and just talk about the interest income. Our projections there, we also lowered those. Our interest rates have been going up and we're getting more interest income than we've seen in a long time, but our projections, I think, based on our original 2023 estimate were probably a little bit higher than what we're seeing coming in so we did reduce those numbers for 2023 and 2024 to reflect the investments that we know are maturing this year and next year.

Mr. Lindsey said our deed recordings are down, so the amount of recordings at the Register of Deeds Office has had—originally comparing January to August of 2022 to 2023. Right now we're at $1.2M in 2020—or 1.2M people recording deeds and that's down compared to last year. It ends up being like 2.2M and then some of the things driving that is the high interest rates. People aren't refinancing at the rate they were, people aren't buying homes at the rate they were, so that ended up dropping what we were estimating.



City General Fund	2022 Estimated Actuals	2023 Amended Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 166,757,724	$ 162,454,269	$ 169,110,982	$ 175,798,284	$ 181,823,879	$ 188,588,447	$ 195,690,868
TOTAL EXPENSES	$ 168,225,051	$ 163,791,208	$ 169,843,501	$ 176,934,106	$ 184,327,218	$ 192,035,952	$ 200,073,999
Net Change in Fund Balance	$ (1,467,327)	$ (1,336,939)	$ (732,519)	$ (1,135,822)	$ (2,503,339)	$ (3,447,505)	$ (4,383,131)
Cash Basis Ending Fund Balance	$ 29,553,469	$ 28,216,530	$ 27,484,011	$26,348,189	$23,844,850	$20,397,345	$16,014,214
ACFR Ending Fund Balance	$ 44,401,208	$ 43,064,269	$42,331,750	$41,195,928	$38,692,589	$35,245,084	$30,861,953
Reserve % of Expenditures	26.39%	26.29%	24.92%	23.28%	20.99%	18.35%	15.43%
Fund Balance 17% Target	$28,598,259	$27,844,505	$28,873,395	$30,078,798	$31,335,627	$32,646,112	$34,012,580

City General Fund	2022 Estimated Actuals	2023 Amended Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 166,757,724	$ 162,454,269	$ 163,790,982	$ 169,723,340	$ 175,505,937	$ 182,017,788	$ 188,857,382
2024 Revenue Neutral Rate Impact			$ (5,730,000)	$ (6,070,000)	$ (6,320,000)	$ (6,570,000)	$ (6,830,000)
TOTAL EXPENSES	$ 168,225,051	$ 163,791,208	$ 169,843,501	$ 176,934,106	$ 184,327,218	$ 192,035,952	$ 200,073,999
Net Change in Fund Balance	$ (1,467,327)	$ (1,336,939)	$ (6,052,519)	$ (7,210,766)	$ (8,821,281)	$ (10,018,164)	$ (11,216,617)
Cash Basis Ending Fund Balance	$ 29,553,469	$ 28,216,530	$ 22,164,011	$14,953,245	$6,131,965	($3,886,199)	($15,102,816)
ACFR Ending Fund Balance	$ 44,401,208	$ 43,064,269	$37,011,750	$29,800,984	$20,979,704	$10,961,540	($255,077)
Reserve % of Expenditures	26.39%	26.29%	21.79%	16.84%	11.38%	5.71%	-0.13%
Fund Balance 17% Target	$28,598,259	$27,844,505	$28,873,395	$30,078,798	$31,335,627	$32,646,112	$34,012,580

What we're going to look at now is the 2024 Proposed Budget for the City General Fund and look at some of the different scenarios that was requested from last week. The first scenario that we have is looking at a revenue neutral budget for the City General Fund and that would equate to 2.8 mills. Right now that would equal to about $5.7M. We can see when we proposed the budget last week we would have almost a 25% fund balance and when we initially came forward in May, in 2026 this fund was going to be in the red where it was going to be out of cash. So, one of the things that we have done is into the foreseeable five-year future we have pushed out where that is not going to be an issue anymore. We can see out in 2028 we still do have a fund balance, but our fund balance is under the fund balance limit that Debbie Jonscher covered a little earlier where we should be at like 17%. We have dropped under the 17% out in 2028, so that's something that we definitely need to keep our eyes on.

As we move into revenue neutral, and that is the bottom financial, we can see in 2024 we're taking $5.7M out of revenue for City General Fund. It does cause us to have a structurally imbalanced budget of about $6M compared to what we proposed of $732K and our fund balance does still stay at 21% or almost 22%. One of the things that happens out into the foreseeable future is when we get over to 2026 our fund balance does drop to about 11% and then that next year in 2027, we are definitely structurally imbalanced, but our cash basis fund balance ends up being almost $4M in the hole, so we wouldn't be able to approve a budget that year and then it gets worse going into 2028 where it jumps up to about $15M. We can see definitely the fund balance is in the negative and then in 2027 the fund balance drops to almost 6%.

Mayor Garner said we have a question from Commissioner Bynum.

Commissioner Bynum said I just need to spend more time with this slide, but the part of it that's bothering me the most is on July 13th when we held our hearing to exceed revenue neutral, the mill levy decrease to be revenue neutral was 5.034 mills just for the City side, which is what we're talking about here. **Mr. Lindsey** said what you're looking at includes like the County Bond & Interest Fund also. **Commissioner Bynum** said okay and here you're just talking about the General Fund. **Mr. Lindsey** said yes. **Commissioner Bynum** asked, is that the difference? **Mr. Lindsey** said yes. **Commissioner Bynum** said okay, that's helpful. I've been struggling with these number on this slide based on the 2.8 mills. So, the concept that I'm hearing you say is that we could be revenue neutral just in the General Fund, but it still creates this imbalance down the road. **Mr. Lindsey** said yes, it definitely would create an imbalance down the road and it also does cause us to have a structurally imbalanced budget of about $6M for this 2024 Budget also.

Commissioner McKiernan said but we're looking in isolation at one fund here and so in isolation one fund looks like this, but we've got to stack the rest of the funds on it and these deficits are additive if we choose to stack reductions, we get stack deficits, right? **Mr. Lindsey** said that is correct. **Commissioner McKiernan** said yeah. I mean we have to all keep in mind that this is a sliver of the entire funding package and that no change that we make here happens in isolation all by its lonesome unless we direct it to happen in isolation. So we have to always remember that whatever we're looking at here, if we add anything from an upcoming slide, it adds, so it's going to change depending on what we pick and then how we choose to structure and blend them, right? **Mr. Lindsey** said that is correct. **Commissioner McKiernan** said all right.

Commissioner Stites said I have just a quick question about if we go back to the slide where it talked about the General Fund and our fund balance Resolution 35-18 and it says that we—the General Fund we try to be at 17% and that's by resolution adopted in 2018 and then the economic uncertainty is 8%, which gets us to that 25% number. Was that economic uncertainty 8% voted also by resolution? **Ms. Jonscher** said yes, that was in the policy. The entire policy was approved by resolution. **Commissioner Stites** said, okay, so why would we not, and I'm just asking, why would we have not just said the operating reserve be at 25%? Why have two line items 17 and 8? **Ms. Jonscher** said I'm thinking the reason we probably split it out like that was to give us some flexibility because right now we look at our minimum to be the 17%, but based on GFOA guidelines best practices, they recommend that we really should be—the minimum should be 25, but I think we put the economic uncertainty in there to kind of give us some flexibility. So even if we went below 25, if we got to 20 or 21, yes, we're below the total reserve, but we're not below our minimum operating reserve of two months.

Commissioner Burroughs said, Debbie, if I remember correctly, our former CFO wanted three months reserves at 25% target and we felt that reserve was a little too steep at the time when we reviewed it and we compromised to come to having the one-month Emergency Fund, that's the set aside to address issues that came up just as that without having to dip into our reserves per se. That's how we came up with the two different numbers if I remember correctly. I know we put it in the policy at 17 and 8, but I think when it came to compromising, was to do it that way versus throwing it all in one fund at 25%. **Ms. Jonscher** said right and trying to get up to that 25% at one right away. I think the idea was to build and try to get to that 25% because in 2018 we were not at the 25%.

Mayor Garner said my understanding on revenue neutral is that to make up that deficit, best we can with your projections, that's all coming out of the reserves, correct? **Mr. Lindsey** said it would definitely come from our fund balance. **Mayor Garner** said right. Have we done any projections what it would look like if we were to streamline this government, if we were to find cost-cutting measures, what that would look like. If we were to cut back, if we were to look at some of our CMIP projects, if we were looking at ways we can tighten our belt to give a clear picture of—I know everything we say we'll take it out of reserves, but have we deep dived and really looked at where can we find cost savings throughout the various departments for operating budgets.

I know when I was on the Police Department there were several times under Administrator Dennis Hays and I was given direction through my Chief, Major cut 5 if not 10% off your budget. I had to go through line item by line item. That printer I wanted, whatever reams of paper I may have wanted. I had to push that back and really prioritize them. What do I do being in charge of where I was at, West Patrol, to be able to provide the services that this community has come to expect when you talk about essential services, which is responding to calls in the best and efficient way and making sure my officers could do that safely and make sure they all have the equipment that they need without a lot of the wants that I may have wanted or needs including building upgrades that I may have wanted, some things that I may have wanted to beautify, those were things—even at times we cut back on vehicles. We had to go two, three, four years without new vehicles and back then we weren't as in a dire of a straits from my knowledge. I wasn't on this side in this building that we're seeing now because I've never heard of us being in the red.

So, when you talk about everything to make up these deficits just coming out of reserves, I haven't really heard a lot of talk about what we can do to find cost savings and streamline, innovate, better align departments, get rid of vacant positions that are maybe funded, looking at various ways to look at redundancies, maybe we combine departments. Things of that nature in a way to where—okay, now this Commission can look and say we've identified best we can by really gauging and engaging, I should say, our department heads like I was engaged and saying okay, staff help this Commission find the cuts so we can remain solvent.

We even went further. There were times when we were cut off. We could not spend anymore money past, I think, one year was October or November unless it was something really critical and I had to get approval and it had to go all the way to the chain of command over to this building to get the Administrator's approval. So, there were things like that that were done and we weren't in as dire straits as we are now. I just don't hear a lot of talk about what are the options for creating smaller government, that's more efficient, that's streamlined, that innovates, that cuts out redundancy, looks for waste, fraud, and maybe abuse and because of where we're at financially, yeah, maybe we want a lot of different things, but to avoid the red we focus on what are the essential services and what are the needs to be able to fund those essential services to provide the types of services that is acceptable or will be acceptable to our residents.

I'm going to keep saying it, people are really struggling and struggling bad and I hear it at every community meeting that I go to, you all have got to quit raising taxes. There has to be a pressure point put on and when I say to the public, well, we're working and they're telling me I'm doing bad, I'm tightening my belt, but there's nothing more for me to tighten, there's no more juice I can squeeze out of my pocketbook and they're telling me you're taxing me out of my house, taxing me into poverty or taxing me out of this county and people that are saying, you know, I'd love to come do business here, but your taxes are too high and we aren't even talking about BPU.

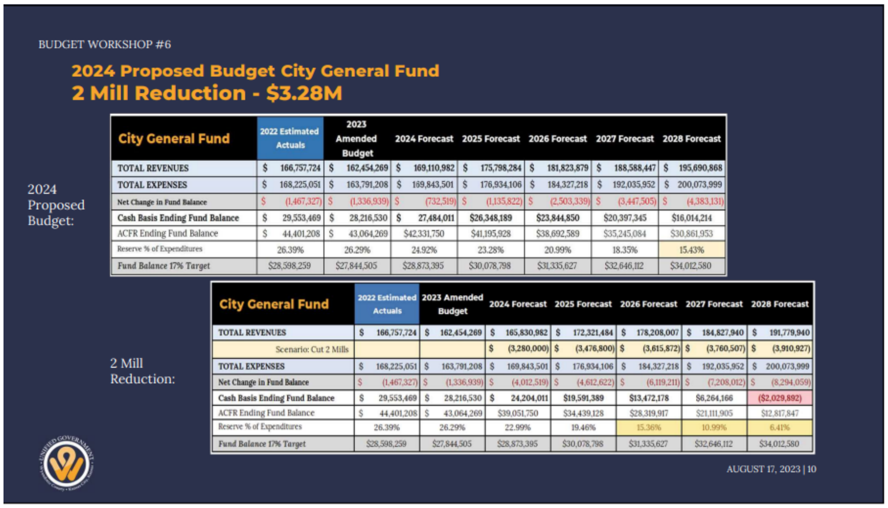
Those types of questions that I'm being asked as Mayor and I just don't hear a lot about what are the options other than just take it out of reserves.

Ms. Jonscher said I will say later in the presentation we have—we haven't done probably the deep dive I think maybe what you're looking at, but the Budget Office has gone through and later in the presentation we do have some items that we've looked at for possible options for if we choose to do a revenue reduction, some expenses I think that we've been asked to look at.

Mr. Johnston said I would just like to add I think throughout the whole budget process we said a few things. First of all, this is a shortened budget process. We lost 2.5 months of the budget process because I got appointed at the end of March, so we lost 2.5 months to do a deep dive like you were talking about, but also we committed to the process of this deep dive that I think the Mayor is articulating, is going to happen starting after this budget starts for the next budget. During the process, if we find in the deep dive we can make changes immediately, we'll make changes immediately, but there should be a whole different look of a budget next year because of that deep dive commitment. So, because of the loss of 2.5 months this is—we did do the funded vacancies, particularly the long-term positions that were in people's budgets that hadn't been filled for two, three, four years. They got eliminated. That was one of the easier cuts. I think we even went to two years and so that made a dent. We did receive a few ideas, some good ideas from departments and when we weighed them if they were feasible, we did those, but it's not to the magnitude that I think, Mayor, you're looking for. I think you're going to see that in the '25 Budget process.

Commissioner Johnson said one of things that we also need to consider is that our cost of goods sold is increasing. You talk about asphalt, you talk about concrete, the things that our Publicc Works Department has brought to us to say how far behind we are and how much ground we need to make up, it seems to be untenable at this particular rate. So, while I do agree that we need to try to see how we can tighten up our belts, but everything else is increasing and I think it's reasonable to expect for our budget to have to reflect that, otherwise, I think it will be a real disservice to our constituency. That's just a counterbalance. I appreciate what David said as well about doing the deep dive, but there are some things are really out of our control. I think we just want to be realistic about what that is.

Mr. Johnston said I just also want to add, Commissioner, you bring up a good point and maybe it's not appreciated by our public, but just as homes are affected by inflation, so are we and when you use the word pavement, usually the Public Works inflation rate is about 10-15% annually and that's where the CPI might be around 5-6%, it's because of the fluctuation of things like the oil market, which we don't appreciate. You don't think that it affects the cost of government, but it does and, therefore, what we're also seeing I think some of the points that you heard from Public Works over the few months that I've been here is that because inflation is real, supply chain increases the price because of scarcity of materials, our buying power shrinks. Therefore, our ability to deliver what we'd like to deliver we can't because of the cost of doing business and so that's the beyond your control comment, Commissioner, I think and so we need to say it overtly so the public hears it and, hopefully, understands it.

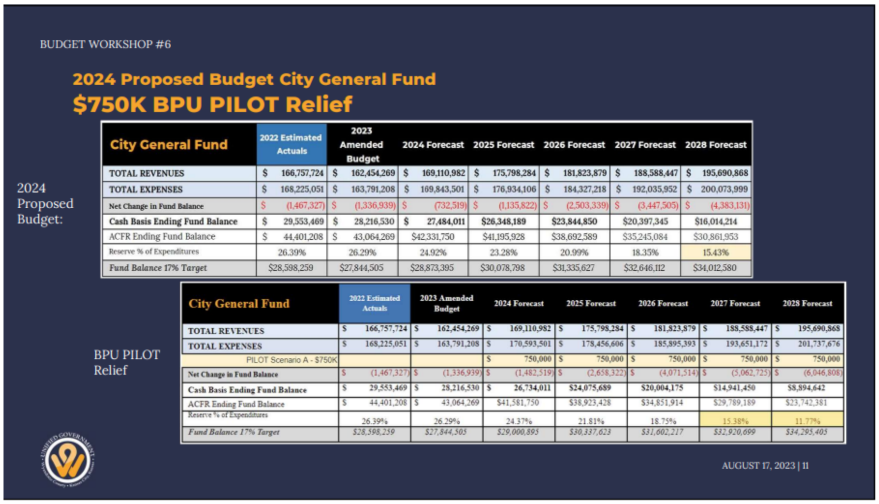


City General Fund	2022 Estimated Actuals	2023 Amended Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 166,757,724	$ 162,454,269	$ 169,110,982	$ 175,798,284	$ 181,823,879	$ 188,588,447	$ 195,690,868
TOTAL EXPENSES	$ 168,225,051	$ 163,791,208	$ 169,843,501	$ 176,934,106	$ 184,327,218	$ 192,035,952	$ 200,073,999
Net Change in Fund Balance	$ (1,467,327)	$ (1,336,939)	$ (732,519)	$ (1,135,822)	$ (2,503,339)	$ (3,447,505)	$ (4,383,131)
Cash Basis Ending Fund Balance	$ 29,553,469	$ 28,216,530	$ 27,484,011	$26,348,189	$23,844,850	$20,397,345	$16,014,214
ACFR Ending Fund Balance	$ 44,401,208	$ 43,064,269	$42,331,750	$41,195,928	$38,692,589	$35,245,084	$30,861,953
Reserve % of Expenditures	26.39%	26.29%	24.92%	23.28%	20.99%	18.35%	15.43%
Fund Balance 17% Target	$28,598,259	$27,844,505	$28,873,395	$30,078,798	$31,335,627	$32,646,112	$34,012,580

City General Fund	2022 Estimated Actuals	2023 Amended Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 166,757,724	$ 162,454,269	$ 165,830,982	$ 172,321,484	$ 178,208,007	$ 184,827,940	$ 191,779,940
Scenario: Cut 2 Mills			$ (3,280,000)	$ (3,476,800)	$ (3,615,872)	$ (3,760,507)	$ (3,910,927)
TOTAL EXPENSES	$ 168,225,051	$ 163,791,208	$ 169,843,501	$ 176,934,106	$ 184,327,218	$ 192,035,952	$ 200,073,999
Net Change in Fund Balance	$ (1,467,327)	$ (1,336,939)	$ (4,012,519)	$ (4,612,622)	$ (6,119,211)	$ (7,208,012)	$ (8,294,059)
Cash Basis Ending Fund Balance	$ 29,553,469	$ 28,216,530	$ 24,204,011	$19,591,389	$13,472,178	$6,264,166	($2,029,892)
ACFR Ending Fund Balance	$ 44,401,208	$ 43,064,269	$39,051,750	$34,439,128	$28,319,917	$21,111,905	$12,817,847
Reserve % of Expenditures	26.39%	26.29%	22.99%	19.46%	15.36%	10.99%	6.41%
Fund Balance 17% Target	$28,598,259	$27,844,505	$28,873,395	$30,078,798	$31,335,627	$32,646,112	$34,012,580

Mr. Lindsey said our next scenario is looking at the City General Fund at a two mill reduction. On top we have what we propose for the 2024 Proposed Budget and we can see in 2024 we almost have a 25% fund balance. As we get to the two mill reduction, the scenario that's at the bottom in 2024's budget, it does take out a 3.28M—or $3.2M from revenues for that two mill reduction and our fund balance does stay at almost 23%, but as we get out into 2026, we can see that we fall below our 17% fund balance. Also, we can see that each year we still are structurally imbalanced, so in 2024 we're $4M structurally imbalanced and then in 2025 we end up being $4.6M structurally imbalanced out into 2028 where we're about $8.2M structurally imbalanced. If you compare that to what we proposed last week we still are structurally imbalanced, but we're not as much in the hole as compared to what we did last week.

Last week we proposed we won't be in the hole out until past 2028 but cutting the two mills, we end up being in the hole like in 2028, so those are some things to consider with cutting two mills for the City General Fund.



BUDGET WORKSHOP #6

2024 Proposed Budget City General Fund
$750K BPU PILOT Relief

2024 Proposed Budget:

City General Fund	2022 Estimated Actuals	2023 Amended Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 166,757,724	$ 162,454,269	$ 169,110,982	$ 175,798,284	$ 181,823,879	$ 188,588,447	$ 195,690,868
TOTAL EXPENSES	$ 168,225,051	$ 163,791,208	$ 169,843,501	$ 176,934,106	$ 184,327,218	$ 192,035,952	$ 200,073,999
Net Change in Fund Balance	$ (1,467,327)	$ (1,336,939)	$ (732,519)	$ (1,135,822)	$ (2,503,339)	$ (3,447,505)	$ (4,383,131)
Cash Basis Ending Fund Balance	$ 29,553,469	$ 28,216,530	$ 27,484,011	$26,348,189	$23,844,850	$20,397,345	$16,014,214
ACFR Ending Fund Balance	$ 44,401,208	$ 43,064,269	$42,331,750	$41,195,928	$38,692,589	$35,245,084	$30,861,953
Reserve % of Expenditures	26.39%	26.29%	24.92%	23.28%	20.99%	18.35%	15.43%
Fund Balance 17% Target	$28,598,259	$27,844,505	$28,873,395	$30,078,798	$31,335,627	$32,646,112	$34,012,580

BPU PILOT Relief

City General Fund	2022 Estimated Actuals	2023 Amended Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 166,757,724	$ 162,454,269	$ 169,110,982	$ 175,798,284	$ 181,823,879	$ 188,588,447	$ 195,690,868
TOTAL EXPENSES	$ 168,225,051	$ 163,791,208	$ 170,593,501	$ 178,456,606	$ 185,895,393	$ 193,651,172	$ 201,737,676
PILOT Scenario A - $750K			$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
Net Change in Fund Balance	$ (1,467,327)	$ (1,336,939)	$ (1,482,519)	$ (2,658,322)	$ (4,071,514)	$ (5,062,725)	$ (6,046,808)
Cash Basis Ending Fund Balance	$ 29,553,469	$ 28,216,530	$ 26,734,011	$24,075,689	$20,004,175	$14,941,450	$8,894,642
ACFR Ending Fund Balance	$ 44,401,208	$ 43,064,269	$41,581,750	$38,923,428	$34,851,914	$29,789,189	$23,742,381
Reserve % of Expenditures	26.39%	26.29%	24.37%	21.81%	18.75%	15.38%	11.77%
Fund Balance 17% Target	$28,598,259	$27,844,505	$29,000,895	$30,337,623	$31,602,217	$32,920,699	$34,295,405

AUGUST 17, 2023 | 11

The current slide, what we're doing is reviewing—we're looking at the additional revenue that's coming in from BPU's PILOT or BPU's rate increase and how that would impact our PILOT. What we figure is that we would have like $750K of additional revenue come in. So, again, the top piece of the financials are looking at what we proposed last week and the bottom half is looking at what—what we're doing is adding additional PILOT Relief to the expense side. We're taking that $750K in revenue that we receive, we're leaving it there, but we're setting aside $750K each year for PILOT Relief. Where we can see the impact there in 2024 is about 24% fund balance we still have as compared to what we proposed last week. So, just looking at the fund balance, everything pretty much stays the same, all five years that we have a view of.

We do, out in 2028, get under the 17% fund balance, but we also do that in what we proposed last week also. So, that is the view of having an additional $750K in the budget for PILOT Relief.

Commissioner Johnson said I'm trying to make sure I understand this. When I look at all of these, you see the ACFR ending fund balance and then underneath there we have the reserve percentage of expenditures and then we have another number that says the fund balance 17% target. The reserve expenditure, are we comparing that with the 25% that we had talked about that Commissioner Stites pulled out, is that the number that we're reflecting? In other words, under this current page where we see for the 2024 forecast, it has the reserve percentage you have the expenditure of 24.37. Is that to be measured against the 25% goal? In other words, does it have the relief portion or the—what's the name of the 8%? **Mr. Lindsey** said the additional month.

Commissioner Johnson said yeah, the economic uncertainty. Is that built into this number that we're looking at? **Mr. Lindsey** said the fund balance is based on the ACFR fund balance in its—how much of that ACFR fund balance compares to the total expense, so we do end up getting close to the 25% in the 2024 forecast. I don't know if that's your question. **Commissioner Johnson** said I think I'm getting it. In that case of the 2024 forecast, the $41,581,750, that represents the 24.37%, correct? **Mr. Lindsey** said yes and that is the one we're figuring out. There are two cash balance—or ending fund balances here. One is the cash ending fund balance which is what we have to have a fund balance here to approve a budget and then there's the ACFR ending fund balance and that's the one we figure that—**Commissioner Johnson** said then you take the 17% and that's how you get down to, for instance, the $29M in that particular case under the 2024 forecast.

Ms. Jonscher said I think the 17% is just showing if we were to drop the reserve percentage to 17%, that would be the fund balance we'd need to have. **Commissioner Johnson** said I've been kind of just contemplating this since the last time we looked at it. We're really talking about operating with an imbalanced fund or imbalanced budget for the foreseeable future, correct? **Ms. Jonscher** said correct. **Commissioner Johnson** said it's not getting any better no matter—any of these scenarios, it gets worse as we go along. It's just my own observation. Am I missing that or is somebody else seeing that? **Ms. Jonscher** said that's correct. The net change between revenues and expenses is in the red all the way throughout to 2028. Even though we are within our fund balance we are still spending more than we're bringing in.

Mr. Johnston said to add to that, I think in a perfect world we would all love to be able to have our expenses be less than the revenue generated. I think one of the things that alarms me, and I've talked with our Budget team a few times, whatever scenario you've seen on the screen today, we are out of balance. We are thankful that we have enough reserve money to balance our budget to meet what we are considering meeting the needs of our public in our General Fund services. What this long-range approach that we've been keeping in front of you is that it doesn't go away and we are going to have to do the deep dives that the Mayor has suggested today because eventually that red number needs to go away. It needs to turn into a black number. In a couple of the scenarios that we've already looked at, you saw the red numbers go into other cells and that's what's scary and I know we're making some assumptions today that influence the financial picture of the future, but every organization does that.

If you don't change and you're assuming that the outside world and everything in it is controlled, that's the scenarios that are outputs of this model. Now, what's not in there is what Commissioner Johnson referred to, there might be things beyond our control that change that like just last week I'm watching the news and they're talking about another recession in 2024 after a leveling area. Now, that's just their talk, but it makes us in the financial world think about what if that's real, what's that do to our budget, does that make our red number higher; that adds the urgency for us to really do deep dives and tighten the belts and look for efficiencies and savings. So, if there are those uncontrollable things, the impact isn't as hard because we took actions today. Our prayer is that it gets better and then we get more revenue and we don't see price increases to stretch us. That's the alarming part. Every year we have relied on reserves and I don't want us to get into the habit that's it's fine to go over, we'll always have the reserves. This is telling us you don't always have the reserves, don't count on it. If you're doing the same thing today as you're going to do for tomorrow, so it's the red flag that forces us to act now to deal with.

Now, on top of that we're presenting these scenarios because you're hearing from the public that they want relief. What we're presenting to you is a budget that we feel meets the service needs to our public, but the public is saying I need additional relief and that's taking revenue out of our stream and has an impact for us to provide certain levels of service if it—or any service at all for certain things just to make the balanced budget requirement. So, it's not lost.

What some of you have voiced, you're hearing from the public. We hear it too because we're hearing it from you, we hear it when we're mingling with the constituents and yet we're also saying we want to have certain levels of service. It's a heck of a balancing act and I think next week is probably the most impactful week of our budget session that maybe this Council has ever had to face. It's this balancing. If you choose to want to do something else, you actually have to make choices on what services to provide, levels of services to provide, programs to provide and, you know, it's a balancing act.

If we may get—unless Commissioner Burroughs has a burning question, we can get going.

Commissioner McKiernan said if I could just ask one more thing. To get back to the additive comment that I made or question that I had earlier, so if you go back to the slide where it talks about two mill reduction and if we look at 2024 forecast, cash basis ending fund balance at 27,484, I'm sorry, I go down to 24,204, so down there right in the middle of the bottom. So, that assumes a two mill reduction against our projections and that would be the cash basis ending fund balance for 2024, $24,204,011, but now go to the BPU 750, the PILOT 750, right there. Now, that shows at the end of 2024 a cash basis ending fund balance of 26,734, but that's happening in isolation. It's not coupled with the two mill from the previous slide, so if we chose to do two mills and the 750, we're looking at numbers you haven't even considered here yet that are going to be worse than anything you've considered here yet. So, I want us to make sure that we always keep in mind what fund we're talking about up at the top because some of these are additive and they cannot be considered in isolation from each other, so there will be a cumulative effect if we choose to stack some of these approaches like a two mill City, plus the 750 BPU, they're going to start stacking on each other and it's going to make the picture get—it's not a word, but worser faster.

Mr. Lindsey said, Commissioner, towards the end of our session tonight, we will be able to look at those stacked on top of each other.

Commissioner Burroughs said, Reggie, I'm looking at these numbers and these are static numbers across the board. You take static cut today and it runs through the numbers that you have projections out there. But, what it doesn't—these numbers don't reflect the hiccups that can occur due electric and—I'm talking about the BPU PILOT, the increase in rates that the BPU chooses to do or increase in valuation, which will again increase revenue to the local unit of government's General Fund, the efficiencies that we find throughout the budget, economic development that has come online and is paying more in taxes and the interest growth that we could experience even in a down recession. Interest rates usually stay static or at least climb a little more than what we're even seeing now, we're seeing a slow return to higher interest rates. So, none of that is in here in addition to what Commissioner McKiernan presented, his static numbers present on top of everything else. I just want to state that those things are out there too that could put this budget in a little more manageable condition that reflects the Mayor's concern and some of the other commissioners concerns about finding these deep dives through the budget next year. Would that be a correct statement? **Mr. Lindsey** said we do have growth rates in our budget like revenues by certain revenue categories.

Commissioner Burroughs said okay. Well, I guess maybe what I would need to know is where you're reflecting that growth. I mean if you're going just a straight 5% across the board, we went with a very conservative number. I'll use sales tax as an example. I believe a couple years ago we took a very conservative sales tax initiative and drove it through the budget at 5% and it came in, I believe, 8 or 11% higher, so that was an increase to our budget. The evaluations that we just went through were higher than I think we expected, so we see an additional increase in revenue in just a short nine-month cycle. So, I don't want to paint the ugliest picture by saying the stacking is going to affect us this bad because there's other things that can affect us in a positive way and that's what we have to collectively work through and get our guidance from staff on those numbers as they come forward.

Ms. Jonscher said that's correct. If we're projecting a 3-5% increase in sales tax, we could see—we're just kind of looking at what the trend is up to now for going forward, but yeah, if we were to see an increase of say 8 or 9% in sales tax, that would be additional revenue that would come in that we probably wouldn't have reflected if we're not seeing that kind of a trend of an increase right now.

Commissioner Burroughs said I understand taking a static number and putting it through by a mean or a median. I understand that process, but I also don't want to lose sight—I don't think we should lose sight of the fact that we will have additional revenues come in that we don't realize that will be coming in. It could be that, whatever it may be, we may—somebody just may write us a fat check that wins the lottery—**Mr. Lindsey** said but also, Commissioner Burroughs, one of the things we've seen with the County General Fund was—I mean we did do estimates on it, but we did have to end up cutting about $2.5M out of that budget, so doing static you don't always get the increase that you expect either. You also sometimes may get an increase.

Commissioner McKiernan said I completely appreciate where Commissioner Burroughs is coming from, but I do know and maybe it would be good if you could send us just a reminder, I know that you have mod of numbers that you model into your projections, so you've made these projections on the basis of some assumptions. But I also want to point out in my usual Eeyore way that we could get more sales tax than we project, but we could get less.

One of the things that I've appreciated about your approach has been that you take a conservative estimate and use that as your growth multiplier and you're trying to hedge more revenue than we expect against less revenue than we expect. So I appreciate that you've taken a generally conservative approach to this, but I completely appreciate what Commissioner Burroughs has said, that we need to always stay on top of this because things could change on a half year by half year or even annual basis and we just need to be nimble and go with that.

Mr. Johnston said I just want to add, these points that the commissioners made are very valid basically because when you looked at one of the things that Reggie mentioned on the County side because people aren't buying new cars, they're keeping the older cars; therefore, the amount of tax revenue we get is lower because it's depreciated asset. That action of people not replacing their cars on what we got used to is subject to the interest rate that is being charged to the consumer by the auto dealers and so if they're high, if they're at 6 and 7% these days, they'll wait, my car is still running, I'll do another maintenance check a year. You know that's about $400 as opposed to a large interest increase on a car payment, so you know that happens. I think we hope the interest rates go down and we're all listening to reserve Chairman Powell when he talks because what he's saying, and I think he has said there's another rate increase by year end, so we anticipate that and that's probably going to have an impact on consumer behavior.

On the other side of the coin, we're looking at something very nice in 2026 with World Cup. We anticipate a throng of foreign visitors entering Wyandotte County, spending time here, being in hotels, spending money in food establishments. I anticipate seeing a larger amount of sales tax revenue generated at that time. Unfortunately, it's hard for us to calculate that today and so that's going to be a one-time windfall because of the flux of people coming to see their teams play in the Kansas City region.

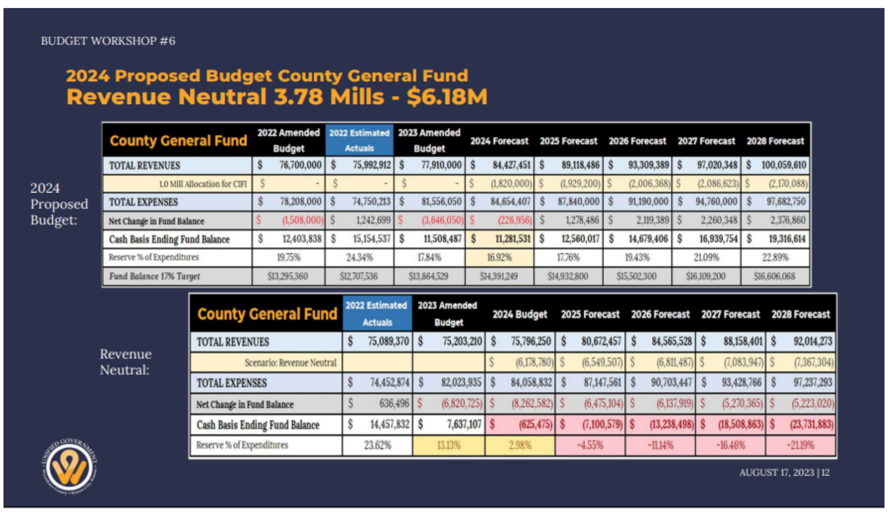
Commissioner Burroughs said yes there are unanticipated good results. Commissioner McKiernan balances that out by saying well we might have some bad times and that's the funny thing about budgeting. Probably about 20 years ago the municipal world woke up and said you can't just rely on an annual look at your budget. You have to look at the trends, at the financial information whether it's coming out of Wall Street Journal, whether it's coming out of Washington economists, and start thinking about the impact on your situation today. You can't wait till I'm going to start a budget process, then I'll look because there may be times during the current budget year we've got to come and say, and I've done this, I need to freeze spending because of ABCD. That's why we have to stay attuned to it on a day-to-day basis and listen and I think this is what I heard, does this have an impact on our revenue streams or our expenses, do we lose more buying power due to inflation or other things like that.

So, the municipal budgeting world learned about 20 years ago that you have to more frequently look and think about the impacts of what you're hearing today to the existing budget and possible impact on future budgets, so it's a dynamic process. I think that's what I've heard all these commissioners say and we have to stay on top of it. I think that's one of the reasons why our Unified Government specifically has an office of Budget. It's a service to us and for our citizens so we can stay on top of that and then Debbie's shop pretty much handles a lot of the day-to-day stuff, you know, get our bills paid, make sure the bonds are handled well and all that, so they work in tandem, but they each have separate responsibilities and I think that helps us become a better government for our citizens.

Commissioner Bynum said just a comment that I think is interesting to what you've heard Commissioner Burroughs and Commissioner McKiernan say and the Administrator. So, last night our Visit KCK Convention Bureau hosted a reception for Mr. Johnston to welcome him and Commissioner Burroughs attended, the Mayor attended, I attended. Alan Carr, the Director, told us, I was fascinated by this, that in July or June, whenever she came here, we, KCK, experienced the highest transient guest tax ever in our history because of Taylor Swift. These are the variables. That one happened to be a really positive story, so we need to have her come back, but I just thought that was just fascinating. That is the impact that we talk about when we talk about these—you know that had a tangible local impact for our community and I'm fascinated by that and I thought that was a particularly good story to hear.

I just have a quick question because I know you have a lot more to walk us through. This slide depicting 750K for the PILOT Relief, I want to know what you mean. Do you mean the PILOT Relief for the targeted population that the committee brought forward or is this some other relief scenario? **Mr. Lindsey** said what the committee brought forward. **Commissioner Bynum** said okay.

Mr. Johnston said that was the counter, the recant that Commissioner Johnson made, so he recanted, so he brought it back, so you can thank him. The other thing, Commissioner Bynum talked about Taylor Swift, that was two hotel days that we had over $400K of hotel transient income each night all because of a concert in another city across the river and that's why we have to really reach out and be part of regional action because we do benefit. Those other cities Johnson County communities, the KCMO communities, all benefit when the races are here, when the Soccer team plays, and that's why we cannot afford to be a parochial island within the KC metro region and it's interesting to be a player in that and a few of the arenas because of the virtue of my office that I get to play in. I think they're building respect for Wyandotte County because we're playing in the sandbox now and at the direction of the Mayor and the Commission and the expectations, so we do see the fruits of the labor, fruits of reaching across the aisle and being part of a bigger picture because what happens at a concert, at whatever arena happens in KCMO, people are staying here and spending their money here.

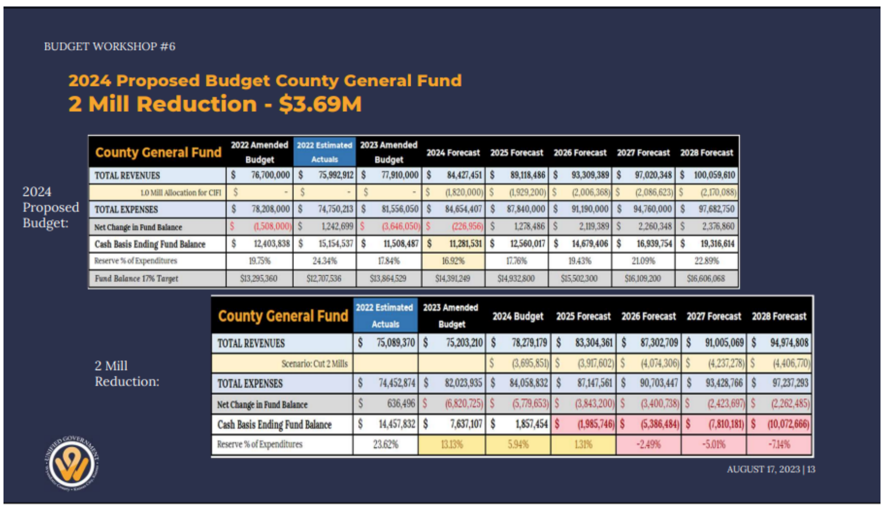


County General Fund	2022 Amended Budget	2022 Estimated Actuals	2023 Amended Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 76,700,000	$ 75,992,912	$ 77,910,000	$ 84,427,451	$ 89,118,486	$ 93,309,389	$ 97,020,348	$ 100,059,610
1.0 Mill Allocation for CIFI	$ -	$ -	$ -	$ (1,820,000)	$ (1,929,200)	$ (2,006,368)	$ (2,086,623)	$ (2,170,088)
TOTAL EXPENSES	$ 78,208,000	$ 74,750,213	$ 81,556,050	$ 84,654,407	$ 87,840,000	$ 91,190,000	$ 94,760,000	$ 97,682,750
Net Change in Fund Balance	$ (1,508,000)	$ 1,242,699	$ (3,646,050)	$ (226,956)	$ 1,278,486	$ 2,119,389	$ 2,260,348	$ 2,376,860
Cash Basis Ending Fund Balance	$ 12,403,838	$ 15,154,537	$ 11,508,487	$ 11,281,531	$ 12,560,017	$ 14,679,406	$ 16,939,754	$ 19,316,614
Reserve % of Expenditures	19.75%	24.34%	17.84%	16.92%	17.76%	19.43%	21.09%	22.89%
Fund Balance 17% Target	$13,295,360	$12,707,536	$13,864,529	$14,391,249	$14,932,800	$15,502,300	$16,109,200	$16,606,068

County General Fund	2022 Estimated Actuals	2023 Amended Budget	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 75,089,370	$ 75,203,210	$ 75,796,250	$ 80,672,457	$ 84,565,528	$ 88,158,401	$ 92,014,273
Scenario: Revenue Neutral			$ (6,178,780)	$ (6,549,507)	$ (6,811,487)	$ (7,083,947)	$ (7,367,304)
TOTAL EXPENSES	$ 74,452,874	$ 82,023,935	$ 84,058,832	$ 87,147,561	$ 90,703,447	$ 93,428,766	$ 97,237,293
Net Change in Fund Balance	$ 636,496	$ (6,820,725)	$ (8,262,582)	$ (6,475,104)	$ (6,137,919)	$ (5,270,365)	$ (5,223,020)
Cash Basis Ending Fund Balance	$ 14,457,832	$ 7,637,107	$ (625,475)	$ (7,100,579)	$ (13,238,498)	$ (18,508,863)	$ (23,731,883)
Reserve % of Expenditures	23.62%	13.13%	2.98%	-4.55%	-11.14%	-16.46%	-21.19%

Ms. Jonscher said the next couple of slides that we're going to talk about are the County General Fund presenting the same information that we presented for the city. This first slide is a comparison of our 2024 Proposed Budget and what the County General Fund would look like going revenue neutral. In our Proposed Budget for 2024 you will see that we are at 16.92% fund balance which is just above our minimum two-month reserve, but then as you can see, if you go down to the revenue neutral—and I did want to note that I think we have maybe a miscalculation here on the revenue neutral graph because I'm looking at the 2023 Amended and in our Proposed that ends at 11.5 and in the revenue neutral one it ends at 7.6, so we do have an error there.

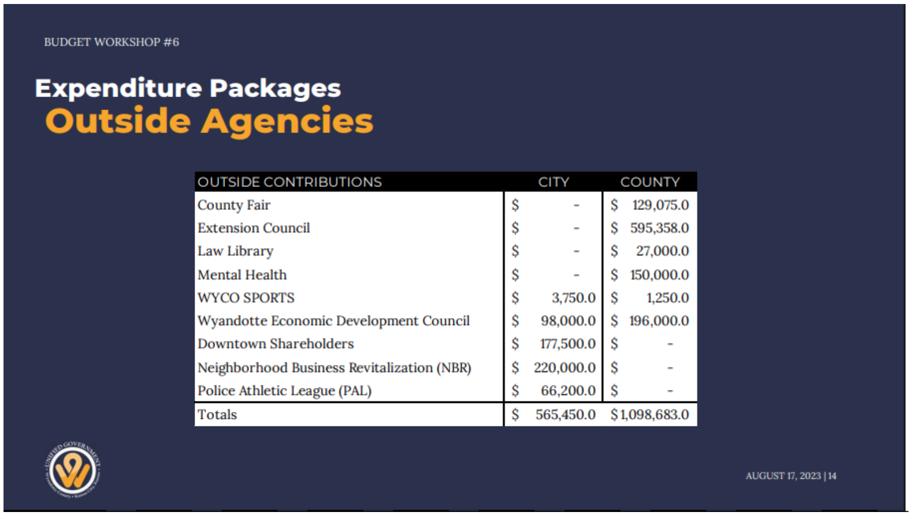
I did go back and I was just kind of trying to add up while we were here that it looks like—it doesn't drop into—it drops us to about $3.3M in 2024 going revenue neutral and then we go into the negative $3.1M in the 2025 forecast, so we might have to get a new slide there for that. But that's kind of where we go, we drop down to $3.3M in 2024 and then go negative in 2025 going revenue neutral on the revenue side and that would be—going revenue neutral would be 3.78 mills on the County General Fund side.



County General Fund	2022 Amended Budget	2022 Estimated Actuals	2023 Amended Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 76,700,000	$ 75,992,912	$ 77,910,000	$ 84,427,451	$ 89,118,486	$ 93,309,389	$ 97,020,348	$ 100,059,610
1.0 Mill Allocation for CIFI	$ -	$ -	$ -	$ (1,820,000)	$ (1,929,200)	$ (2,006,368)	$ (2,086,623)	$ (2,170,088)
TOTAL EXPENSES	$ 78,208,000	$ 74,750,213	$ 81,556,050	$ 84,654,407	$ 87,840,000	$ 91,190,000	$ 94,760,000	$ 97,682,750
Net Change in Fund Balance	$ (1,508,000)	$ 1,242,699	$ (3,646,050)	$ (226,956)	$ 1,278,486	$ 2,119,389	$ 2,260,348	$ 2,376,860
Cash Basis Ending Fund Balance	$ 12,403,838	$ 15,154,537	$ 11,508,487	$ 11,281,531	$ 12,560,017	$ 14,679,406	$ 16,939,754	$ 19,316,614
Reserve % of Expenditures	19.75%	24.34%	17.84%	16.92%	17.76%	19.43%	21.09%	22.89%
Fund Balance 17% Target	$13,295,360	$12,707,536	$13,864,529	$14,391,249	$14,932,800	$15,502,300	$16,109,200	$16,606,068

County General Fund	2022 Estimated Actuals	2023 Amended Budget	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
TOTAL REVENUES	$ 75,089,370	$ 75,203,210	$ 78,279,179	$ 83,304,361	$ 87,302,709	$ 91,005,069	$ 94,974,808
Scenario: Cut 2 Mills			$ (3,695,851)	$ (3,917,602)	$ (4,074,306)	$ (4,237,278)	$ (4,406,770)
TOTAL EXPENSES	$ 74,452,874	$ 82,023,935	$ 84,058,832	$ 87,147,561	$ 90,703,447	$ 93,428,766	$ 97,237,293
Net Change in Fund Balance	$ 636,496	$ (6,820,725)	$ (5,779,653)	$ (3,843,200)	$ (3,400,738)	$ (2,423,697)	$ (2,262,485)
Cash Basis Ending Fund Balance	$ 14,457,832	$ 7,637,107	$ 1,857,454	$ (1,985,746)	$ (5,386,484)	$ (7,810,181)	$ (10,072,666)
Reserve % of Expenditures	23.62%	13.13%	5.94%	1.31%	-2.49%	-5.01%	-7.14%

The next slide is a two mill reduction and I'm seeing the same issue on the two mill reduction slide that we've got the—it looks like we have a different number for the 2023. On that one in the Proposed we are at $11.2M for 2024 forecast and then on the two mill reduction it would take us down to about $5.8M and then on out in 2026 the fund would go negative with that two mill reduction. We'll correct those slides and get some new slides sent out to everyone.



OUTSIDE CONTRIBUTIONS	CITY	COUNTY
County Fair	$ -	$ 129,075.0
Extension Council	$ -	$ 595,358.0
Law Library	$ -	$ 27,000.0
Mental Health	$ -	$ 150,000.0
WYCO SPORTS	$ 3,750.0	$ 1,250.0
Wyandotte Economic Development Council	$ 98,000.0	$ 196,000.0
Downtown Shareholders	$ 177,500.0	$ -
Neighborhood Business Revitalization (NBR)	$ 220,000.0	$ -
Police Athletic League (PAL)	$ 66,200.0	$ -
Totals	$ 565,450.0	$1,098,683.0

The rest of the slides that we're going to talk about are some of the options for reducing expenditures. If the Commisssion decides yes that you would like to reduce revenue, we put forth some options for reducing the expenses to keep our fund balance at the same as what we had proposed.

This first one, and I believe this was a request from Commissioner Burroughs, to look at all the payments to outside agencies and we're just putting these up here to show what we have currently built into the budget. These are all the outside agencies. We've listed them by rather their contribution is from the City or the County or both.

As you can see, the County Fair gets $129K and I will note that $100K of that goes to the fair and the remainder is built in for reimbursement of supplies and I believe we are required by statute to do that reimbursement, so that portion, payment to the fair, would still need to be built into the budget because we are required to reimburse them for their supplies, but the direct payment we give to the fair is about $100K.

Commissioner Burroughs said, Debbie, you said by statute. Is it by statute or by ordinance? **Mr. Lindsey** said I believe it's statute. **Ms. Jonscher** said I think the County is required to reimburse them for their expense, the expenses on the fair.

Commissioner Kane said that was put in long before some of us were alive and that ain't no joke and I think we should continue to do that because it's something that actually works, the kids like it and stuff like that, but like I said, this was long before we were born.

Ms. Jonscher said I think a lot of these payments have been in place for quite a number of years. The request was to show what those payments were. So, Extension Council $595K, Law Library, Mental Health, Wyandotte County Sports Association. I think the one I'm going to skip down to is the Neighborhood Business Revitalization. There are eight neighborhood groups that get a total of $27,500 and that's what that total of $220K makes up, the eight groups there.

On the City side we're giving $565K in payments to outside agencies and on the County side it's just under $1.1M.

Commissioner Stites said I have a question about—so under the Wyandotte EDC, they're receiving money out of the County side—we're giving money out of the County side and the City side and they are also collecting money from each city, Bonner Springs and Edwardsville. So, if they're receiving money out of the County side, why wouldn't that cover the other two cities that are in the county? I mean why would—they're getting money out of the County, we're paying that and then they're also getting paid by Bonner Springs and Edwardsville. I mean that kind of seems like they're double dipping there. **Ms. Jonscher** said yeah and Kansas City, Kansas. So, what you could do is just pay the—you're suggesting pay the entire amount out of the County General Fund to cover all three cities. **Commissioner Stites** said I'm saying why would Bonner Springs and Edwardsville be paying into Wyandotte EDC if they're already paying into it out of the County side? **Ms. Jonscher** said that would be the same thing that KCK is doing. **Commissioner Stites** asked, why? I mean why is it not just paid out of one, County, out of the County. **Ms. Jonscher** said I don't know the answer to that. We could certainly look into what the agreement is for that.

Mr. Johnston said a lot of times in the economic development game, it's usually the responsibility of the city government to pay for things and what's unique here is it seems to be a partnership and because you split the cost here and we have three separate cities. So, KCK is paying a share, Edwardsville and Bonner Springs are paying a share, and the County is partnering with those three cities to pay. Now, also that doesn't cover the cost of the EDC what they're getting, they also have members who pay for the rest of their budget, but this is—don't lose the fact that KCK's budget is paying $98K, so there should be an expectation that the other two towns pay as well.

Commissioner Stites said well then, what I would to say to that is just take the county out of it, have just the three cities pay. **Mr. Johnston** said you could do that. It's just decisions are made over time that this is kind of like a partnership. **Commissioner Stites** said I know, but we're talking about ways to trim our budget. I mean there's $196K right there that comes out of our budget. **Commissioner Markley** said we would have to split that between the three cities too. **Commissioner Stites** asked, why? I mean if we're trimming the fat, here's a good place to trim it.

Commissioner Markley said on that point I would just comment this is probably—particularly considering we basically have no Economic Development Department right now, this is probably the one outside agency that is giving us the most return for our money because they're basically doing the job of our department that we don't have right now. They're doing the work for the whole county though, that's why everybody's paying in.

I would also just mention, while I have the microphone, I do believe the top three items on this list are all required by state statute. Nobody would pay for a Law Library if they didn't have to folks. Every county has one and it's not by choice.

Commissioner Bynum said I was just going to say on the Wyandotte Economic Development Council topic, I do concur with Commissioner Markley. I would say, and I'm just using my memory, which might be dangerous, but Wyandotte Development Inc. was the precursor to Wyandotte EDC, as we call it today, and it was probably developed more than 20 years ago with the notion in mind that the County and the three cities would all pay into the functions of what they do. My statement should tonight, last week, next week and the entire budget cycle, is that economic development is the way that we work our way to not being in a structurally imbalanced budget. So, this would not be a place where I would choose first.

Commissioner Burroughs said, Reggie, the Downtown Shareholders, that 177.5, is that their mill levy? **Mr. Lindsey** said no it's not. It's a contribution that the Unified Government pays to them. We don't pay property taxes to pay into the mill they collect, so that's what that is for. It's kind of like a payment in lieu of taxes for us. **Commissioner Burroughs** said so that's in addition to what they levy upon themselves with their mill. **Mr. Lindsey** said yes.

Commissioner Burroughs said the next question I have, the NBR, the 220, is that what we pay each neighborhood group. Is that the eight neighborhood groups total? **Mr. Lindsey** said yes. **Commissioner Burroughs** said I just wanted to ensure that.

Commissioner Kane said I would encourage all the commissioners to go for the WYEDC meeting once a month to see the value that they have providing for us and it's amazing sometimes the stuff you find there. They have a presentation, they talk about the three or four items and then there's two pages of long-range stuff that they're working on. I think it's very valuable and I wouldn't want to jack with that fund on either side.

Mayor Garner said maybe someone can answer this for me. I know the Downtown Shareholders gets the SSMID, you know, that's what I like to call it, which is a board and then it looks like—I guess what you're telling me is we contribute to this NBR as well. I know there's a lot of history to this. I'm trying to figure out what makes them unique from all the other NBRs, the other seven, to where they get a SSMID and a hefty contribution from the Unified Government. Now, I can tell you one thing and I'm not going to say I'm the scrooge, but I know the Mayor's Christmas Tree Lighting money has traditionally come out of that. Even this year, I mean I'd be willing to say, hey, you know we can put a Christmas tree in the lobby of City Hall, but that big blowout event considering our financials, I mean I would be the Mayor to say we've got to make some hard choices and that's one thing that I could say maybe for the next few years until we get back on track, maybe we don't have a big Mayor's Christmas Tree Lighting because that's a huge cost as well.

I don't know if you factored—well, let me stay with this first. A little history I guess of why that is an obligation for the Unified Government for the Downtown Shareholders and I know they do trash cleanup, I know there's security, but there's been some questions in regard as to the effectiveness from people that I've talked to, and on the SSMID Board as well. When you look at the trash, when you look at the vagrants, when you get complaints from some of the downtown folks down there that are starting to question are we getting a good return on our dollar for what we're seeing with the influx of vagrants, homeless and a lot of folks. I'm hearing defecation, urination, fights, mental illness from folks down here and when you're talking about these aren't police officers, these are private unarmed security guards that really do what I would do as I'd pick up the phone and call 911 if I saw something nefarious or illegal going on.

I don't know, maybe Legal can speak to this. I don't know what is that velcro that makes the Downtown Shareholders so unique and different than anyone else and is that something this Commission can consider as a viable option that maybe we re-examine whatever it is with both the SSMID and the Downtown Shareholders to make it more equitable to the other NBRs.

Wendy Green, Assistant Council, said unfortunately this legal person cannot answer that question.

Ms. Jonscher said I would say I can answer. I believe the reason we give them a contribution is we are within the Downtown Shareholder District, but because we are exempt, we do not pay taxes to them along with all the other businesses within the group, so I think the decision was made to contribute money to them because in lieu of the fact that we do not pay taxes into that district.

Mayor Garner said I get it, but then I get back to what's the return on our investment and is that a necessity for our residents to pay that tax just to say we're a member of a downtown group. That's a huge investment on top of a Commission approved taxing entity, the SSMID, and then I don't know what that reporting looks like back to us and I don't mean this in a negative way towards the Downtown Shareholders, but I just look at equity when you talk about the other NBRs that have needs as well. Really, if you look at the Unified Government in Wyandotte County, any of those NBRs can say well the Unified Government covers the entire county and we are a member of the entire county. So, you could say okay we're downtown, this physical building, but technically the Unified Government hits every corner of Wyandotte County, so what makes this entity so unique from all the other NBRs when you talk to them and they have the same exact needs and they don't have a SSMID and they don't get that level of amount of money invested as well.

So, when you talk about cutting costs and looking at ways we can, and Commissioner Stites is right, what's the return on our investment, what's the value when I walk out and Commissioner Burroughs came to me and talked about some of the issues he had with just a lot of the homeless and the vagrants and the crime, and the trash and just the problems we're seeing in our downtown. I'm not saying the Downtown Shareholders isn't trying to address those issues, but obviously from what we're seeing, even that investment that we're making may not be enough to handle the issues that are down there.

Commissioner Bynum said the reason why the Downtown Shareholders receives this dollar amount and none of the other NBR's do is because they did the work to enact the state legislation that than allowed for the enactment of the Special Municipal Improvement District. Business West, for example, a 35 to 40 year old organization spent, to my knowledge, a decade, a decade trying to do the same thing for the State Avenue corridor unsuccessfully because what's required is that you get your property owners to agree to tax themselves more for extra services. A couple of things could happen here and have happened in the past. The Downtown Shareholders I believe would be very pleased at the $177K mark, but when the economic downturn occurred in '08 and '09, I'm certain that dollar got cut. You can confirm for me. You were here, I was not, but I was involved on the Downtown Shareholders Board side of that experience and then we had to work our way back to this figure and this figure is the—again, the result of the Unified Government owning so much of the property within the boundaries of this Municipal Improvement District.

I can assure you that if we were going to consider some change in any of this, which is fine to look at everything because I think that's what we're doing, I would want to at least give them the opportunity to come bring us the data. I am certain they measure it and I get an email fairly regularly from the security company that has the contract, so you know I think there's a lot more to say there before this would be some unilateral decision and to me it would start with letting them show us the data and I'll yield.

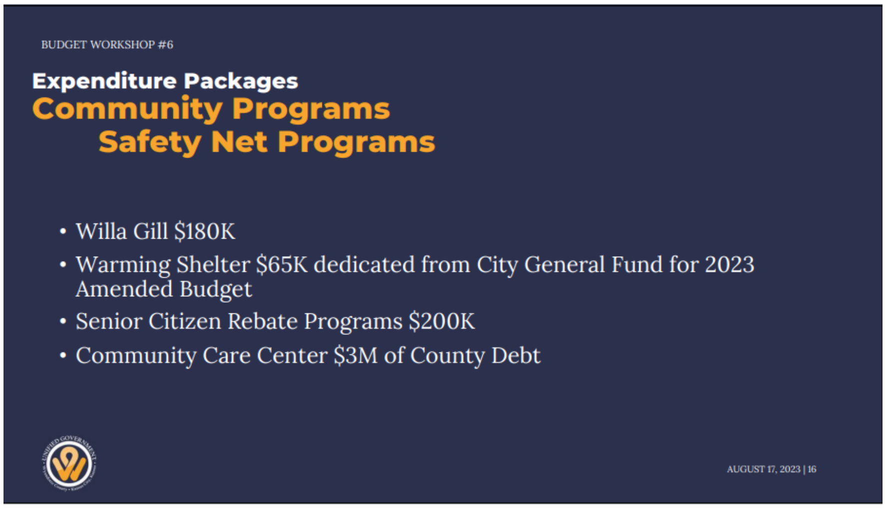
Commissioner Johnson said I was just going to say that, Debbie, you all have more opportunities for us to cut here as well, don't you Mr. Lindsey, so let's hear the rest of your recommendations for us to cut.

Commissioner Davis said very quickly and yes I've been kind of withholding from speaking. I do want to hear the rest of this, but that board has autonomy, we make appointments, we have appointees that we can discuss particularly with SSMID and so I know there's some folks that are also working with Downtown Shareholders so I think it would be good for us to really kind of hear from them what the plan is before we make a decision for them. I would hate to make a decision on their behalf without actually speaking to them.

Mayor Garner said just real quickly and I agree with both Commissioners Bynum and Davis. This wasn't to advocate to get it done, but to let's look at that and see how are they spending their money and is this something that this Commission feels that is a vital necessity when you talk about that level of investment both SSMID wise and direct payments of that $177K.

Ms. Jonscher said this next slide is just some additional community programs that we've listed out that are currently in the budget. These two are for Neighborhood Resource Center. We're looking at demolition funding of about $300K. We've also got some Livable Neighborhood grant funding and I'm going to let Reggie talk about that.

Mr. Lindsey said the grant funding is for a home repair that Livable Neighborhood does throughout the community and then also Neighborhood grants that are given to different neighborhoods across the community. Also, the demolition funding, that would completely wipeout demolition at the NRC.



Next we have the Community Programs, Safety Net Programs and we have funding for Willa Gill. This is the amount of money that we give Willa Gill annually, $180K. We also have on the list the Warming Shelter, $65K. That is dedicated from the City General Fund and then we also have the Senior Citizen Rebate Program which consists of both the Utility Program and also the Sales Tax. We have $200K set aside in the City General Fund for that.

We also have the new Community Care Center that we have in the 2024 Budget, which is $3M and this is where we're looking to do wraparound services for the community where we would be looking to possibly move Willa Gill, also provide services as far as showers and also move some of the warming shelter there, also other service provided departments that we have within the Unified Government such as Human Services, also some Aging services could be provided out of this facility, so that's what that facility is for.

Commissioner Davis said I saw this in the budget and it's just someone kind of update me, so this particular center we're wanting to fund out of debt and I think it was $1M this year and $2M next year. Is that correct? **Mr. Lindsey** said yes. **Commissioner Davis** asked, do we have numbers on operating cost and maintenance for that? **Mr. Lindsey** said with moving the Willa Gill Center there it would be some of the same costs, but depending what all we end up opening up there, we don't have a complete operating budget for those set up there. We're under the intention that some of the things that we already do, we would just move that operating budget there with it. As far as like operating in a facility, we don't know what facility we will have yet, things like that, so we don't have an operating budget to per se run a facility yet as far as the logistics of a facility, electric bills and things like that.

Commissioner Davis said gotcha. The thought behind it I think it is great. I'm a little—how much work went into this? Did we get consultants, did we talk with other providers and I know there's a task force that has been doing work, but I'm just curious, how did we come up with $3M and then $3M in debt to finance this? **Mr. Lindsey** said I can't say we've worked with anyone on the outside to do anything. It's just something that the organization has been looking to do. **Commissioner Davis** said it's no reflection on you and you all's work, Reggie. I have some reservations about putting $3M in the CIP for debt for a plan that we don't know. Maybe in another budget session or in another year when there has been time to really do that in-depth work, but $3M to help our houseless folks I can tell you right now that's probably nowhere near the amount of money that's needed to really, really make the difference. I don't know, there might be some other information. Again, this is new to me so others that have been involved, please do educate me, but I do have some pause there for this particular year for CIP.

Commissioner Kane said I agree. We just now saw this. We have multiple buildings that we could convert and put some folks up, but I'm not sure $3M is going to cover the total bill so to speak and I would just as soon wait so when we do our deep dive to see if we can find the $3M instead of just all of a sudden say we're going to set $3M aside. There's a need, there's no doubt about that, but my concern is we're trying to get through a budget this year and work on next year's budget the split second we get done working on this budget, so I would hate to handcuff ourselves with something like that at this time.

Mayor Garner said I have a question in regard to looking at these bullet points, it's my understanding that most of these funds, and correct me if I'm wrong, I could be wrong, are federal funds, grant funds, and things of that nature. Am I correct? **Mr. Lindsey** said no. Willa Gill, the amount that's here, that's coming from the City General Fund, also the Warming Shelter portion, the $65K is coming from the City General Fund and the Senior Citizen Rebate Program's that is coming from the City General Fund. Then, the Community Care Center, that was something we were going to have come out of our Debt Fund.

Commissioner Kane said you brought up some good points and that's why we need a grant writer so we can find some of the money to fill these holes that we have. I'm telling you, one grant writer is worth $125K or $150K a year for the first project that they work on. I think we need to pursue one and we're going to have to pay them and they'll fill some of these holes that we have.

Mr. Lindsey said I will correct myself, so like Willa Gill, a portion of the funding comes from the City General Fund. There is a grant for it. The Warming Shelter, a portion comes from the City General Fund, but there was grant funding for it, but these portions are from the City General Fund.

Mayor Garner said, correct me, do we know how much money to Willa Gill comes from Community Development, the grants, because I know they came to us wanting more money. My understanding is really all their funds come from that. The Warming Shelters, I believe the first year was federal types of funds, ARPA, things of that nature and I know going into this year it would have to come from General Fund because we don't have the funds going into next year. We used ARPA and other funds that were available to us. I believe the Senior Rebate Program, I'm not sure—**Mr. Lindsey** said that is all City General Fund. **Mayor Garner** said that's City General Fund and then the Community Care Project, my understanding, that a huge portion, I thought at least 2.5 of it was some type of residual ARPA funds or something like that. I don't know about the $500K to take us to $3M, but my understanding is that some of that money wasn't General Fund money either, but I could be wrong. I'm just looking for clarity.

Mr. Johnston said I guess I just want to add is what you're seeing here are examples that fall into a traditional category of not fundamentally required local government services. That's, I think, is an important thing. I don't want to—I'll say it. Usually these are discretionary funding decisions by the Commission when it comes to budget and so it's easy for us to put these on a list for your consideration. These are examples there. However, I think there's a balance to that. They exists because there's a need and that's why historically you have acted on that. That does not preclude all these groups that we're talking about and programs to exempt themselves from the deep dive assessment that we're talking about. You know there may be a way that we have to say you need to look at how you provide the services, a little differently that is less, will rely less on UG funding and you need to think like that.

I think historically we've had agencies come to us to increase their funding on a regular basis and without any deep accountability dive from us, so I think our fiscal situation is going to force us to ask anybody who we work for whether it's the outside agencies that's listed here, any not-for-profit that we give a grant to, all that, but that's part of it. It doesn't mean you're going to get all the money from those types of assessments. You need to be assured they need to go through a review. Just like our internal departments need to go through the same review. Nobody has done this in a long time and so it's going to be new. Yeah, there's going to be some fear, some people feel being threatened, but the bottom line is we want a viable UG Government for the long term and occasionally sometimes you've got to retrench the organization and those who support that organization whether it's outside or internal departments.

These are just examples that are of that discretionary funding that have been approved by the Commission over the years. The $3M for the Community Center is in this year's budget for proposals because driven by the fact that sometimes sooner or later we have to deal with the Willa Gill relocation, so that's a need that we're going to be faced with whether we buy a building, whether we build a building, there's going to be a significant amount of expense. The discussion of putting $3M in there is to possibly find a building on a bus line that will serve that population well and find a new home for the agencies that support them. Willa Gill and then there's the meals and then the Williams effort. Is that the desire as I think the Mayor and Reggie have been talking about and a few of you have, is maybe we need to go to a different model and offer wraparound services as opposed to just dealing with symptoms of poverty. And, hopefully, some of those people will find themselves the help they need to become working citizens again and to uplift their dignity for whatever reason they've been bruised over the years because of where they find themselves. You're not going to get everybody out of poverty, you're not going to get everybody out of homeless, but at least you can try to help those who just want a little handout to know that they can help themselves with a little effort.

That's what that proposal is. We probably know it's not $3M. That number came from our staff doing a survey of available buildings downtown, you know, probably out to 15th Street and north and south about three or four blocks and see what's on the market with brokers. Then we had our Facilities Department go into a couple of those buildings to give us a renovation guesstimate. Of course, they're not getting into the inspections to see if there are structural integrity issues and all that, but just from their thumbnail look, they're using their experience to get us a dollar guesstimate of what it would take to rehab something.

So, it's a start of the desire to put a true plan together. We'd have to have that if we go the bond route anyway and so this is just getting us started. It's your decision in your budget process if you want to go down that road, but we're having it here like all these things. They're here because there's been needs identified over the years and the needs haven't gone away.

Commissioner Stites said I agree that this is something that we don't need to have in our budget right now. We're talking about how we are trying to get out of the red line here and we're now—we haven't even got out of it and we're talking about adding more debt and if I remember right, we had discussed about not having debt financing. We didn't want to have debt financing and here we are looking at debt financing. I'm not sure what the urgency is here.

On Monday night at the ED&F meeting I guess we are agreeing to include the Willa Gill Center, to sell it for a sum of $10. That building's operating right now at the Willa Gill Center so there's no need for us to have to do anything different of what we're doing right now. It can continue to operate just like they are right now.

I'm not sure why—because the community college is wanting to build a new location that this has now become the Unified Government's problem. If they want to help relocate Willa Gill, then ask them to pay more money than $10 for the whole block of 6th Street. I mean we're asking—we're putting this community college that's being built downtown on the backs of every taxpayer in Wyandotte County and we have a building that is perfectly fine right now. I was there Monday night when we talked about the maintenance of that building, how little did I know that there's already a plan in place to look at another building and we're really just throwing a dart at $3M. I'm not sure why Willa Gill is funded out of the City side and then the Warming Center is out of the City side, the Senior Rebate Program, I'll leave that one out, but then we get to where the real big money's at and now all of a sudden it switches over to the County. Now we're going to fund it out of the County side which typically has a stronger budget.

I'm not sure what duplicate services and why the Health Department isn't at the table on this. This sure seems to me like a Health Department, it fits right under their purview and I don't have a clue what a Community Care Center is. No one has ever told me, but yet I'm being told—I'm being asked to say it's okay to fund $3M out of our County budget. I'm not okay with it and

I would sure like to hear from the County Health Department what services are they currently doing or not doing that would assist with this endeavor. So, we don't need to do a thing. Let it continue to operate the way it is right now.

Commissioner Davis said I am mindful of time here. Two things, I did not want to pick at that. I do not want anybody watching this or in this room to think that I do not want us to do more substantive things for those that are in need. Far be it from me or any right of my colleagues here or a staff, I just do not believe that we have all of our i's dotted and t's crossed to take out $3M of debt, again, debt, not necessarily cash, but money that we're going to have to pay back plus interest for something that is very, very much—not just a local, but a state and a national crisis right now.

So, many of you know and some of you may not, I committed to helping find funding through Church's United for Justice and partnering with them because they want to establish an affordable housing trust fund and we are currently doing that work and we're talking with cities like the city of Lawrence and the city of Wichita that have done some ambitious things, not just find one source of revenue, but ongoing revenue to help their houseless population. It's very expensive and it's very extensive. So, again, I think there are other folks that need to be at the table before we do that particular thing.

The last thing I will say is I'm looking at the numbers Reggie and Debbie. I don't think the numbers are accurate for the PILOT Relief as well. We don't necessarily have to go through it, but if all you all did was add that $750K to the expenses, the numbers aren't adding up as neatly as I would like and so I could be wrong or I could have, you know, I could be missing something, but if we can also check that PILOT Relief portion of this presentation and just its accuracy, that would be great as well.

Commissioner Stites said, Mayor, since no one else has their hand up, real quick, I don't know that you ever got your question answered as far as the $2.5M and where the fund was. **Mr. Johnston** said the $2.5M, very recently we were awarded an extra grant for a non-congregant housing and this came up at the same time and so right before the budget, right before we put this stuff together and so we just have to make sure that it's 100% qualified, but if it doesn't qualify, it still means we have $2.5M for something qualified. This was just one of the options to—maybe it takes $3M to purchase and then $2.5M to renovate. You know, it's just some of the things up in the air and I think that's some of the frustration that Commissioner Davis is saying is that let's see real numbers, not guesstimates.

Commissioner Stites said I guess I would have liked to have seen that $2.5M that we've been awarded that I had—this is the first time I've heard about it. **Commissioner Bynum** said, Mayor, it came through Public Works & Safety Standing Committee and then we were awarded. It's a Home ARP which is form of ARPA. **Commissioner Johnston** said toward the end of their pool, right? **Someone** was inaudible.

Commissioner Markley said we have been through this process before during priority-based budgeting of identifying those items that we're required to fund and not required to fund and I would just point out both for this and for the subsequent slides that are presented, as examples, of things that could potentially be cut because they're not required by state law. I would just point out for everyone's awareness that I think one thing we learned from that activity years ago was that it is the neighborhoods and the people that most need services that are the most impacted by us cutting the things we're not required to do. So, this slide's a great example of that.

Also, it's true of our recreation related slides that come after this because those address the Land Bank lots which are mostly in our neighborhoods that are underprivileged to begin with and it affects the families that can't afford to go play club ball or have a pool membership somewhere else, they have to have it here.

Lastly, Transit is the slide after that. Again, we're not required to fund that, but if we don't fund it, it most impacts the people who most needs those services. I think it's just worth noting that the things that are easiest to cut in terms of what we're allowed to cut, are the things that impact our poorest population.

Mayor Garner said we'll take one last question from Commissioner Davis.

Commissioner Davis said not even a question. It's a request. If we can do kind of a deep dive into the vacancies, I know that there was 12 vacancies that were cut, but if we can get just some numbers on the vacancy rate and kind of what positions we are looking at, particularly long-term vacancies, I would define that three years or longer. That wasn't on the list of things that we can consider to cut or consider to mitigate, but I do think we should have a conversation about that.

Mayor Garner said unfortunately I'm going to have to cut this meeting off. We do have a long Commission meeting possibly and some of these conversations that we were having will probably be conversations in the full Commission meeting. We can pick up some of those topics. I've talked to the Administrator. We will pick up—we do have another budget workshop next week and so staff will pick up where they left off at the next budget meeting. I apologize, but we do have to give our IT staff time to get the Commission meeting set up for our full Commission meeting.

With that being said, thank you staff, thank you Administrator, and thank you for the Commission. Real good questions. I think what we're seeing is real robust debate and we're taking a hard look at our budget to see how we can not only find cost savings, but make sure we're providing basic essential services that our community has come to expect from this Unified Government.

Mayor Garner made a motion, seconded by Commissioner Bynum, to adjourn. Roll call was taken and there were nine "Ayes," Markley, Stites, Davis, Bynum, Burroughs, McKiernan, Johnson, Kane.

MAYOR GARNER ADJOURNED
THE MEETING AT 6:50 p.m.

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Brett Deichler
Unified Government Clerk

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