STATE OF KANSAS)
WYANDOTTE COUNTY)) SS SPECIAL SESSION, THURSDAY, JULY 7, 2016
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in special session, Thursday, July 7, 2016, at 5:00 p.m. with ten members present: Bynum, Commissioner At-Large First District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Murguia, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Holland, Mayor/CEO, presiding. Walker, Commissioner At-Large Second District; was absent. The following officials were also in attendance: Doug Bach, County Administrator; Bridgette Cobbins, UG Clerk; Ken Moore, Chief Legal Counsel; Maureen Mahoney, Asst. to Mayor/Chief of Staff; Melissa Mundt, Asst. County Administrator; Gordon Criswell, Asst. County Administrator; Joe Connor, Asst. County Administrator; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Assistant Finance Director; Reginald Lindsey, Budget Manager; Emerick Cross, Commission Liaison; Patrick Waters, Senior Attorney; Budget Staff; Dennis Laughlin, Director for General Services; Rocki Mayes, County Administrator's Office; and Captain Victor Webb; Sargent-at-Arms.

MAYOR HOLLAND called the meeting to order.

ROLL CALL: Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum, Holland.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, July 7, 2016, at 5:00 p.m. in the Commission Chambers of the Municipal Office Building for the Administrator's Budget presentation.

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

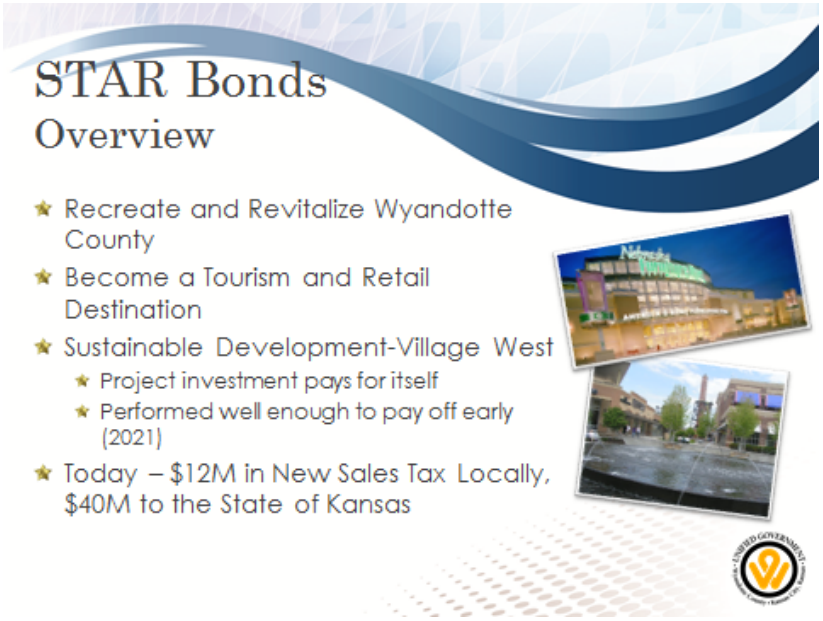
such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Doug Bach, County Administrator, said it's a pleasure to be here tonight to present the 2016 Amended and the 2017 Proposed Budgets. It's really been a little bit different feet this year coming into it as we start to look at all the different opportunities I guess we're looking forward to in 2017. This year's budget features kind of the different challenges of saying okay we're anticipating some new revenue which I kind of highlight in this budget and talk about as we go through with the retirement of the STAR Bonds coming online from the Village West area.

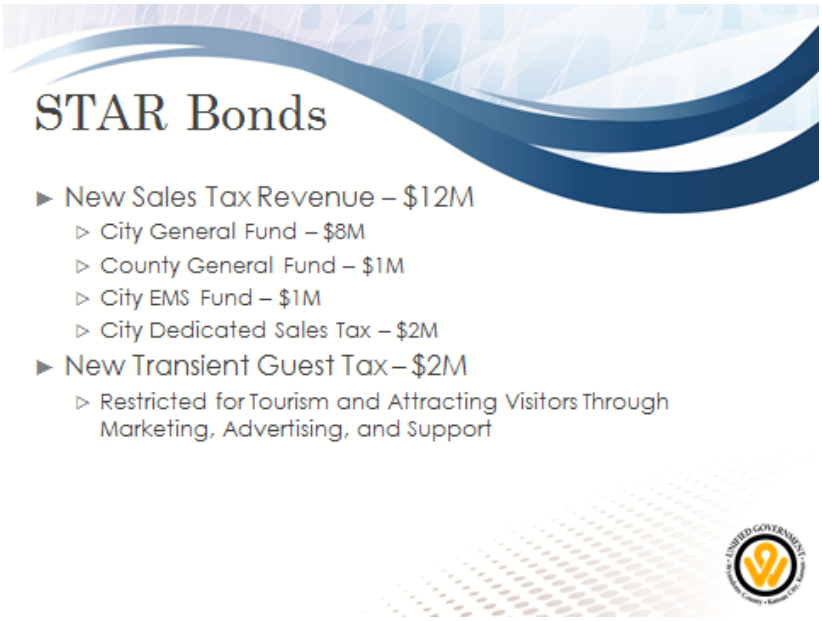
I will start talking about the overall trends and obviously the one on top is about the STAR Bonds and that is $12M anticipated new revenue coming in from the Village West area. On top of that we've also seen some good trends across the community with about a 4% valuation increase in the city and about 3.7% across the county. Our sales taxes are up just a little bit and our PILOT forecast, which we collect on utilities, is up about $250K.

On the negative side of the forecast the Machinery & Equipment continues to take a little bit more money each year and this is, as you will recall, when Machinery & Equipment was removed from personal property tax in 2006. That's amounted to about an $11M annual impact from our budget so it's a little over 130 we've lost from that since that giveaway was done by the State. It's been very good for the businesses, but it has made a pretty good hole in our boat so

sometimes people ask me where I'm recommending that $12M go, I can kind of look to the $11M loss that we had back at that date but we've worked on that over the years to try to manage for it. It is one of those things that just keep giving. The Mortgage Registration Fees that changed a couple years ago, it's up to about $600K annually. This will keep going away until it gets to about a $2M loss from our county operations.



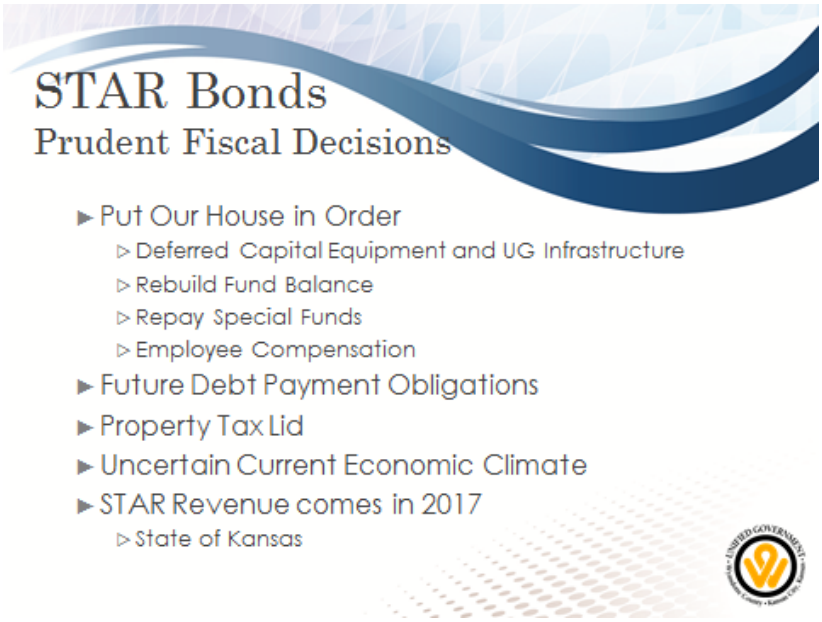
This all comes, and I've got to go back and tell a story a little bit, when this governing body decided to let's make and recreate Wyandotte County. We moved through a consolidation in 1997 and we saw a vision in 2001 to start a little development called Village West and that's in February of that year that we made our first announcements for that project and we issued some bonds. In anticipation of those bonds they would pay off in 2021, but they were going to be used to fund infrastructure and development going into that area. It was successful in doing that. We didn't have to put any General Fund dollars into the development of the Village West area at all over the course of the years and has performed very well as it's not 2021 and now we're talking about those bonds being paid off five years early from the date they were originally scheduled to go. This is going to return $12M locally and $40M that our development will put into the State coffers to help them out with their finances.



How does that $12M come in? It's not all $12M that plugs into the General Fund. It goes into different areas, different General Funds. We have the City General Fund getting the lion share of it because it's a city sales tax is the big portion. The County General Fund will get about $1M, but also there are a couple special funds that get money from this. One is the EMS Sales Tax. That's a quarter cent sales tax that was passed back around 2004, I believe, and it will get about $1M in additional money because that's part of that so the tourist and such that are coming into the Village West area are paying additional money that goes to that fund. Also, our City Dedicated Sales Tax, and I'm going to talk more about that later, but this is a fund that goes to Neighborhood Infrastructure and Public Safety. That fund will increase $2M as well so it's not $12M that goes towards our General Fund operations, that's about $9M with the City and County and then the other $3M goes towards those special funds.

Also, not part of the $12M is $2M that will come in from Transient Guest Tax. That's the money collected for hotel room nights within the Village West area. That's been a nice significant portion of dollars that has helped retire the STAR Bonds over the year. Now that comes back in. That's a Restricted Fund and as I've noted it goes for tourism, attracting visitors through marketing, advertising, in support of those functions. Previously we've used most of our Transient Guest Tax in the community that goes toward the Convention & Visitor's Bureau and a little bit for some other activities that we've had. Some downtown hotel support, such like that

that we've used as it is restricted, but the current amount of money that comes in through the Transient Guest Tax is $1M. This takes that total to $3M.



How are we looking at our STAR Bonds and how does this budget really prepared and what am I putting in front of you? Well, I'm recommending that we come with very prudent fiscal decisions and I know you all have been that way and I appreciate that with STAR Bonds because while it's tempting to look ahead and say let's start to spend some of that money before we get it and do some things, that's not been the direction I've received, we've been waiting until it comes.

As we look ahead we have many things to address and a lot of those are putting our own house in order. As we look at what we've done over the years we've deferred a lot of Capital Equipment, a lot of our Infrastructure because we just couldn't afford to take care a lot of those things at the rate we should have. We need to rebuild our Fund Balance. I've stood before here and our previous Administrator stood before when we had a Fund Balance of less than 1%. That's pretty low. Our targeted Fund Balance is 10% and while we started to make steps with that last year we still have a long ways to go. We have Special Funds that we either borrowed from or deferred payments to over the years. Those are all things we need to take care of and of course our employees are ones that we had a series of years where we froze their pay or we even

decreased their pay through our furloughs and we need to continue to address that as we started last year.

We have Future Debt Payments. These are payments that it was necessary in order to keep up some of the work we were doing. We did more leasing, more debt service and the unfortunate side of debt is that eventually the bill comes due and as we've looked at that a few weeks ago as we were going through some of our planning we recognized that in 2018 and 2019 our obligations to that debt service increase quite a bit, more than what we have in our current revenue source going to that.

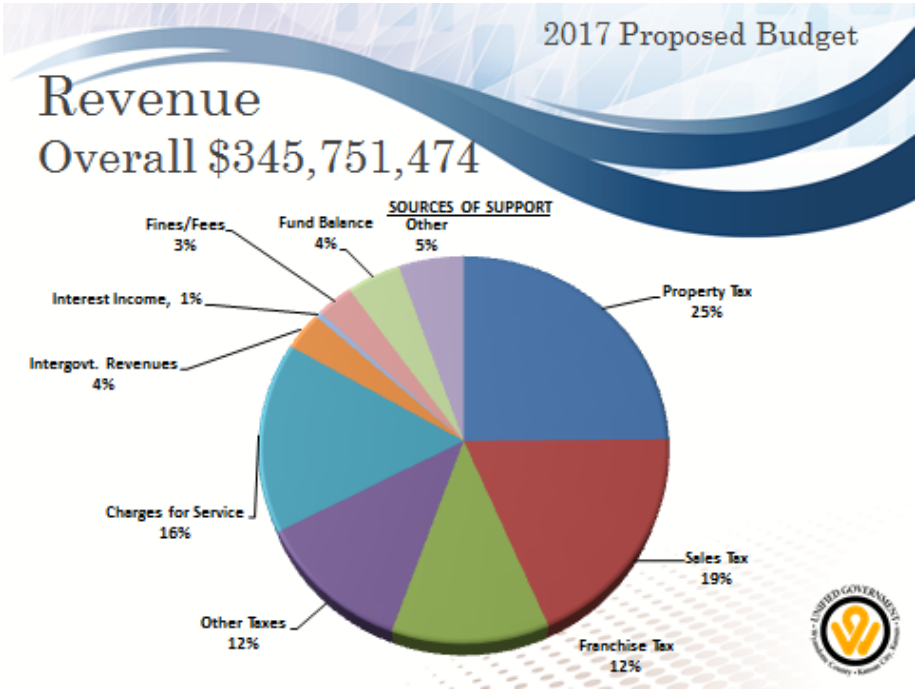
We also have a Property Tax Lid that the State put on us. We believe it's manageable in the way it's set out, but we haven't dealt with that yet and while we don't plan to increase our mill rate in future years, we do have this limitation that if something were to happen and we needed to when you want to put a mill back on, it will be a more difficult process.

Also, I can't present the budget without thinking about what's going on in the economic climate. We have a presidential campaign, election coming up this year so we will have a new President, that's going to change things. Hopefully, it will all be positive as we move forward but it does create some uncertain times. Additionally, on the world climate, particularly what's happened in Europe with Great Britain that changes things and will have an impact here locally. I don't think it will be drastic in Kansas, but it will have an impact on us as we are a very strong manufacturing center in how we export items around the world.

That kind of leads me to the STAR Bonds and they're coming in 2017. That's where I say it's important we look at what we do to put our house in order and how we rely upon that money because unlike property tax that we go through and we've been largely reliant upon over the years, we go through and we set the property tax rate, we know where that's at and outside of making a calculation as to what portion we think will be delinquent each year, we pretty much have a good handle that's going to happen. These are sales tax dollars. None of them will be collected. The largest portion of these will be collected in the summer of next year and in November and December so this budget is really one that takes a look at the perspective of you need to earn the money before you start spending the money and then you work with it from there.

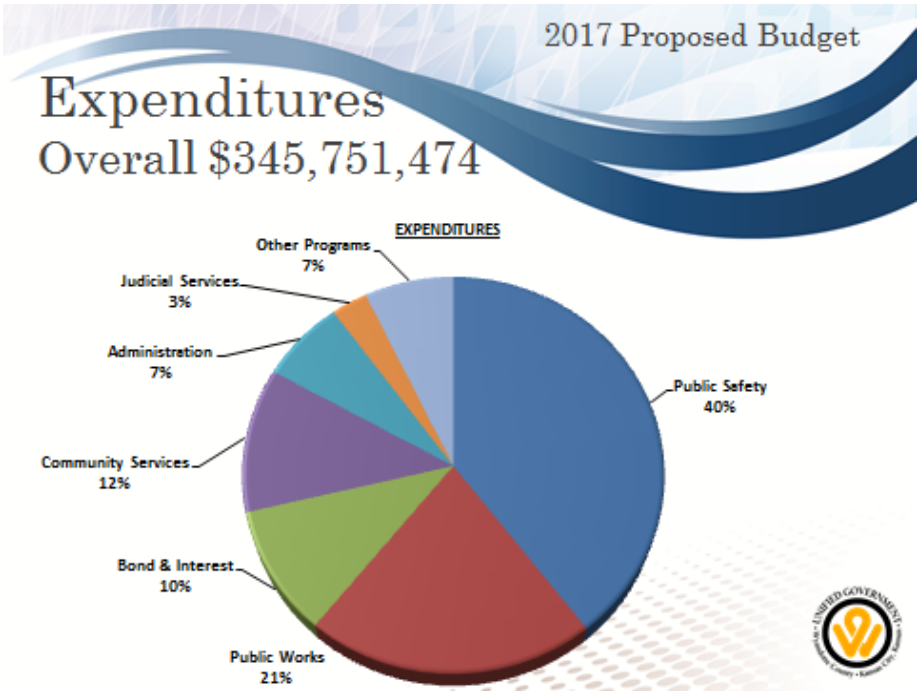
I also wanted to touch again on the Dedicated Sales Tax portion. This was approved in 2010. It's a 3/8 cent sales tax, it expires in 2020. With the new STAR Bonds going to it, it's going to generate $9.3M. This is a great fund source that did help us for years and it helped provide a lot of Public Safety, we've increased a little bit more in the Infrastructure and with the new STAR Bond portion meaning $2M coming in this fund is really paid by people outside of Wyandotte County. It's a good sales tax; it's one we should think about how we want to work forward with this in renewing it in 2020 because it really brings in outside dollars into our community for people that are using our infrastructure and resources. It's a very important part of our budget if we were to lose it.

I'm going to have Reginald Lindsey, Budget Manager, come up and he is going to give you the numbers and then we will proceed to talk about initiatives after that.

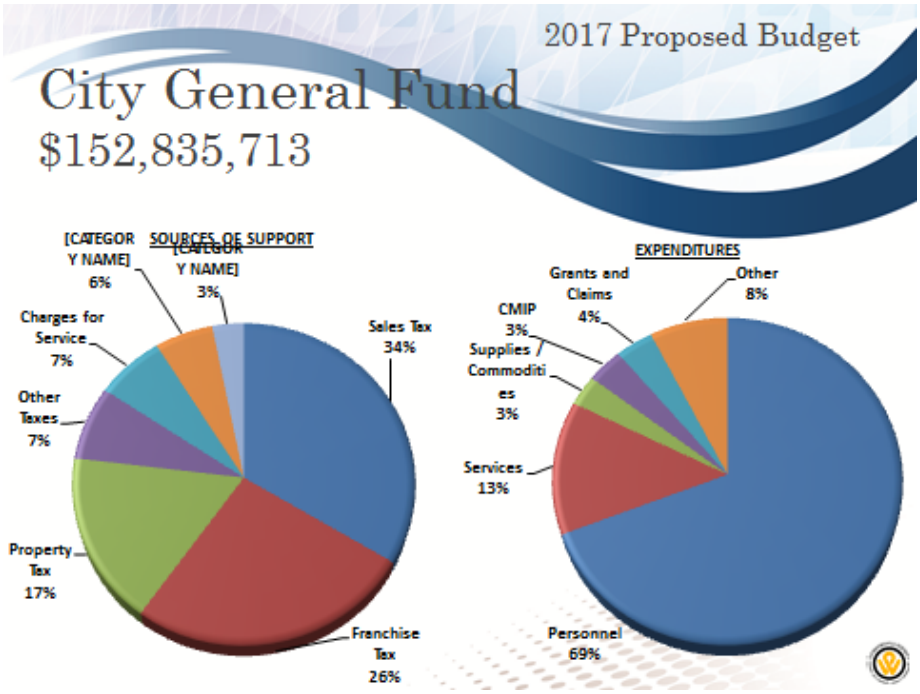


Reginald Lindsey, Budget Manager, said the 2017 Proposed Budget is a $345M budget that funds over 31 funds and also funds over 200 services. Our main sources of revenue are Property

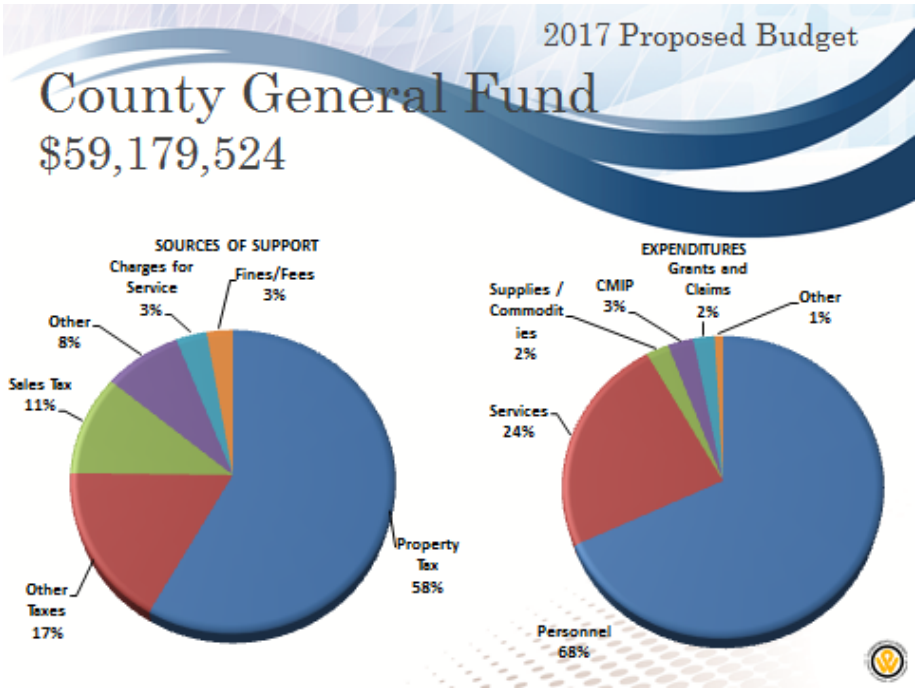
Tax, Sales Tax and Franchise Tax. This year Sales Tax is at 19%. Last year it was 15% of the pie and that represents the $12M that we're getting in STAR Bond revenue.



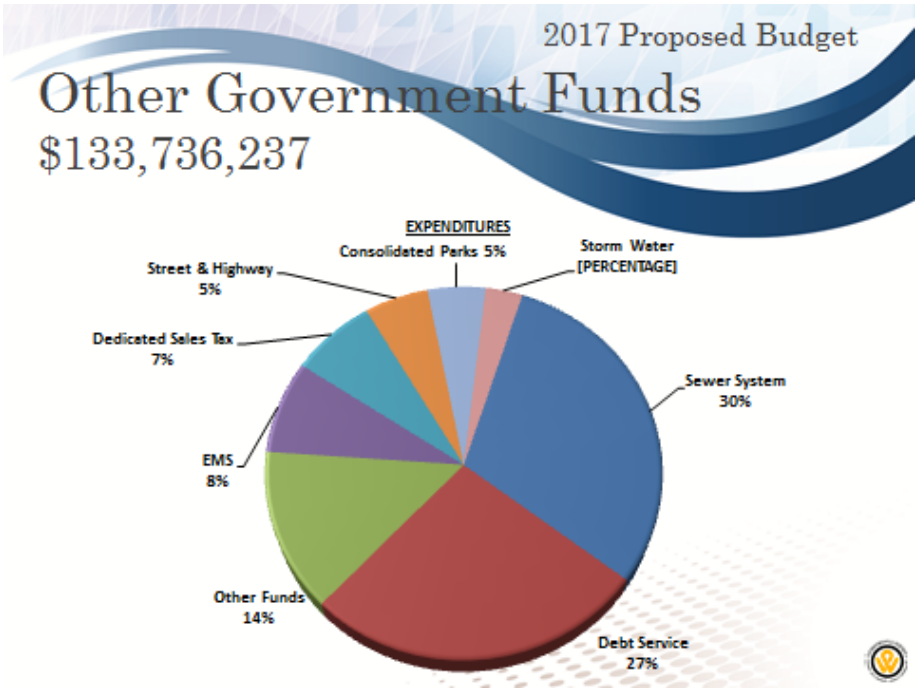
Expenditures which are also $345M the largest expenditures that we have is Public Safety and Public Works and next coming in is Community Services. Our Bond & Interest Fund is 10%. Last year it was 15% of the pie and this year it's 10% so it's dropped 5% as a piece of the pie.



Our City General Fund budget is a $152M budget that is balanced on both the Expenditure side and the Revenue side. Sales Tax is our largest portion of revenue coming in. Second is Franchise Tax and then Property Tax. Sales Tax used to come in second at 16%; it has grown due to the STAR Bonds that we will receive. Expenditures, our largest portion of expenditures going out is Personnel at 69% and then Services at 13%. CMIP this year is going to be up $1.5M.

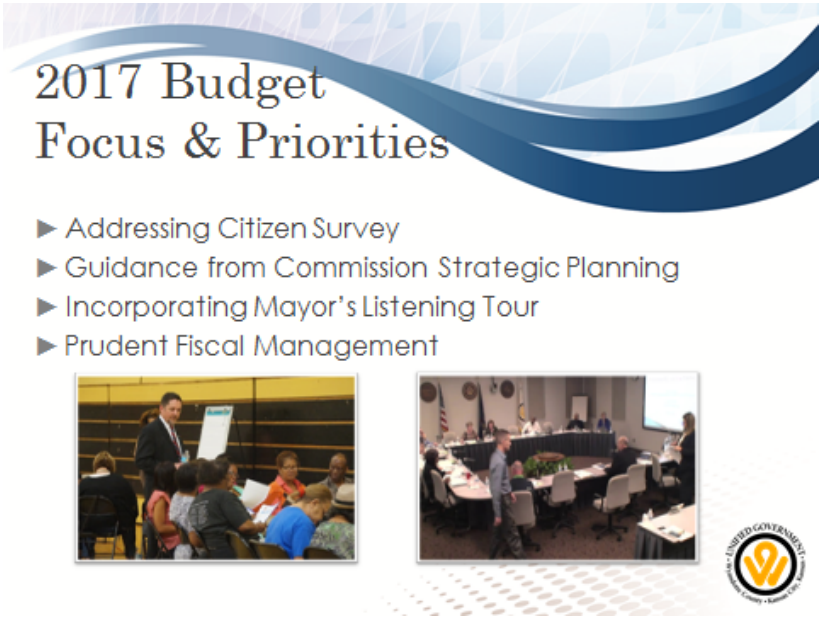


Our County General Fund is a $59M balanced budget where Expenses and Revenue account for each other. Our Property Tax is 58% of the pie and Other Taxes are 17% of the pie. Sales Tax is 11% of the pie. Last year Sales Tax was 9% of the pie and its increase of 2% represents a little over $1M that we will get from STAR Bonds on the County General side. On the Expenditure side Personnel represents 68% of the budget while Services are 24% of the budget. That's a $14M budget and $6M of that budget goes to pay for inmate housing and inmate medical in the Sheriff's Department. Also, in CMIP here is up a half million dollars over last year.



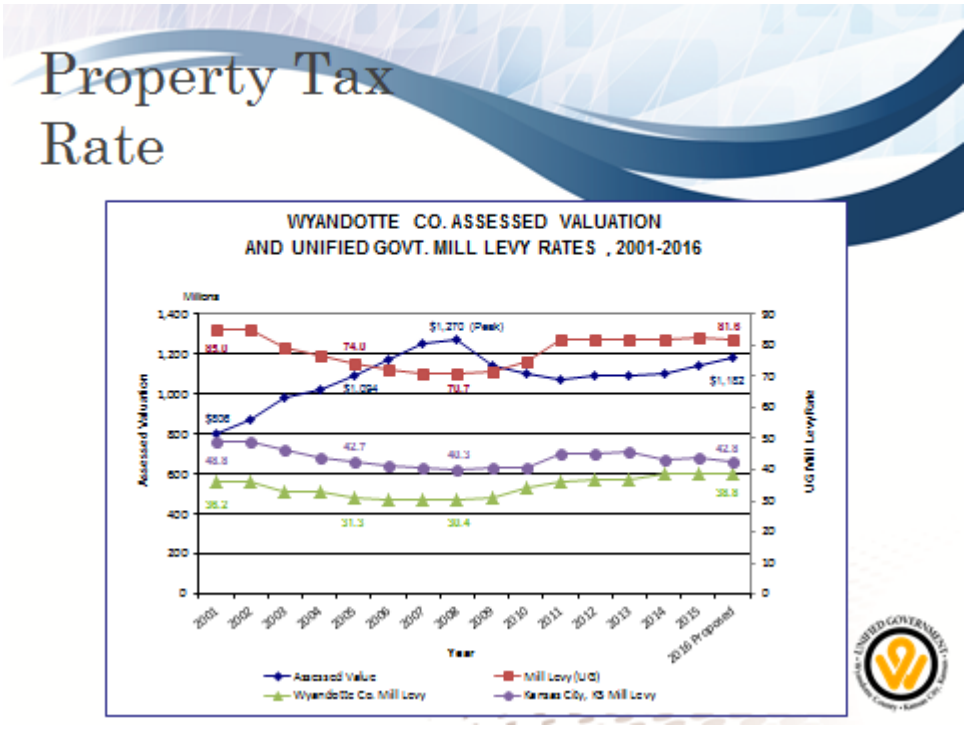
Other Funds represents 29 other funds that don't include the City and the County General Fund. The largest is the Sewer System and then also the Debt Service and then EMS and Dedicated Sales Tax.

The dollar here represents a household that is within the USD #500. There are six different taxing entities within the Unified Government and 48 cents of your dollar goes to Wyandotte County and 52 cents goes to other taxing entities within Wyandotte County.



Mr. Bach said I'll move forward to build the budget. I factored into this addressing Citizen Survey comments. We had a very good survey come in providing a lot of information to us, taking the guidance from you all as we moved through Strategic Planning that we did last fall up through a series of meetings, Standing Committees that we go through and taking that input into our Strategic Planning this spring. We incorporated information from the Mayor's Listening Tour. Eight different sessions that were held across the city, a lot of people came out and expressed their input. Also, factors I've noted from Prudent Fiscal Management.

What's the first step on this? Major STAR Initiatives that we built in and I've tried to hit a lot of different areas and you will see through the budget we put stars by certain things as we go through. These are all ones where we have some STAR Bond money put into them. They go into Property Tax Relief, Streets and Neighborhood Infrastructure, Stabilization Occupation and Revitalization Initiative or otherwise the acronym of SOAR which is our new blight initiative, Planning/Economic Development, Public Safety, Community Services, Parks & Recreation, Communications, Capital Equipment and Projects, Repayment of Special Funds and Rebuilding the Fund Balance. We feel like we've hit a lot of areas with the STAR Bonds. We hit more areas with the budget overall and as we go through the presentation you will see the star that either indicates we have some STAR money in it or in some cases all STAR money as it goes through it.



The first item up here is Property Tax Rate. As I noted earlier only part of the $12M comes towards the General Fund and that's money that we haven't earned yet. It's money that will be coming in next year so with this budget I'm recommending a one mill reduction and move it down one mill on the City side while we see that money come in and take care of our house first before we start to make larger reductions. However, I've tried to develop a roadmap to lead us forward as we go into this and look at how we can make further mill reductions as we go through this and I will get into that in a little bit.

I'm now going to have my three Assistant County Administrators come forward and they're going to walk through the specific initiatives that we're doing in each of the departments and set that out.

Melissa Mundt, Asst. County Administrator, said I'm happy to be with you tonight as we discuss our bonds. As I mentioned to staff earlier today I was a graduate student at the University of Kansas when this was going through the Legislature so it's kind of unique for me to have come full circle.

Tonight the section I'm going to start out covering is Public Works, Streets and Infrastructure. Our emphasis here was really related to a lot of the work that the Citizen Survey was telling us that it felt was important to them. We have enhanced dollars going to Street and Neighborhood

Resurfacing Projects as well as Traffic Signals. We've also added in additional dollars to our bike routes and Safe Routes to Schools as well has sidewalk investments and additionally continue to work along Leavenworth Road which is a huge project for the community.

In the area of Wastewater, another one of our larger areas of capital investment, we will start 2017 in a big work toward the Wolcott Plant Design and Planning Project which removes the actual temporary plant that was only supposed to be there for a little while and it has been there ten years now. I'm happy to have sold that to you when I was in Gardner. Trenton is going to be really happy when he doesn't have to deal with the Wolcott Plant anymore. The nice other part here you will see as we continue to work in our Fairfax area enhancing that part of our business park with our force main replacement and lastly we will continue the work on our Combined Sewer Overflow Compliance which everyone has heard about throughout the community through a series of meetings and will continue to hear about as we go through the next few months before we file our work plan with the federal government.

Stormwater, the final year of Turkey Creek, there is a lot of great things in here. That will be a big wrap-up on a large major project in our community.

On the facility side for those of us who have ever been out to the annex on the last day of the month we are enhancing parking out there so that's the big one under here. There are several other equipment purchases that are really critical for staff to do good work and meet the needs of residents.

As Doug highlighted earlier we are going to continue work in 2017 on our SOAR Initiative. Through a lot of work through the first six months of this year staff has identified some critical areas of need that's going to be addressed through the budget process. We are looking at

doubling the number of properties that we process through the tax sale in 2017 where we 1,000 additional properties that will move through the tax sale. We're working to change the culture in our community towards property tax.

Additionally, we will continue to work on cross departmental data integration so there are some dollars in here to help us be able to do that to understand better how to fight blight through data.

We're looking at a Zoning Enforcement Officer which we haven't had for a number of years because of the economic downturn. Code Enforcement Officers, additional demolition, mowing and then community outreach to help people understand the work that we're doing through SOAR in their individual neighborhoods. Also, an additional Animal Services Officer, an intern for our office to help support the work and then looking at our animal shelter facility and determining what we need going into the future.

The last slide I'm covering tonight is on Planning & Economic Development. There has been a lot of conversation since I've been here in the last year about the Northeast Master Plan. This budget funds the Northeast Master Plan. Additionally, we've heard a lot of concern and frustration over the zoning code. We're proposing to start rewriting that in the second half of 2017. There is also dollars in for the LISC Catalytic Urban Predevelopment Fund and then the big thing here for the Convention and Visitors Bureau, as Doug highlighted earlier with the

STAR revenues for the Tourism Tax, they will receive up to an additional $250 plus thousand to help promote tourism in our community which in turn helps our sales tax.

Gordon Criswell, Asst. County Administrator, said you probably have seen from Reggie's earlier slide that Public Safety is a significant call center in our organization and these next few slides represent our effort at understanding that public safety is very important in our community.

I will start with the Police/Sheriff Field Operations Study. We hope and intend to get that study underway later this summer. This is one of the six or seven studies that you all commissioned us to do last year I think. We've just about got them all done so we hope through the study of Sheriff and Police Operations we can eke out some additional efficiency in field operations and that study will give us some ideas on how we might accomplish that.

We had a recommendation from the Police Chief concerning tow lot operations. We are recommending in this budget that we get into the tow lot operations business as the Unified Government. We believe that we can generate additional revenue from operating a tow lot. More importantly we believe we can provide a much higher level of customer services to those individuals who unfortunately wind up getting their vehicles towed and lastly we believe operating a tow lot ourselves will afford greater accountability from a legal standpoint for those

vehicles that need to be cleared because they are involved in some type of legal process and so we are beginning the planning for that activity in 2017.

You are familiar with the Fire Services Study that's been completed. I won't go into a lot about that except to say that those three bullets there represent the initial steps that we need to take to start what we consider very thoughtful planning and design the work around some of the fire service recommendations and so we need to have those three items in place to begin working on the recommendations that came out of that study.

Community Corrections, we're proposing an additional Case Manager due to the fact that the DUI law in Kansas has changed and there has been an uptick in our community in individuals charged with DUI offenses. We believe that the Case Manager will help provide the kind of counseling for those individuals such that they don't repeat and sort of in an indirect way keep non-threatening people, if you will, out of our county jail which has additional other kinds of savings as well.

Lastly on this slide the District Attorney has expressed some retention and burnout concerns in his shop so we are recommending an additional attorney for the District Attorney Office.

The Detention facility is another one of the studies that we completed and we have some recommendations that came out of that study. One of the recommendations was to bring our

inmates who were farmed out back into the Detention Center and capture the cost that we incur by bringing them back into our facility. However, that will require in 2016 the addition of seven deputies and in 2018 another eight deputies to support bringing our format inmates back into our Detention facility. That was one of the significant recommendations that came out of the Jail Feasibility Study.

Another important recommendation that came out of that study was we needed to quickly do something about the elevators that transports both our Detention Officers and the inmates from a safety perspective. This budget contemplates doing something with the elevator in our Detention facility.

Hopefully, the budget will allow us to repair the other half of the roof that we repaired in prior years and so the budget contemplates that activity as well.

We've also completed and received recommendations from the consultants concerning the Juvenile Complex. We basically need to move our juveniles out of our Adult Detention facility. This slide represents the planning and design work that we will do in 2017 hopefully with construction to start in 2018.

This slide just represents our recommendation to get us back on a regular replacement schedule for our rolling stock in Public Safety. Because of the downturn in the economy we've had to delay our replacement schedule of vehicles and we know that our vehicles get a lot of miles put

on them and we also know our Public Safety vehicles are a reflection of us and so this proposed budget recommends the additional rolling stock in Sheriff, Police and Fire.

I would bring your attention to Animal Services which is now called the Animal Services Unit in the Police Department. This budget recommends some additional equipment in that department to support the work that the Animal Services Officers are doing.

Community Services, this slide really represents some of the quality of life activities that occur in our community by a number of these agencies. All of them except for the replacement of voting machines have been significantly impacted by either reductions or eliminations of State funding coming out of Topeka. We are recommending additional dollars into these areas. I would like to highlight Wyandot Mental Health. The work that the mental health professionals do actually help us save money because we aren't putting people in jail who don't need to be in jail because they have some type of mental illness crisis or situation. They go a very long way in helping us assess and determine whether or not someone really needs to be in a secured detention like the jail.

The other item of note is we are replacing our voting machines. From a dollar standpoint this is about a $1.3M expenditure. In our earlier meeting today with Department Heads Bruce Newby reminded me that we are using 1995 vintage computers for our voting and

they just don't work as well as they ought to. With elections coming up we thought it important to get this in place fairly quickly.

Joe Connor, Asst. County Administrator, said the first one I want to talk about is our parks. This is an area that was certainly identified as a needs improvement area in our Citizen Survey. One of the things we started this year, as a reminder to you, is our Parks Master Plan. What we will be doing with that is kind of assessing what we have, asking the community what it is that they would like to have in our parks and then in the implementation phase figure out how to get that done. We set some money aside in the Capital Budget to talk about implementation activities in 2017 based on the Master Plan work being done this year.

We're going to continue with our mowing and weed control. Again, this is a pretty high complaint area. I know it is for you all and I know it is for 311 and other places.

We will continue with Capital Improvements as well. One that I want to point out is the ADA Accessible Playground. We currently don't have one in our community. Other communities are opening them and have had them for a long time and we feel like this is the time for Kansas City, Kansas and Wyandotte County to have an ADA accessible playground located in our community.

As Gordon mentioned, rolling stock; you know tractors and mowers the folks at the Park Department are using is probably way past their useful life and needs to be replaced as well.

One of the other items in the Citizen Survey that we received pretty negative remarks from was on communication in general. This year in 2016 we will have two additions of the Citizen Newsletter mailed out to our citizens. Next year we're proposing to have three. We feel like that's a good tool for us to communicate with citizens and it's something that gets pretty high marks from folks. We want to add another newsletter for next year. We would also like to add a staff person to assist with our UGTV and its capacity. Right now we don't have a lot of programs on there. We want to add more programming to UGTV, but we also want to include the Planning & Zoning meetings to either broadcast live or certainly record it and then kept as part of the process. Planning & Zoning is the first place where a lot of policy decisions get made, a lot of projects move forward and we think that will really compliment having that in the library as well as the commission meetings and the standing committees. It seems to make sense from a transparent and open part of our government.

The last one I would like to talk about is the Open Data/Innovation activities. I've listed on this slide a lot of things that we're proposing to fund this year that we consider business process improvement, customer service friendly, just basically innovative ideas but I want to point out a couple of those. One is the 311 Mobile App Development. I think you saw a presentation on this a few months so you can call the Call Center now and ask for information or register a complaint. Now in 2016 you can go online and do the same thing. In 2017 what we want to do is have a true mobile application that goes on your Smartphone that can be used, give us a third option, for people to enter information into that system. We really think that 311 is going to be a hub for us to look at putting future resources into what our community needs are. This will enhance our ability to gain that information and, again, give the citizens another opportunity or another way to provide information for us that we can use.

The second one I want to touch on is the CAD system, the Computer Aided Dispatch system that's being rolled out right now for our Public Safety Departments. In 2017 as part of our open data portal or Open Data Initiative we want to try to add CAD data that's being collected. It's going to be very rich data, it's going to be very friendly data to work with and we want to try to put that as part of our Open Data Initiative as we start to add more things into what we consider open data for the Unified Government.

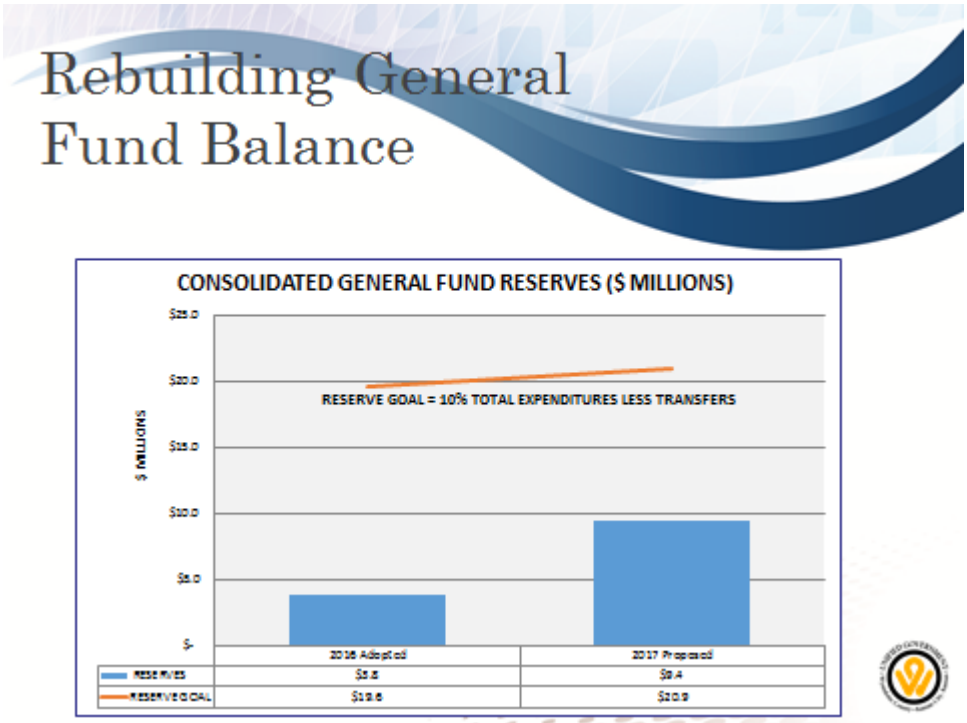
Mr. Bach said so from here let's talk about some of the other things we're doing as I mentioned earlier about putting our house in order.

Put through some of the initiatives, repaying money to the Water Pollution Control Fund of $1M. That still leaves us $1.7M remaining but puts us in pretty good shape regarding that.

On the Employee Health Fund we're recommending to put $2.4M into this account. That puts us about $500K over what we originally deferred in investment years ago into this fund, however, as you are all aware this fund is one that's struggling. It's right on the edge of being balanced month after month so I want to put the additional money in here as we move forward and there are some other program changes that we will look at to really make this fund look healthy as we go forward.

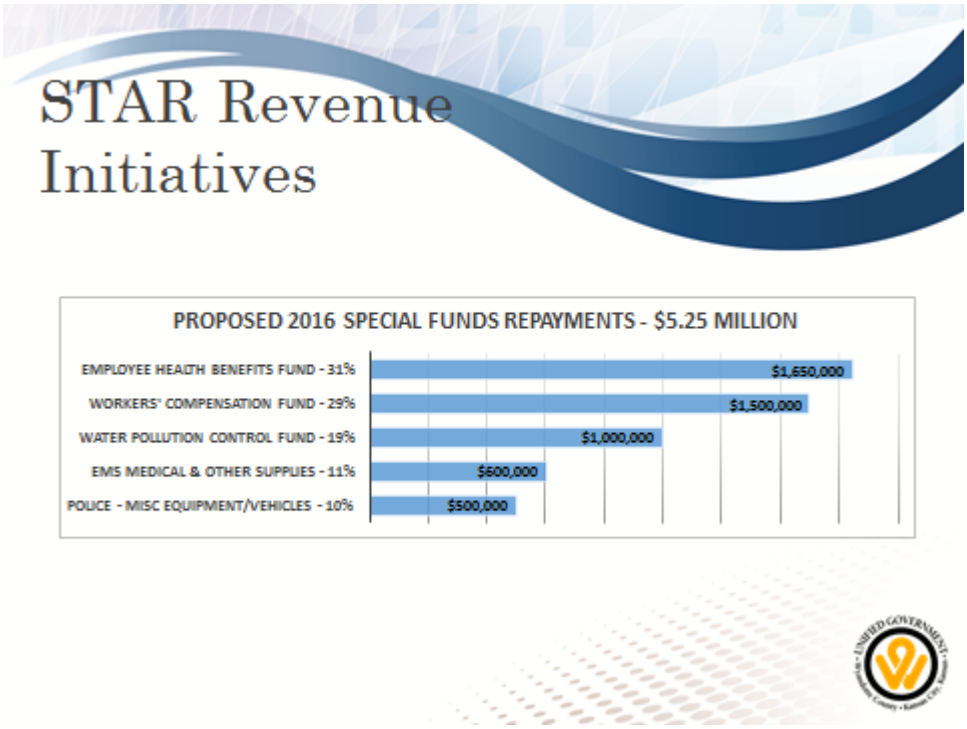
In Workers' Compensation this $2.2M amount will completely cover what was deferred into these payments. Instead of what we were doing just trying to cover these as they popped up we really need to get all the money funded into this account now.

On Employee Compensation I'm recommending 2% that goes to employees in January, 2017 and then also that the employer portion of the health insurance premiums be increased by 14%.



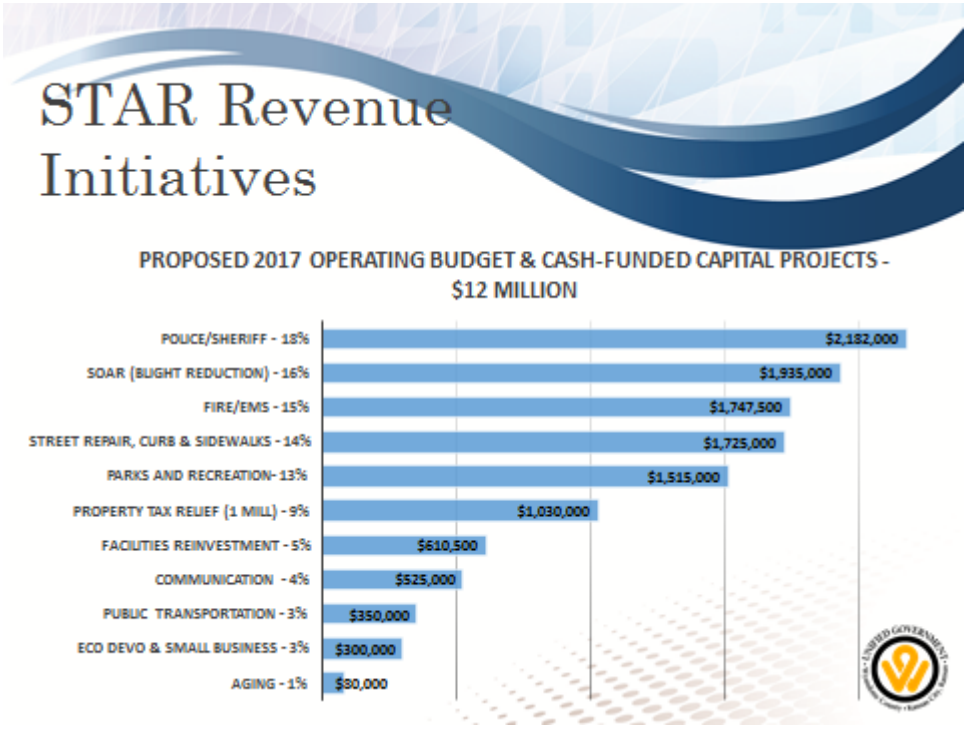
Rebuilding our Fund Balance, in 2016 I presented a budget to you all that recommended a $3.8M Fund Balance and at that time I was feeling pretty good about it thinking ah $3.8M we're building that thing up. I'm recommending this year, so apples to apples, I'm working with what

was adopted and presented a year ago to what I'm presenting now $9.4M so about three times where we were at. This is still about half of what we need to be in this fund. The little orange line on top of that indicates our 10% target for where we want to be for this, but it does make a significant step and really we're able to do this from what we're carrying over, what we're projecting now to be a healthy Fund Balance at the end of 2016 so the actual Amended 2016 will be much higher than what was adopted. Each year as we go through it we are able to save some money and work through it and I would hope that next year at this time maybe we can be a little higher than where this is showing.



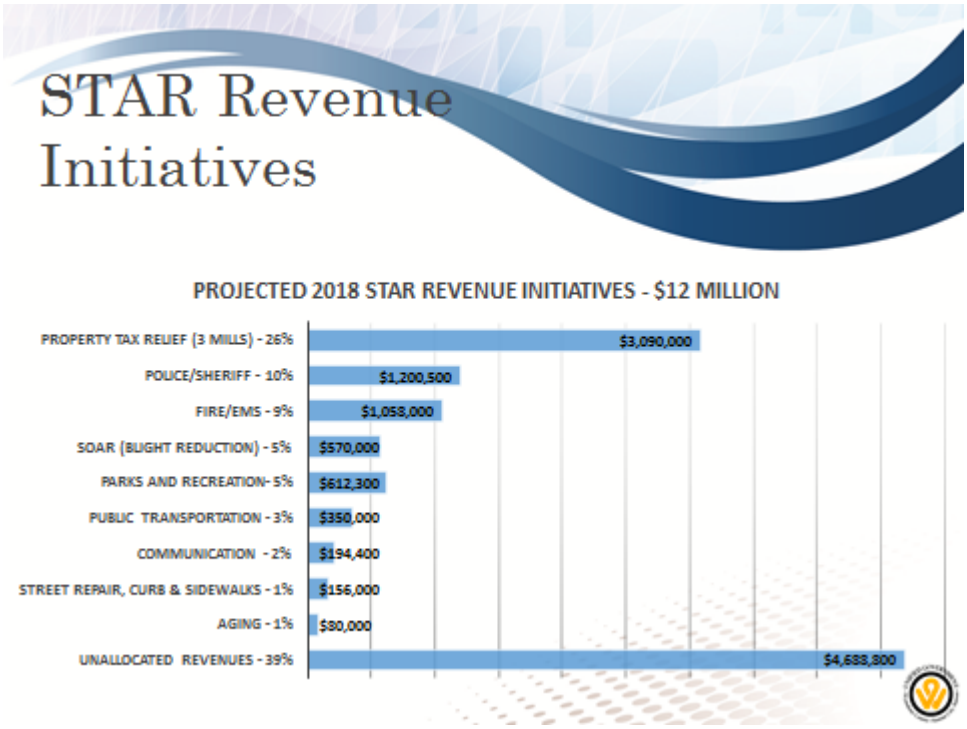
Where is the STAR Bond money going? This is good news that we haven't talked much about, but as we continue to do our projections on the payout of STAR Bonds we believe we will have them paid out by December of this year meaning that they will be closing and we will get that cash amount money in 2016. We think that will be a little over $5M and that's because it's not 1/12th of a share, but it's because there's a lot of Reserve accounts that are setup when you do large bond issuance that have to go over 20 years and so if you're ever short in a given year, you can draw back out of those Reserve accounts. Once we pay them off we will be able to get that money. It's not for sure, but it's pretty solid that we think this is where we will be, but I'm

recommending that this money go to all these one-time account payments that we've talked about into the Health Benefits Fund that we deferred money from, Workers' Compensation Fund, Water Pollution Control Fund, and as you will recall a portion of it goes to EMS and then some into the Dedicated Sales Tax and that's why you see the Police and Fire. These are all one-time payments we can make into these accounts. If we don't get it all and it doesn't all finish out in 2016, we will get the money and it will come early in 2017, but right now our projections look good that it will happen in 2016 and we can make these payments.



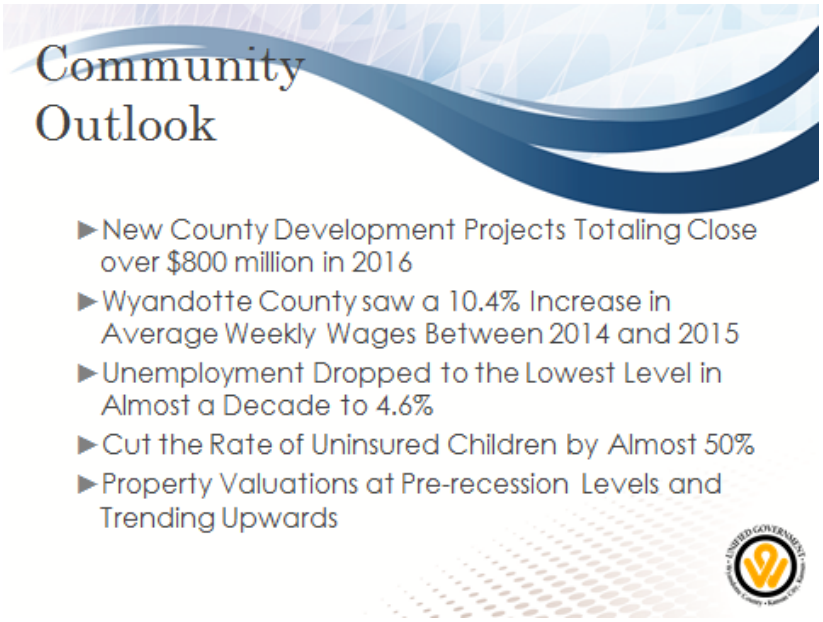
That leaves us with $12M that then we allocate for 2017 and so where is that money going? If the way this budget projects, as you recall, as I went through and talked about the EMS Fund and the Dedicated Sales Tax Fund brings in a significant proportion of that money and that's why you see Police and Fire up here as a couple of the higher money receiving money that comes into this. Also, the Dedicated Fund pays toward the blight reduction that we're going to do in the neighborhoods, Neighborhood Streets, Neighborhood Parks and so those all get a portion of that as well. Then the other $8M or $9M is spread out over the different areas. The Property Tax Relief is on here noting it at one mill which is a little over $1M. Moving from this we have the One-Time Expenditures.

Everything we listed for 2016 is one-time. That makes all the $12M come available in 2017. About half of the money that's indicated up there on the chart has some expectation that would be a reoccurring fund such as a mill rate reduction. Once you do a mill rate reduction that money is gone from the board and then many of the other things that are up there such as Streets Capital Projects, some of the Facility Improvements we spend that money once and then it will be there available for us to go with next year. I did this so we could kind of look ahead to see how that plays out because we've been doing a lot of work on fiscal forecasting and so where are we at in 2018?



If we come into 2018 and you all have had a lot of conversation about reducing the mill rate more so since we collect get, get our house in order and then start to make reductions, we could move into 2018 with two more mills. Now, I note that as three but that's a compounding mill meaning it's worth $3M so if I start with the 12 I have to deduct things that we're doing year after year so that would be three mills that would be the accumulative effort at that point. The money that's really toward the dedicated and the EMS that shows Police and Fire so those kind of recur as you come into it in some of the other areas, but it still leaves you with almost $5M that would be unallocated as we look at that and say okay where does that money go in 2018. That's money that you could chose one-time projects with, you could chose to do an additional mill reduction with it or we could look at—I mean obviously the various many things that we could come to and decide that was expended. I will probably have a high recommendation along with my Chief Financial Officer to put more money toward Fund Balance so we build that up because I really look at as we become more reliant on sales tax, it's a more volatile fund. As I said, don't spend the money before you earn it. When we look at property tax we know we're going to get our property tax payments next year outside of about a 6% delinquency rate which is down from where it was. Sales tax does not come in until the end of the year and we believe we will get it but various can do but when sales tax drops it drops immediately, not a year later so

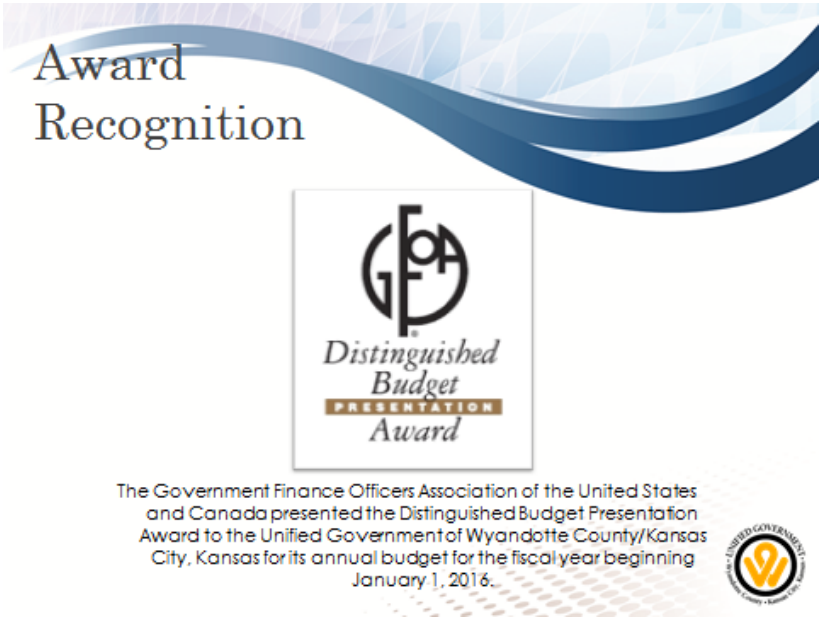
you have no time to react to it and that means you need to have a solid Fund Balance to be fiscally prudent in the way you manage your money.



I believe this puts together a good roadmap for us to consider going forward. I think we have a solid budget; it puts a lot of new initiatives in that you all have given us direction to work with coming into 2017 and like I said then a roadmap moving forward to 2018.

Just kind of a reminder these are all meetings that we've already had going through it all the way back through October of last year.

Coming up next week we will start our workshops. On Monday we will look at a maximum mill rate, set that, and then move forward to the additional workshops through the month and then hopefully adopt a budget on July 28th. That's the presentation of the budget.



I will note that later tonight during our full commission meeting I want to recognize our budget staff that are all here tonight and probably would ask them to even standup at this time. Kathleen VonAchen, our new Chief Financial Officer; Reggie who was up here before and the rest of the budget staff please stand up. These folks all work very hard as we come through several months, it's not a few weeks as I get to, but thank you all very much. They have received for the fourth year running the Distinguished Budget Award and we will present that during the full commission tonight.

Mayor Holland said one of the things I'm going to ask the commissioners is as you have a chance, you will have a chance this weekend, clear your calendar this weekend as you review this budget document to walk through it. If you have any questions about it, reach out to Mr. Bach's office. He will be able to direct you to the right place to answer. Also, we will be looking for topics that the commissioners want to make sure we discuss during budget sessions. If you would bring those to my office, I'm going to send out an email tomorrow morning asking you or reminding you to send to my office budget topic requests. It's handy if you send those all into the office because some of the topics are quick questions, some of the topics are long conversations and if we have as many of those as possible upfront, I'll work with Mr. Bach together to figure out how we put those in and how much time his staff is going to need to prepare for that topic and how long we think that conversation is going to take based on past experience. So, as you think about the budget make notes and be sure to let my office know what topics you would like to see, we will be collecting those.

Mr. Bach said I failed to mention, Mayor, the budget should be online now. It's on at our wycokck.org so you can go there. It should be on our main webpage for anybody that doesn't have a hard copy of it. They can pull it up and go through it and see all the details of this. Also, within that as I've done each year is my message delivery which kind of goes through the highlights and goes into more details of what's mentioned here but it's about a ten page document that kind of goes through a summary. I would recommend that you all if you have a chance to read through that. At a minimum it gives you a little bit more information and details on some of the things and then of course we can delve into the full document from there.

Commissioner Kane said I don't want to wait to let my little message out there. I'm very, very concerned about the fire station that I've asked for ever since I've been here out west. I think we should put that on a front burner because several of the commissioners have shown interest in that too so I don't want to wait to send it to your office. I want everybody here and everybody in TV land to hear what I'm asking for.

Mayor Holland said we will start on Monday and on Monday we will have the setting of the maximum mill levy and that's an annual event that we need to set. We do that at the outset of the budget and we will vote to set that. Typically at Special Sessions we do not vote unless it's announced. We're announcing there will be a vote by the Commission on the maximum mill levy on Monday and we will have a discussion about what that maximum mill levy will be. What we set on Monday does not mean we cannot lower it. We can certainly lower it because it's the maximum and we almost always lower it from what we set the maximum mill levy at. In fact I think every year I've been here we've lowered it from the maximum mill levy, but we will have that vote on Monday. That's important because if we go above that maximum mill levy we have to repost everything by State law and it changes our budget trajectory so we won't be going above the maximum mill levy and we will be setting that next Monday. As you come in next Monday, if you have any questions about that, be sure to reach out to Mr. Bach's office as well.

MAYOR HOLLAND ADJOURNED
THE MEETING AT 5:50 P.M.

_____
Bridgette D. Cobbins
Unified Government Clerk

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