

2025 BUDGET PRESENTATION

2025 Budget

PRESENTATION OF THE 2025 PROPOSED BUDGET



AUGUST 1, 2024 | 1

Commission Priorities



PRIORITY 1
UPHOLD FISCAL
SUSTAINABILITY



PRIORITY 2
FOSTER ECONOMIC
DEVELOPMENT



PRIORITY 3
FOCUS ON SERVICE
& COMMUNICATION



PRIORITY 4
IMPROVE
INFRASTRUCTURE



2025 Budget Engagement Process

Commission Budget Workshops

Special sessions with the UG Commission to review current state of city and county financials, revenue neutral and Municipal Cost Index impacts, proposed capital improvement projects, and reintroduce priority-based budgeting.

7 sessions

DotteTalks Conversations

UG staff hosted small group conversations in partnership with Neighborhood Business Revitalization Organizations across the county to hear input from the community and collaborate to create a balanced budget proposal through the budget simulator.

5 sessions

2025 City and County Budget Simulator

Relaunched the UG budget simulator with two versions: one for city services and one for county services. While a simulation, this is a dynamic platform that enables the community to propose changes to spending and revenue to create a balanced budget with comments.

**118 city responses
79 county responses**



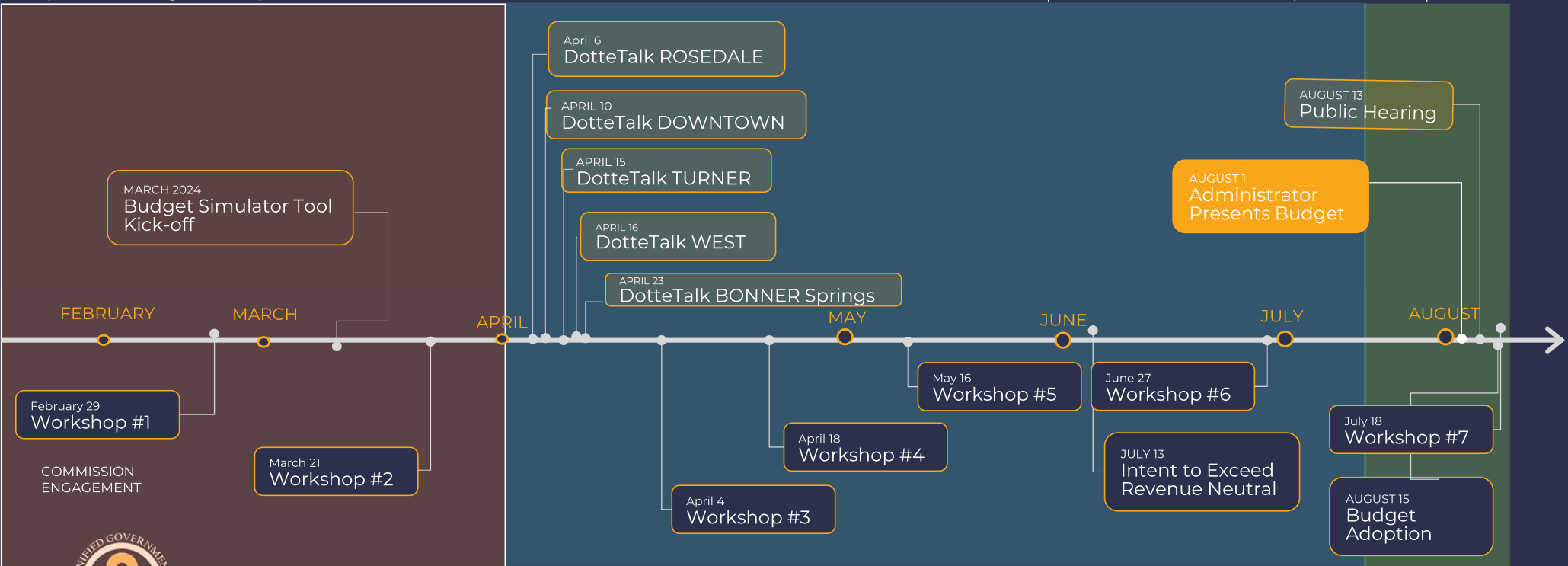
2025 Budget Process Timeline

PHASE ONE:
Department Budget Development

**COMMUNITY
ENGAGEMENT**

PHASE TWO:
Consolidation & Preparation

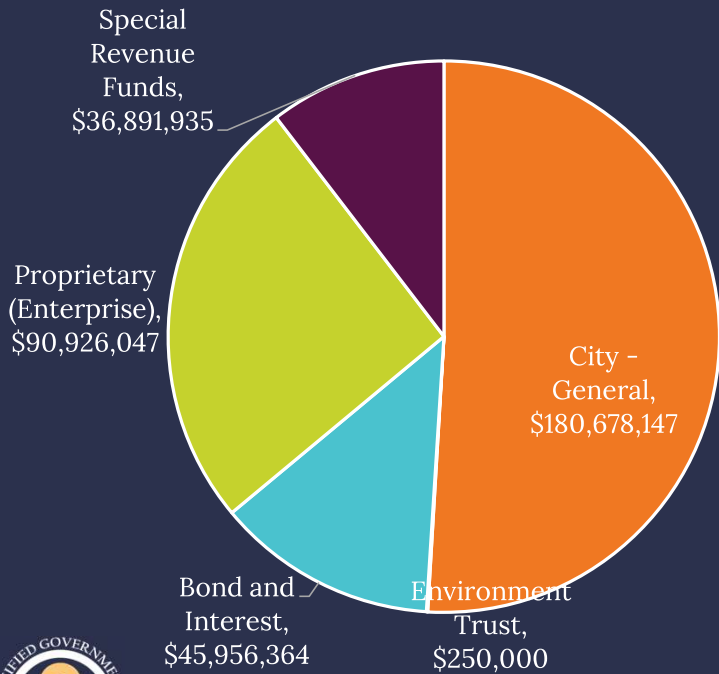
PHASE THREE:
Review, Revision & Adoption



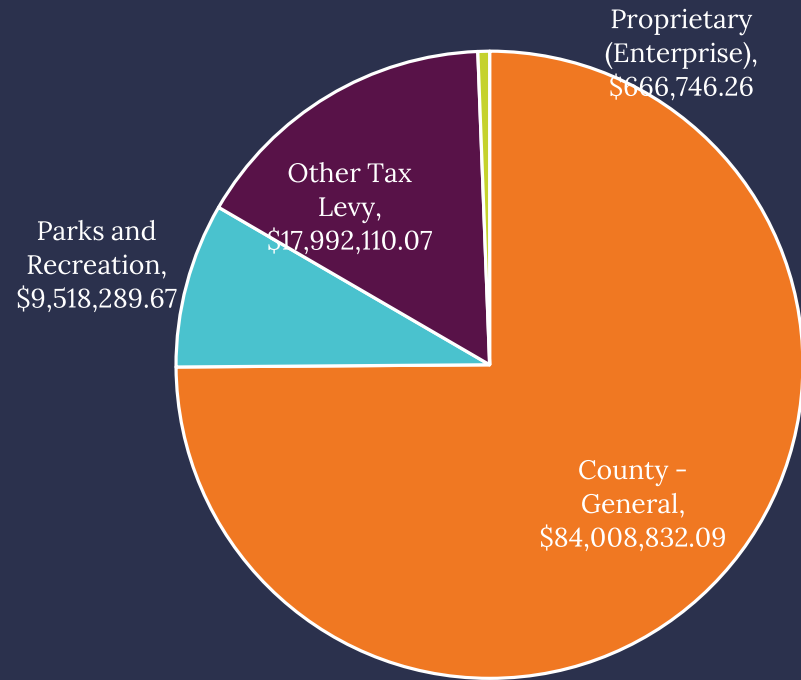
ALL FUNDS

2024 Budget (Current Year)

Kansas City, KS | \$354M



Wyandotte County | \$112M



2025 Budget: Where Do We Go From Here?

June 27, 2024
Full Commission Vote Not To Exceed Revenue Neutral for 2025

August 1, 2024
County Administrator Budget Recommendation

August 13, 2024 @ 6pm
Public Hearing on Budget

August 15, 2024 @ 7pm
Adoption of the 2025 Budget



Revenue Neutral Rate

Revenue neutral rate is the tax rate for the current tax year that would generate the same property tax revenue as levied the last tax year but using the current tax year's total assessed valuation.

(KSA 79-2988)

- What does this mean? The mill levy is reduced if the current property valuations have increased.
- Budget cuts needed due to inflationary cost increases and increased costs of goods, materials and personnel.
- This will impact services, programs, and infrastructure so **prioritization is more important than ever**. UG is undertaking a Priority Based Budgeting Process to assist with this effort.



Key Budget Considerations

- Statutory Requirement to Adopt a Balanced Budget
- Property Tax Relief (Revenue Neutral)
- Residential BPU Pilot Relief
- No use of fund balance to cover operating expenses
- Prioritized Employees - No layoffs (reduced vacant positions) & included cost of living adjustments
- No new general obligation debt to be issued in 2025 (not including enterprise funds)



2025 BUDGET PRESENTATION

City General Fund

PRESENTATION OF THE 2025 PROPOSED BUDGET



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2025 BUDGET PRESENTATION

CITY GENERAL FUND	2024 Revenue	2025 Projections with RNR	2025 Final Estimate	Change
Taxes	163,499,716	165,242,625	163,042,624	(\$2,200,001)
<i>Property Tax</i>	<i>35,149,270</i>	<i>35,149,270</i>	<i>35,149,270</i>	<i>\$0</i>
<i>Sales & Use Tax</i>	<i>55,834,674</i>	<i>58,795,674</i>	<i>58,795,674</i>	<i>\$0</i>
<i>BPU PILOT</i>	<i>39,150,000</i>	<i>39,300,000</i>	<i>37,099,979</i>	<i>(\$2,200,021)</i>
<i>Other Franchise Tax</i>	<i>10,672,000</i>	<i>10,100,947</i>	<i>10,100,947</i>	<i>\$0</i>
<i>Other Taxes</i>	<i>22,693,772</i>	<i>21,896,734</i>	<i>21,896,734</i>	<i>\$0</i>
Licenses, Permits and Fees	1,264,229	1,267,179	1,267,179	\$0
Intergovernmental	840,800	835,700	835,700	\$0
Charges for Services	3,623,630	5,130,551	5,130,551	\$0
Fines, Forfeitures and Penalties	1,958,200	2,044,390	2,044,390	\$0
Interest Income	800,000	800,000	800,000	\$0
Transfers In	3,280,000	3,680,000	3,680,000	\$0
Miscellaneous	3,929,053	4,078,588	4,205,309	\$0
Grand Total	179,195,628	183,079,033	181,005,753	

City General Fund Revenue Projections

- Flat Property Tax Revenue in 2025
- Original estimate expected \$3.88 million in revenue increase from other sources
- Reduced BPU Pilot revenue for a 1% PILOT reduction for residential customers, senior waiver program, and other expected consumption changes due to GM



City General Fund: Base Assumptions

Available Resources for 2025: **\$1.3 million (net)**

Flat Property Tax Revenue	\$0
Original Projected Revenues	\$3,883,405
Residential Pilot Relief of 1% and other adjustments	(\$2,200,021)
Correct the 2024 Structural Imbalance	(\$1,482,519)

Identified Expense Increases for 2025: **\$11.9 million**

Employee Contractual/COLA Pay Increases	\$4,250,000
Health Insurance 3% increase	\$525,000
Higher than Anticipated UG Employment Levels	\$2,350,000
IT software agreements and cyber security improvements	\$550,000
Litigation Fund	\$1,000,000
KCATA COVID Grant Funding Replacement for Public Transit	\$2,400,000
Additional Funding for Projects / Equipment	\$870,000



* Does not include any expansion requests from departments



Target Funding Gap to Close: \$10.6 Million
(unable to fund all of the above items)

City General Fund Operational Adjustment – (\$8.9M)

No employee layoffs & no new General Obligation Debt

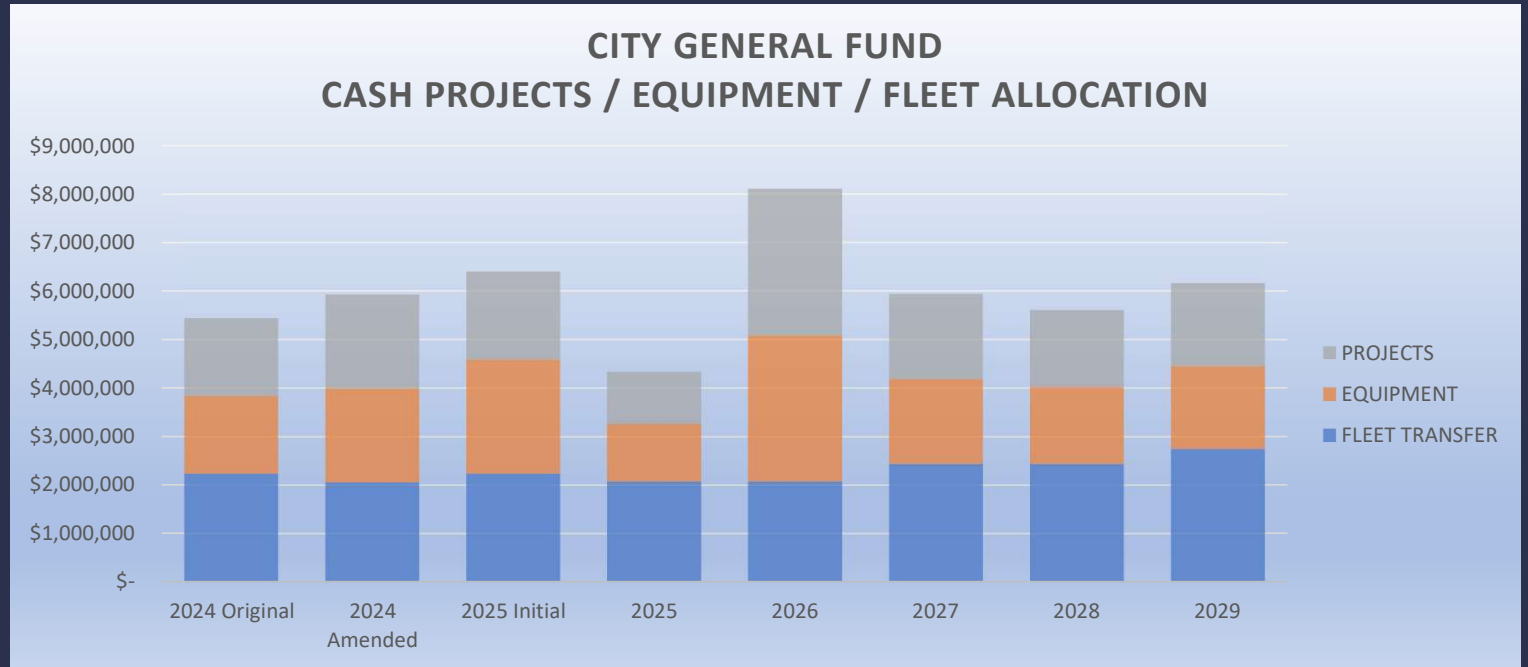
Department	\$ Reduction Amount	Description
Transportation	(2,400,000)	Inability to backfill COVID funding gap, reduction in two transit fixed routes
Fire Department	(\$1,410,000)	Minimizing overtime and make multiple adjustments across line items to be considered from the Fire Master Plan
Fire Department – Continued	(\$950,000)	Offset costs with SAFER Grant at the Fairfax Station
Police Department	(\$1,985,000)	Minimizing overtime and multiple adjustments across line items
Parks & Recreation	(\$550,000)	Reducing 1 Abatement Team and reduce Landbank Lots Mowing Frequency
Communitywide	(\$440,000)	Reducing Funding for Outside Agencies Funded senior sales tax and utility waiver programs at 2024 Actual Expenses
County Administration	(\$387,000)	Freezing Intergovernmental Affairs funding and staffing levels

City General Fund Operational Adjustment – (\$8.9M)

No employee layoffs & no new General Obligation Debt- Continued

Department	\$ Reduction Amount	Description
Other Community Services	(\$620,000)	NRC reductions in funding for outside organizations Restructuring Economic Development and Reduction in funding for Mt. Carmel @ Willa Gilla
General Government	(\$550,000) net impact	Reduction in budget / legal ongoing staffing Reduction IT costs and technology service agreements Increased funding for cyber security
Public Works	(\$550,000)	Reduction of supplemental allocation to fleet services, reduction of vacancies
Mayor/ Commissioners	(160,000)	Reduction of vacant position and commission district funds
Legislative Auditor	\$600,000 transfer	Shifting 70% from County to recognize shared services
Municipal Court	\$35,550	Additional contractual cost of public defenders

CIP Changes (includes cash projects and obligated leases)



	2025 Initial Planned Expenses based on CIP	2025 Revised Expenses for CIP (cash and lease obligations)	Variance
Projects	1,810,000	1,080,000	(730,000)
Equipment	2,350,532	1,190,500	(1,160,032)
Fleet Allocation	2,240,000	2,070,000	(170,000)
Total Impact	6,400,532	4,920,500	(2,060,032)



City General Fund Key Points

- Eliminated 20 FTE positions recently vacated; removed another 41 positions that have been vacant for more than 2+ years
- Funded contractual pay increases and increases for all employees, health insurance increases & no layoffs
- Incorporated 1% residential BPU PILOT reduction, senior PILOT waiver program, and planned for partial GM shutdown in 2025
- Nearly every department decreased their operational costs
 - Only 3 departmental increases – IT Cyber Security, Legal Litigation Fund, and Municipal Court Public Defender



2025 BUDGET PRESENTATION

CITY GENERAL FUND	2024	2025 Proposed	Net Change	%
Total Revenue	179,195,628	181,005,753	1,810,125	1.0%
Personnel	133,020,000	133,930,000	910,000	0.7%
Contractual Services	19,924,745	19,595,721	(329,024)	-1.6%
Commodities	3,630,653	4,776,127	1,145,474	31.5%
Capital Outlay	3,287,950	2,254,568	(1,033,382)	-31.4%
Grants and Claims	6,984,836	6,707,608	(277,228)	-4.0%
Debt	10,723,433	10,972,296	248,863	2.3%
Transfers Out	2,492,050	2,152,050	(340,000)	-13.6%
Miscellaneous / Other	2,495	2,495	0	0%
Reserves & Contingencies	611,985	611,985	0	0%
Total Expense	180,678,147	181,002,850	324,703	0.2%
Net Change	(1,482,519)	2,902		

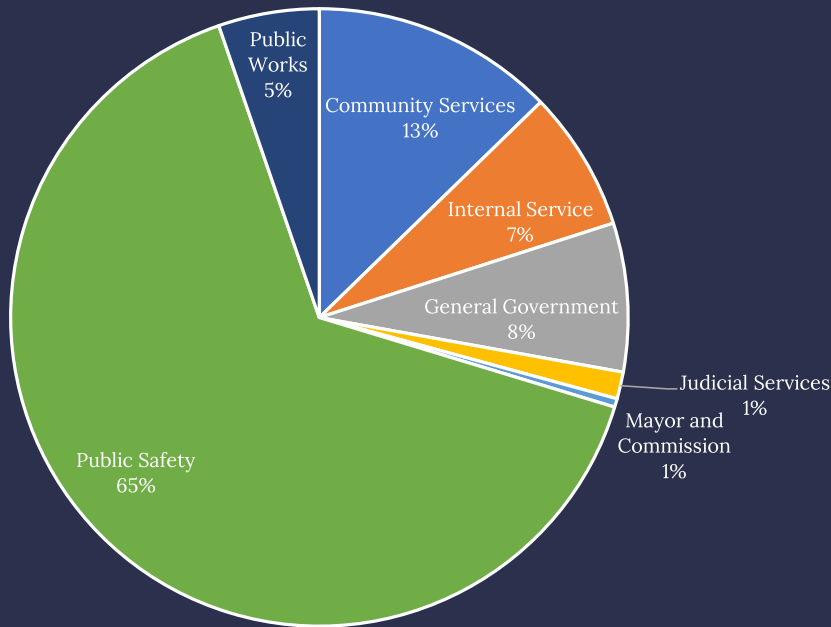
City General Fund Summary

- Flat Property Tax Revenue in 2025
- Original estimate expected \$3.88 million in revenue increase from other sources
- Revised revenue estimate due to revisions in BPU PILOT projections
- Increased Revenue for 2025 \$1,810,125
- Funded priority expenses with departmental reductions
- Balanced Budget for 2025

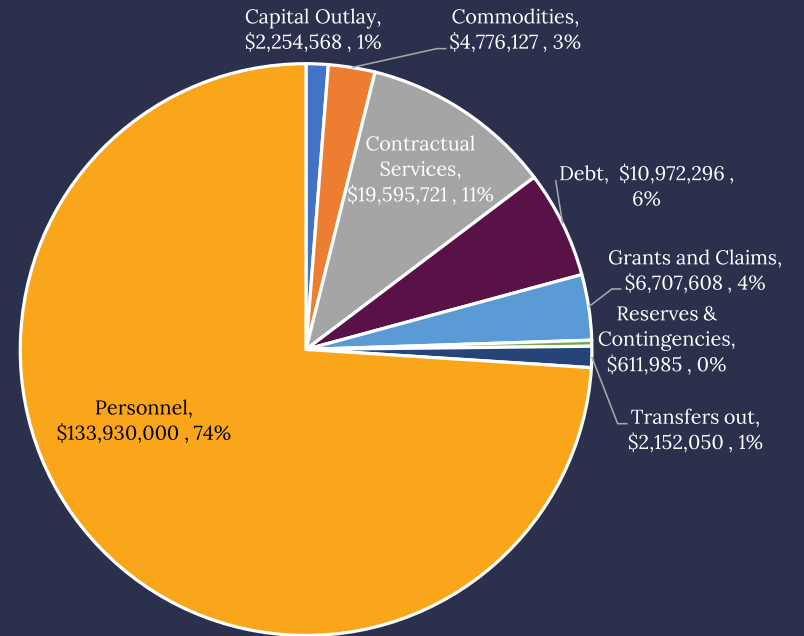


Kansas City, KS City General Fund | \$181M

Expenditures by Functional Area

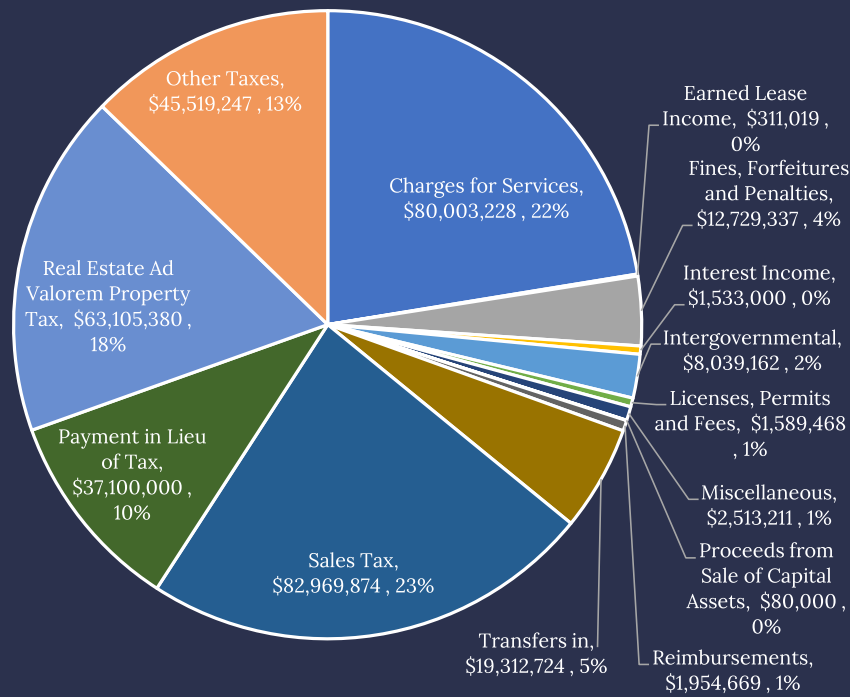


Expenditures by Cost Category

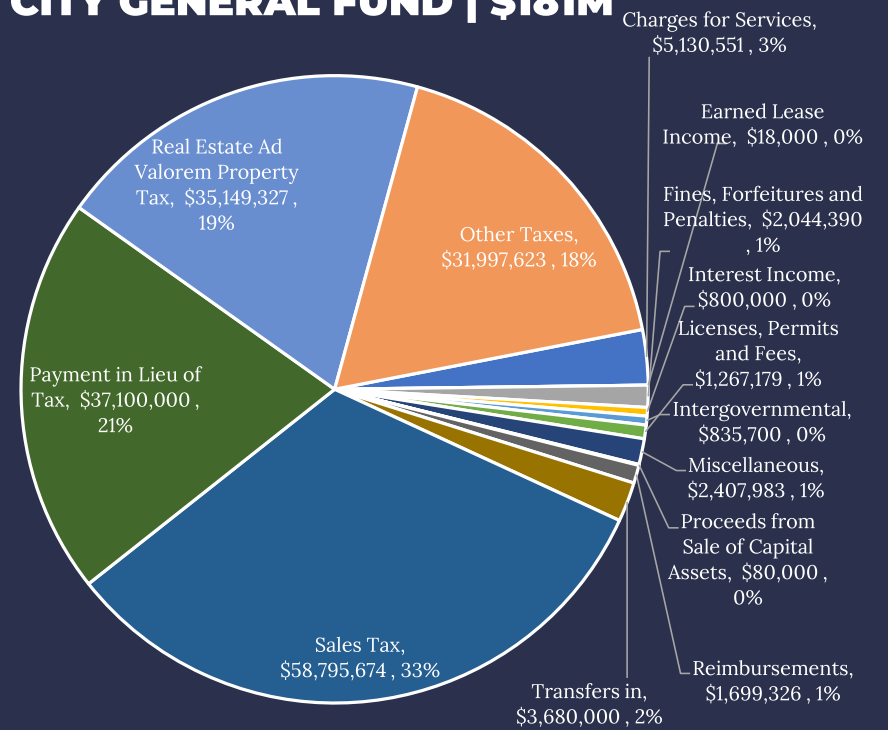


CITY FUNDS 2025 Revenue Sources

ALL CITY FUNDS | \$356M



CITY GENERAL FUND | \$181M



2025 BUDGET PRESENTATION

County General Fund

PRESENTATION OF THE 2025 PROPOSED BUDGET



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County General Fund: Base Revenue Projections

COUNTY GENERAL FUND	24 Original	25 Proposed	Net Change
Taxes	71,782,279	69,851,226	(1,931,053)
<i>Property Tax</i>	<i>52,094,871</i>	<i>52,094,871</i>	<i>0</i>
<i>Sales & Use Tax</i>	<i>9,103,568</i>	<i>9,012,568</i>	<i>(91,000)</i>
<i>Other Taxes</i>	<i>10,583,840</i>	<i>8,743,787</i>	<i>(1,840,053)</i>
Licenses, Permits and Fees	1,190,500	1,036,000	(154,500)
Intergovernmental	60,650	62,180	1,530
Charges for Services	1,835,500	2,411,436	575,936
Fines, Forfeitures and Penalties	2,327,586	2,486,955	159,369
Interest Income	3,600,000	2,500,000	(1,100,000)
Miscellaneous	1,178,515	1,216,345	37,830
Grand Total	81,975,030	79,564,141	(2,410,888)



- No new Property Tax Revenue in 2025
- 2.9% Decline in Anticipated Revenues
 - (\$2.4 million)



County General Fund: Base Assumptions

Initial Starting Resources: (\$4.44 Million)

- **Structural Imbalance** (\$2,033,802)
- **New Anticipated Revenues** (\$2,410,888)

Anticipated Budget Impacts: \$7.610 Million

- **Employee Contractual/COLA Pay Increases** \$1,690,000
- **Health Insurance 3%** \$250,000
- **Higher than Anticipated UG Employment Levels** \$2,100,000
- **IT Software Agreements and Cyber Security** \$550,000
- **Sheriff Inmate Contractual Cost Increases** \$2,170,000
- **Enhanced Funding for Projects / Equipment** \$850,000



Target Funding Gap to Close: \$12.05 Million
(unable to fully fund the gap)



County General Fund: Mill Realignment

Increases Revenue for the County General Fund (while keeping total county mill rate revenue neutral)

LEVY	2025 ORIGINAL Estimated MILL RATES (RNR)	2025 REALIGNED MILL RATES	CHANGE	% of LEVY	IMPACT
County	24.81	26.39	1.59	79.23%	3,576,444.93
Elections	0.79	0.69	(0.09)	2.08%	(207,700.23)
Parks	1.47	1.34	(0.13)	4.03%	(300,002.52)
Aging	0.92	0.80	(0.12)	2.40%	(280,700.00)
Mental Health	0.38	0.36	(0.03)	1.07%	(56,800.00)
Health	1.40	1.40	-	4.21%	0
Dev. Disabilities	0.31	0.28	(0.03)	0.84%	(71,000.00)
CIFI	0.89	-	(0.89)	0.00%	(2,012,242.18)
County Bond	2.33	2.05	(0.29)	6.14%	(648,000.00)
TOTAL COUNTY MILL RATE RNR	33.31	33.31	0.00	100.00%	0



County General Fund Highlights of Reductions (\$5.4M)

No employee layoffs & no new General Obligation Debt

Department	\$ Reduction Amount	Description
Sheriff's Office	(\$1,200,000)	Minimize overtime/vacant positions for savings – this is a GOAL as additional OT may be required due to significant court cases, vacancies, and jail/detention populations
Sheriff's Office – Continued	\$1,170,000 Partial Funding Increase	Contractual costs for inmate housing, medical, and meals are increasing in 2025 as is the expected population headcount. The original request was \$2,170,000 and adequate resources are not available in the County general fund to fully fund the need. Sheriff and Administration will work on ways to reduce costs to limit the additional costs.
Legislative Auditor	(600,000)	Shifting 70% of the cost to the City General Fund to recognize the shared service but no planned reduction in staffing or services
Police/ Fire Dispatch	(300,000)	Minimize dispatch overtime
Parks & Recreation	(\$210,000)	Reduction in frequency of mowing for Land Bank lots and reduced capital improvement expenses (other parks related reductions in the park fund)
Public Works	(\$240,000)	Reduction in mapping staffing and programming and dedicated funding for Loring Road maintenance
County Administration	(\$230,000)	Freezing Intergovernmental Affairs funding and reducing staffing levels

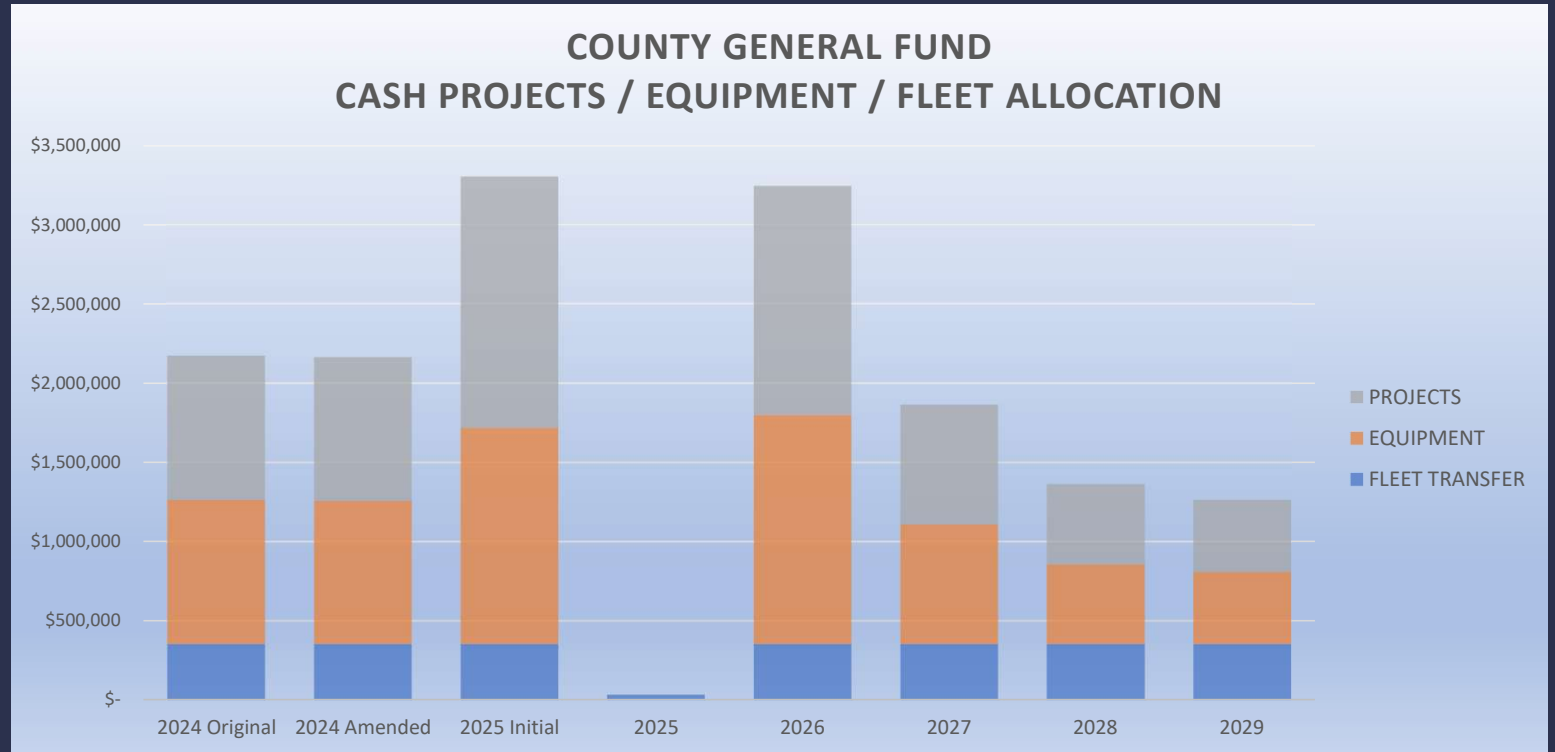
County General Fund Highlights of Reductions (\$5.4M)

No employee layoffs & no new General Obligation Debt - Continued

Department	\$ Reduction Amount	Description
Knowledge/ IT	(160,000) net reduction	IT miscellaneous reductions Increased funding for cyber security
General Government	(380,000)	Reduction in Appraiser positions and the reduction of Finance vacancies
Other Public Safety	(\$240,000)	Reduction in Community Corrections and Emergency Management Expenses
Mayor/ Commissioners	(43,000)	Reduction of vacant position and commission district discretionary funds
Other Community Services	(\$150,000)	Reduction of funding for outside organizations
District Attorney	\$120,000 Funding Increase	Funded ongoing maintenance support for digitizing efforts Unable to fund the request for 4 additional victim advocates at this time

**County
General
Fund
CIP
Changes
from
Initial Plan**

**No capital
cash
projects
funded in 2025**



	2025 Base Funding	2025 Proposed	Variance
Projects	1,585,000	0	(1,585,000)
Equipment	1,365,000	0	(1,365,000)
Fleet Allocation	343,000	35,000	(308,000)
Total Impact	3,303,000	35,000	(3,268,000)



Fund Balance Realignmentments

Strategic Realignment of Resources to meet 25% Fund Balance Reserve Policy across County Tax Levy Funds and Build Fund Balance for the County General Fund

Fund	Transfer Out	Transfer In	Post Transfer Balance
Elections	525,357		25%
Aging	1,023,709		25%
Mental Health	10,356		25%
Developmental Disability	482,828		25%
County General		1,775,015	7.5% (would have been 3% before these transfers)
Health		267,235	25%
Totals	2,042,250	2,042,250	

Fund Balance Transfers are NOT being used to balance operating budget expenses



County General Fund Budget Key Points

- Reduction of 16.3 positions/portions of recently filled or funded positions and additional positions that will reduce the funding liability of unfilled positions in the County General Fund
- Strategic realignment of resources and balances from other county tax levy funds in accordance with policy.
 - Identified 1.59 Mills that could be reallocated from other county levy funds to supplement the County General Fund shortfall.
 - Reallocation of fund balances to meet 25% thresholds across county funds with the remaining \$1.77 million to supplement ongoing County General Fund Balance stability.
- Funded contractual pay increases and increases for all employees, health insurance increases
- Nearly every department reduced operating expenses and 3 departmental increases – IT (Cyber), Sheriff (contractual jail costs, partially funded), and District Attorney (software)
- Fund balance for County General Fund increased from anticipated 3% to 7.5% - goal is 25%



2025 BUDGET PRESENTATION

COUNTY GENERAL FUND	2024	2025 Proposed	Net Change	%
Total Original Revenue	81,975,030	79,564,141	(2,410,888)	3.6%
Mill Transfers	0	3,576,623		
Transfers In (fund balance)	0	1,775,015		
FINAL TOTAL REVENUE	81,975,030	84,915,779	2,940,749	3.6%
Personnel	56,500,000	57,300,000	800,000	1.4%
Contractual Services	19,527,612	20,237,046	709,434	3.6%
Commodities	2,481,166	2,582,021	100,855	4.1%
Capital Outlay	2,095,000	0	(2,095,000)	(100.0%)
Grants and Claims	1,185,785	1,117,287	(68,498)	(5.8%)
Transfers Out	1,853,000	1,535,000	(318,000)	(17.1%)
Reserves & Contingencies	365,051	350,051	(15,000)	(4.1%)
Miscellaneous / Other	1,218	1,776,233		
Total Expense	84,008,832	84,897,638	888,805	1.1%
Net Change	(2,033,802)	18,142	2,051,944	

County General Fund Summary

- Flat Property Tax Revenue in 2025
- Increased Revenue for 2025 \$2,940,749 due to transfer of county mills & fund balances from other county funds
- Funded priority expenses with departmental reductions
- Balanced Budget for 2025

Other Funds

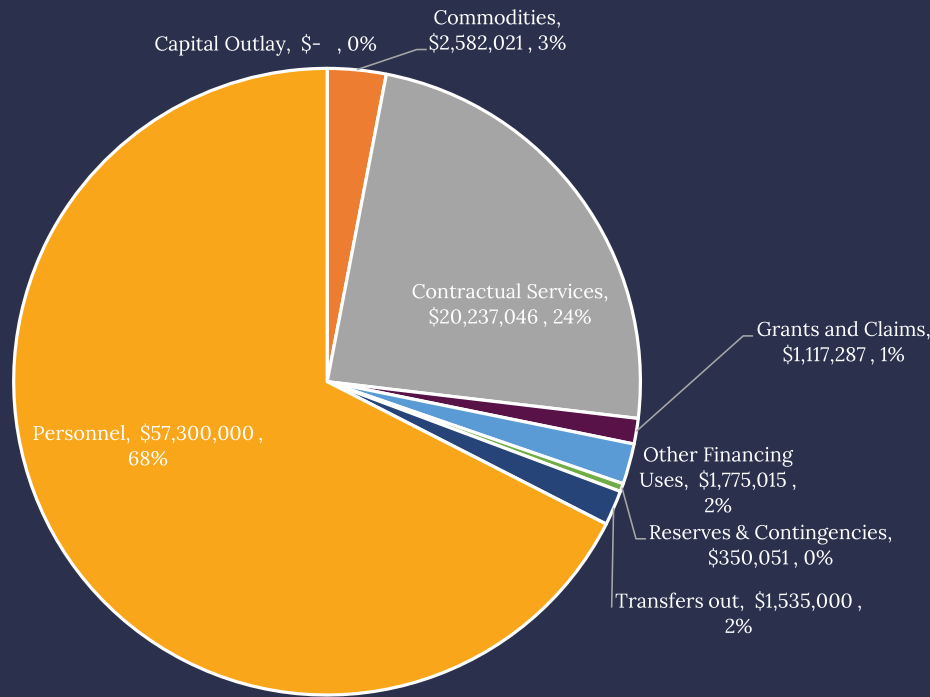
- **Parks Combined Fund (city and county funds) – mill transfer offset by other revenue increases equals net reduction in revenue of (\$259,026); structurally imbalanced in 2024 (\$184,009) corrected in 2025; overall expense reduction of (\$443,035)**
 - 6 FTEs recently vacant
 - Reduced county general fund capital expenses
- **Health Fund (county) - structurally imbalanced in 2024 (\$279,428) corrected in 2025; overall reductions (\$362,176) * note ARPA funded positions to end December 2024 not included in this figure**
- **Solid Waste Fund (enterprise fund) - keeping residential monthly costs flat at \$17.94 - Waste Management contract increasing \$1.03; offset by reduction in services such as dumpster days, fewer household hazardous waste events, and yard waste center only opened for storm event**
- **Wastewater Fund (enterprise fund) - 4% wastewater rate increase required by Consent Decree**
- **Stormwater Fund (enterprise fund) - Commission approved rate changes for 2024 – 2026; base rate for 2024 was \$4.15 to \$4.67 plus changes in lot size calculations**



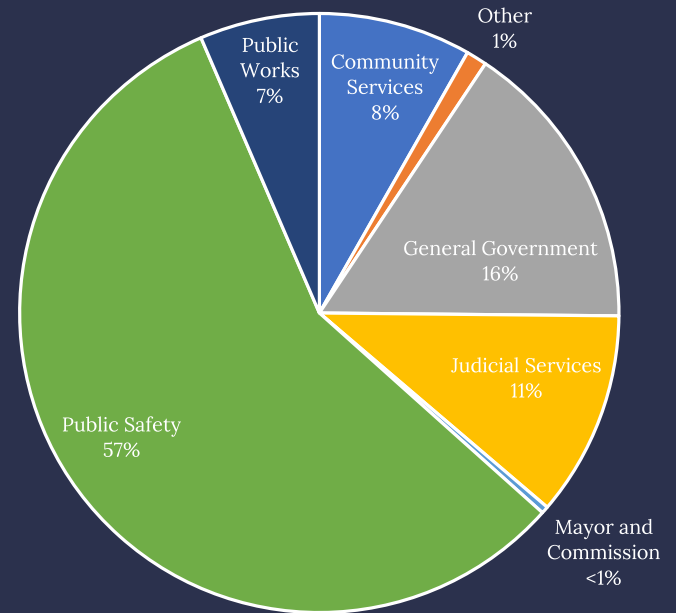
COUNTY GENERAL FUND

County General Fund | \$84.9M

EXPENDITURES BY COST CATEGORY

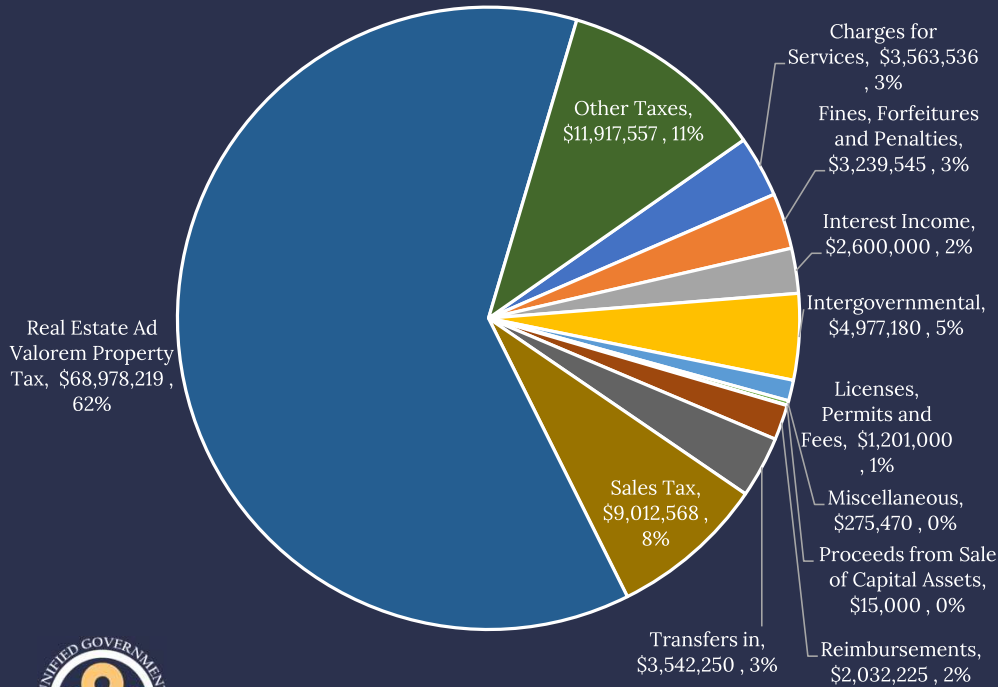


EXPENDITURES BY FUNCTIONAL AREA

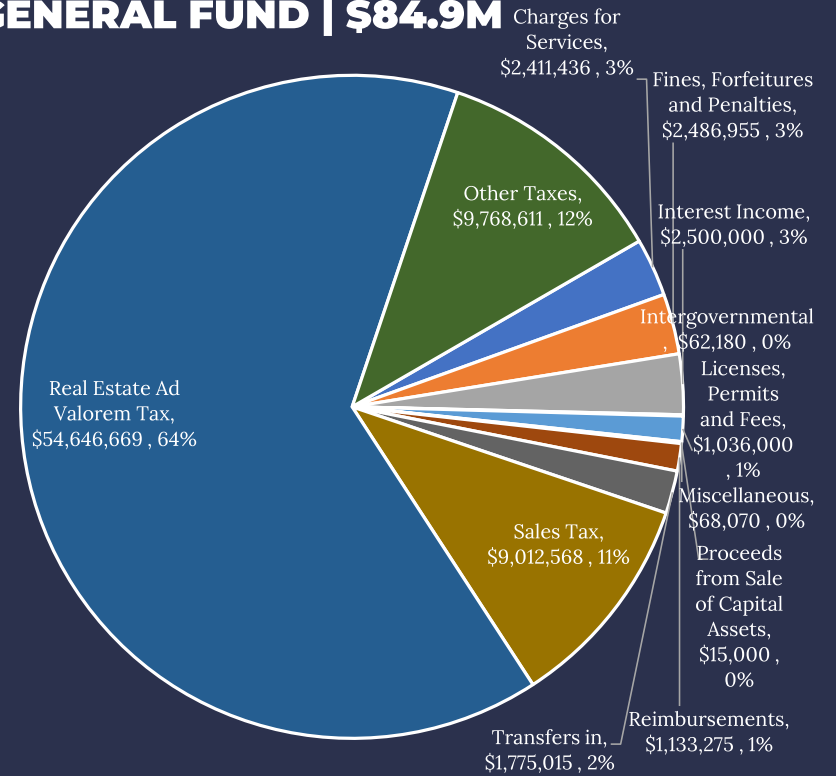


COUNTY FUNDS 2025 Revenue Sources

ALL COUNTY FUNDS | \$111M



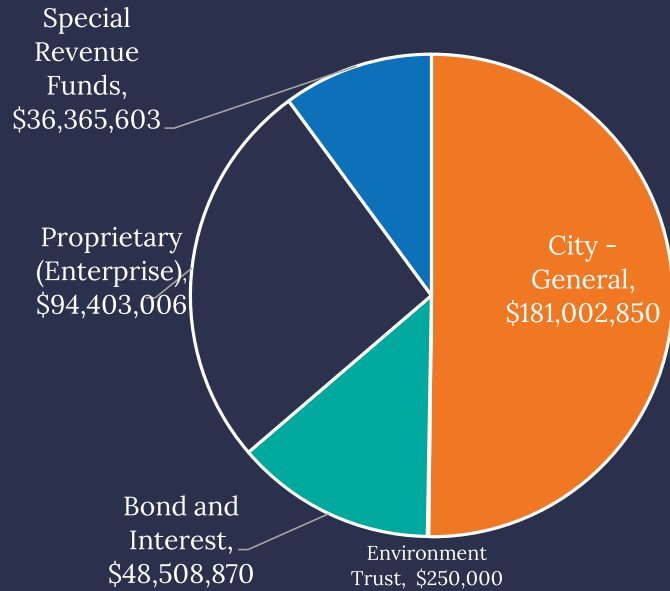
COUNTY GENERAL FUND | \$84.9M



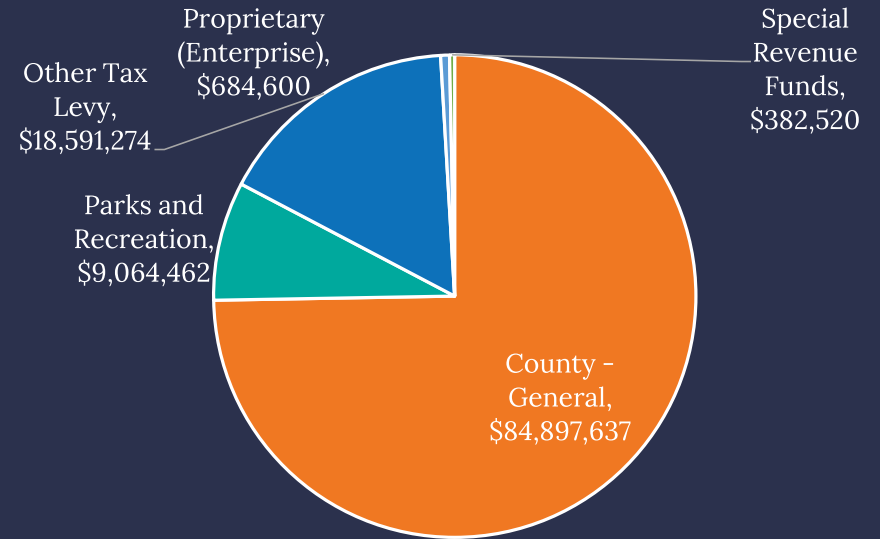
ALL FUNDS

2025 Budget

Kansas City, KS | \$360M



Wyandotte County | \$113M



Summary

- Compressed timeframe for budget process
- Prioritized Mayor and Commission Goals, Community Input, Employees, and Impact to the Community
- Broad based 2025 budget reductions
- Anticipate service impacts in 2025
- Two upcoming budget workshops:
 - August 7 @ 5pm (County Budget)
 - August 8 @ 5pm (City Budget)

