



Agenda

**COMMITTEE OF THE WHOLE
GOVERNING BODY
CITY OF LENEXA, KANSAS
17101 W. 87TH STREET PARKWAY**

**JULY 12, 2022
7:00 PM
COMMUNITY FORUM**

CALL TO ORDER

ROLL CALL

APPROVE MINUTES

June 28, 2022 Committee of the Whole meeting draft minutes

DISCUSSION

1. FY 2023 Recommended Budget - Fund/Department review
2. Recording City Council meetings

ADJOURN

Dist. Governing Body; Management Team; Agenda & Minutes Distribution List

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**MINUTES OF THE
JUNE 28, 2022
LENEXA COMMITTEE OF THE WHOLE MEETING
COMMUNITY FORUM, 17101 W 87th STREET PARKWAY
LENEXA, KS 66219**

CALL TO ORDER

Mayor Boehm called the meeting to order at 7 PM.

ROLL CALL

Councilmembers Karlin, Nicks, Nolte, Roh, Arroyo, and Sayers were present with Mayor Boehm presiding. Councilmembers Eiterich and Denny were absent.

Staff present included Beccy Yocham, City Manager; Todd Pelham, Deputy City Manager; Mike Nolan, Assistant City Manager; Scott McCullough, Community Development Director; Sean McLaughlin, City Attorney; Jennifer Martin, City Clerk; and other City Staff.

APPROVE MINUTES

June 14, 2022 Committee of the Whole meeting draft minutes

Councilmember Karlin made a motion to approve the June 28, 2022 Committee of the Whole meeting draft minutes and Councilmember Roh seconded the motion. Motion passed unanimously.

DISCUSSION

1. Fiscal Year 2023 Recommended Budget
Fiscal Year 2023 Recommended Budget overview

Beccy Yocham, City Manager, said that she and Nate Blum, Chief Financial Officer, would give an overview of the budget tonight and then review specific department and fund budgets in more detail at the next Committee of the Whole meeting. She thanked the Finance and Communications Departments' teams for their work developing and formatting this budget, as well as the Management Team and all City employees for their continued financial stewardship.

Ms. Yocham said that while the 2023 recommended budget of \$203.7 million is 11% higher than the 2022 adopted budget of \$183.9 million, it is in alignment with 2022 revised budget of \$204.3 million. Budget highlights include a reduction in the mill levy, no increases in user fees, and the addition of 5.6 FTEs. She added that recruiting remains a challenge and although this reflects increasing FTEs, the overall headcount

is significantly lower due to vacant positions.

Ms. Yocham went through a tax value illustration showing how city services cost the owner of the average Lenexa home approximately \$107.42 per month and then presented a graphic of city services provided for that cost. She also went through a breakdown of property tax rates and said that City tax only accounts for a portion of residents' total property tax levy.

Ms. Yocham said that the Governing Body's eight guiding principles have been considered throughout the budget process and are reflected throughout the document.

Mr. Blum spoke about the economic outlook in the post COVID-19 economy and the possibility of a future economic downturn or recession. He reviewed the following five budget principles:

- Fund on-going operating expenditures with on-going revenue sources
- Use one-time revenues for one-time expenditures
- Maintain sufficient reserve balances to address unforeseen events (COVID-19 pandemic, Great Recession)
- Use conservative approach to revenue estimating
- Prepare and fund equipment replacement/building maintenance schedules

Mr. Blum presented key elements of the proposed budget:

- Reduces estimated property tax rate by 1.000 mill – FY2023 est. 28.102 mills
 - General Fund – 22.573 mills
 - Debt Service Fund – 5.529 mills
 - Forecast
 - 0.500 mill reduction in Debt Service Fund through FY2026
 - 0.100 mill reduction in FY2027
- Maintains sufficient General Fund reserves for AAA (Aaa) bond rating
- Continues to focus on providing high quality City services
- Plans for economic pressures
- The total FY2023 recommended expenditure budget is \$144.5 million, which is an increase of \$9.6 million (7.1%) compared to the FY2022 original budget of \$134.9 million.
- Total General Fund operating expenditures in the FY2023 Recommended Budget are \$97.7 million. This is an increase of \$9.8 million (11.2%) compared to the FY2022 General Fund budget amount of \$87.9 million.
- Total budgeted full-time equivalent (FTE) positions are 551.91 for FY2023. This

is an increase of 5.6 FTE compared to the FY2022 budget of 546.31 FTE.

- The estimated mill levy of 28.102 mills is a reduction of 1.000 mill from FY2022 and the Stormwater service charge is \$109 per equivalent dwelling unit, or EDU (unchanged from FY 2022).

Mr. Blum presented the major revenue projections for assessed valuation, property tax rate, revenue neutral rate, property tax revenue, sales tax revenue, use tax revenue, motor vehicle excise tax, and stormwater service charge. He reported 2023 revenues by source, totaling \$144.7 million.

Mr. Blum presented the expenditure projections for personnel costs, contractual services/commodities/capital outlay, and economic development/General Fund transfers. He reported 2023 expenditures by function, totaling \$144.5 million.

Mr. Blum spoke about projections through 2027, going over the financial model assumptions, and the General Fund and General Fund Reserve projections. He said that staff is recommending that \$11 million of General Fund reserves be allocated to the Justice Center Project, Community Center Project, Healthcare Fund, and Capital Improvement Fund in order to bring the reserve balance closer to the target of 35% of revenues. He also spoke about the Debt Service Fund and Stormwater Fund projections.

Mr. Blum presented the timeline for the remainder of the budget process.

Mr. Blum went through the recommended budget book section by section to familiarize everyone with the new format.

Ms. Yocham said this is a working document and asked the Governing Body to contact her or Mr. Blum with any questions.

Ms. Yocham told the Governing Body that the National League of Cities conference will be in Kansas City this fall and the early bird deadline for registration is this week. She asked that anyone interested in attending contact her or Melyn Bounous by Thursday, if possible.

ADJOURN

Mayor Boehm adjourned the meeting at 7:54 PM.



COMMITTEE OF THE WHOLE
MEMORANDUM

ITEM 1

SUBJECT: FY 2023 Recommended Budget - Fund/Department review

CONTACT: Beccy Yocham, City Manager
Nate Blum, Chief Financial Officer

DATE: July 12, 2022

PROJECT BACKGROUND/DESCRIPTION:

At the June 28, 2022 Committee of the Whole meeting, staff presented the City Council with an overview of the [FY 2023 Recommended Budget](#), including a multi-year financial forecast. This follow-up budget discussion is intended to focus on each Fund and Department budget.

Department directors will present their budget highlights, including any major operating budget changes, personnel requests, and non-capital equipment requests that are included in the FY 2023 Recommended Budget.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The FY 2023 Recommended Budget is \$204.7 million, including \$144.5 million in expenditures and \$60.2 million for reserves.

The total estimated mill levy for FY 2023 is 28.102, a planned 1.000 mill reduction from the FY 2022 Budget.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Guiding Principles

Superior Quality Services
Prudent Financial Management
Strategic Community Investment

ATTACHMENTS

1. FY 2023 Recommended Budget



COMMITTEE OF THE WHOLE
MEMORANDUM

ITEM 2

SUBJECT: Recording City Council meetings

CONTACT: Beccy Yocham, City Manager
Todd Pelham, Deputy City Manager

DATE: July 12, 2022

PROJECT BACKGROUND/DESCRIPTION:

In early 2022, the Governing Body directed staff to explore the budget, policy, and operational implications of recording City Council business meetings (those where binding action is taken) and, after adjournment of that meeting, to post them on the City's website beginning with the meeting on January 3, 2023. Staff will provide an update on the technology needed, including a preferred vendor, and the budget and policy considerations for implementing the practice.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

A one-time implementation cost of approximately \$75,000 is planned to be paid for with unallocated General Fund balance in FY 2022. The annual operating expense of approximately \$25,000 is included in the FY 2023 Recommended Budget.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Guiding Principles

Inclusive Community Building

ATTACHMENTS

None