



Agenda

**REGULAR MEETING
GOVERNING BODY
CITY OF LENEXA, KANSAS
17101 W. 87th STREET PARKWAY**

**SEPTEMBER 1, 2026
7:00 PM
COMMUNITY FORUM**

CALL TO ORDER

Pledge of Allegiance

ROLL CALL

APPROVE MINUTES

August 18, 2026 City Council meeting draft minutes
(located in the Appendix)

MODIFICATION OF AGENDA

PROCLAMATIONS

Fetal Alcohol Spectrum Disorders Awareness Month

National Preparedness Month

American Discovery Trail Day

CONSENT AGENDA

Item Number 1

The matters listed on the Consent Agenda are routine and approved collectively with no separate discussion on each individual item. Any item on the Consent Agenda may be removed from the Consent Agenda for separate consideration by a member of the Governing Body, the City Manager, or by a member of the public in attendance at the meeting. In the event the item is removed from the Consent Agenda, it will be placed on the regular agenda.

1. Approval of the dedication of a permanent stormwater easement and the termination of an existing stormwater easement at 10910 W. 87th Street

Mainstreet Federal Credit Union ("Mainstreet") has acquired the property and determined that a private stormwater pipe is on the property with no recorded easement and that a recorded stormwater easement on the property contains no facilities within it. Mainstreet has requested to dedicate a new easement and terminate the existing easement.

END OF CONSENT AGENDA

PUBLIC HEARINGS

2. Consideration of a resolution levying a property tax rate exceeding the revenue neutral property tax rate of 25.359 mills for the fiscal year 2027 budget
 - a. Public hearing to consider exceeding the revenue neutral property tax rate
 - b. Resolution levying a property tax rate exceeding the revenue neutral property tax rate of 25.359 mills

For the fiscal year (FY) 2027 budget, the City's revenue neutral property tax rate was calculated to be 25.359 mills by Johnson County. Since the estimated mill levy in the recommended FY 2027 budget is 25.984 mills (a 0.250 mill reduction from FY 2026) and exceeds the revenue neutral rate, the City will hold a public hearing and consider a resolution to exceed the revenue neutral rate for the FY 2027 budget.

3. Consideration of a resolution approving the fiscal year 2027 budget
 - a. Public hearing to consider the fiscal year 2027 budget
 - b. Resolution approving the fiscal year 2027 budget

The Governing Body reviewed the fiscal year (FY) 2027 recommended budget at Committee of the Whole meetings held in June and July 2026 and received a budget update at the City Council meeting on August 18, 2026. The total recommended FY 2027 budget for all funds is \$275.2 million and the estimated mill levy for the budget is 25.984 mills.

NEW BUSINESS

None

**COUNCILMEMBER
REPORTS****STAFF REPORTS****END OF RECORDED SESSION**

BUSINESS FROM FLOOR

The Chair, at their discretion, may limit the amount of time each person has to address the Governing Body during Public Hearings or public comment regarding items listed on the agenda, or Business from the Floor, and may grant additional time at their sole discretion.

ADJOURN

APPENDIX

4. August 18, 2026 City Council meeting draft minutes
5. Fetal Alcohol Spectrum Disorders Awareness Month Proclamation
6. National Preparedness Month Proclamation
7. American Discovery Trail Day Proclamation

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

IF YOU NEED ANY ACCOMMODATIONS FOR THE MEETING, PLEASE CONTACT THE CITY ADA COORDINATOR, 913/477-7550. KANSAS RELAY SERVICE 800/766-3777. PLEASE GIVE 48 HOURS NOTICE

ASSISTIVE LISTENING DEVICES ARE AVAILABLE FOR USE IN THE COMMUNITY FORUM BY REQUEST.



**CITY COUNCIL
MEMORANDUM**

ITEM 1

SUBJECT: Approval of the dedication of a permanent stormwater easement and the termination of an existing stormwater easement at 10910 W. 87th Street

CONTACT: Tim Green, Deputy Community Development Director

DATE: September 1, 2026

ACTION NEEDED:

Approve the dedication of a permanent stormwater easement and the termination of an existing stormwater easement at 10910 W. 87th Street.

PROJECT BACKGROUND/DESCRIPTION:

Mainstreet Federal Credit Union ("Mainstreet") has acquired the commercial property at 10910 W. 87th Street. They conducted a survey of the property, which revealed a private stormwater pipe running diagonally through the southern portion of the property. No recorded easement exists for this pipe; however, a recorded stormwater easement is located elsewhere on the property, with no facilities present within that easement.

Mainstreet asked the City how to address this discrepancy. Staff has concluded that it is in the best interest of both parties to record a new stormwater easement accurately reflecting the location of the private pipe and to terminate the existing, unutilized stormwater easement.

Recording stormwater easements serves the City by granting the right, but not the obligation, to enter private commercial properties for the purpose of inspecting, cleaning, maintaining, or repairing private stormwater facilities. This is vital to preserve the integrity of the City's overall stormwater system and protect its citizens.

Both documents use the City's standard form and are available for review in the City Clerk's office.

STAFF RECOMMENDATION:

Approve the dedication of the new easement and the termination of the existing easement.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

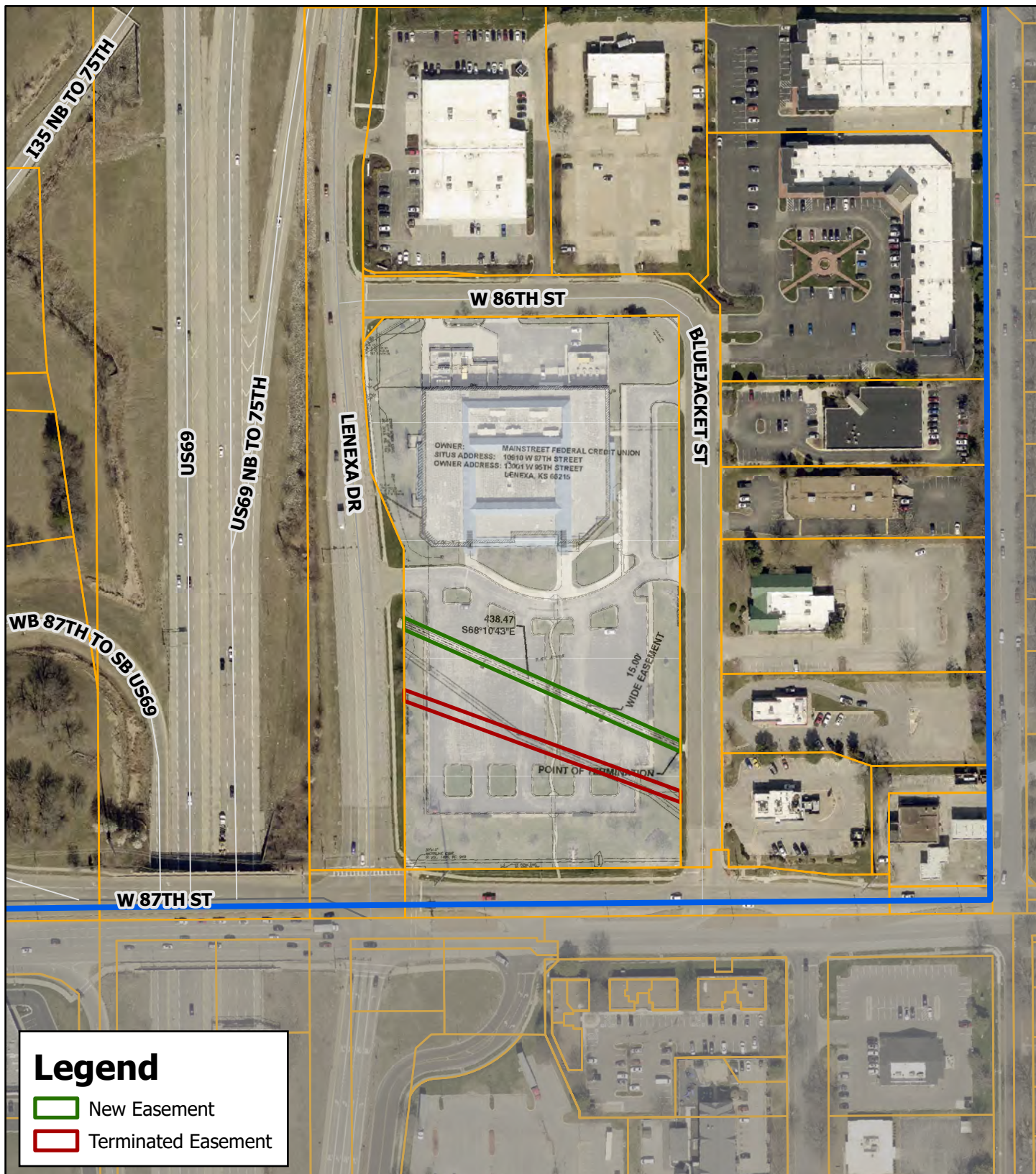
Integrated Infrastructure & Transportation

Guiding Principles

Strategic Community Investment

ATTACHMENTS

1. Map



Data Source: City of Lenexa and Johnson County Kansas
 For further information, please call 913-477-7500

10910 W. 87th Street Stormwater Easement



0 130 260 520
Feet



**CITY COUNCIL
MEMORANDUM**

ITEM 2

SUBJECT: Consideration of a resolution levying a property tax rate exceeding the revenue neutral property tax rate of 25.359 mills for the fiscal year 2027 budget

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

DATE: September 1, 2026

ACTION NEEDED:

- a. Conduct a public hearing; and
- b. Adopt a resolution levying a property tax rate exceeding the revenue neutral property tax rate of 25.359 mills for the fiscal year (FY) 2027 budget.

PROJECT BACKGROUND/DESCRIPTION:

State law requires a notice and public hearing requirements if a city's proposed budget planned to exceed the revenue neutral property tax rate. The revenue neutral rate is the mill levy rate that generates the same property tax revenue as the previous budget year using the current year's assessed valuation amount. For FY 2027, the City's revenue neutral rate was calculated to be 25.359 mills by Johnson County. The estimated mill levy for the FY 2027 budget is 25.984 mills and would generate \$52.2 million in property tax revenue. Although the estimated FY 2027 mill levy exceeds the revenue neutral rate, the proposed mill levy is 0.250 mills lower than the FY 2026 mill levy of 26.234 mills.

As required by state law, the County (on behalf of the City as well as other taxing jurisdictions) sent notice of a public hearing to consider exceeding the revenue neutral property tax rate to every individual property taxpayer. The City also published notice of the public hearing, as required by state law, in The Kansas City Star on August 10, 2026. Furthermore, the City published the public hearing notice on the City's website during the third and fourth weeks of August 2026.

After conducting the public hearing and before closing the public hearing, the Governing Body is required to consider a resolution to exceed the revenue neutral property tax rate.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The proposed mill levy for the FY 2027 budget is 25.984 mills and would generate \$52.2 million in property tax revenue.

STAFF RECOMMENDATION:

Adopt the resolution.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Thriving Economy

Guiding Principles

Superior Quality Services

Prudent Financial Management

Responsible Economic Development

ATTACHMENTS

1. Resolution

RESOLUTION NO. 2026 - _____

A RESOLUTION LEVYING A PROPERTY TAX RATE EXCEEDING THE REVENUE NEUTRAL RATE FOR THE CITY OF LENEXA, KANSAS.

WHEREAS, the Revenue Neutral Rate for the City of Lenexa, Kansas ("City") was calculated as 25.359 mills by the Johnson County Clerk; and

WHEREAS, the Fiscal Year 2027 Annual Budget and the City's intent to exceed the Revenue Neutral Rate have been discussed by the Governing Body at various City Council meetings, Committee of the Whole meetings, and other public meetings noticed in accordance with state law; and

WHEREAS, the Fiscal Year 2027 Annual Budget proposed by the Governing Body of the City will require the levy of a proposed property tax rate exceeding the Revenue Neutral Rate; and

WHEREAS, notice of publication of the City's intent to exceed the Revenue Neutral Rate and public hearing was made as provided by law; and

WHEREAS, the Governing Body of the City held a hearing on September 1, 2026 allowing all interested taxpayers desiring to be heard an opportunity to give oral testimony; and

WHEREAS, the Governing Body of the City, having heard testimony, finds it is in the best interest of the City to exceed the Revenue Neutral Rate.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LENEXA, KANSAS:

SECTION ONE: The City of Lenexa, Kansas, a municipal corporation, does hereby authorize levying a property tax rate exceeding the Revenue Neutral Rate of 25.359 mills and levy the proposed tax rate of 25.984 mills for fiscal year 2027 as presented at the September 1, 2026 City Council meeting.

SECTION TWO: This Resolution shall take effect and be in force from and after its passage.

SECTION THREE: On or before October 1, 2026, the City of Lenexa Chief Financial Officer, in coordination with the City Clerk, shall certify with the Johnson County, Kansas County Clerk (the "County Clerk") the amount of ad valorem tax to be levied and the total amount of the adopted Fiscal Year 2027 Annual Budget along with other information pertaining thereto in accordance with State law.

ADOPTED by the Lenexa Governing Body this 1st day of September, 2026.

SIGNED by the Mayor this 1st day of September, 2026.

CITY OF LENEXA, KANSAS

[SEAL]

Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Sean L. McLaughlin, City Attorney



**CITY COUNCIL
MEMORANDUM**

ITEM 3

SUBJECT: Consideration of a resolution approving the fiscal year 2027 budget

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

DATE: September 1, 2026

ACTION NEEDED:

- a. Conduct a public hearing; and
- b. Adopt a resolution approving the fiscal year (FY) 2027 budget.

PROJECT BACKGROUND/DESCRIPTION:

The Governing Body reviewed the FY 2027 recommended budget at Committee of the Whole meetings held in June and July 2026 and received a budget update and public comments at the City Council meeting on August 18, 2026. As required by state law, the City published the public hearing notice for the budget in The Kansas City Star on August 10, 2026. The public hearing notice is also available on the City's website, along with the [FY 2027 recommended budget document](#).

Recommended Budget Summary

The total recommended FY 2027 budget for all funds is \$275.2 million, \$178.9 million for expenditures and \$96.3 million for estimated reserve balances as of December 31, 2027. The estimated mill levy for the budget is 25.984 mills, which is a decrease of 0.250 mills compared to the FY 2026 mill levy of 26.234 mills. The recommended budget allocates 21.431 mills to the General Fund and 4.553 mills to the Debt Service Fund. The recommended FY 2027 budget includes a property tax levy of \$52.2 million. The recommended budget also includes funding for 575.14 full-time equivalent (FTE) positions, which is an increase of approximately 6.0 FTEs from the previous year.

The public hearing notice, published on August 10, 2026, established the maximum amount of property taxes levied and expenditures by fund for FY 2027. At this point in the budget process, the Governing Body cannot increase the amount of taxes levied or the budgeted expenditures for FY 2027.

An updated Q&A document for the FY 2027 Recommended Budget, which includes answers to [citizen questions submitted through August 25, 2026](#) is posted on the City's website. Additionally, the budget update presentation and public comments can be found at the 04:45 mark of the [August 18, 2026 City Council meeting recording](#).

After conducting the public hearing, the Governing Body will consider a resolution to approve the FY 2027 budget.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

Expenditures	\$178.9 million
Reserve Balance	\$96.3 million
Total Budget	\$275.2 million

STAFF RECOMMENDATION:

Adopt the resolution.

VISION / GUIDING PRINCIPLES ALIGNMENT:**Vision 2040**

Healthy People
Inviting Places
Vibrant Neighborhoods
Integrated Infrastructure & Transportation
Thriving Economy

Guiding Principles

Superior Quality Services
Prudent Financial Management
Strategic Community Investment
Extraordinary Community Pride
Inclusive Community Building
Responsible Economic Development
Sustainable Policies and Practices
Values-based Organizational Culture

ATTACHMENTS

1. FY 2027 Recommended Budget (online)
2. Certificate
3. Citizen Questions Updated
4. Resolution

CERTIFICATE

2027

To the Clerk of Johnson County, State of Kansas
We, the undersigned, officers of**City of Lenexa**

- certify that: (1) the hearing mentioned in the attached publication was held;
(2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditures for the various funds for the year 2027; and
(3) the Amount(s) of 2026 Ad Valorem Tax are within statutory limitations.

		2027 Adopted Budget		
		Budget Authority for Expenditures	Amount of 2026 Ad Valorem Tax	Final Tax Rate (County Clerk's Use Only)
Table of Contents:				
Allocation of MVT, RVT, 16/20M Veh Tax	Page No. 2			
Schedule of Transfers	3			
Statement of Indebtedness	4			
Statement of Lease-Purchases	5			
Fund	K.S.A.			
General	12-101a	6	165,584,853	43,082,066
Debt Service	10-113	7	26,612,330	9,152,753
Special Highway		8	2,002,279	
Tourism and Convention		8	5,895,214	
Special Alcohol		9	1,935,059	
Special Parks and Recreation		9	601,566	
Stormwater Management		10	10,738,004	
Neighborhood Revitalization		10	656,922	
TIP-Transportation Improve		11	4,232,681	
Parks & Rec Impact Fee		11	2,883,497	
Mining TIF		12	8,449,072	
Street Tree		12	340,384	
Ridgview Mining TIF		13	5,078,573	
City Center TIF		13	19,538,970	
Orchard Corners CID		14	1,048,798	
Prairie Creek CID		14	249,337	
Quivira 95 CID		15	63,890	
Greystone Plaza CID		15	91,272	
City Center East CID #1		16	75,941	
I-35 & 95th Street TIF		16	7,404,169	
City Center East CID #2		17	382,751	
Rec Center		17	8,730,918	
Midas Springhill Suites CID		18	90,751	
Candlewood Suites CID		18	83,952	
Holiday Inn Express CID		19	74,410	
Sonoma Plaza CID		19	745,594	
City Center Area E CID		20	114,679	
Lenexa Point CID		20	218,343	
Living Spaces CID		21	141,853	
Retreat on the Prairie CID		21	26,956	
Jayhawk Ridge CID		22	55,011	
Ten Ridge CID		22	55,713	
Renner 87 (Brierstone) CID		23	27,049	
Central Green CID		23	50,496	
City Center Area A CID		24	346,018	
Midas Dual CID		24	50,391	
Cemetery Fund		25	412,403	
South Mining TIF District		25	67,152	
Non-Budgeted Funds-A		26		
Non-Budgeted Funds-B		27		
Non-Budgeted Funds-C		28		
Totals	xxxxxxx	275,157,255	52,234,818	
Budget Hearing Notice				County Clerk's Use Only
Combined Rate and Budget Hearing Notice	29			
RNR Hearing Notice				
Neighborhood Revitalization				Nov 1, 2026 Total Assessed Valuation

Revenue Neutral Rate 25.359

Does budget require a resolution to exceed the Revenue Neutral Rate? YES

Assisted by:

Address:

Email:

Attest: _____, 2026

Julie Sayers, Mayor

Jennifer Martin, City Clerk

County Clerk

CPA Summary

The following questions were submitted by citizens of Lenexa regarding the FY2027 budget and have been summarized for clarity, effectiveness and common themes. Responses have been provided by City staff to help explain key aspects of the proposed budget, including spending priorities, funding sources, and the anticipated impact on City services. This Q&A is intended to address common questions raised by the community.

Q: How much property tax revenue will the City generate over the revenue neutral rate in 2027? Why is the increase in revenue needed?

The recommended FY2027 budget includes a 0.250-mill reduction, resulting in a property tax levy of 25.984 mills. The levy would generate approximately \$1.1 million in property tax revenue above the revenue-neutral rate.

The additional revenue is needed to help fund the ongoing costs associated with Lenexa's continued growth and inflation while maintaining the services provided to the community. As stated in this document below, Lenexa is a rapidly growing city, and approximately 61% of the City's increase in assessed valuation for 2027 is attributable to new growth. This growth also brings additional responsibilities and costs for the City, including the need to fund infrastructure, public safety, and other services required to serve new residents, businesses, and newly developed areas.

At the same time, the City, like households and businesses, is impacted by inflation as the cost of goods, services, construction, equipment, and other inputs increases. The revenue-neutral rate does not account for either new growth or inflation. The revenue-neutral rate is designed to generate approximately the same amount of property tax revenue from existing property as the prior year, excluding the impact of new construction and other changes in the tax base.

As a result, reducing the mill levy to the revenue-neutral rate would require the City to absorb approximately \$1.1 million less in ongoing property tax revenue while simultaneously addressing increased costs associated with growth and inflation and continuing to maintain and expand services. The recommended budget balances these needs while still reducing the City's mill levy by 0.250 mills.

Q: What impact would implementing the revenue neutral rate have on the City's reserve balances?

If the City were to reduce its mill levy to the revenue-neutral rate for FY2027, there would be no impact on the City's reserve balances. Instead, the City would need to further reduce its expenditure budget by approximately \$1.1 million.

Property tax revenue is an ongoing revenue source for the City, while, under the City's reserve policy, reserves are considered one-time resources. Consistent with the City's budget principles, a reduction in an ongoing revenue source should be matched with a

reduction in ongoing expenditures rather than using one-time resources, such as reserves, to offset the reduction.

If the City were to ignore its budget principles and use one-time resources to offset an ongoing reduction in revenue, the City's financial forecast would become structurally unbalanced and could create significant budget challenges in future years.

Q: Why does the FY2027 recommended budget include General Fund reserves of 38%, while the reserve policy target is 35%?

The estimated reserve amount above the 35% target provides the City with a prudent financial cushion and helps protect taxpayers from unexpected financial impacts.

The City's reserve policy requires the General Fund to maintain approximately four months of reserves to provide financial protection in the event of a disaster, emergency, economic downturn, or other significant impact to City revenues. Maintaining reserves slightly above the policy target provides the City with additional flexibility and helps ensure it can respond to unforeseen circumstances without immediately reducing essential services or increasing taxes.

Maintaining strong reserves also supports the City's AAA bond ratings from Standard & Poor's and Moody's. These rating agencies consider the City's financial strength and reserve levels when evaluating its creditworthiness, and maintaining reserves just above the policy target demonstrates the City's commitment to strong financial management.

The City's AAA ratings also help save taxpayers millions of dollars in interest costs when the City finances major capital projects with debt. A strong credit rating allows the City to borrow at lower interest rates, reducing the overall cost of financing major investments in the community. This financial strength also provides greater stability in future years and supports the City's ability to continue reducing the property tax rate when financial conditions allow.

Therefore, the 38% projected reserve balance is not excess money that the City is holding without purpose. It is part of the City's overall financial strategy to maintain adequate protection against unforeseen events, preserve its AAA credit ratings, reduce the long-term cost of borrowing for taxpayers, and maintain financial flexibility for the future.

FY2027 Budget Q&A – Posted 8/14/2026

Q: How much revenue is generated from expiring tax abatements in 2027?

Three properties with expired IRBs will fully return to the tax rolls for the FY2027 budget. Based on the City's recommended mill levy of 25.984 mills, these properties are projected to generate approximately \$334,940 in revenue for the City in 2027—an increase of \$143,720 over the prior PILOT payments. This estimate reflects only the City's portion; other jurisdictions, such as Johnson County and the applicable school district, will also receive their respective shares of the tax revenue.

Q: What projects contributed to the debt that seems to have peaked in 2016?

In 2015, the City issued general obligation bonds in the amount of \$44.1M for construction of Lenexa City Hall and the Lenexa Rec Center. An additional \$23.1M was issued to fund the construction of streets and stormwater improvements and refinance outstanding debt.

Q: Is the tax rate allocated to Debt Service declining due to payoff of debt or are some General Fund excesses being transferred and/or paying off debt?

The tax rate allocated to pay debt service in the City's Debt Service Fund is declining due to the City's debt being paid off. There are no General Fund "excesses" being transferred to the Debt Service Fund.

Q: Would the city reduce the General Fund rate further if the budget allowed, or is there a maximum annual reduction the City would allow?

The City is committed to responsibly lowering the mill levy when prudent, and there is no "maximum annual reduction." The City has reduced its mill levy for eight consecutive years, with a ninth consecutive reduction included in the recommended FY2027 budget. Since 2018, the City's mill levy has been reduced by a total of 5.848 mills, representing an estimated \$11.4 million in annual property tax revenue not collected by the City. This represents a significant and sustained reduction in the City's property taxes.

Over the past eight years, the City has reduced its mill levy at a faster rate than any other major city in Johnson County. This demonstrates the City's continued commitment to responsible financial management while maintaining high-quality services, making strategic investments in the community, and preserving the City's strong financial position.

Q: When General Fund Revenues less Expenditures are greater than budgeted, does the excess first get added to reserves and then eventually transferred to another fund such as the Capital Improvement Fund? Are these cumulative excesses an explanation for the declining need to issue new debt?

If the General Fund has positive financial results at the end of the fiscal year, Lenexa's Reserve Policy lays out four options for the use of General Fund reserves (unassigned) that exceed the target:

General Fund reserve amounts in excess of 35% of the budgeted annual General Fund revenues are one-time funds and shall be used only for the following purposes:

- For one-time expenditures, including capital outlays, studies, and payments to reduce outstanding City debt
- For capital projects through transfers to the Capital Improvement Fund and other City funds
- To increase reserve amounts in other City funds as needed
- To offset the impact of economic downturns on a short-term (one or two fiscal years) basis

One of the most impactful uses of these funds is transferring them to the Capital Improvement Fund—either to pay for capital projects originally planned to be debt-financed (thereby saving taxpayers interest costs) or to fund essential projects that may have been delayed due to a lack of available funding (thereby improving services). Both uses have a positive impact on the City’s residents and support the potential for continued mill levy reductions in future years.

Q: The City has a well publicized policy of “using current year revenues to pay for current year expenditures”. Please reconcile the funding of future capital projects funded by excess current year revenues with this stated policy as they appear to be in conflict?

The City’s longstanding budget principles are laid out in the FY2027 recommended budget document:

- Funding on-going operating expenditures with on-going revenue sources.
- Using one-time revenues for one-time expenditures (capital projects, for example).
- Maintaining sufficient reserve balances to address unforeseen events like the Great Recession and COVID-19 pandemic.
- Using a conservative approach to revenue estimation.
- Preparing and funding equipment replacement and building maintenance schedules.

The City’s financial practices are consistent with using recurring revenues to support recurring expenditures, while also using a portion of current revenues to fund capital improvements on a pay-as-you-go basis. The annual budget specifically identifies transfers from the General Fund to the Capital Improvement Fund as “pay as you go funding for CIP – funded from general revenue.” These transfers are budgeted and appropriated in the current year and are intended to reduce the City’s reliance on debt financing for capital projects.

Funding future capital projects through these transfers does not conflict with the City’s approach to funding current operations. The City budgets for the transfer as a current-year use of General Fund resources, while the Capital Improvement Fund holds those resources until the associated capital projects are undertaken. This approach allows the City to fund a portion of its long-term capital needs with cash rather than issuing debt and incurring future debt-service costs.

Q: Why is the City not proposing a revenue neutral property tax rate for 2027?

As a rapidly growing city, a significant portion—61%—of the City’s increase in assessed valuation for 2027 is attributable to new growth. This growth also brings additional responsibilities and costs for the City, including the need to fund infrastructure, public safety, and other services required to serve new residents, businesses and newly developed areas.

At the same time, the City, like households and businesses, is impacted by inflation as the cost of goods, services, construction, equipment, and other inputs increases. The revenue-neutral rate does not account for either new growth or inflation. The revenue-neutral rate is designed to generate the same amount of property tax revenue from

existing property as the prior year, excluding the impact of new construction and other changes in the tax base.

As a result, reducing the mill levy to the revenue-neutral rate can represent a significant impact to the City, particularly when it is simultaneously absorbing increased costs associated with growth and inflation while continuing to maintain and expand services.

Q: The City budgets for a 3% property tax delinquency rate. However, based on collections data from page 200 of the City's 2025 Comprehensive Financial reports, historical delinquency has never reached 3% delinquency. Why does the City continue to use a 3% delinquency rate in its assumptions?

The City adheres to its established budget principles and takes a conservative approach to estimating revenues. While the City's actual delinquency rate has been lower than projected in recent years, delinquency remains an area of uncertainty and has reached as high as 4.55% in the past. As of June 30, 2026, the property tax delinquency rate was approximately 4%. Maintaining conservative revenue estimates helps ensure the City does not rely on revenue that may ultimately not be collected in a timely manner and provides an appropriate level of financial stability when developing the annual budget.

Q: Based on the City's 2019-2025 financial reports, General Fund investment earnings exceeded budget by an average of \$1.26 million annually, despite underperforming budget during 2021 and 2022 when rising interest rates created unrealized investment losses. How does the City determine the annual investment income assumptions? Given the historical performance, does the City believe the current methodology continues to produce the most accurate estimates?

The City takes a conservative approach when estimating investment income and does not budget for unrealized gains. The annual investment income estimate is based primarily on projected cash flows, available investable balances, expected investment maturities, and prevailing and anticipated interest rates. Staff also considers the City's historical investment performance and the timing of expected revenues and expenditures when developing the annual budget.

It is important to distinguish between realized investment income and unrealized investment gains or losses. Unrealized gains and losses result from changes in the market value of investments that have not yet been sold and therefore do not represent cash available to the City. This distinction was particularly significant in 2021 and 2022, when rapidly increasing interest rates resulted in unrealized losses on certain investments. While those market-value changes affected the City's financial statements, they did not represent a corresponding loss of cash investment income.

Conversely, the City does not budget for unrealized gains when estimating investment income. Including unrealized gains in the revenue estimate could create a significant risk of overestimating resources available to fund the City's operations. The City's approach is therefore intentionally more conservative and focuses on investment earnings that are expected to be realized through interest payments, maturities, and other cash flows.

Q: The City's 2019-2025 financial reports show General Fund expenditures coming in below budget every year. To what extent are these recurring variances intentional versus forecasting error? Does the City formally review recurring expenditure variances and adjust future budget assumptions accordingly?

The City does not intentionally inflate its expenditure budgets. The favorable variances are generally the result of conservative budgeting, timing of expenditures, position vacancies or employee turnover, changes in project schedules, and actual costs coming in below estimates. Given the uncertainty associated with forecasting expenses more than a year in advance, staff believes it is appropriate to budget conservatively rather than assume that all projected savings will occur.

Staff formally reviews budget-to-actual results and historical expenditure trends as part of the annual budget process. Recurring expenditure variances are evaluated to determine whether they represent sustainable savings that should be incorporated into future budgets or are the result of one-time circumstances or timing differences. Where staff identifies a consistent and predictable reduction in an expenditure, future budget assumptions are adjusted accordingly.

It is also important to consider these variances in the context of the City's overall financial management. During the 2019–2025 period referenced in the question, the City reduced its mill levy by 4.873 mills, representing approximately \$9.5 million in annual property tax revenue not collected by the City. The City also leveraged its strong financial position to cash fund capital projects rather than issue additional debt, avoiding millions of dollars in interest costs that taxpayers would otherwise have incurred over the next 15–20 years. This demonstrates that favorable expenditure results have not simply been retained as additional tax-supported spending but returned to taxpayers.

The City's goal is to develop realistic budgets that reflect expected costs while maintaining appropriate flexibility to address unforeseen expenditures and changing circumstances. Financial performance is evaluated based on the overall position of the General Fund—including revenues, expenditures, transfers, fund balance, and long-term financial needs—not solely on whether individual expenditure categories are below budget.

Q: From 2019 through 2025, actual General Fund revenues exceeded budget in six of seven years, while expenditures came in below budget in every year. Combined, these recurring variances produced annual General Fund operating results averaging approximately \$7.8 million above budget. Does the City consider this level of forecasting variance to be within an acceptable range? If so, what benchmarks or performance measures does the City use to evaluate the accuracy of its budgeting process?

The analysis showing that the City's General Fund variance averaged \$7.8 million favorable from 2019–2025 is incorrect because it considers General Fund revenues and expenditures but does not account for budgeted transfers.

The General Fund includes several revenue sources that are effectively “pass-through” revenues. These revenues increase reported General Fund revenue but are subsequently transferred to other funds for their designated purposes and therefore do

not represent resources available to fund General Fund operations. Examples include the City's 3/8-cent sales tax dedicated to parks and pavement (\$10.4 million), the City's share of the Countywide Public Safety III sales tax dedicated to the Lenexa Justice Center project (\$2.3 million), and excise tax revenues (\$900,000).

Because these revenues are included in General Fund revenue, but the corresponding transfers out are excluded from the analysis, the analysis overstates the General Fund's available resources and produces a misleading variance. A proper analysis of the General Fund's budget-to-actual performance should include revenues, expenditures, and transfers to accurately reflect the City's actual financial position and the resources available for General Fund operations.

Q: Does City staff conduct a formal post-budget review comparing original budget assumptions with actual results?

Yes. Staff regularly compare budget assumptions to actual results throughout the year and as part of the year-end financial reporting and subsequent budget process. This review occurs through the City's quarterly financial reports, Annual Comprehensive Financial Report (ACFR), and the development of each year's recommended budget.

Staff uses historical actual results, quarterly trends, current-year projections, and the City's multi-year financial models when developing future budgets. Recurring and predictable variances are evaluated to determine whether budget assumptions should be adjusted. However, staff does not automatically reduce a future budget based solely on prior-year variances. Staff considers the reason for the variance, whether it is recurring or one-time, current economic conditions, anticipated cost increases, service needs, and other known factors before adjusting future assumptions.

This process is intended to ensure that the City's budgets become more accurate over time while maintaining the conservative approach necessary to manage uncertainty and protect the City's long-term financial position.

Q: Why does Staff continue using Covid and the 2008 recession to justify their conservative philosophy? To their credit, the results above prove staff's capability to successfully navigate a challenge such as the Covid lockdowns, while even if data were readily available to show the harms of 2008, does it make sense to budget based on what is generally considered a once every 50-year occurrence that was 18 years ago?

Staff does not use the Great Recession or the COVID-19 pandemic as the sole basis for the City's conservative budgeting philosophy. However, both events had significant and lasting impacts on the City's finances and are important considerations when evaluating the City's financial policies and risk tolerance.

The Great Recession played a significant role in structural changes to the City's finances, including changes in revenue performance, development activity, property values, and the City's approach to maintaining adequate reserves and managing financial risk. The COVID-19 pandemic was a separate and highly disruptive event that created substantial uncertainty in revenues, expenditures, economic activity, and service demands.

It is also important to put the timing in perspective. These were not two events separated by 50 years. The Great Recession occurred in 2008–2009, followed approximately a decade later by the COVID-19 pandemic in 2020–2021. The occurrence of two significant economic disruptions within roughly 10–12 years demonstrates that material financial disruptions can occur more frequently than a traditional “once every 50 years” assumption would suggest.

The City's conservative approach is therefore not based on assuming that another Great Recession or pandemic will occur in any particular year. Rather, those experiences reinforce the importance of maintaining sufficient financial flexibility to respond when circumstances change unexpectedly. The City also considers more recent experience, including actual revenue and expenditure trends, economic conditions, inflation, interest rates, development activity, and the City's long-term financial obligations when developing each annual budget.

The objective is not to budget for a specific crisis, but to maintain a financial position that allows the City to successfully navigate the next unforeseen challenge—whatever form it takes—without having to make abrupt reductions to services, defer critical investments, or significantly increase taxes or fees.

Q: According to the 2026 budget the City's estimated cost increase for employee health insurance was 12.2%. What was the final cost (as a percent and in dollars) for the City? What was the cost for a single employee (as a percent and in dollars)?

The City's health insurance costs increased approximately 10.6% or \$983,000 for 2026. The cost for a single employee and the employee cost share varies depending on which health plan is selected – for the PPO plan, the premiums for a single employee would be \$155 and their cost share would be approximately 17% in 2026.

Q: What is the City's estimated cost increase for health insurance in 2027 (as a percent and in dollars)? Is the employee share increasing as cost for coverage increases for the City? Or are taxpayers paying the increase?

The 2027 Recommended Budget includes an estimated 6%, or approximately \$570,000, increase in health insurance costs. The City expects to receive the final 2027 health insurance costs later this year and will establish the City and employee cost-sharing amounts at that time.

Q: What is the health insurance cost share (employee/employer) for the City for years 2022 to 2027?

The health insurance cost share for 2027 has not yet been determined but the below chart details 2022-2026.

	PPO Employer Cost Share Range	QHDP Employer Cost Share Range	Dental Employer Cost Share Range		Employee Cost Share PPO Range	QHDP Employee Cost Share Range	Dental Employee Cost Share Range
2022	83%	88-89%	73-82%		17%	11-12%	18-27%
2023	82-83%	88%	73-82%		17-18%	12%	18-27%
2024	82-83%	88-89%	73-82%		17-18%	11-12%	18-27%
2025	82-83%	88-89%	73-82%		17-18%	11-12%	18-27%
2026	83%	88-89%	73-82%		17%	11-12%	18-27%

Q: Has the compensation study been completed? Is the City implementing changes for the 2027 Budget year? If so, what is the recommendation for salary increases? Will increases be given only to employees at a pay level below recommendations to retain these employees?

Yes. The City completed the RFP process for the compensation study and selected CBIZ to conduct the study. The study was completed earlier this year, and the recommended pay plan was approved by the City Council at its July 21, 2026, meeting. The pay plan was effective on August 1, 2026. The meeting recording and CBIZ's presentation are available for viewing on the City's website.

Q: How is the 4% contribution for the employee to 401(a) Defined Contribution Plan (Defined Contribution Plan) factored into the City's compensation study?

The City's contributions to employee 401(a) retirement plans were not included in the compensation study performed by CBIZ. The study focused on comparing employee salaries to market data to ensure the City remains competitive with other employers and is able to attract and retain qualified employees. However, the City's 401(a) retirement contributions are included in the personnel cost projections in the adopted 2026 budget.

Q: What compensation plans are offered in the City's Executive Plans?

Pay grades EX1 and EX2 are two grades in the City's Public Service Pay Plan which establish the pay range for the City's department directors/chiefs and the Deputy and Assistant City Manager ("Management Team"). Aside from the pay grades, there are no "Executive Plans" offered by the City.

Q: The Employee Retirement Systems and Pension Plans under Defined Contribution Plan states "*The plan was subsequently amended in 2022 to require the City to contribute an additional 8.0% of the City Manager's compensation into a 401(a) account.*" Do I understand this to mean that the City Manager's contribution could be up to 14% if the City Manager contributes an additional 2%?

Yes, this is in line with market compensation for comparable top-level executive positions.

Q: What other plans or benefits, like auto, communication allowances, does the City offer to Executives?

Allowances are not an executive perk but are provided to specific employees throughout the organization based on their job responsibilities and requirements. The allowances provided to Management Team members include a vehicle allowance ranging from \$219 to \$300 per pay period, a cell phone allowance of \$35 per pay period, and a technology allowance ranging from \$40 to \$100 per pay period.

FY2027 Budget Q&A – Posted 7/8/2026

Q: Why does the FY2027 budget project only \$4.0 million in investment income ("Use of Money") when the City's current investment portfolio appears large enough to generate approximately \$7.5 million in annual interest earnings? Please explain the difference and how investment income is allocated among City funds.

The City generally allocates investment income among all funds based on each fund's cash balance when income is generated from the City's investment portfolio. This includes not only the budgeted funds listed in the annual operating budget but also capital and maintenance funds that are not included in the operating budget, as required by state law. Examples of these funds include the Capital Improvement Fund, Facilities Maintenance Fund, and Equipment Reserve Fund.

The City's bond funds may also be included in the investment portfolio, and the investment income generated must be allocated to each bond series. Additionally, arbitrage calculations are required to ensure compliance with federal law so that the City does not earn an impermissible profit on tax-exempt debt.

In short, the FY2027 operating budget includes a conservative estimate of investment income for the City's budgeted funds but does not include investment income allocated to funds that are not part of the operating budget.

Q: In the FY2025 ACFR, the General Fund Schedule of Revenues, Expenditures etc. on page 102 lists total final budgeted Investment Earnings of \$2.5mm with actuals of \$4.1 million for a \$1.6 million positive variance. Please explain the significant variance. Please also confirm this excess is added to reserves? Would the council ever consider using excesses to lower future property tax mill rates?

The City adheres to its budget principles and uses a conservative approach to revenue estimation which includes investment income. The City exceeded its investment income projections in 2025 using a mixture of short-term and long-term investment strategies based upon cash flow needs and changes in market conditions.

No, the "excess" revenue from investment income was not added to reserves. On the schedule referenced on page 102-103 of the City's Annual Comprehensive Financial Report, you can see that the General Fund balance decreased for FY2025.

The City is recommending a 9th consecutive mill levy reduction with the FY2027 Recommended Budget. Generally, the City uses revenues that exceed projections in

total, and not just in one line item such as investment income, to cash finance major capital projects instead of using debt. This saves taxpayers millions of dollars in interest costs and helps set the City up for possible mill levy reductions in the future.

Q: The list of holdings as of 3/31/26 indicates very short maturities (most within 12 months), which should result in much less interest rate risk but at the cost of potentially higher yields. Is this correct and is this a conscious decision as it is much shorter durations than portfolios of the recent past?

Each time the City invests taxpayer funds, the safety of principal and cash flow requirements are the main priority - then the City uses a competitive bidding process to get the best available rate for the investment. The term of each investment in the current portfolio is based on cash flow requirements and to generate the highest available return on the investment within that context.

Q: The current investment policy approved on 11/4/25 states the City will minimize interest rate risk by “structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and debt service payments...”. With such short maturities in the current portfolio is the City in compliance with this policy?

Yes, the current investment portfolio is fully in compliance with the investment policy. Every time the City makes an investment, cash flow requirements are considered – if we were not in compliance with the policy, the City would have failed to meet its obligations for debt, payroll, and vendor payments.

Additionally, the City has the highest possible credit rating (AAA/Aaa) from both Moody's and Standard & Poor's. The City would not have achieved this rating without liquidity and the ability to meet its obligations.

Q: Reserves are significantly beyond the max guideline how does this get balanced out?

In the FY2027 Recommended Budget, available on the City's website, the General Fund reserve balance is projected to range between 35% and 38% from FY2027 through FY2031. While maintaining sufficient funds for unexpected events is the primary purpose of the General Fund reserve, it also plays a critical role in supporting the City's AAA (Aaa) bond rating from Moody's Investors Service and Standard & Poor's—the highest possible credit rating for a municipality. These ratings reflect the City's conservative financial management, minimal debt burden, and strong, diverse tax base. Both rating agencies cite available cash as a key factor in achieving and maintaining this top rating. For these reasons, the goal is to maintain reserves at or slightly above the City's policy target.

Additionally, Lenexa's Reserve Policy lays out four options for the use of General Fund reserves (unassigned) that exceed the target:

General Fund reserve amounts in excess of 35% of the budgeted annual General Fund revenues are one-time funds and shall be used only for the following purposes:

- For one-time expenditures, including capital outlays, studies, and payments to reduce outstanding City debt
- For capital projects through transfers to the Capital Improvement Fund and other City funds
- To increase reserve amounts in other City funds as needed
- To offset the impact of economic downturns on a short-term (one or two fiscal years) basis

One of the most impactful uses of these funds is transferring them to the Capital Improvement Fund—either to pay for capital projects originally planned to be debt-financed (thereby saving taxpayers interest costs) or to fund essential projects that may have been delayed due to a lack of available funding (thereby improving services). Both uses have a positive impact on the City's residents and support the potential for continued mill levy reductions in the future.

Q: Why are the mill levy decreases so small? It seems that the City could implement much larger cuts and reduce the mill levy by at least 1.500 mills and bring it in line with other cities in Johnson County?

With the FY2027 recommended budget, the City plans to reduce the mill levy for the ninth consecutive year. Lenexa is one of only a few cities in Johnson County proposing a mill levy reduction in 2027. Among those, Lenexa is proposing the largest tax rate decrease (aside from DeSoto which is experiencing structural changes due to Panasonic and other economic development). Further, all cities in Johnson County are exceeding the revenue-neutral rate. The City remains committed to responsibly lowering the mill levy and will continue to evaluate future reductions during every budget cycle.

Lenexa's growth and competitive position have contributed to increased assessed valuation, supporting reductions in the property tax rate. However, this growth also brings more residents and businesses to be served along with increased responsibility to fund infrastructure, public safety, and other services in newly developed areas. For example, while a fully-developed city like Prairie Village may have a higher property tax rate (including a separate fire district mill levy), it does not face the financial burden of constructing \$40–50 million in new roads to serve future neighborhoods and commercial development — a challenge Lenexa continues to manage while continuing to reduce the mill levy.

Q: The City's 2026 Forecast for Sales and Use Tax shows an increase of 2%, but current budget shows it coming in at more than 8%. Is this intentional?

As referenced, the City's revenue from sales and use tax is exceeding projections for the first quarter of FY2026. In the City's FY2027 Recommended Budget, the re-estimate for sales and use tax revenues in FY2026 includes significant increases to projected revenue while still adhering to the City's budget principles of using conservative revenue estimates to avoid budget shortfalls.

City sales tax revenue is composed of three sources: the general sales tax, the 3/8-cent sales tax, and the City's share of the Countywide sales tax. The 3/8-cent sales tax, approved by Lenexa voters, is dedicated to parks and street improvements and is passed through the General Fund to support those projects. Because contracts for the Pavement Management Program (PMP) and Parks & Recreation capital projects are established at the beginning of the budget year and are not easily adjusted, the City must use conservative revenue estimates to avoid potential shortfalls.

Additionally, the City's share of the Countywide sales tax includes the 1/4-cent Public Safety Sales Tax III, which was dedicated to funding the Lenexa Justice Center project. The Public Safety Sales Tax III is set to expire in March 2027.

Q: Based on the City's debt repayment schedule, it appears the outstanding debt may be retired nearly four years earlier than planned. If the debt is paid off early, will the approximately 2.74 mills currently levied for debt service be eliminated, reducing the overall property tax rate? If not, why would those mills remain in place?

In the FY2027 Recommended Budget, 4.533 mills are levied to support the Debt Service Fund. These funds in the Debt Service Fund may only be used to service the City's debt and cannot be used for operations or other expenditures. As shown in the Debt Service Fund projections included in the FY2027 Recommended Budget, expenditures are expected to exceed revenues in each year of the multi-year forecast. This is intentional, as the City is obligated to construct several major road and facility projects in the coming years, in addition to supporting its ongoing debt financing program.

As with the General Fund, the mill levy for the Debt Service Fund is reviewed annually and adjusted based on projected needs and revenue requirements. Because the City's debt program is used to finance major capital improvements, there will likely always be a need to issue debt. As the community grows, the City must construct new infrastructure; as it matures, investment will shift toward the replacement and maintenance of existing assets. As a result, the City anticipates the continued need for a dedicated debt service mill levy for the foreseeable future.

Q: I would like an outside auditor to audit the City's Capital Improvement spending. Does the City have this type of audit done?

Yes, each year the City hires an external auditor to independently examine the City's financial statements, internal controls, and selected financial transactions to determine whether the statements are fairly presented in accordance with generally accepted accounting principles (GAAP). The auditor also issues an opinion on the accuracy and reliability of the City's financial statements, providing assurance to the Governing Body, residents, bondholders, and other stakeholders.

As part of the annual audit, the City's external auditors review and test the City's capital expenditures. Additionally, if the City expends \$1.0 million or more in federal awards during the fiscal year, the auditors are required to perform a Single Audit to ensure compliance with applicable federal requirements.

Q: Will the City's budget be adjusted upon the completion of the salary study?

The City is in the process of conducting the compensation study and does not have final results. However, at this time, we do not anticipate adjustments to the FY2026 budget.

Q: Have you consulted with organizations probably closer to these future sales and use tax trends than staff such as Lenexa Chamber of Commerce, MARC, CERI, etc.?

Yes. Staff regularly monitors economic conditions and consults a variety of local, regional, and national sources when developing sales and use tax projections. This includes reviewing economic forecasts and market data from organizations such as the Lenexa Chamber of Commerce, Mid-America Regional Council (MARC), the Center for Economic Research Institute (CERI), and other public and private sector resources, along with the City's own historical revenue trends.

Q: How much time and expense would be saved by enacting a revenue neutral rate?

The City would save approximately \$400 in publication costs required by state law when exceeding the revenue neutral rate. Additionally, the public hearing on the revenue neutral rate, which is typically held on the same night and immediately before the budget public hearing, would no longer be required.

RESOLUTION NO. _____

A RESOLUTION ADOPTING THE FISCAL YEAR 2027 ANNUAL BUDGET FOR THE CITY OF LENEXA, KANSAS.

WHEREAS, the Fiscal Year 2027 Annual Budget has been discussed by the Governing Body at various City Council meetings, Committee of the Whole meetings, and other public meetings noticed in accordance with state law; and

WHEREAS, a copy of the proposed Fiscal Year 2027 Annual Budget was posted on the City's website on or about June 18, 2026 to allow informal public comment and questions, and has remained on the website since that date; and

WHEREAS, pursuant to K.S.A. § 79-2929, a public hearing was conducted at the September 1, 2026, City Council meeting to answer and hear any objections of taxpayers relating to the proposed Fiscal Year 2027 Annual Budget; and

WHEREAS, notice of publication of the proposed Annual Budget and public hearing was made as provided by law; and

WHEREAS, the Governing Body believes it is in the best interest of the City to adopt the Fiscal Year 2027 Annual Budget as presented.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LENEXA, KANSAS:

SECTION ONE: The City of Lenexa, Kansas, a municipal corporation, does hereby adopt the Fiscal Year 2027 Annual Budget as presented at the September 1, 2026, City Council meeting.

SECTION TWO: This Resolution shall take effect and be in force from and after its passage.

SECTION THREE: In accordance with K.S.A. 79-1801 and K.S.A. 79-2930, on or before October 1, 2026, the City Chief Financial Officer, in coordination with the City Clerk, shall certify and electronically file with the Johnson County, Kansas County Clerk (the "County Clerk") copies of the budget Certificate giving the amount of ad valorem tax to be levied and the total amount of the adopted Fiscal Year 2027 Annual Budget along with other information pertaining thereto in accordance with State law.

SECTION FOUR: The Fiscal Year 2027 Annual Budget as approved and filed with the County Clerk shall constitute an appropriation for each fund as provided in K.S.A. 79-2934.

ADOPTED by the Lenexa Governing Body this 1st day of September, 2026.

SIGNED by the Mayor this 1st day of September, 2026.

CITY OF LENEXA, KANSAS

[SEAL]

Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Sean L. McLaughlin, City Attorney

APPENDIX



**MINUTES OF THE
AUGUST 18, 2026
LENEXA CITY COUNCIL MEETING
COMMUNITY FORUM, 17101 W 87th STREET PARKWAY
LENEXA, KS 66219**

CALL TO ORDER

Mayor Sayers called the meeting to order at 7 PM.

ROLL CALL

Councilmembers Handley, Eiterich, Charlton, Nicks, Bell, Williamson, Denny, and Herron were present with Mayor Sayers presiding.

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

Councilmember Denny made a motion to approve the August 4, 2026 City Council meeting draft minutes and Councilmember Williamson seconded the motion. Motion passed unanimously.

MODIFICATION OF AGENDA

There were no modifications to the agenda.

CONSENT AGENDA

1. Bid award to Mayer Specialty Services, LLC for the Strang Line Road Streetlight & Stormwater Improvements Project
Routine inspections identified numerous pipes in need of rehabilitation in the commercial area along Strang Line Road, south of College Boulevard. Mayer Specialty Services, LLC bid \$1,116,307.34 to perform the work.
2. Acceptance of the Western Fueling Station & Salt Storage Facility Project at Freedom Fields for maintenance
This project replaced a 750-ton salt storage structure with a new 2,000-ton facility. It also constructed a 20,000-gallon above-ground fuel storage tank, a fueling island with two gasoline and two diesel dispensers, a canopy over the fueling area, and a fuel tank monitoring system. The total cost of construction was \$2,965,421.38.
3. Acceptance of the Green Prairie Pavement Reconstruction Project for maintenance
This project reconstructed 3.82 lane-miles of roadway. Work included sub-grade modifications, new base and surface asphalt, replacement of deteriorated curb and gutter, sidewalk panels and ADA ramps, and placement of new streetlights and street signs throughout the Green Prairie neighborhood, on Summit Street north of 91st

Terrace, and on Bradshaw Street north of 103rd Street. The City's total cost was \$3,416,346.59.

4. Acceptance of utility and sidewalk easements and rights-of-way as shown on Lenexa Fire Station 6 Final Plat
The final plat is for a one-lot subdivision containing 12.5 acres. The site is the former City Hall and Police Station site to be redeveloped in phases. The initial phase is a new Fire Station 6. Easements and right-of-way are being dedicated to the City as part of the final plat.
5. Approval of Change Order #1 to the contract with McAnany Construction, Inc. for the 2026 Pavement Management Program - Thoroughfare and Industrial Streets Mill and Overlay Project
Projects within the 2026 Pavement Management Program (PMP) received favorable bids that were more than \$700,000 below the engineer's estimates. Staff identified Lackman Road from 87th Street Parkway to 95th Street and Ridge Drive from 95th Street to Renner Boulevard as candidates to be added to the project to use the available funding. This change order adds 5.05 lane-miles of 2-inch asphalt mill and overlay to the project for a cost of \$782,817.20.
6. Approval of Change Order #2 to the contract with HNTB for the design of the 87th Street Parkway Traffic Signals - Scarborough to Winchester Project
The City previously approved a contract with HNTB for design services for the project. During design, it was discovered that several existing ramps were not ADA compliant and staff asked HNTB to submit a cost proposal to perform additional design services. The cost of Change Order #2 is \$65,496.
7. Approval of an agreement to become an Affiliated Provider under an Event Reporting System Agreement between the Center for Patient Safety and the Johnson County Medical Director's Office
The Johnson County Office of Medical Director (OMD) is preparing to utilize a new event reporting software system for medical treatment errors. Approval of this agreement will give the Lenexa Fire Department access to and use of the new system as an Affiliated Provider under the OMD's account.
8. Approval of an engineering agreement with Bartlett & West for design of the Monrovia Street, 79th Street to 83rd Street, Sidewalk Gap Project
Addressing sidewalk connectivity issues is a major goal of the Sidewalk and Trail Repair Program. Staff recommends contracting Bartlett & West, Inc. for design and consulting services related to this project for a total cost of \$139,892.
9. Approval of an amendment to the Consultant Services Agreement with Vireo, LLC for additional design, construction documents, and construction administration of the Black Hoof Southern Connection
The City contracted Vireo, LLC to conduct a Trail Alignment Study, which identified priority segments for the enhancement and expansion of the trail system. The Black Hoof Southern Connection has been determined as the first priority. This amendment will expand the consultant's scope of services to encompass additional design, public engagement, the creation of construction documents, and the provision of construction administration, observation, and oversight for a cost of \$96,020.

10. Approval of Addendum Six to the Employment Agreement with the City Manager
The proposed addendum extends the City's Manager employment agreement until December 31, 2026 and revises compensation terms.
11. Resolution approving the closure of Penrose Lane from eastbound 87th Street Parkway to 88th Street for a special "Red Friday" Night Sound Bites on September 11, 2026
The Public Market plans to host a Kansas City Chiefs-themed "Red Friday" Night Sound Bites. The road closure will allow the Public Market to obtain a temporary event permit from the Kansas Division of Alcoholic Beverage Control to extend the licensed/permitted premises onto the street for the event.

END OF CONSENT AGENDA

Councilmember Bell made a motion to approve items 1 through 11 on the consent agenda and Councilmember Nicks seconded the motion. Motion passed unanimously.

PUBLIC HEARINGS

12. Public hearing to consider repairs or demolition of the fire-damaged structure at 20826 W. 89th Terrace - **CANCELED AT THE REQUEST OF STAFF**

Item 12 was canceled at the request of staff.

13. Consideration of a right-of-way vacation located on the southwest corner of 85th Terrace & Monrovia Street

- a. Public hearing to consider a request to vacate right-of-way

- b. Ordinance vacating right-of-way

This application is to vacate right-of-way that is not needed for any existing portion, extension, or expansion of the public street. A utility easement is being retained for this property.

Stephanie Sullivan, Planning Manager, said this is a request to vacate approximately 4,300 square feet of right-of-way (ROW) near the southwest corner of 85th Terrace & Monrovia Street. She said the triangular parcel would become part of the future Fire Station 6 site. She noted that necessary utility easements would be retained, and existing utilities and municipal infrastructure would not be affected.

Ms. Sullivan said staff determined the request met all review standards and recommended conducting the required public hearing and approving the vacation.

Mayor Sayers opened the public hearing at 7:03 PM.

No one from the public spoke.

Councilmember Bell made a motion to close the public hearing and Councilmember Eiterich seconded the motion. Motion passed unanimously.

The public hearing closed at 7:04 PM.

Councilmember Denny made a motion to approve Item 13b and Councilmember Bell seconded the motion. Motion passed unanimously.

OLD BUSINESS

14. Fiscal Year 2027 Recommended Budget
Staff will provide an update on the fiscal year 2027 Recommended Budget.

Nate Blum, Chief Financial Officer, reviewed the recommended fiscal year (FY) 2027 budget, which is based on the City's established budget principles. He presented a total budget comparison chart reflecting the proposed FY 2027 \$275.2 million budget as a 5.6% increase over the FY 2026 adopted budget. He talked about Operational Funds increasing 4.4%, primarily because the Public Safety sales tax revenue was moved to the debt service fund to pay debt associated with the Justice Center. He noted that the sales tax is scheduled to expire at the end of the first quarter of 2027. He said that Special Revenue Funds, which are restricted to designated purposes, and Economic Development Funds, which are pass-through funds unavailable for City operations, would increase by a combined 9.7%.

Mr. Blum said the budget assumes a 3.3% increase in assessed valuation, with nearly two-thirds of the increase resulting from new development requiring additional city infrastructure and services. He noted the City also expects to receive approximately \$335,000 in property tax revenue from three properties with expiring industrial revenue bonds (IRBs), an increase of \$144,000 over the prior year.

Mr. Blum said staff recommended reducing the mill levy by 0.25 mill to an estimated 25.984 mills. He said that since 2018, the City's mill levy has declined by 5.848 mills, from 31.832 mills, representing an estimated annual reduction of \$11.4 million. He noted that reaching the revenue neutral rate would require an additional \$1.2 million reduction beyond the proposed mill levy decrease. He pointed out that Lenexa was expected to be the only major Johnson County jurisdiction proposing a mill levy reduction for 2027, although its proposed rate would remain above the revenue neutral rate. He said property tax revenue was projected to increase 2.4%, compared with a 2.5% core inflation rate through July.

Mr. Blum said no changes were recommended to major user fees, including stormwater service and capital charges. The budget includes six additional full-time positions, including three in Police and public safety and one each in Municipal Services, Stormwater, and Parks and Recreation. He said General Fund expenditures would increase 3.2%, with reductions in commodities and capital outlay partially offsetting higher personnel and contractual service costs.

Mr. Blum said the public hearings on the revenue neutral rate and proposed 2027 budget were scheduled for September 1st.

Mayor Sayers invited public comment.

Sharon Lab, 8844 Houston Street, asked how much the City could reduce its

property tax rate while maintaining its reserve policy, AAA credit rating, and planned services; how adopting the revenue neutral rate would affect general fund reserves; how much additional property tax revenue would be generated by exceeding the revenue neutral rate; and what expenses require that revenue. She also asked what justifies maintaining general fund reserves at 38% when the target is 35%. She talked about the number of items being approved through the consent agenda without discussion or an opportunity for public comment and encouraged the City to review its practices to ensure transparency and public participation.

Gaylene Van Horn, 8131 Rosehill Road, asked about the City's spending, noting that approximately \$8.6 million in expenditures had been approved without discussion and that the proposed budget totaled \$275.2 million. She said expenses should be reduced because rising costs are making it difficult for some longtime residents to remain in their homes. She questioned the delay in implementing livestreaming of meetings if the necessary equipment was available and implementation would have no budget impact. She asked the Governing Body to expedite the required procedural changes and be more responsive to residents seeking information about how their property tax dollars are spent.

NEW BUSINESS

There was no new business.

COUNCILMEMBER REPORTS

There were no councilmember reports.

STAFF REPORTS

There were no staff reports.

END OF RECORDED SESSION

BUSINESS FROM FLOOR

There was no business from the floor.

ADJOURN

Councilmember Bell made a motion to adjourn and Councilmember Eiterich seconded the motion. Motion passed unanimously.

The meeting adjourned at 7:17 PM.

STUDENTS IN ATTENDANCE

Demetri, a scout in Troop 428, attended the meeting for his Citizenship in the Community badge.

Proclamation

WHEREAS, Fetal Alcohol Spectrum Disorders (FASD) are lifelong disabilities caused by prenatal alcohol exposure, affecting physical, cognitive, and social development; and

WHEREAS, as many as 5% of U.S. school-aged children live with FASD, often facing additional medical conditions that impact daily life and well-being; and

WHEREAS, prevention is possible through alcohol-free pregnancies, yet individuals and families already affected need support, resources, and understanding; and

WHEREAS, early diagnosis and intervention improve outcomes, promoting independence and easing the transition into adulthood; and

WHEREAS, advancing research, expanding services, and strengthening advocacy efforts will help ensure every individual with FASD has access to opportunities to reach their fullest potential.

NOW, THEREFORE, I, Julie Sayers, Mayor of Lenexa, do hereby declare September 2026 in Lenexa to be

FETAL ALCOHOL SPECTRUM DISORDERS AWARENESS MONTH

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 2026.



A black ink signature of Julie Sayers, consisting of a large, stylized "J" followed by a series of loops and a horizontal line.

Julie Sayers
Mayor of Lenexa, Kansas

Proclamation

WHEREAS, National Preparedness Month provides an opportunity for all Lenexa residents to prepare their homes, businesses, and communities for emergencies, including natural disasters and potential terrorist threats; and

WHEREAS, the Federal Emergency Management Agency's Ready Campaign, Citizen Corps, and other partners promote public education and engagement to increase preparedness; and

WHEREAS, the Ready Campaign emphasizes four universal building blocks of emergency readiness: Be Informed, Make a Plan, Build a Kit, and Get Involved, while America's PrepareAthon expands on this by encouraging widespread participation; and

WHEREAS, emergency preparedness is a shared responsibility, and Lenexa residents are urged to make preparedness a priority and work together to strengthen community resilience; and

WHEREAS, all citizens are encouraged to participate in preparedness activities and visit Ready.gov or Listo.gov for resources to become better prepared.

NOW, THEREFORE, I, Julie Sayers, Mayor of Lenexa, Kansas do hereby proclaim September 2026 in the City of Lenexa to be

NATIONAL PREPAREDNESS MONTH

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 2026.



Julie Sayers
Mayor of Lenexa, Kansas

Proclamation

WHEREAS, the American Discovery Trail is a unique national resource that provides exceptional recreational opportunities, celebrates our shared history, supports economic development, and showcases scenic landscapes and cultural heritage; with Kansas's portion of this 6,800-mile coast-to-coast trail passing through Lenexa; and

WHEREAS, this year the United States commemorates the 250th anniversary of the Declaration of Independence and the nation marks the 35th anniversary of the creation of the American Discovery Trail; and

WHEREAS, the American Discovery Trail Society is honoring these historic milestones by hosting a 21-week cross-country relay featuring walkers, runners, bicyclists, equestrians, and other non-motorized travelers along the full length of the trail—crossing the Golden Gate Bridge on July 4th and reaching the Atlantic coast on Thanksgiving Day—with the relay arriving in Lenexa on September 23, 2026; and

WHEREAS, Lenexa recognizes the American Discovery Trail as a unique resource, and commends and supports the many public agencies, businesses, organizations, and individuals whose collective efforts elevate awareness of the health, economic, and community benefits of outdoor recreation and the American Discovery Trail.

NOW, THEREFORE, I, Julie Sayers, Mayor of Lenexa, Kansas, do hereby proclaim September 23, 2026 in Lenexa to be

AMERICAN DISCOVERY TRAIL DAY

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 2026.

A black ink signature of Julie Sayers, written in a cursive style.

Julie Sayers
Mayor of Lenexa, Kansas