



**MINUTES OF THE
JULY 11, 2023
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, Eiterich, Nicks, Roh, Arroyo, Sayers, and Denny were present with Mayor Boehm presiding. Councilmember Nolte was absent.

Staff present included Beccy Yocham, City Manager; Todd Pelham, Deputy 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 June 27, 2023 Committee of the Whole meeting draft minutes and Councilmember Roh seconded the motion. Motion passed unanimously.

DISCUSSION

1. FY 2024 Recommended Budget - Fund/Department Review

Nate Blum, Chief Financial Officer, said that this meeting is for the department and fund review for the recommended FY 2024 budget. He displayed the City's 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 a conservative approach to revenue estimating.
- Prepare and fund equipment replacement/building maintenance schedules.

Mr. Blum reported that the total recommended FY 2024 budget is \$224,781,100 and the total adopted FY 2023 budget was \$204,159,901. He said highlights of the FY 2024 budget include a total estimated 2024 assessed valuation of \$1.72 billion, which is an 8% increase; a recommended mill levy of 27.372, which is a 0.750 mill reduction; no recommended changes to user fees; and a recommended addition of 6.5 full time equivalent (FTE) positions.

Mr. Blum explained what the revenue neutral rate (RNR) is, what it is based on, what it does not account for, and how it is assessed by the County.

Mr. Blum answered some of the Governing Body's budget questions from the previous meeting regarding 2024 expenditures by category in the General Fund and the correlation with inflation and the demand for services, assessed valuation for residential and commercial development, and economic development expenditures.

Discussion took place regarding the breakdown of commodities; inflation, a strong labor market, and additional demand for services driving the increases; the elevated consumer price index; assessed valuations being 55% residential (including multi-family) and 44% commercial; and the RNR not accounting for new growth or inflation.

Mr. Blum noted that more focus was placed on performance measures this year.

Staff presented each department's proposed budget, including accomplishments from 2022, objectives for 2023-24, and any major budget changes for 2024.

Mr. Blum reviewed the Special Highway, Special Alcohol, Special Parks & Recreation, Tourism & Convention, Parks & Recreation Impact Fee, Street Tree, Transportation Improvement Plan, and Neighborhood Revitalization funds. He said he would not review the Tax Increment Financing (TIF) or Community Improvement District (CID) funds unless there were questions and there were none.

Mr. Blum said that on July 18th the Governing Body would consider a resolution to set public hearings for August 22nd regarding exceeding the RNR and approving the budget; the county would be sending notices for RNR hearing/est. mill levy August 1st -10th; the City would host a Budget Open House at City Hall on August 17th; public hearings for exceeding the RNR and approving the FY 2024 budget would be held on August 22nd; and the Governing Body would consider resolutions to exceed the RNR and approve the FY 2024 Budget on August 22nd.

ADJOURN

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

The meeting adjourned at 8:47 PM.

/s/ Jennifer Martin
City Clerk