

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

REGULAR SESSION
FEBRUARY 16, 2023

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Regular Session Thursday, February 16, 2023, with eleven members present via Zoom and on site: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District; and Garner, Mayor/CEO, presiding. The following officials were also in attendance: Cheryl Harrison-Lee, Interim County Administrator; Misty Brown, Chief Counsel; Joe Monslow, Interim Director, Community Development; Stephanie Stauffer, Community Development Program Coordinator; Debbie Jonscher, Interim Chief Financial Officer; Brett Deichler, UG Clerk; and Brittanie MacDonald, UG Clerk's Office.

Mayor Garner said before I call the meeting to order, I want to announce that some commissioners, staff, and the public are attending remotely via Zoom, by phone, or on site. All participants joining by phone should mute their phones when not speaking to avoid background noise.

During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General's Office.

I will now call the meeting to order. Clerk, roll call, please.

Roll call: Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum, Garner.

Mayor Garner said tonight, our invocation is going to be given by Pastor Ken Nettling of Grace Lutheran Church, followed immediately by the Pledge of Allegiance.

Mayor Garner asked, Clerk, are there any revisions to tonight's agenda?

Brett Deichler, UG Clerk, said, Mayor, we have three modifications to tonight's agenda. The first item, being Item No. 1 on the Mayor's Agenda, has been removed from the agenda tonight. Secondly, an update to tonight's Consent Agenda adjusting the expiration date on Item No. 1 from 2/10/2026 to 12/31/2025. Lastly, a new item was added to the Administrator's Agenda, Item No. 5, regarding an update on the Public Works Bio Solids Project, including a brief presentation. That represents all the modifications to tonight's agenda, sir.

MAYOR'S AGENDA

Item No. 1 – 212267...ANNOUNCEMENT: COUNTY ADMINISTRATOR

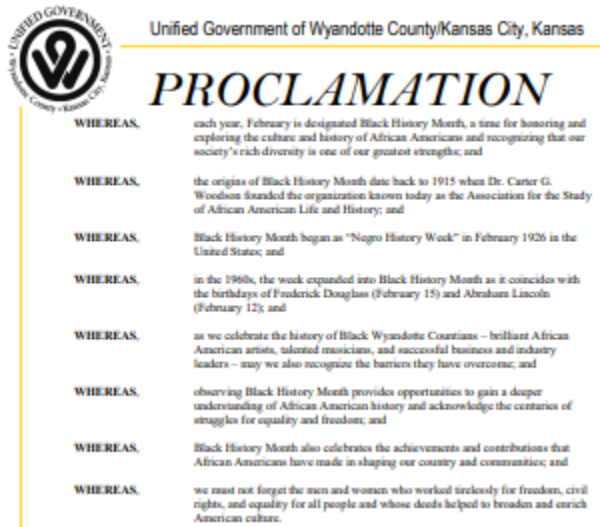
Synopsis: Announcement and consideration of a resolution regarding the appointment of a County Administrator, submitted by Tyrone A. Garner, Mayor/CEO.

Action: **Item was previously removed per the blue sheet.**

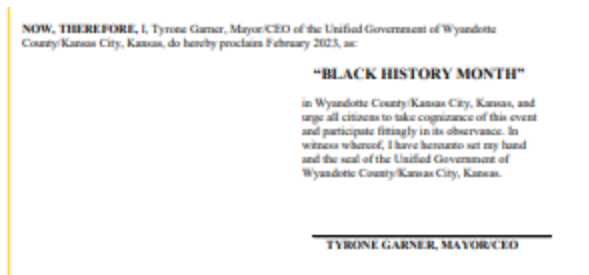
Item No. 2 – 212269...PROCLAMATION: BLACK HISTORY MONTH

Synopsis: Proclamation proclaiming February 2023, as Black History Month, submitted by Tyrone A. Garner, Mayor/CEO.

Brett Deichler, UG Clerk, read a synopsis of the following proclamation.



February 16, 2023

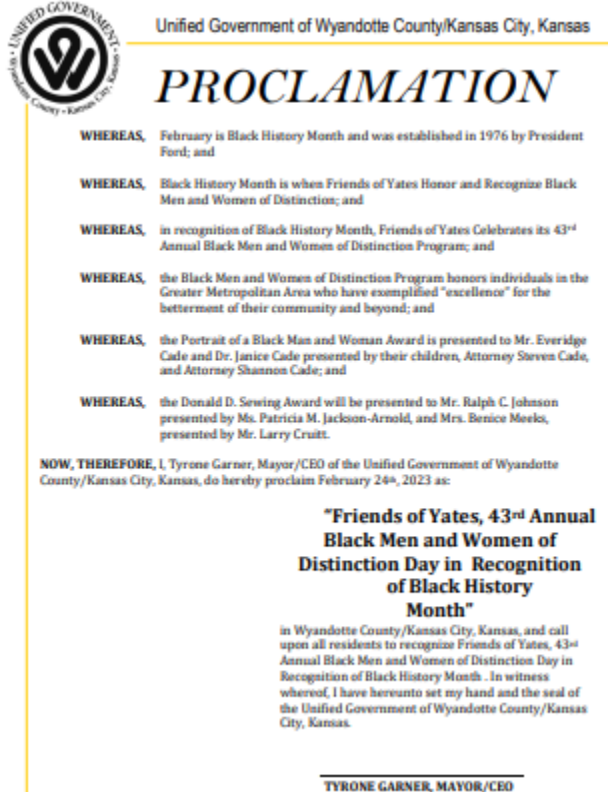


Action: Proclamation was read. .

Item No. 3 – 212270...PROCLAMATION: FRIENDS OF YATES, 43RD ANNUAL BLACK MEN AND WOMEN OF DISTINCTION DAY IN RECOGNITION OF BLACK HISTORY MONTH

Synopsis: Proclamation proclaiming February 24, 2023, as Friends of Yates, 43rd Annual Black Men and Women of Distinction Day in Recognition of Black History Month, submitted by Tyrone A. Garner, Mayor/CEO.

Brett Deichler, UG Clerk, read a synopsis of the following proclamation.



Action: Proclamation was read.

February 16, 2023

CONSENT AGENDA

Mayor Garner asked, do any members of the Commission or County Administrator wish to set aside any items on the Regular Consent Agenda? If an item is not set aside, all items on the Regular Consent Agenda will be voted on by one vote.

Action: **Commissioner Kane made a motion, seconded by Commissioner Markley, to approve.**

Mayor Garner said there is a motion and a second for approval. Is there any further discussion? Seeing none, roll call.

Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

Item No. 1 – 212259...NOMINATIONS: BOARDS AND COMISSIONS

Synopsis: Nominations for Boards and Commissions:

Marcus Winn to the Law Enforcement Advisory Board from 2/16/2023 to 12/31/2023, submitted by Commissioner McKiernan.

Ladora Lattimore to the Law Enforcement Advisory Board from 2/16/2023 to 12/31/2025, submitted by Mayor Tyrone A. Garner.

Action: **Commissioner Kane made a motion, seconded by Commissioner Markley, to approve.** Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

Item No. 2 – MINUTES

Synopsis: Minutes from the full Commission meeting on December 15, 2022, and the Special Session meetings on December 15, 2022, and January 12, 2023.

Action: Commissioner Kane made a motion, seconded by Commissioner Markley, to approve. Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

Item No. 3 – WEEKLY BUSINESS MATERIAL

Synopsis: Weekly business material dated January 19, January 26, and February 2, 2023.

Action: Commissioner Kane made a motion, seconded by Commissioner Markley, to receive and file. Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

Item No. 4 – 212258...RESOLUTION: COUNTY INITIATIVE FOR FUNDING INFRASTRUCTURE (CIFI)

Synopsis: A resolution declaring that the County Initiative for Funding Infrastructure is necessary for street preservation and permanent maintenance activities. This resolution allocates the \$500,000 in funds approved in the 2023 budget between Kansas City, Bonner Springs, and Edwardsville, submitted by Jeff Fisher, Executive Director of Public Works. On February 13, 2023, the Public Works and Safety Standing Committee, chaired by Commissioner Bynum, voted unanimously to approve and fast track to the full Commission.

Action: **RESOLUTION NO. R-9-23**, “A resolution approving the County Initiative for Funding Infrastructure whereby the Unified Government Board of Commissioners hereby allocates the \$500,000 budget in the following manner: Kansas City, Kansas shall receive \$250,000, Bonner Springs, Kansas shall receive \$150,000, and Edwardsville, Kansas shall receive \$100,000.” **Commissioner Kane made a motion, seconded by Commissioner Markley, to adopt the resolution.** Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

PUBLIC HEARING AGENDA

Item No. 1 – 212158...RESOLUTION: HOME-ARP GRANT ALLOCATION PLAN

Synopsis: A presentation of the draft HOME-ARP Allocation Plan, submitted by Joe Monslow, Interim Director of Community Development. On January 23, 2023, the Administration and Human Services Standing Committee, chaired by Commissioner Markley, voted unanimously to approve and forward to the full Commission.

Mayor Garner said I'll ask Stephanie Stauffer, with the Community Development Department, to make some opening remarks.

Joe Monslow, Interim Director, Community Development, said we're here this evening on our resolution for our HOME-ARP Grant allocation. We are here for the public hearing. I would like to have Stephanie Stauffer, of staff, have a short presentation on that plan.

HOME -ARP Allocation Plan

UG Community Development Department

Stephanie Stauffer, Community Development Program Coordinator, said we're here to talk about HOME-ARP, which is a new grant that came out of the American Rescue Plan that comes from the US Department of Housing and Urban Development.

Annual HUD Grants to the UG



Community
Development
Block Grants:
\$2,189,834



HOME
Investment
Partnership
Program:
\$952,956



Emergency
Solutions
Grants:
\$195,473

For folks who may not be familiar with Community Development, we're funded every year from three grants from HUD and that's the Community Development Block Grant, Home Investment

Partnership Program Grant, and Emergency Solutions Grant. In total, last year those grants were a little more than \$3M. We could do a variety of community development activities with those grants. We can do housing development, housing rehab, and services for those who are low-moderate income.



HOME -ARP

- \$3,197,903 obligated to the UG by the American Rescue Plan Act
- Provides a rare opportunity to fund brick - and-mortar projects to support those who are experiencing homelessness or housing insecurity
- This program borrows aspects of the HOME and ESG programs however has a separate and distinct set of regulations
- Plan must be submitted to HUD by 3/31/2023
- Funds must be expended by 9/30/2030

Then HOME-ARP came through the American Rescue Plan. This is a one-time grant from HUD. We have received a grant. It's almost \$3.2M. It provides a rare opportunity to fund brick and mortar projects to support folks who are experiencing homelessness; who are experiencing housing security. This program borrows aspects of the Home Program and the ESG Program, but it is distinct and has its own set of regulations. So, folks who are familiar with those two programs could get tripped up. You have to understand this is its own program with its own definitions and its own rules.

In order to receive this grant, we have to submit an allocation plan to HUD, and that is due by March 31, 2023. In that allocation plan, we have done a lot of looking at different types of data, looking at needs in the community, and then identifying how we want to break up our funding into different eligible activity categories. Then those funds have a long spin-down period. We have until 2030 to spend them.

HOME -ARP Qualifying Populations

- Homeless (24 CFR 91.5)
- At-risk of Homelessness (24 CFR 91.5)
- Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice
- Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability, as defined by HUD in the Notice

In HOME-ARP, there are four qualifying populations for services. We have folks who are experiencing homelessness; folks who are at-risk of homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, and that is defined by HUD in the notice. Then other populations requiring housing or services in order to remain housed.

Common Barriers to Housing



In doing the allocation plan, we talked to a variety of social service providers and tried to figure out what are some of the common barriers and needs of folks in our community and when it comes it comes to housing. We identified quite a few so availability of housing, affordability of housing, livability of that housing and whether it's safe. Folks experiencing discrimination, especially in regard to source of income. We know that folks who receive housing choice vouchers sometimes have trouble finding a landlord who's willing to rent to them with that assistance. History of evictions or criminal convictions, access to supportive services like behavioral health services, and then access to basic documents like an ID or a birth certificate.

CoC 2021 Point-in-Time Count

	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Total number of households	23	52	66	141
Total number of persons	27	55	68	150
Number of children (under age 18)	4	1	0	5
Number of persons age 18 to 24	2	0	0	2
Number of persons over age 24	21	54	68	143

We also looked at a bunch of data sources. One thing we looked at was the continuum of care point-in-time count. The continuum of care for our area is the Greater Kansas City Coalition to end homelessness. They serve both Wyandotte County and Jackson County on the Missouri side. However, we think that this number is really low for a variety of reasons. The point-in-time account is taken on one night in January every year. Folks go out to the community and try to get a headcount of who is experiencing homelessness in our community. Because we know that we have a really large deficit of shelter services in our community, we know that a lot of folks from Wyandotte County may find themselves on the other side of the state line to receive services. So, those folks wouldn't be captured in this count.

	2021 Total Contacts
Total	489
Gender Breakdown	
Female	137
Male	352
Breakdown by Race / Ethnicity	
White	269
Black	188
Asian or Pacific Islander	4
Hispanic or Latino	28

**2021
KCKPD
Contacts
with
Unhoused
Persons**

So, we looked at some alternative data sources as well. We looked at KCKPD, keeps track of the contacts they make with unhoused individuals in our community. For 2021, the total was 489. That's a pretty big difference between the continuum of care count and what KCKPD has. They shared with me that they think that this count could even be low because not everyone is going to have any reason to have contact with KCKPD.

HOME -ARP Eligible Activities

- Development of Non - Congregate Shelter Units
- Supportive Services
- Tenant Based Rental Assistance
- Development of HOME - ARP Rental Housing

Then we had to look at what eligible activities we want to fund with this grant. There are four major activities: development of non-congregate shelter units, supportive services, tenant-based rental assistance, and then development of HOME-ARP rental housing. Given the size of our grant, I think we know that our community needs all of these things; but our current grant isn't big enough to do that, so we had to kind of make some decisions on what was the priority and what we could fund with the size of the grant.

HOME -ARP Proposed Activities

**Acquisition/Rehabilitation/Construction
of Non -congregate Shelter Units**

- No lease or payment of rent required
- Each unit must meet habitability standards and contain sanitary facilities
- Operations costs are not eligible under HOME - ARP
- Units may be converted to permanent affordable rental housing after minimum use period (3 - 10 years) but must serve qualifying populations for 10 - 15 years total
- Preference will be given to those who are homeless or experiencing DV/SV, etc.

So, what we're proposing is position rehab or construction of non-congregate shelter units. This is a little bit different than what folks think of when they think of a shelter which is like an open room with like bunk beds or maybe it's a facility with dorm style rooms and community bathrooms. This wouldn't be like that. Everyone would have their own bathroom space and their own room where they could go and lock the door and have privacy.

HOME -ARP Proposed Activities

Supportive Services

- Case Management/Staffing Costs
- Financial Assistance in acquiring housing such as deposits, moving costs, first and last months rent, etc.
- Short term rental assistance
- Other stability costs listed in the regulation
- All HOME - ARP qualifying populations could apply for assistance

Then we also want to fund supportive services so that is case management, staffing costs, financial assistance for folks, and then other stability costs that are listed in the regulation.

HOME -ARP Proposed Activities

Non -Profit Capacity Building

- Only non -profit partners undertaking other HOME -ARP activities would be eligible
- Could include salaries of staff, employee training, equipment or supplies, contracts for technical assistance.

Non -profit Operating Support

- **Cannot** be used to support any portion of a HOME -ARP NCS project.
- Only non -profit partners undertaking other HOME -ARP activities would be eligible
- Can be used to support the general operating costs of the agency that are not allocable to other grants or funding sources.

Then we also want to fund a little bit of non-profit capacity building and operating support knowing that we're going to have to work with a partner to make sure that they have what they need in order to carry out these programs.

Proposed Budget

Grant reconciliation will occur regularly. Any funds requiring recapture from activities should be placed into Supportive Services fund.

Activity	Amount
Acquisition/Rehab/Development of Non - congregate Shelter Units	\$2,478,113
Supportive Services*	\$300,000
Non - Profit Capacity Building (1.5%)	\$50,000
Non - Profit Operating Support (1.5%)	\$50,000
UG Administration (10%)	\$319,790
TOTAL	\$3,197,903

This is our proposed budget. You can see the large majority of the funding is going towards this acquisition/rehab/development of a non-congregate shelter. We know that this is going to be an expensive project because construction costs are really high right now, so we really wanted to put the bulk of the money there. We've put a little bit of money in support of services and lesser amounts into non-profit assistance. Then we have to keep some aside so that we can administer the program ourselves in-house.

So, this is our proposed budget. I think if we go out and we're looking at a project for the shelter and we realize that we don't need all of that money, we do want to pull some of that back into supportive services. We put some contingency language in there for that; however, I think we probably will use this whole amount in acquisition and rehab.

That's all I have for my presentation.

Mayor Garner said I'll now open the public hearing and ask the Clerk if any notifications were received from the public who wish to express their comments regarding this item. **Mr. Deichler** said no comments were received, sir. We do have hands raised in the audience and two hands raised online as well. **Mayor Garner** said if you can come forward and just state your name and address.

Rachel Russell, 1054 Forest Ct., said on behalf of the CHIP Safe and Affordable Housing Action Team, for which I serve as the lead staff person, I want to share our support for the outlined plan; however, I do want to remind this Commission that shelter is not a solution to ending homelessness. The CHIP Action Team, along with community members, have drafted a plan with short and long-term solutions that we hope to share with a broader community in late spring, early summer, with hopes of this Commission's adoption this fall or winter.

There are many strategies needed and emergency shelter is just one piece of that puzzle to address street homelessness in Wyandotte County. We look forward to this Commission and Mayor's Office involvement in identifying solutions while intentionally listening to the voices of those most impacted.

Lastly, I want to give a personal shout-out to Ms. Stauffer who has really leaned into the voices of providers and those closest to the issues, as well has been a frontline person with us along the way. She has attended meeting after meeting. Sometimes, I'm sure, our lingo she has not had

any idea what we're talking about. You know when people have those symbols that you're like what is that. But she really has been a community collaborator from the UG's perspective, and I just really—I don't want this work to go without mentioning that she has really done her job and done us justice. This is a big issue and this is not just one thing that one department or one non-profit or multiple non-profits can do alone, but really is a community effort.

So, I am grateful for the opportunity to help move this work forward through the CHIP Safe and Affordable Housing Action Team, but I'm more grateful for the opportunity to have someone at the UG who gets it. I'm not saying that everyone else doesn't get it, but you know what I mean I'm sure. So, thank you to Ms. Stauffer.

Rob Santel, Olathe, KS, said I'm the Director of Programs at Cross-Lines Community Outreach. Again, I will echo what Rachel said about Stephanie. Thank you, Stephanie, for all the hard work that you've done and those others in the community that have helped to put this plan together.

Again, I would like to remind all of us that the only solution that ends homelessness, is housing. That needs to be on all of our radar. While low barrier emergency shelter has been identified by the community as a priority need, emergency shelter is ineffective if not paired with adequate supportive services and housing supports. One of the most effective models is a navigation center, which provides bridge housing for the most vulnerable that are identified through street outreach in a highly service-rich environment.

Our community can be proud of the collaborative work amongst homeless service providers in Wyandotte County. Through these efforts, we've supported at least 200 households to exit the homeless system to permanent housing in the last year alone, yet more and more people continue to fall into homelessness each day.

Unfortunately, our community was not selected to receive the HUD supplemental funding to address unsheltered homelessness, and just recently announced; and consequently, additional funding is needed for supportive services to provide homeless street outreach and to help divert people from the shelter system through housing navigation to walk alongside people and help do that diversion work.

I'd highly encourage decision-makers to consider that additional funding for these supportive services. As Rachel mentioned, the CHIP Safe and Affordable Housing Action Team has been working to develop a framework with strategies and interventions to address the growing

homeless crisis in Kansas City, KS. Our community needs innovative community solutions to solve the housing crisis for those experiencing homelessness, and this will include leveraging additional funding sources as these HOME-ARP dollars will not be enough.

Lastly, throughout this process, we must be centering the voices of those currently experiencing homelessness in our community and addressing racial inequity in our system.

Mayor Garner asked, is there anyone else present who would like to speak? **Mr. Deichler** said, Mayor, we do have two online.

Elnora Jefferson, Kansas City, KS, said I'm calling to support the expenditures for the HOME-ARP as presented; however, I'd like to put a note in that as I look at the causes for homelessness and have followed a little bit of the CHIPS Program that addresses safe and affordable housing as well as this program, I noticed that there has been nothing, and correct me if I'm wrong, but I noticed that there has been nothing that addresses the eviction piece that's caused by foreclosure. Eviction, it seems to me, is also a cause for homelessness.

So, I'm just wanting to put this on the record that I believe that, in fact I know, that the UG as well as the supportive agencies looking at the issue of homelessness would do well, I believe, to actually look at our foreclosure process and if that is actually the best method of collecting taxes because it does create homelessness.

Louise Lynch, Co-founder of Community Conscious Action Network, said one of the things in watching these slides that perplexes me, there is nothing on these slides that addresses the elderly, the disabled that are our great need for homelessness needs in this community. There are lots of other things, including the shelters, don't always have the accommodations for those that have mobility issues such as myself. If I were to need to go to one of these shelters, it doesn't look like there's anything in any of these areas.

In knowing different people who have these needs to find housing when they become homeless, there is nothing in place, including the housing office there in Wyandotte. There's several months before they'll even look at an application, and the waiting list is quite long. People who are disabled and have mobility issues are not able to find the shelter, even in different weather situations. That is crucial. That needs to be looked at. That has not really been addressed in our

community. There are a different set of needs and for different types of disabilities, especially for those that have service animals. They, too, would need to be housed.

I have put many calls into Rachel Jefferson of Cross-Lines and still, in months, have not had that communication connected, which is very sad. There are many needs and I would think that would have...**Mr. Deichler** said one minute remaining.

Ms. Lynch said ...that we would be able to do that. So, I think before this goes further, there has to be a bigger discussion on what the needs are so that encompasses the entire community, not just those that are able-bodied.

Mr. Deichler said we see no others online, Mayor.

Mayor Garner said if there are no further comments from the public, I will close the public hearing. Do any members of the Commission have any questions?

Commissioner Ramirez said thank you, Stephanie and Joe for what you do for the community, and especially for leading this department. It's a very much needed department. You guys work tirelessly to provide these monies and try to provide and fund them in the appropriate way that's best for our community.

For the acquisition and rehab, is there a location that's been identified yet or is that still in the work? **Mr. Monslow** said at this time, I do not believe there is a location. **Commissioner Ramirez** said so it will come with time.

Commissioner Ramirez said I know when you presented this, Stephanie, to our committee, I was a big proponent of source of income discrimination laws. It's something most people don't know. You can have the perfect clean record of being a renter, but just because of where your income comes from, a landlord could deny your application. Just because it may be from alimony, maybe from the federal government, which, I believe, that shouldn't stop you from getting housing when you need it the most.

From what I've heard, it's been hundreds of housing vouchers always are sent back every year to HUD because we cannot find enough housing. It might not be all the landlords and it might be just we don't have enough housing in the city.

I agree with Rob. We need more housing in our community. That's a big thing that a lot of us on the Commission are for. I know particularly the Mayor as well. Housing is a big thing for all of us and that we're trying to do, but in the meantime, this is what we have.

I thank you for what you're doing every day to do this work.

Commissioner Bynum asked, Clerk, could we see the slides again because I just wanted to walk through a couple of them. Number one, it's HUD funding so there are rules and regulations. There are expenses that qualify and others that don't. Part of why I'm asking for this is just for the public's ability to be crystal clear and understanding a wonderful opportunity to have access to the funding.

If we could go to the slide, the first one is the supportive services.



These services on this slide are allowed under the funding and I think I saw \$300,000 in our proposed budget. Who would provide these services? **Ms. Stauffer** said we would work with non-profit agencies to provide the services. **Commissioner Bynum** said good, good answer.

Commissioner Bynum said and then we saw the \$50,000 capacity and \$50,000 non-profit operating support so, again, working with a non-profit partner.

Then, if we keep going to the slide with the budget...

Proposed Budget

Grant reconciliation will occur regularly. Any funds requiring recapture from activities should be placed into Supportive Services fund.

Activity	Amount
Acquisition/Rehab/Development of Non-congregate Shelter Units	\$2,478,113
Supportive Services*	\$300,000
Non-Profit Capacity Building (1.5%)	\$50,000
Non-Profit Operating Support (1.5%)	\$50,000
UG Administration (10%)	\$319,790
TOTAL	\$3,197,903

...\$2.4M would be the money we would use to acquire a place, or construct a place, which probably is not reasonable. But I just want to be clear that it could be a shelter, but it would be a place where there's privacy. There's individual rooms or rooms for families, access to your own restroom, etc. I just want to make sure people understand it's not a congregate shelter; it's a non-congregate shelter. So, it's a very specific thing that the money is to be allowed to be used for.

I, of course, agree with and support all the public comment and, of course, we appreciate Cross-Lines and all that you do.

We do need to hear the proposal for short and long-term solutions from CHIP, and we need to work with Cross-Lines in the future. All of those things are very, very important, and I want them to come forward and I want to support them. I just think it's really important that we and everyone else understand this is very specific. We have these other concerns and we've got to find other means to deal with them. This is very specific money, and we're very fortunate that it's available to us. So, I'm glad to hear you nodding your head yes.

Ms. Stauffer said I think the rules were only 98 pages long. **Commissioner Bynum** said only 98 pages is pretty good for HUD funding. Thank you very much.

Commissioner Davis said I do have a quick question for anyone from our Community Development Department. I'm looking on here and it talks about references for, I'm assuming, who would apply and who would get kind of this funding. Because these are federal dollars, how does that interact with our current procurement process as a Unified Government? **Ms. Stauffer** said I don't know that I understand your question.

Commissioner Davis said so the preference RFP process. You know what, I'm reading this and it does talk about it. I guess my question is, is that clause something that's from the federal government or is it something that you all decided? What's the genesis of that?

Ms. Stauffer said I think that there's two different issues at play here. There's how we select sub-recipients, which would be how we decide who we're going to work with as far as non-profit agencies to deliver the services and operate the shelter and those kind of things. Then there's also preferences for how we would prioritize individuals who apply to come into the shelter. So we've set up, at this point, preferences for folks who are literally homeless and folks who are fleeing violence to have first priority to access those services in the shelter. Then there are other activities, supportive services doesn't have preferences. Any of the qualifying populations could apply and get services. That is a requirement from the HOME-ARP Program that we do have to allow all four qualifying populations to be eligible for at least one of our activities.

Commissioner Davis said thank you. That was kind of my question.

Ms. Stauffer said as we're going through the RFP process we decide we need to set more specific purposes, we'll have to come back and do a plan amendment. So, some of this may get flushed out more as we know more about the specific activities that we're going to undertake.

Commissioner Ramirez said just a quick question that popped in my head. For this non-congregate site, are there going—I don't want to say—I don't want to use the word restrictions, but is there going to be like a certain amount of time the individuals will be able to maintain living within the non-congregate site?

Ms. Stauffer said HOME-ARP, as a program, doesn't set that limitation. I think that would be something we would want to discuss as we decide what the specific project is going to be and how that matches with the program model of the project. At this point, there's not like a restriction from HUD.

Mayor Garner asked, any other commissioners have questions?

Commissioner Townsend said a couple of questions. Some of the ones I had, I think, have been touched upon. I would ask Ms. Stauffer a couple of these. One, again, explain to me how these

monies can be accessed. What is the process that persons or entities who may qualify can actually access these dollars?

Ms. Stauffer said as far as entities that would apply to become a sub-recipient or help us run some of these programs, we will have some sort of formalized process like a grant application for them to apply. As far as individuals, they would, once the projects are selected and they're up and running, they would apply at the specific sub-recipient agencies.

Commissioner Townsend said I'm sorry. What was the last point that you said? **Ms. Stauffer** said for folks who are needing the services, they would apply with the sub-recipient agency. They would be running the program.

Commissioner Townsend said so someone tonight is about to be evicted because they can't make rent. How would they access those funds or do they need to go to some other agency who would then, in turn, make an appeal to your office?

Ms. Stauffer said at this time, we are just submitting the application to HUD. We will then have to wait for HUD to approve the plan and get back with us and we do grant agreements and all of those things. Then we would do some sort of competitive process so that non-profit agencies could apply for the funding, and then they would be the ones running the programs.

Commissioner Townsend said okay. So at this point, no individual who's about to be evicted could come directly to us. Is that correct? Okay. All right.

Commissioner Townsend said in terms of the grant category, would something like an appeal to our office for, I think it was the first category possibly of the funds—let's say if someone is trying to obtain a home and they may be in a geographic area of the city that has been historically redlined and denied access to loans, would any of these funds, particularly that first category, qualify for an application?

Ms. Stauffer said this funding can't be used for any sort of home ownership type programs (inaudible) ineligible expense. **Commissioner Townsend** said but possibly rent. **Ms. Stauffer** said yeah, under the supportive services category.

Mayor Garner asked, any more comments or questions from the Commission? Hearing none, I'll entertain a motion for approval of the resolution.

Action: **RESOLUTION NO. R-10-23**, “A resolution for the acceptance of federal funds by the Unified Government of Wyandotte County/Kansas City, Kansas for homelessness assistance and supportive services, and to authorize the Mayor to enter into agreements with the U.S. Department of Housing and Urban Development.” **Commissioner Markley made a motion, seconded by Commissioner Bynum, to adopt the resolution.**

Mayor Garner said there’s a motion and a second. Any further discussion? Seeing none, roll call, please.

Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

STANDING COMMITTEE’S AGENDA

Item No. 1 – 212232...RESOLUTION: AMENDING SECTION 203 OF THE UNIFIED GOVERNMENT’S RULES OF PROCEDURE

Synopsis: A resolution amending Section 203 of the Unified Government’s Rules of Procedure as directed by the Commission on January 12, 2023, submitted by Misty Brown, Chief Counsel. This item was previously heard by the full Commission on January 26, 2023, and remanded back to the standing committee for further action. On February 13, 2023, the Administration and Human Services Standing Committee, chaired by Commissioner Markley, voted unanimously to approve and fast track to the full commission.

Mayor Garner said this is the compromise resolution. It has been vetted out by this Commission and administration, and Human Services Standing Committee. I’ll ask our Chief Counsel Misty Brown to make the presentation. Sorry. She wants to defer to Commissioner Markley.

Commissioner Markley said this is a combination, I guess I would say, of the compromise language and the original language. It does give the mayor what we discussed as the one-time go-back. It resolves some of the language issues that were of concern last time this full Commission discussed this item. It is only on the Non-Consent Agenda because it was fast tracked at the will

of that committee. It was approved by all committee members. If there are no questions, I will move for approval.

Action: **RESOLUTION NO. R-11-23**, “A resolution amending original Section 203 of the Unified Government Commission Standing Committee Rules of Procedure as codified in Appendix C of the Unified Government Code of Ordinances; and repealing original Section 203 of Appendix C of the Unified Government Commission Standing Committee Rules of Procedure.” **Commissioner Markley made a motion, seconded by Commissioner McKiernan, to adopt the resolution.**

Mayor Garner said there’s a motion and a second. Any further discussion? Seeing none, roll call.

Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

ADMINISTRATOR’S AGENDA

Item No. 1 – 211735...UPDATE: GRANTS AND GRANT PROCESS

Synopsis: Update on status of grants and grant process, submitted by Cheryl Harrison-Lee, Interim County Administrator.

Mayor Garner said our presentation will be from Commissioner Markley. I’ll allow her to make the opening remarks.

Commissioner Markley said really, I just want to give an update on the ARPA process, and for the purpose of the public, to say checks are being given out to those agencies that were recipients of ARPA funds from this Commission. They have to sign an agreement first to get their funds so most agencies are already into that process. If you are an agency that received funds through that ARPA process and you have not met with staff to get your agreement signed, then that is the hold up. Make your appointment to meet with staff so that you can get your check and get moving, but

checks are being given out and agreements are being signed, and we're moving right along with that process.

Action: **For information only.**

Item No. 2 – 212233...ORDINANCE/RESOLUTION: SALE OF GENERAL OBLIGATION IMPROVEMENT BONDS

Synopsis: An ordinance authorizing and providing for the issuance of General Obligation Improvement Bonds, Series 2023-A, and a resolution authorizing and directing the sale and delivery of General Obligation Improvement Bonds, Series 2023-A, submitted by Deborah Jonscher, Acting Chief Financial Officer.

Mayor Garner said I'll ask the Administrator to comment.

Cheryl Harrison-Lee, Interim County Administrator, said we have our Acting CFO, Ms. Jonscher, to make a presentation at this time on the sale of our general obligation bonds.



Sale Results & Credit Ratings

2023 GO Bonds & Temporary Notes

February 16, 2023

Debbie Jonscher, Acting Chief Financial Officer, said I have a short presentation to give the results of our sale.

February 16, 2023

Financing Calendar



2023 FEBRUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
01	02	03	04	05	06	07
08	09	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

2023 MARCH

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
01	02	03	04	05	06	07
08	09	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Credit Rating Presentations

Est. Receipt of Rating: February 16 (Friday)

Pricing: February 17 (Saturday)

Post PDS: February 23 (Friday)

Closing: March 16 (Thursday)

2022-3 early redemption: March 16 (Thursday)

2022-4 Payoff: March 17 (Friday)

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February 2023

Unified Government of Wyandotte County, Kansas City, KS
2023 General Obligation Bonds & Notes

Today, we held the pricing for the temporary notes and bonds for 2023. I just wanted to note on the calendar that we held credit rating presentations the week of January 30th, and I'll have a slide on the results of that here in just a second. So, we're pricing today and then with everything being approved, we would plan to close next month and then we would proceed with the payoff of the current temp notes.

Pricing / Sale Results



Competitive Sale marketed on www.wycokckbonds.org and <https://bondcalendar.bakertilly.com>

2023-A		\$40.8M principal	6 bids	• Citigroup Global Markets, Inc. • \$19.7M TIC or 3.72% thru Aug 2043
2023-I		\$44.6M principal	4 bids	• J.P. Morgan Securities, LLC • \$1.86M TIC or 3.65% thru Apr 2024
2023-II		\$6.48M principal	4 bids	• Oppenheimer & Co., Inc • \$287K TIC or 4.09% thru Apr 2024

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Unified Government of Wyandotte County, Kansas City, KS
2023 General Obligation Bonds & Notes

For the results, we had three issues today going to the market. We had a bond issue, this 2023-A. It was a \$40.8M principal bond. We received six bids with Citigroup Global Markets having the winning bid. Their interest rate was 3.72%. This is a 20-year bond, and it will mature in August 2043. Over the life of that bond, it will pay \$19.7M in interest.

February 16, 2023

The next issue was a temporary note. This is a one-year note, 2023-I. It was \$44.6M. It received four bids with J.P. Morgan Securities getting the winning bid of 3.65%. Since it is a one year, it matures in April 2024. Over that time, it'll pay \$1.86M in interest.

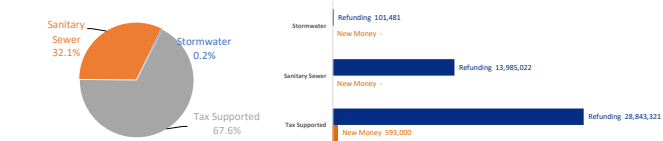
The last issue is the 2023—oh, and I will note the 2023-I was a city temporary note. So the 2023-II is a county temporary note for \$6.48M. We also received four bids on that issue with Oppenheimer & Co. having the winning bid. That temporary note was 4.09%. It's a one year so it matures in April 2024. Over the year, it will pay \$287K.

I did just also want to note. The bonds are advertised on a muniplatform so that they can see what is for sale and we just did want to note that we got some statistics today that we had about 671 unique views to the website looking at our bonds, so we did have some interest in the bonds.

City GO Bond Series 2023-A



	Tax Supported Improvements	Sanitary Sewer Improvements	Stormwater Improvements	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$27,406,000.00	\$13,265,000.00	\$95,000.00	\$40,766,000.00
Reoffering Premium	2,539,500.25	960,162.90	8,114.70	3,507,777.85
Total Sources	\$29,944,500.25	\$14,225,162.90	\$103,114.70	\$44,272,777.85
Uses Of Funds				
Deposit to Project Construction Fund	16,684,810.26	13,985,022.04	101,480.58	30,771,312.88
Deposit to Current Refunding Fund	12,751,510.79	-	-	12,751,510.79
Total Underwriter's Discount (1.382%)	378,799.50	183,352.50	1,313.12	563,465.12
Costs of Issuance	90,482.47	43,796.75	313.67	134,592.89
Gross Bond Insurance Premium	31,459.19	16,436.37	114.32	48,009.88
Rounding Amount	7,438.04	(3,444.76)	(106.99)	3,886.29
Total Uses	\$29,944,500.25	\$14,225,162.90	\$103,114.70	\$44,272,777.85



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February 2023

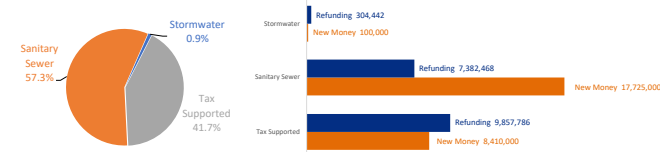
Unified Government of Wyandotte County, Kansas City, KS
2023 General Obligation Bonds & Notes

These next couple of slides just kind of give the breakdown for each of them. This is the city GO bond so it just shows the projects that are supported with property tax versus sewer and storm water rates. Down at the bottom, I'll just kind of point to the graph: 57% of the issue will be paid back with property tax revenues, 32% of sanitary sewer, and then 0.2% is storm water. The majority of this, almost all of it was just refunding from the prior temp notes. There was a small amount of new money that was added to the issue, \$593,000. I believe both of those were road projects. They might have even been ones that were reimbursed in the resolution last year when we did the issue.

City GO Temporary Note Series 2023-I



	Tax Supported Improvements	Sanitary Sewer Improvements	Stormwater Improvements	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$18,640,000.00	\$25,610,000.00	\$415,000.00	\$44,665,000.00
Reoffering Premium	69,154.40	95,013.10	1,539.65	165,707.15
Total Sources	\$18,709,154.40	\$25,705,013.10	\$416,539.65	\$44,830,707.15
Uses Of Funds				
Deposit to Project Construction Fund	18,267,785.64	25,107,468.08	404,441.76	43,779,695.48
Deposit to Capitalized Interest	403,866.67	554,883.33	8,991.67	967,741.67
Costs of Issuance	31,312.94	43,021.67	697.14	75,031.75
Total Underwriter's Discount	2,423.20	3,329.30	53.95	5,806.45
Rounding Amount	3,765.95	(3,689.28)	2,355.13	2,431.80
Total Uses	\$18,709,154.40	\$25,705,013.10	\$416,539.65	\$44,830,707.15



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February 2023

Unified Government of Wyandotte County, Kansas City, KS
2023 General Obligation Bonds & Notes

On the temp note series, same information kind, of broken out. This one down at the bottom, you'll see that 41.7% is supported with property tax, 57.3% is sanitary sewer, and 0.9% is storm water. We've kind of broken out how much—about \$17.5M of that was rolled over from the previous temp note to this year's temporary note, and the about \$26.2M was new funds that were added from projects that were previously approved in the budget.

City GO Temporary Note Series 2023-II



Sources Of Funds	
Par Amount of Bonds	\$6,480,000.00
Reoffering Premium	34,408.80
Total Sources	6,514,408.80
Uses Of Funds	
Deposit to Improvement Fund	6,322,000.00
Deposit to Debt Service Fund (Capitali;	149,175.00
Total Underwriter's Discount (0.375%)	24,300.00
Costs of Issuance	17,107.09
Miscellaneous (Rounding)	1,826.71
Total Uses	6,514,408.80

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February 2023

Unified Government of Wyandotte County, Kansas City, KS
2023 General Obligation Bonds & Notes

Then the final series is the county issue, and it was a smaller issue at \$6.48M. So, it just shows the sources and uses for this one. These were wo equipment projects.

Credit Rating Affirmed

S&P: AA (Outlook: Stable) – February 9, 2023

Moody's: A1 (Outlook: Stable) – February 9, 2023



STANDARD
& POOR'S
Moody's
INVESTORS SERVICE

Comments	Reflects the strength of the UG's management team, which has demonstrated a history of conservative budgeting practices, leading to actual results outperforming budgeted assumptions.
Upgrade	Strengthening of reserves - Substantial decline in debt and pension profile. - Improvement in economic indicators, such as wealth and income, relative to peers
Downgrade	- Following a 2-mill reduction in FY 2023, the forecast shows a budget gap - If operating deficits lead to reserves falling below the UG's policy levels and are not replenished within a reasonable timeframe

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Unified Government of Wyandotte County, Kansas City, KS
2023 General Obligation Bonds & Notes

As I mentioned, we had our credit rating calls in at the end of January. Both Standard & Poor's and Moody's upheld, affirmed our current ratings. S&P has us at an AA with a stable outlook. Moody's has us at an A1 with a stable outlook. A1 is the highest rating in the A category.

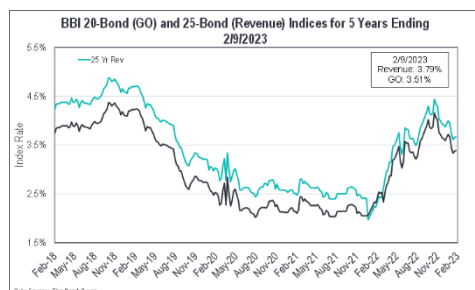
Just a few comments. Both comments from both rating agencies were about the same. Basically they made comments about the strength of our management team, our history of conservative budgeting practices, and outperforming budgeted assumptions.

They both mentioned pretty much the same instances where we could either see an upgrade or a downgrade in the rating. For an upgrade: strengthening of the reserves, decline in debt, and then improvement in economic indicators relative to our peers.

For a downgrade, they basically noted that if we have operating deficits that lead to reserves falling below the UG's policy levels and there's no plan to replenish them within a reasonable timeframe, that could also lead to a downgrade.

February 16, 2023

Bond Buyer Index – Interest Rate Trends



Municipal market currently has a "flat yield curve", meaning short term debt and long-term debt have similar rates

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February 2023

Unified Government of Wyandotte County, Kansas City, KS
2023 General Obligation Bonds & Notes

This is just a graph from the bond rate index just showing the interest rate trends. The black line is the 20-year bond GO rate, and the kind of green or teal colored line is a 25-year revenue bond rate. This is for up through February 2023. It's kind of shown where those rates have been over the last several years.

I just want to note, as of February 9th, which was a week before our rating, the GO bond rate was 3.51%. Also, just wanted to note there that you don't see the municipal curve on this graph; however, right now that's a flat yield curve which means that your short-term and your long-term debt have very similar rates. I think we saw that today. Our long-term bonds have a 3.72% rate, and our short-term notes have a 3.65% rate.

Commission Action:



Approve bond resolutions & ordinance

1. Ordinance and Resolution:
 - Sale of City General Obligation Bonds, Series 2023-A
2. Resolution:
 - Sale of City Municipal Temporary Notes Series 2023-I
3. Resolution:
 - Sale of County Municipal Temporary Notes Series 2023-II

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February 2023

Unified Government of Wyandotte County, Kansas City, KS
2023 General Obligation Bonds & Notes

February 16, 2023

Lastly, just the action that we're here tonight for is we're asking for approval of the bond resolutions and ordinance. We have three items. The first one is the ordinance and resolution for the sale of general obligation bonds. Then Items 2 and 3 are for the sale of municipal temporary notes for the city issue and the county issue.

I just did want to give a kind of thanks to we have staff here from both Gilmore & Bell, our bond counsel, and Baker Tilly, our financial advisor, who are heavily involved in putting all of this together so that over the last several months that we've been working on this.

With that, I'll stand for any questions.

Mayor Garner asked, questions from commissioners?

Commissioner Johnson said I wanted to move for approval, but I will say not in the interest of saying I told you so, but in the sense of the will of this Commission, we need to be very careful about wanting and desiring to lower our mill levy. It's already shown up as an independent observation what we've done already should be enough. So, I only put that as a tab as we start dialogue about 2024 budget, for us to be mindful of that as we look at that.

Commissioner Ramirez said my question is like, I guess, more procedural. Do we need to do three separate votes or can we do one together? It has to be three. Okay. Thank you.

Commissioner Davis said I think this report and those interest rates are great and really speak to what an objective, a really juggernaut in the financial industry like Moody's and S&P, said about our team, so congratulations. That's a big deal that we are able to get those rates.

Commissioner Davis said for the community and those who are unaware, could you speak to, just briefly, how the credit rating system works, right? If I say A1, AAA, or BBB, the average person, they don't know what that means, right, because our financial credit rating system is on a number, right, system while for governing institutions, it's on kind of a mix of letters and numerical system. So, can you speak to that a little bit?

Ms. Jonscher said AAA is the highest rating and then it goes down from there. So you have AAA, AA, A, and then you go into the B category. You also go as far down as being unrated.

So, investors use that rating to determine their risks in buying these investments. So, obviously, the higher the rating, the lower they feel like there's less risk. So, if you're being downgraded and you keep going lower, obviously your investors would see that and perceive that to be a risk. So when you're looking at investing in a 20-year bond is that bond going to pay off and are you going to get your investment back over that 20-year time. So, that's how they look at that rating. We get that rating and then they review that before they look at our bonds.

Commissioner Davis said so in other words, A1, am I saying it correctly? A1 is a rating for S&P's. It's pretty good. **Ms. Jonscher** said S&P's is AA. Obviously, we'd like to be at AAA. That would be our goal to be at AAA, but we're at AA. At Moody's we were prior to, I think, 2014, we were at AA for them, but then we got downgraded into the single A category. So, we're at the highest level in the single A. If we were to get upgraded by Moody's, we would go into the AA category.

Commissioner Davis said gotcha. I just wanted to highlight the efforts of you all's team. Obviously, we've talked a lot about the deficit and a lot about debt, so it's great that we got those interest rates.

Mayor Garner asked, do any other commissioners have any questions or comments? All right. We've got to take a vote on each one of these Items 2, 3, and 4.

Action: **ORDINANCE NO. O-11-23**, "An ordinance authorizing and providing for the issuance of General Obligation Improvement Bonds, Series 2023-A, of the Unified Government of Wyandotte County/Kansas City, Kansas; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; authorizing certain other documents and actions in connection therewith; and making certain covenants with respect thereto."
Commissioner Johnson made a motion, seconded by Commissioner McKiernan, to approve the ordinance.

Action: **RESOLUTION NO. R-12-23**, "A resolution prescribing the form and details of and authorizing and directing the sale and delivery of General Obligation Improvement Bonds, Series 2023-A, of the Unified Government of Wyandotte

County/Kansas City, Kansas, previously authorized by Ordinance No. O-11-23 of the issuer; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith.” **Commissioner Johnson made a motion, seconded by Commissioner McKiernan, to adopt the resolution.** Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

Mayor Garner said I’ve got a motion and a second on Item No. 2, an ordinance and resolution for the issuance of sale of General Obligation Improvement Bonds, Series 2023-A. Clerk.

Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

Item No. 3 – 212234...RESOLUTION: SALE OF GENERAL OBLIGATION NOTES (CITY)

Synopsis: A resolution authorizing and directing the issuance, sale and delivery of Municipal Temporary Notes, Series 2023-I, presented by Deborah Jonscher, Acting Chief Financial Officer.

Mayor Garner said I’ll entertain a motion for approval of Item No. 3, a resolution for the issuance and sale of Municipal Temporary Notes for the city, Series 2023-I.

Action: **RESOLUTION NO. R-13-23**, “A resolution authorizing and directing the issuance, sale and delivery of Municipal Temporary Notes, Series 2023-I, of the Unified Government of Wyandotte County/Kansas City, Kansas; providing for the levy and collection of an annual tax, if necessary, for the purpose of paying the principal of and interest on said notes as they become due; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith.” **Commissioner Ramirez made a motion, seconded by Commissioner Johnson, to adopt the resolution.**

Mayor Garner said I have a motion and a second. Any further discussion? Seeing none, roll call, please, Clerk.

Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

Item No. 4 – 212235...RESOLUTION: SALE OF GENERAL OBLIGATION NOTES (COUNTY)

Synopsis: A resolution authorizing and directing the issuance, sale and delivery of Municipal Temporary Notes, Series 2023-II, presented by Deborah Jonscher, Acting Chief Financial Officer.

Mayor Garner said I’ll entertain a motion for approval of Item No. 4, which is a resolution for the issuance and sale of Municipal Temporary Notes for the county, Series 2023-II.

Action: **RESOLUTION NO. R-14-23**, “A resolution authorizing and directing the issuance, sale and delivery of Municipal Temporary Notes, Series 2023-II (Wyandotte County projects), of the Unified Government of Wyandotte County/Kansas City, Kansas; providing for the levy and collection of an annual tax, if necessary, for the purpose of paying the principal of and interest on said notes as they become due; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith.” **Commissioner Johnson made a motion, seconded by Commissioner Ramirez, to adopt the resolution.**

Mayor Garner said there’s a motion and a second. Any further discussion? Seeing none, roll call, please, Clerk.

Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

Item No. 5 – 212238....PRESENTATION: BIOSOLIDS

Synopsis: A presentation of the assessment conducted by Nancy Zielke, Managing Director, Alvarez & Marsal Public Sector Services, LLC, related to biosolids, submitted by the County Administrator's Office.

Mayor Garner said I'll ask Ms. Harrison-Lee, our Interim County Administrator, to make some opening remarks.

Cheryl Harrison-Lee, Interim County Administrator, said after much discussion with the Commission, the Unified Government engaged in independent third-party to review and make an assessment of the investment that we're making at our wastewater treatment facility as well as the return on that investment. This item was presented at our standing committee. It is being presented tonight with an update by Nancy Zielke, who is the independent consultant that has been asked to review the citizen/county's investment in this project.



Nancy Zielke, Alvarez & Marsal Public Sector Services, 1100 Walnut, downtown KCMO, said I'm also a resident of Wyandotte County living in the area of 124th & Hollingsworth Rd. Like the County Administrator indicated, we were asked to provide an independent assessment as it relates to where the project is at from an investment perspective as well as kind of the overall value that we see within this project. First of all, no one can dispute that improvements are needed to your Kaw facility. In fact, the facility was built in 1960 and the age of the facility, as well as some of the problems you've had over the years, is related to requiring improvements being needed; as

well as most recently, as part of your decision with the consent decree with the EPA and the Department of Justice, commitments were also made to make improvements to your sanitary system as well.

Purpose & Objectives of Assessment

(Page 4)

The Unified Government of Wyandotte County/Kansas City, Kansas ("Unified Government" or "UG") engaged Alvarez & Marsal Public Sector Services, LLC ("A&M") to perform an independent assessment of the economic benefits and capital investment considerations of its current Kaw Point Wastewater Treatment Facility Biosolids Capital Improvement Project.

The current Kaw Point Wastewater Treatment Facility (Kaw Point) has been built in the 1960's as the one primary sewerage treatment plants for the City. The Kaw Point is in need of major repairs and modernization to allow the UG to dispose of biosolids through land-application instead of landfilling in order to save money and provide increased flexibility. Additionally, the biogas byproduct will be harvested for additional revenue to help offset costs.

The Kaw Point Biosolids Project is a major initiative to also support the Unified Government's economic development plan to support environmental, social, and governance policy efforts to promote expanded development within Kansas City, Kansas. The project is also part of the City's efforts to address the 2022 Consent Decree with the U.S. Environmental Protection Agency ("EPA") and the U.S. Department of Justice ("DOJ").

Key project assessment components include:

- Current Project Investment
- Project Timeline and Key Milestones
- Assessment of Revised Biosolids CMIP Construction Analysis
- Future State Operating Cost and Investment Analysis
- Economic Impact of Project to Kansas City Sewer System Rate Payers
- Return on Investment Analysis
- Alternative Proposal Considerations
- Recommendations

Preliminary Draft Report – As of Feb. 16

2

ALVAREZ & MARSAL

I'm not going to go through a 61-page report. I promised Commissioner Kane I would not do that this evening; however, I know eight of you, like we've spoken before in the standing committee meetings, I appreciated the time and effort. Our report looked at eight major areas. We looked at, first of all, what's the overall project investment? How much has the Unified Government spent to date? We've provided to the Commission a very detailed timeline as it relates to where the project started in 2012 and kind of major milestones throughout the years, basically really starting in 2016 and going most recently through the middle of last year.

We've taken a look also. I know the Commission, and talking initially with Commissioner Burroughs as well as Commissioner Bynum as the two standing commission chairs, there's a lot of questions as it relates to the construction costs or the engineering costs. Now how did we get from \$4M to \$100M? We're going to kind of walk you through kind of the sequencing of those project increases.

We've taken a look at the operating costs, the future operating costs and what the estimates are. Secondly, what's the impact of the project to current as well as future sewer rates; a draft return on investment analysis. We're still waiting for some information and clarification on revenue assumptions. So, it's kind of a preliminary assessment. We looked at alternative proposals. I'll kind of wait and talk about that, and finally some recommendations that we're providing to the Commission.

February 16, 2023

Funding Sources for Project Investment as of December 31, 2022

The UG has issued a combined project financing of \$8.2 million in Temporary Notes and long-term G.O. Debt over the past four years

Project to Date (Cash) Funding Sources				
Funding Source	2019	2020	2021	2022
Short Term Borrowings - Temporary Notes				
Temporary Note Proceeds	\$3,010,457.60	\$4,098,202.60		\$4,033,877.24
Temporary Note Payoff	\$-	\$(3,010,457.60)	\$(4,098,202.60)	\$-
Debt Premium	\$1,509.37	\$4,835.88	\$289,378.73	\$6,252.83
Total - Temporary Notes	\$3,011,966.97	\$1,092,580.88	\$(3,808,823.87)	\$4,040,130.07
Long Term Borrowings - G.O. Bonds				
G.O. Bonds - Series 2021A	\$-	\$-	\$3,896,893.05	\$-
Debt Premium	\$-	\$-	\$289,378.73	\$-
Total - G.O. Bonds	\$-	\$-	\$4,186,271.78	\$-
Total - Project to Date Sources	\$3,011,966.97	\$1,092,580.88	\$77,447.91	\$4,040,130.07
				\$8,220,149.02

First of all, let's talk about the funding sources. How much has the Unified Government committed and actual money to date. What we found is that \$8.2M has been committed by the governing body. Out of that, \$4M represents temporary notes that have been issued over the past several years. Then, an additional \$4.1M in GO debt that the Commission had approved for issuance in 2021. So, approximately \$8.2M that you've had in the city treasury to fund the project to date.

Project Spending to Date – Continued

CMIP planning, design, and oversight costs for the Kaw Pont Biosolids Facility improvement total \$4.3 million as of December 31, 2022

Observations & Findings	Summary of Project to Date Spending	
	Vendor	Project Spend To Date Total
- A&M was able to tie submitted vendor invoices to actual Accounts Payable invoice payments - We found one invoice where an invoice was split between two purchase orders for the same vendor and four invoices where the invoice professional titles and rates did not match to the contract rate schedules. - Public Works staff costs spent on CMIP projects are not tracked to report internal costs for CMIP initiatives. - Annual rate increases for On-Call Engineering services did not have an approved signature by the County Administrator and the General Counsel. (Current policy does not require signatures for Statement of Work and/or fee increases) - Original On-Call Engineering Contracts were signed by the County Administrator; however, we could find where the Biosolids CMIP Statement of Work or related Amendment had been approved by the County Administrator (Current Policy does not require signatures)	Black & Veatch Corporation	\$82,612.50
	Burns & McDonnell Engineering	\$52,962.69
	Energy Systems Group, LLC	\$2,185,530.25
	HDR Engineering Inc	\$757,553.32
	Springsted	\$4,310.00
UG's Contract Clearance Form for Construction Projects is only routed for various internal approvals for amendments, change orders, or other project cost of over \$10,000	UG Water Partners	\$1,259,038.45
	Total Project Spend To Date	\$4,342,007.21

Secondly, we looked at spending. Spending through, for the most part, as of December 31st, we had seen \$4.3M in actual. I want to say the CMI piece, and I mean monies for the specific six general contractors who are currently doing a lot of the engineering and planning work with the project. As you can see here, the largest expense is going out to your two design build contractors. First Energy Systems Group, which was your first design build contractor, and then currently UG Water Partners, at \$1.3M represents the largest percent of that. Additionally, three smaller contracts. Black & Veatch had done some of your preliminary planning work in 2012 as well as 2018. Burns & McDonnell still has a small contract as well for some of the projections and

modeling. Your owner/rep HDR year-to-date spending of \$757K as well as some earlier work that Springstead, your financial advisor, had done on some rate analysis.

What we found, one of the first things we did is we matched all of the invoices that came in with the vendor. We made sure that we could see them actually being paid. But the same time, we matched those invoices back to contracts. We found in four situations where the invoice, the professional title and the rate, did not tie back to the actual contract amount itself. Secondly, we did find one invoice that was split between two purchase orders. Probably not the best accounting practice as well. So some improvements we could see in that area.

One of the things that we did find in talking to the staff is the fact that engineering costs, the cost of your own staff, is not tracked. So, when we ask the question, how much of your own investment spend have you spent on a project. The fact that it's not being tracked, so it's one of the recommendations that moving forward with your new Workday system, that you keep track of time spent on major initiatives as well as capital projects.

Thirdly what we found is the fact that several of the contracts for several of the consultants are from your on-call engineering service contracts. These were let in 2016. What we found is that the original contracts had been signed, but the statement of work related to those services was not executed by the county administrator or the general counsel. Even though your procurement policy does not require that, as a recommendation, we are making that moving forward, any statement of work related to on-call services, should be approved by the administrator as well as general counsel.

We also saw that fee increases and sometimes the contracts on-call do allow for annual increases in professional fees. We also saw that those had not been approved. And, again, your procurement policy does not require this, but we are recommending that moving forward that the administrator and general counsel also sign off on those.

Overview of Work Performed Project To Date (P)

In review of invoices paid we noted the following progress and work completed to date

Observations & Findings

30% Design Development	30% Price-Schedule Development	Deliverables due at 30% design milestone
- Creation of a preliminary 3D model - The development of the following facility improvements: - Site Civil - Architectural - Structural - Mechanical Process - Mechanical HVAC / Plumbing - Electrical Power - Instrumentation and Controls - The facilitation of design review workshops with the Unified Government - Provide design specifications to support review and comment	- Updating the cost model including both design, construction, and commissioning of the facilities - Updating the project schedule based on the preliminary design, equipment proposals, and regulatory review timelines - Updating the project risk register identifying risk-based contingency and potential risk mitigation strategies - The timeline in the executed UG Water Partners contract ends at the 60% design development phase of the Kaw Point biosolids facility - Following the UG Water Partners' 60% design development work, the Unified Government will assess performance and review any	3D model - Preliminary drawing set - List of anticipated drawings - Draft Specification Table of Contents - Major equipment inventory - Summary-level project cost model - Life-cycle Cost Savings - Updated project schedule - Updated Risk Register

so work

60% design development work, the Unified Government will assess performance and review any

Chapter 61

Preliminary Draft Report – As of Feb. 16

So, work to date. In talking first of all with your Public Works staff, I need to really compliment and appreciate the great effort from Trent Foglesong as well as Jeff Fisher and Sam Her in providing significant information, as well as your purchasing manager and the county clerk in providing us a wealth of documents, everything from the accounts payable documents to contract documents.

But in talking with Trent and Jeff, we, as well as looking at the invoices, we mapped out where you're at in the project. So, basically at this point or at the end of December, you're about 30% of the project being completed; 30% of the design development, 30% of the price schedule, as well as 30% of meeting your various milestones. I think it's important for the Commission to understand the timeline currently with the UG Water Partners; the fact that the contract ends once they reach 60% of the design development phase. Currently they're at 30%. In talking with Public Works, they had estimated that probably by early summer, probably in the June/July timeframe, is probably where they would probably be reaching the 60%. The Unified Government will then need to make a decision of how to move forward based on the performance of UG Water Partners.

Project Spending to Date – Continued

CMIP planning, design, and oversight costs for the Kaw Pont Biosolids Facility improvement total \$4.3 million as of December 31, 2022.

<u>Observations & Findings</u>		<u>Summary of Project to Date Spending</u>	
- A&M was able to tie submitted vendor invoices to actual Accounts Payable invoice payments - We found one invoice where an invoice was split between two purchase orders for the same vendor and four invoices where the invoice professional titles and rates did not match to the contract rate schedules. - Public Works staff costs spent on CMIP projects are not tracked to report internal costs for CMIP initiatives. - Annual rate increases for On-Call Engineering services did not have an approved signature by the County Administrator and the General Counsel. (Current policy does not require signatures for Statement of Work and/or fee increases) - Original On-Call Engineering Contracts were signed by the County Administrator; however, we could find where the Biosolids CMIP Statement of Work or related Amendment had been approved by the County Administrator (Current Policy does not require signatures)	<u>Vendor</u>	<u>Project Spend To Date Total</u>	<u>Project Spend To Date Total</u>
	Black & Veatch Corporation	\$	82,612.50
	Burns & McDonnell Engineering	\$	52,962.69
	Energy Systems Group, LLC	\$	2,185,530.25
	HDR Engineering Inc	\$	757,553.32
	Uprightsted	\$	4,310.00
	UG Water Partners	\$	1,259,038.45
	Total Project Spend To Date		4,342,007.21

Certainly, as I talked about the major vendors—Black & Veatch headquarters in Kansas City, MO; Burns & McDonnell headquarters; Energy Systems, your design partners. UG Water Partners, I think, it was important in the report I provide a full listing of kind of the partnership as it relates to UG Partners.

Two main partners currently at a 50% joint venture is between Burns & McDonnell and a firm called CAS Contractors. They're a wholly owned subsidiary of a group by the name of Alberici, I'm not going to try to pronounce that, but a major construction firm here in the Midwest.

Along with those two firms, there's seven other partners that are part of the UG Water Partners. They're providing everything from the building part as well as the sales strategy and finally providing the regulatory and compliance. Again, the full report kind of lists all of those, kind of the partnership and the partnership agreements.

Summary of Biosolids CMIP Expenses To Date

Investment or sunk costs for the Biosolids CMIP Project total \$9.7 million including the required repayment of the 2021 G.O. Bonds for the capital project

Summary of Biosolids CIMP Project Investment to Date	
	Total \$\$
CMIP Project Expenses - As of December 31, 2022	\$ 4,342,007.21
Cost of Issuances:- As of December 31, 2022	\$ 229,384.30
Paid P&I of G.O. Bonds (As of February 1, 2023)	\$ 311,786.12
Principal	\$ 98,196.00
Interest	\$ 213,590.12
Future P&I on Existing G.O. Bonds (August 2041)	\$ 4,809,575.19
Principal	\$ 3,799,250.00
Interest	\$ 1,010,325.19
Unified Government Employee Project Time Investment	Unknown
Total Biosolids CIMP investments to Date	\$ 9,692,752.82

So, summary of the benefits to date. So, we talked about the \$4.3M. Again, this is expenditures that the Unified Government had actually made as of December 31st. Secondly, just as you passed

a few minutes ago their quest for GO bonds and temporary notes, there's a cost. So, for the two temporary note issues and the GO issue that has been issued as currently in place, about \$229K in actual cost of issuance. That's cost for your legal fees, for your financial advisor, your rating agency fees, as well as payoff of your temporary notes.

To date, you've paid \$311K on the 2021 bond issue. The fact that this is one that we did take most currently, so \$311K, principal which was \$98K and interest of \$213K. Additionally, the bonds that you had issued in '21, there's outstanding principal and interest against those of \$4.8M as well. Again, monies that have been committed, that you borrowed to fund the project.

I've already spoken to the line item called UG staff time. We were unable to quantify that because not being able to track the project. So, in this case, total investment, investment or some costs in the project of \$9.7M to date.

Historical Changes to Biosolids CMIP Projection Estimates (F)

Public Works provided on February 2, 2023, the following revised Biosolids CMIP projections

Historical Summary of Biosolids CMIP Project Costs from 2012 Masterplan to Current UG Partners Cost Estimate of 2022

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	2012 Masterplan	2018 BV Report ¹	ESG-2021	UGW-2022	Delta 2021 to 2022	% Increase	
	Only New Dewatering to Landfill Sludge - No Digesters	Rehab of Existing Digester Tanks, Biogas into Pipeline	New Digesters, Biogas into Pipeline	New Digesters, Biogas into Pipeline	Comparison of Column (D) to (E)		
Project/Estimate Overview							
(1) ESG Phase 1 Contract per RFP	NA	NA	\$ 2,926,343	NA			
(2) ESG Amendments Approved	NA	NA	\$ 179,047	NA			
(3) ESG Actual	NA	NA	\$ NA	\$ 2,185,530	\$ (919,860)		
(4) ESG Total for Phase 1¹	NA	NA	\$ 3,105,390	\$ 2,185,530	\$ (919,860)		
(5) Burns & McDonnell Check ESG Estimate	NA	NA	NA	\$ 52,963	\$ 52,963		
(6) UGW Phase 1	NA	NA	\$ NA	\$ 3,692,000	\$ 3,692,000		
(7) Owners Rep	NA	NA	\$ 2,000,000	\$ 2,000,000	\$ -		
(8) Subtotal Phase 1 and Owners Rep	NA	NA	\$ 5,105,390	\$ 7,930,493	\$ 2,825,103	55%	
(9) Direct Construction Costs	NA	NA	\$ 60,832,382	\$ 75,629,811	\$ 14,797,429		
(10) Markups	NA	NA	\$ 13,702,599	\$ 11,703,022	\$ (2,089,577)		
(11) Subtotal Construction Costs	\$ 4,300,000	\$ 70,600,000	\$ 74,624,981	\$ 87,332,833	\$ 12,707,852	17%	
(12) Gas Interconnect Allowance ²	NA	NA	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000		
(13) Total Construction Cost	\$ 4,300,000	\$ 70,600,000	\$ 75,624,981	\$ 89,332,833	\$ 13,707,852	18%	
(14) Additional Contingency ³	NA	NA	\$ -	\$ 2,736,673	\$ 2,736,673		
(15) Total Project Cost	NA	NA	\$ -	\$ 92,069,506	\$ 92,069,506		

Preliminary Draft Report - As of Feb. 16

One of the questions that the Administrator had asked as well as the Commission is how did we get from \$4.3M to the current estimate of \$100M.

Year by Year Projection Variances – Discussion of Differences

Public Works provided on February 2, 2023, the following revised Biosolids CMIP projections

2012 Masterplan (\$4.3M) and 2018 BV Report (\$70.6M)

- The 2012 Masterplan did not contemplate or estimate the cost to provide digestion capabilities.
- The recommended improvements were to rehabilitate existing dewatering process (belt filter presses) in existing building at a cost of \$4.3M, but due to long-term planning during the consent decree negotiations this was changed to include an entirely new facility with new process (centrifuges) at an estimated cost of \$10M.
- The total cost shown for the 2018 solution was previously shown listed at \$67.3M, but that cost/option did not include biogas injection into a pipeline.
- The project cost for the gas pipeline option was the \$70.6M as shown herein and matches the value built into the consent decree financial model.

2018 Black & Veatch Report (\$70.6M) and ESG-2021 estimate (\$80.7M)

- The 2018 Black & Veatch report estimate (\$70.6M) was completed with an assumption that the existing digester tanks could be rehabilitated and utilized.
- The 2018 concept included KCMO sending sludge from their Westside WWTP.
- During the design process with ESG, KCMO withdrew from the project AND it was determined that the existing tanks could no longer be rehabilitated and used as digesters due to NFPA life safety code concerns and their general condition.

As you can see here, initially first estimate came in in 2021, which was part of the initial master plan. That was just a preliminary estimate as it related to how you should move forward. It did not contemplate anything as it relates to where the project is currently at, as well as it did not—it was an initial estimate just for the digest capability.

Historical Changes to Biosolids CMIP Projection Estimates

Public Works provided on February 2, 2023, the following revised Biosolids CMIP projections

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	2012 Masterplan	2018 BV Report ¹	ESG-2021	UGW-2022	Delta 2021 to 2022		% Increase
Project/Estimate Overview	Only New Dewatering to Landfill Sludge - No Digesters	Rehab of Existing Digester Tanks, Biogas into Pipeline	New Digesters, Biogas into Pipeline	New Digesters, Biogas into Pipeline	Comparison of Column (D) to (E)		
(1) ESG Phase 1 Contract per RFP	NA	NA	\$ 2,926,343	NA			
(2) ESG Amendments Approved	NA	NA	\$ 179,047	NA			
(3) ESG Actual	NA	NA	NA	\$ 2,185,530	\$ (919,860)		
(4) ESG Total for Phase 1¹	NA	NA	\$ 3,105,390	\$ 2,185,530	\$ (919,860)		
(5) Burns & McDonnell Check ESG Estimate	NA	NA	NA	\$ 52,963	\$ 52,963		
(6) UGW Phase 1	NA	NA	NA	\$ 3,692,000	\$ 3,692,000		
(7) Owners Rep	NA	NA	\$ 2,000,000	\$ 2,000,000	\$ -		
(8) Subtotal Phase 1 and Owners Rep	NA	NA	\$ 5,105,390	\$ 7,930,493	\$ 2,825,103		55%
(9) Direct Construction Costs	NA	NA	\$ 60,832,382	\$ 75,629,811	\$ 14,797,429		
(10) Markups	NA	NA	\$ 13,792,599	\$ 11,703,022	\$ (2,089,577)		
(11) Subtotal Construction Costs	\$ 4,300,000	\$ 70,600,000	\$ 74,624,981	\$ 87,332,833	\$ 12,707,852		17%
(12) Gas Interconnect Allowance ²	NA	NA	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000		
(13) Total Construction Cost	\$ 4,300,000	\$ 70,600,000	\$ 75,624,981	\$ 89,332,833	\$ 13,707,852		18%
(14) Additional Contingency ³	NA	NA	NA	\$ 2,736,673	\$ 2,736,673		
(15) Total Preliminary Cost	\$ 4,300,000	\$ 70,600,000	\$ 75,624,981	\$ 92,069,506	\$ 16,444,525		21%

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Secondly, so then going from the \$4M to the \$70M, this is where there is better definition that was put in place. Burns & McDonnell did a more detailed study for you in '18 where they initially then had come up with kind of a construction estimate of the \$70M with that.

Then going from column C to column D, or from '18 to '21, project increased by \$10M. So, what are the major cost drivers in that case?

Year by Year Projection Variances – Discussion of Differences

Public Works provided on February 2, 2023, the following revised Biosolids CMIP projections

2012 Masterplan (\$4.3M) and 2018 BV Report (\$70.6M)

- The 2012 Masterplan did not contemplate or estimate the cost to provide digestion capabilities.
- The recommended improvements were to rehabilitate existing dewatering process (belt filter presses) in existing building at a cost of \$4.3M, but due to long-term planning during the process, the project was changed to include an entirely new facility with new process (centrifuge).
- The total cost shown for the 2018 solution was previously shown listec include biogas injection into a pipeline.
- The project cost for the gas pipeline option was the \$70.6M as shown consent decree financial model.

2018 Black & Veatch Report (\$70.6M) and ESG-2021 estimate (\$80.7M)

- The 2018 Black & Veatch report estimate (\$70.6M) was completed with tanks could be rehabilitated and utilized.
- The 2018 concept included KCMO sending sludge from their Westside WWTP.
- During the design process with ESG, KCMO withdrew from the project AND it was determined existing tanks could no longer be rehabilitated and used as digesters due to NFPA life safety concerns and their general condition.

First of all, in '18, Black & Veatch had estimated the fact that they should be—initially they thought they could rehab the existing digesters and the fact that they could be rehabilitated and reused. However, during that planning period as they started taking a closer look at it, it was then found that the current tanks could no longer be used or rehabilitated so a new cost was going to be absorbed. Additionally, during this time, Kansas City, MO, was initially considering being part of your biosolids facility. They withdrew their interest in that facility as well.

Year by Year Projection Variances – Discussion of Differences

Public Works provided on February 2, 2023, the following revised Biosolids CMIP projections

Breakdown of difference between ESG-2021 (\$80.7M) and UGW-2022 (\$100M)

Amounts	Public Works Discussion & Explanation of Projection Increases
\$ 2,825,104	Increased costs for Phase 1 work including change from ESG to UGW
\$ 12,707,852	Increase in Construction Costs including markups (17%) Additionally, the ESG-2021 estimate had gaps in the defined scope and post-pandemic market volatility not included in the documented costs which impacts the increases to the 2022 cost estimate
\$ 1,000,000	Increased allowance for Gas Pipeline Connection
\$ 2,736,673	Added Contingency Reserve
\$ 19,269,629	Total Change from ESG-2021 to UGW-2022

Observations & Findings

- Markups include the proposed team's cost information that is provided, which includes the fixed-fee work associated with Phase 1 as well as a percentage fee for the Phase 2 services. The percentage fee for Phase 2 work is what is considered a "markup"
- Current construction inflationary industry reports reflect inflationary increases averaging 16.5% from 2021 to 2022 and between 10% and 11% during 2023 and 2024
- CMIP projections do not include any allowance includes for potential costs for Temporary Note and future G.O. bond or Kansas State Revolving Loan Insurance costs

Going from \$80M to \$100M. The current bond resolution last year had an estimate of \$80M so what we tried to do here is get a little bit more specific with the staff. First of all, there's an increase of a little bit over \$2.8M in the cost estimate by moving to your new design build contract, meaning from ESG, who's your previous one, to where you're at today with the UG Water Partners, a net increase of \$2.8M.

Secondly, the next major cost increase related was about \$12.7M. Primary portions of this has to relate to inflation. What's built in here as a markup or inflationary increase of 17%. So we tested that just to validate that assumption. From our industry research by looking at construction

costs, and specific construction costs for sewer projects, we had seen from '20 to '21, an increase or inflation increase of 16.5%. In fact, even moving forward, looking forward, inflation going from 10% to 11% as well.

Secondly, the new estimate also includes an increased allowance for the gas line, pipeline connection. There are some concerns or issues as well with having to do some soil movement. So, additional increase of \$1M from the initial estimate as well as some added contingency, funding the unknown of about \$2.7M for funding as well.

So, again, \$80M to \$100M, inflation, monies for the gas pipeline, contingency, as well as the increased cost for your design build consultant.

Current Planned Sources of Monies for CMIP Biosolids Project

The Revised current 2022 projection for the construction of the planned improvements for the Point Biosolids facility is estimated at \$100 million

Summary of Biosolids CMIP Revised Proposed Sources of Monies		Observations & Findings
Sources of Monies - \$100,000,000 (2022 Cost Estimate)		
Federal Grants		
2022 Congressional Approved EPA Grant	\$ 2,000,000	The UG should conduct further analysis of the use of Inflation Reduction Act of 2022 (the Act), which extends and expands existing tax credits and adds several new energy tax credits to encourage the production of clean energy and reduce carbon emissions.
Proposed USDA Grant (Submitted January 2022)	\$ 22,300,000	
US Treasury Tax Credits	\$ 27,000,000	
Long-Term Financing - General Obligation Bonds & State Loan Programs		
General Obligations Bonds and State of Kansas	\$ 48,700,000	The 2022 Act amended Section 48(a)(3) to include additional categories of energy property, one of which is "qualified biogas property"
Department of Health State Revolving Loan Program		
Total Current CMIP Project Projections	\$ 100,000,000	Further analysis and fiscal impact to the Biosolids Project is needed
Summary of Cash-Flow Timeline - \$100,000,000 CMIP Revised Projection		
2018-2022	\$ 4,500,000	
2023 January to July	\$ 4,000,000	
2023 August to December	\$ 12,000,000	
2024 January to 2025 June	\$ 66,500,000	
2025 July to December	\$ 13,000,000	
Total Current CMIP Project Projections Cash-Flow Timeline	\$ 100,000,000	

The current planned sources. I believe back in November or October, Public Works staff had come to the Commission with a presentation as it relates to current estimate of now \$100M. So, what are the major planned funding sources from that? Most recently, Congress did approve an EPA grant of \$2M, so that's money that's confirmed that has been approved by Congress.

Most recently in January '23, the Unified Government submitted to the USDA a grant for \$22.3M. Again, no word as it relates to the status of that.

The third major funding piece is proposed tax credits of \$27M. If the Commission recalls this past fall, the Inflation Reduction Act was expanded. It was expanded to now allow companies to obtain tax credits for qualified bioscience or biogas property. Even though I think Public Works probably disagrees with me on this, this is an area I think that the Commission needs further review and further analysis. Regulations have yet to be codified. There is some legal experts that will provide that, but this is an area I still think that there's a lot of uncertainty and then known as it relates to the full use and application of the tax credits. That would then mean the potential

issuance of GO bonds for a total amount of \$48.7M. You've already issued \$4M, so it would require an additional \$44M in additional GO debt over the next four to five years as well.

Annual Kaw Point Wastewater Treatment Plant Operating Project		
Upon completion of the Biosolids CMIP construction, Public Works projects operating cost reductions/avoidance and New System Revenue Sources		
Kaw Point Wastewater Facility Operating & Maintenance Costs (Provided by Public Works - Water Pollution Control)		
Current Operations & Maintenance Costs (Includes 20% costs to related to Maintenance Group)	Annual Costs	\$ 5,465,000
Operating Cost Increases/Decreases/Avoidance		\$ (400,000)
Reduced Disposal Costs	\$ (600,000)	
Reduced Chemical Costs	\$ (800,000)	
Added O&M Costs of New Facility Improvements	\$ 1,000,000	
Revised Estimated Kaw Point Wastewater Facility Operating Costs		\$ 5,065,000
New Enterprise System Revenue Sources		\$ 2,000,000
Waste Hauled Tipping Fees	\$ 750,000	
Biogas Sales	\$ 1,250,000	

Observations & Findings

Per Public Work responses:

- FY 22 Actuals show that current Operations & Maintenance inclusive of 20% of the Kaw Point Maintenance group are estimated \$5,465,000 per year
- The new facility will have a new operating reduction of \$400,000 annually
- Sales from Waste Hauling Tipping Fees and Biogas Sales are estimated to generate \$2.0 million annually

A&M has not been able to verify/validate the revenue source assumptions

So, looking at operating costs. Public Works calculated, based on last year's actual, the operating costs for the current Kaw Plant facility represents \$5.4M. In comparison, the budget's actually higher. This was due to staff vacancies and in some cases, the need to probably recalibrate or re-budget for your sanitary sewer system and somehow the costs are allocated. They determined that the actual current cost is \$5.4M.

Staff did provide estimates as it relates to some reductions. It is planned, again, as it's being proposed or would be reduced disposal costs or those tipping costs. At the current Shawnee Waste Management site of \$600K as well as reduce chemical costs in the future. Again, not having to deodorize the solids as much.

At the same time, there's going to be increased operating costs. There's going to be increased costs for the operation of the facility, so net reduction of operating costs of only \$400K. That would make the revised operating costs a little bit over \$5M.

We did ask about the new system revenues. I know the staff has presented to you previously the fact that there will be opportunities for new revenues to support the project from the sale of the biosolids as well as bio sales. We've asked for additional clarification, the detail as they relate to how those estimates have been developed. Staff's in the process of obtaining that information. As of this morning we have yet to receive that so, this is an area we have yet to be able to finish the full review for you.

Preliminary Impact of \$48.7M in Debt Service to Sewer Rates

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	Observations & Findings
Year	G.O. Payment	Rate Increase %	Avg Bill	% of Bill	Cost	Avg Bill	% of Bill	Cost	
2022	\$ 255,492.19	5.0%	\$ 49.46	0.56%	\$ 0.28	\$ 438.95	0.56%	\$ 2.47	- The accompanying study shows the incremental cost component to the average monthly customer bill for this scenario (\$48.70 million in G.O. Bonds) - Public Works has indicated that the current monthly debt service projections would not require added rate increases over what is already "planned" as shown in column (C) - Debt service as a % of the planned rates peaks at 4.07% of the average monthly bill in 2027 (\$2.47 for residential and \$21.93 for non-residential)
2023	\$ 256,374.86	5.0%	\$ 51.93	0.54%	\$ 0.28	\$ 460.90	0.54%	\$ 2.47	
2024	\$ 256,468.38	4.0%	\$ 54.01	0.51%	\$ 0.28	\$ 479.34	0.51%	\$ 2.46	
2025	\$ 2,432,690.60	4.0%	\$ 56.17	4.65%	\$ 2.61	\$ 498.51	4.65%	\$ 23.18	
2026	\$ 2,316,804.02	4.0%	\$ 58.42	4.24%	\$ 2.48	\$ 518.45	4.24%	\$ 21.97	
2027	\$ 2,323,865.14	4.0%	\$ 60.75	4.07%	\$ 2.47	\$ 539.19	4.07%	\$ 21.93	
2028	\$ 2,320,476.70	4.0%	\$ 63.18	3.89%	\$ 2.45	\$ 560.75	3.89%	\$ 21.79	
2029	\$ 2,319,273.46	4.0%	\$ 65.71	3.72%	\$ 2.44	\$ 583.18	3.72%	\$ 21.67	
2030	\$ 2,319,958.66	3.5%	\$ 68.01	3.57%	\$ 2.43	\$ 603.60	3.57%	\$ 21.57	
2031	\$ 2,319,897.54	3.5%	\$ 70.39	3.43%	\$ 2.42	\$ 624.72	3.43%	\$ 21.46	
2032	\$ 2,321,224.06	3.5%	\$ 72.86	3.30%	\$ 2.41	\$ 646.59	3.30%	\$ 21.36	
2033	\$ 2,322,474.86	3.5%	\$ 75.41	3.18%	\$ 2.40	\$ 669.22	3.18%	\$ 21.27	
2034	\$ 2,317,976.70	3.5%	\$ 78.04	3.05%	\$ 2.38	\$ 692.64	3.05%	\$ 21.12	
2035	\$ 2,318,677.40	3.5%	\$ 80.78	2.93%	\$ 2.37	\$ 716.88	2.93%	\$ 21.02	
2036	\$ 2,323,134.58	3.5%	\$ 83.60	2.82%	\$ 2.36	\$ 741.97	2.82%	\$ 20.96	
2037	\$ 2,323,698.24	3.5%	\$ 86.53	2.72%	\$ 2.35	\$ 767.94	2.72%	\$ 20.86	
2038	\$ 2,320,080.50	3.5%	\$ 89.58	2.61%	\$ 2.34	\$ 794.82	2.61%	\$ 20.72	
2039	\$ 2,322,563.42	3.5%	\$ 92.69	2.51%	\$ 2.33	\$ 822.64	2.51%	\$ 20.64	
2040	\$ 2,315,746.96	3.5%	\$ 95.94	2.41%	\$ 2.31	\$ 851.43	2.41%	\$ 20.48	
2041	\$ 2,320,694.74	3.5%	\$ 99.29	2.32%	\$ 2.30	\$ 881.23	2.32%	\$ 20.42	
2042	\$ 2,064,900.00	3.5%	\$ 102.77	1.98%	\$ 2.04	\$ 912.07	1.98%	\$ 18.08	
2043	\$ 2,065,300.00	3.5%	\$ 105.37	1.91%	\$ 2.03	\$ 944.00	1.91%	\$ 17.99	
2044	\$ 2,065,300.00	3.5%	\$ 105.37	1.91%	\$ 2.03	\$ 944.00	1.91%	\$ 17.99	
2045	\$ (110,912.50)	3.5%	\$ 113.94	-0.09%	\$ (0.11)	\$ 1,011.23	-0.09%	\$ (0.90)	

Preliminary Draft Report – As of Feb. 16

What does this mean as it relates to your sewer rates? As the Commission knows and as the community knows, when the Unified Government passed a consent decree, there were some commitments to do some major capital improvements for your sanitary sewer system. So, in fiscal year '22 and '23, the Commission approved, as part of your annual budget process, a 5% rate increase. What's shown here in column C or the green column are the planned future sanitary sewer increases. As you can see, they go up to 4% and down to 3.5%. Again, these are planned increases. These increases would not only cover the operating costs, but as well as any future capital improvement costs.

So, we compared the two scenarios. We first compared what would be the impact if you have to issue the full amount of the \$48.7M in GO debt. What we found is the fact that—so then we compared, again, the debt service against what the impact would be. What we found is, as shown in column E, that in year 2026 would be kind of the highest year from a residential perspective that 4.4% or \$2—or actually a year before. In '25 that 4.65% or \$2.61 of the average residential bill every month, those monies would be dedicated to pay for the debt service of this project. From a commercial customer, that would represent about \$23.18 a month.

Preliminary Impact of \$100M in Debt Service to Sewer Rates

(A)	(B)	(C)	(D)			(E)			(F)			(G)			Observations & Findings
Year	G.O. Payment	Rate	Residential (Monthly)			Non-Residential (Monthly)									
			Avg Bill	% of Bill	Cost	Avg Bill	% of Bill	Cost							
2022	\$ 255,492.19	5.0%	\$ 49.46	0.56%	\$ 0.28	\$ 438.95	0.56%	\$ 2.47	- The accompanying table reflects the % of the monthly sewer bill being earmarked for payment of the G.O. Debt - Public Works has indicated that the current debt service projections would not require added rate increases over what is already "planned" as shown in column (C) - Debt service as a % of the planned rates peaks at 13.29% of the average monthly bill in 2027 (\$8.07 for residential and \$71.61 for non-residential customers)						
2023	\$ 256,374.86	5.0%	\$ 51.93	0.54%	\$ 0.28	\$ 460.90	0.54%	\$ 2.47							
2024	\$ 256,468.38	4.0%	\$ 54.01	0.51%	\$ 0.28	\$ 479.34	0.51%	\$ 2.46							
2025	\$ 2,432,690.60	4.0%	\$ 56.17	4.65%	\$ 2.61	\$ 498.51	4.65%	\$ 23.18							
2026	\$ 5,791,847.77	4.0%	\$ 58.42	10.59%	\$ 6.19	\$ 518.45	10.59%	\$ 54.92							
2027	\$ 7,589,565.14	4.0%	\$ 60.75	13.29%	\$ 8.07	\$ 539.19	13.29%	\$ 71.61							
2028	\$ 7,591,176.70	4.0%	\$ 63.18	12.71%	\$ 8.03	\$ 560.75	12.71%	\$ 71.27							
2029	\$ 7,586,473.46	4.0%	\$ 65.71	12.15%	\$ 7.99	\$ 583.18	12.15%	\$ 70.88							
2030	\$ 7,589,408.66	3.5%	\$ 68.01	11.69%	\$ 7.95	\$ 603.60	11.69%	\$ 70.55							
2031	\$ 7,586,847.54	3.5%	\$ 70.39	11.23%	\$ 7.91	\$ 624.72	11.23%	\$ 70.18							
2032	\$ 7,590,924.86	3.5%	\$ 72.86	10.80%	\$ 7.87	\$ 646.59	10.80%	\$ 69.86							
2033	\$ 7,589,674.86	3.5%	\$ 75.41	10.39%	\$ 7.83	\$ 669.22	10.39%	\$ 69.50							
2034	\$ 7,592,426.70	3.5%	\$ 78.04	9.98%	\$ 7.79	\$ 692.64	9.98%	\$ 69.09							
2035	\$ 7,589,877.40	3.5%	\$ 80.78	9.60%	\$ 7.75	\$ 716.88	9.60%	\$ 68.62							
2036	\$ 7,588,634.58	3.5%	\$ 83.60	9.23%	\$ 7.71	\$ 741.97	9.23%	\$ 68.46							
2037	\$ 7,590,398.24	3.5%	\$ 86.53	8.87%	\$ 7.68	\$ 767.94	8.87%	\$ 68.14							
2038	\$ 7,583,780.50	3.5%	\$ 89.56	8.52%	\$ 7.63	\$ 794.82	8.52%	\$ 67.74							
2039	\$ 7,589,063.42	3.5%	\$ 92.69	8.20%	\$ 7.60	\$ 822.04	8.20%	\$ 67.45							
2040	\$ 7,590,446.96	3.5%	\$ 95.94	7.87%	\$ 7.55	\$ 851.43	7.87%	\$ 67.04							
2041	\$ 7,588,994.74	3.5%	\$ 99.29	7.56%	\$ 7.52	\$ 881.23	7.56%	\$ 66.76							
2042	\$ 7,336,800.00	3.5%	\$ 102.77	7.04%	\$ 7.24	\$ 912.07	7.04%	\$ 64.24							
2043	\$ 7,330,600.00	3.5%	\$ 106.37	6.77%	\$ 7.20	\$ 944.00	6.77%	\$ 63.87							
2044	\$ 7,334,600.00	3.5%	\$ 110.09	6.51%	\$ 7.16	\$ 977.04	6.51%	\$ 63.58							
2045	\$ 5,394,987.50	3.5%	\$ 113.94	6.26%	\$ 7.12	\$ 1,011.00	6.26%	\$ 63.29							

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We then looked at the worst case scenario or if the grants didn't come in nor tax credits would come in. What would be the impact or what percent of that planned sewer rate increase would be earmarked? So, as you can see here, again, in column E, from the residential customer, the highest amount would be in 2027 for 13.2% or \$8.07 per month of the residential sewer bill would be dedicated to pay for the debt service. From the commercial side or the non-residential base, \$71.81 on a monthly basis would be dedicated to pay for the debt service.

Value of Current Kaw Point Treatment Plant (Page 1)

The UG was unable to provide the original construction value and the asset value of the Kaw Point Wastewater Treatment Plant built in the 1960's

Observations & Findings

- Neither Public Works or Finance were able to report the original construction cost the treatment facility.
- The UG should be able to report this from prior GO and/or Sewer Enterprise Revenue bond issuance offering statements and authorizing ordinances for the issuances of the debt statements and/or authorizing ordinances for the issuances of the original facility construction debt.
- The UG was unable to report the current Asset Value of the Kaw Point Treatment Facility due to the assets being combined in the balance sheet
 - All improvements and equipment that are capitalized are added to an asset line and depreciated
 - Treatment Plant Structures & Improvements are depreciated over 50 years
 - Treatment Plant Equipment is depreciated over 20 years
- Capital improvement projects for the sanitary sewer system are financed as GO Revenue bonds with a payment for the bonds coming from the Sewer Enterprise Fund and bonds being issued as Sewer Enterprise Revenue Bonds.

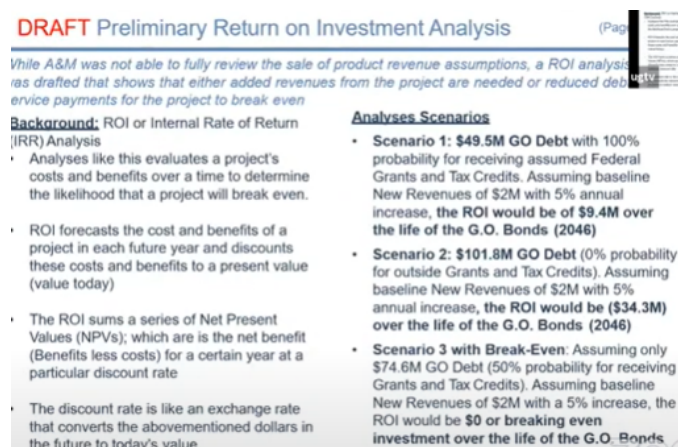
Unified Government Combined Treatment Plant Asset Values

Structures & Improvements	
Treatment Plant	\$ 79,500,000
Less - Accumulated Asset & Depreciation	\$ (61,300,000)
Book Value of Treatment Plant Assets	\$ 18,200,000

Equipment	
Treatment Plant	\$ 18,800,000
Less - Accumulated Asset & Depreciation	\$ (17,000,000)
Book Value of Treatment Plant Equipment	\$ 1,800,000

We then want to take a look at the return on investment. So the first thing on return on investment, you need to take a look at your original construction value. This is an area that the Unified Government is unable to provide to us the original construction value. As the Commission knows, the plant was built in the 1960s with a combination of sewer debt as well as various federal grants. Due to kind of the age of the records as well as the way sewer system is currently accounted, we could only obtain kind of a combined asset value for all of your sewer structures and

improvements. So, there is a book value you have in place for structures as well as for equipment; but, again, it's for all three of your sewer plants and not specifically for the Kaw Plant facility.



We did do a draft or a kind of preliminary return on investment analysis; again, based on the preliminary revenue estimates that were provided. We took the \$2M that staff had said. We said if revenues would increase 5% each year, what would that mean as it relates to the investment. The first scenario we took a look at is using the 48, which actually moves up to 49 once I plugged in some cost of issuance, we found between now and 2046, because that's when those bonds would be paid off, there could be a return of investment of \$9.4M or a little bit less than 10% of the overall borrowing cost.

Secondly, then we looked at worst case. Worst case is if the grants did not come in; the tax credits wouldn't come in. What would your investment be? It would actually be a loss of \$34M over that period.

Then, finally we said what would it take to break even, meaning what would it take, the fact that the monies that you have to borrow would be, but basically pay for themselves so it'd be a break even analysis. What we determined is the fact that either with reduced costs of a project or increased revenue. So, we used an assumption of \$70M, almost \$75M in borrowing, which could also mean not getting the grants, that the project could potentially break even by 4046 with the borrowing.

Recommendations		(Page 2)
While the improvements at the Kaw Point Wastewater Treatment Facility are required, the Unified Government should consider several actions and financial improvements moving forward		
Summary of Biosolids CMP Project Investment to Date		1. Project Restart.
CMP Project Expenses - As of December 31, 2022	Total \$	With the \$9.7 million in project investment to date and only 30% of the design and planning complete, the UG should strongly consider a <i>Project Restart to explore:</i>
Cost of Issuance - As of December 31, 2022	\$ 4,342,007.21	
Paid P&I of G.O. Bonds (As of February 1, 2023)	\$ 229,364.30	
Principal	\$ 213,590.12	• Expanded review of potential equipment and technology solutions
Interest	\$ 15,774.18	• Issue an open formal Request for Qualifications from the industry on alternative biosolid solutions – 90 Day Plan
Future P&I on Existing G.O. Bonds (August 2041)	\$ 4,809,575.19	• Explore other State & Federal Grant
Principal	\$ 3,796,250.00	
Interest	\$ 1,013,325.19	
Unified Government Employee Project Time Investment	Unknown	
Total Biosolids CMP Investments to Date	\$ 9,692,732.62	

What does this kind of lead us to our overall observations and recommendations? As I said a few minutes ago, the overall investment to the city to date, I'd say in hard costs, represents about—the actual hard cost represents about \$4.6M. Again, \$4.3M you've already spent for engineering design. The cost of issuance of \$230K. In your principal and interest, you've paid about \$4.6M. Then the additional \$4.8M, that you have in future principal and interest.

One of the recommendations that we provided back to the two standing chairs as well as the Administrator, that even though this improvement for Kaw Point Wastewater is required, the Unified Government does need to make the investment. However, we are recommending that the government take a look at some other actions and financial improvements moving forward.

First of all we have recommended to the Administrator that the government seriously take a look at a project restart. We have found through our research there's other alternative methods that are out there. There's other technology. There's other applications that other governments are using to treat their biosolids. In fact, in '17, you had one firm approach you with a proposal, and then most recently, there was internal discussions this past fall.

We think that there's other alternatives that could be looked at. The fact that your initial RFP or RFQ for services went out in 2017, 2018. There may be new technologies as well as additional opportunities that you should seriously consider.

Secondly, we've also said the fact that by doing this, what we're saying is go through maybe a new RFQ process. I think general counsel will need to be really involved with this, especially I know a number of the vendors, a number of the contractors may have some proprietary solutions that should maybe be taken a look at, but we're saying maybe a 90-day re-review of where you're at.

Thirdly, there are additional state and federal grants that are available. I know many other communities are looking at other grant opportunities. I would encourage the Unified Government to take a look at that.

Secondly, the projections that we had shown for the sewer increases, the fact that some of these, even though they're planned, any effort that the Unified Government could do to help reduce or even maintain those rates, not to put as much burden on your ratepayers that we think would also be highly—it should be something the Commission consider as well. Also, the project research would give the Unified Government time to also better understand the tax credits and how those uses could be made.

Recommendations
(Page 10)

The Unified Government should consider several actions and financial improvements moving forward:

2. **Improve Financial Management CMIP Accounting, Budgeting and Reporting Practices**
 - Deploy a project timekeeping system to monitor internal staff hours spent on major CMIP projects and special initiatives
 - Separate asset values for major system facilities on financial statements
 - Hold on issuance of any additional temporary note financings until detailed cash-flow forecast can be provided
 - Modify UG Procurement Policy to require the County Administrator (and General Counsel) approve any (1) On Call Agreement Statement of Work (2) Contract Amendments and (3) Annual Fee increases
 - Public Works should perform monthly reconciliation of project related expenses, including comparing invoice amounts against approved/amended contract/SOW rate schedules and avoid practices of splitting invoices between available purchase orders
 - CMIP project budgets should include a cost component for debt financing cost of issuances
 - Explore the use of a separate financial "fund" structure to account for any revenues generated from Gas and/or Bio-product gas (do not come from sale revenue within the Sewer System operations (pending outcomes of Restart RFQ process))

Secondly, we think there's some financial improvements that should also be made. First of all, moving forward, staff time on major capital project initiatives should be tracked, especially if we're going to be applying for grants. These could be administrative costs and they could be part of the grant to reimburse through grant activities.

Secondly, we also feel that moving forward, that the asset values of your various infrastructure should be reported separately in your financial statements. We did recommend that no additional temporary notes should be issued until a more detailed cash flow could be done.

Secondly, on changing the policy, the procurement policy, ensuring that the county administrator as well as general counsel would approve those, we feel is also needed. The rest of these, I think, we've covered previously.

So, at this point, Mayor and Ms. Administrator, I will be glad to take questions.

Mayor Garner said thank you so much for that in-depth. I know there's a lot more information that our commissioners are going to be sure to look at.

Mayor Garner asked, do any commissioners have any questions in regard to this item? I believe our Administrator has some recommendations for this Commission to consider.

Ms. Harrison-Lee said we'll see a review that we have although there are some items that are still pending, the consultant is looking at a recommendation that we consider the project re-start recommendation; and that as we go through that process, that we also look at changing our project management financial components of it to be aligned with some of the best practices that are noted in the recommendations.

So, Mayor and commissioners, if there's a consensus to move forward in that direction, the recommendation would be to discontinue the funding of this or the additional spending until we have an opportunity to go back and look at some of these components.

Mayor Garner said this is for information only. She's just asking for a consensus. The Administrator has a recommendation. She'd like a little guidance from the Commission, so I'll go ahead and entertain a motion to approve the Administrator's recommendation.

Action: **Commissioner Kane made a motion, seconded by Commissioner Burroughs, to approve.**

Mayor Garner said we have a first and a second. Before we proceed, Commissioner Bynum.

Commissioner Bynum asked, what are we recommending? **Ms. Harrison-Lee** said on the last two pages, the consultant recommended that we do a project restart and that as part of that restart, that we look at some new technology and potential equipment, and that we look at a formal request for qualifications from other potential vendors in the industry, and that we look at other state and federal grant opportunities as well. And that as we look at this while we're doing a restart, that we consider looking at our financial, accounting, and project management practices that are outlined on the last page.

Commissioner Bynum said so my request, I realize we have a motion and a second on the floor, but my request would be having a little bit more information about all that you just stated because

that's like five things. I would want an outline and a timeline. I don't know that all of that can be done in what was recommended as a 90-day reset. So, one of the items was a request for qualifications. What would that mean exactly for this?

Ms. Zielke said we had recommended a 90-day restart. Within that would be, first of all, having an independent group put together kind of the qualifications or basically the notice of need. Basically we had said that could be done within a 20-day period because there's a lot of information that your staff has already gathered, as well as you have industry experts you could rely on as well.

Secondly, we then recommended the RFP be on the street for 45 days to give potential vendors opportunity to respond.

Commissioner Bynum said I'm sorry, Nancy. The RFP for what? **Ms. Zielke** said this would be the RFQ, request for qualifications, to ask for potential contractors to give you alternative proposals besides just using the current method that you're using with the digesters and moving forward with your current—what other opportunities are out there as relates to the treatment. Maybe it could be expanding the use of methane gas. Maybe it could be using bio—learn more about biosolids I ever thought I would—but there's different methods that other governments are using.

We're saying go back to the community, because this was five years ago when you put these specifications together, to see what technologies as well as what other approaches are out there. I would caution, though, as you do that, of making sure that the information that has come back would be proprietary because in some cases, these companies may have trade information or methodologies or approaches that they may not want to be sharing publicly. So, I would defer to general counsel of how you would do that from a procurement basis, but we've seen that done.

Then the remaining period of time, the other 25 days, would be for internal review and then for review by the Commission through the standing committees as well as the Commission as a whole.

Commissioner Bynum said so at that point, something may come back that would change the whole trajectory of this project.

Ms. Zielke said as we had outlined, commissioners, the fact that it could either change the scope of the design build or you could continue with the current status quo as well. But, again,

it's giving that opportunity to reassess and re-evaluate the technologies and the approaches that are available.

Commissioner Davis said this question is for our Interim Administrator. Does this need to be done now? What is the timeliness of this? I'm only asking because this was kind of blue sheeted so I wasn't expecting this. I wasn't really studying this and it wasn't really conveyed even in our meeting for Economic Development & Finance that there was an urgency regarding this that would require action by us.

Ms. Harrison-Lee said, Commissioner, you do not have to do this tonight. **Commissioner Davis** said it would be my preference that we not do this tonight. It has been a very, very, very long night. Quite frankly, I can just speak from me personally, I'm not prepared to vote on this. There's a lot of questions and this is a very, very thick packet.

Commissioner Davis said the other question that I have is I thought this was being presented because this is more administrative, so what would we need to vote on that's currently in this packet that you would seek our permission to do?

Ms. Harrison-Lee said you are correct. Administratively we could cease and go with this recommendation. This has had a lot of discussion at the Commission meeting, so in an effort to be transparent, wanted to make sure that we did not take a project of this magnitude and make an administrative decision on it as your Interim Administrator.

I'm happy to bring this to you in a work session or at your next meeting so that you have an opportunity to get your questions answered and make sure that you're comfortable with the direction that we would look to go on this.

Commissioner Davis said that would be great.

Commissioner Davis said and the last thing I would request is for anything that we're going to take a motion on, I'm assuming it would be a resolution of some sort, if we can get legal language in front of us just to kind of keep that practice going, that way we know exactly what we are voting on. That would be very, very helpful.

Commissioner McKiernan said I'll just concur with Commissioner Davis. For me to vote, I'd like to have concrete language in front of me outlining and detailing exactly what it is I am voting for or against. So, I would concur that I'd like to see this come back with concrete language in terms of motions and votes.

Commissioner Townsend said it's already been stated by Commissioner Davis and Commissioner McKiernan, my concerns about taking action tonight, specifically. I'm not opposed to it, but I just don't know enough about the details. When this was presented at ED&F, I was under the impression that the evaluation, which seemed thorough to this point, was not at its conclusion. So, when is that expected to happen, and what impact might that have on the outcome of what we're being asked to vote on?

I agree whatever we'd be asked to vote on should be reduced to writing so it's clear. Particularly, I think Ms. Zielke mentioned some things, but I'd like to be a little bit clearer about what the restart includes. If we went with the restart as suggested, what that does to what's going on right now? Is that a standstill? What no longer is going on? What that does to money committed? What does this restart, and what that might entail, do with anything to how we move forward with our commitment on the consent decree? How would that change, if at all? Also, what would it do, if anything, to those contractors we may already have engaged? So, those are just some of the questions I'd like to have answered in more detail when we take this up again.

Mayor Garner asked, did you want to answer some of those questions? The questions she had, were you able to answer any of those? **Ms. Zielke** said I'll refer one to general counsel as it relates to the status of the contracts.

Misty Brown, Chief Counsel, said regarding the status of the contracts, all the contracts that we've negotiated include various provisions in which you can terminate for convenience, terminate for cause. So, I think as far as if we were taking a pause on it, know that we may incur some cost for delay. If we were terminating, that is an option for it. If Ms. Zielke could speak to the consent decree, I could or Ms. Zielke could as well.

Ms. Zielke said as it relates to the consent decree, doing our pause, it's still, the fact that like I said initially, I think as the administrator said, the project needs you. You need to make the improvements to this facility. The fact by just reassessing and reevaluating your approach does

not change the Commission's overall intention. It's just looking at are there any lower cost alternatives that are out there moving forward.

Secondly, does the outstanding work that we have as it relates to assessing the revenues, the revenue assumptions, even though I think that's important and we had to make some assumptions and doing kind of the high level return on investment analysis, our recommendations, even with that information, I don't believe would change from what we've recommended at this point.

Commissioner Kane said I should have clarified my motion. I want the Administrator to do exactly what you guys said, provide us information so we can move forward and make intelligent decisions. We have went up from x amount of dollars to \$60M, \$70M, \$80M. We're at \$100M. That would be a huge part of our budget. I don't care. I can either withdraw it or push it forward for the Administrator to get us all the answers that you folks just asked because that's what we need to have to make an intelligent decision.

Mayor Garner said I don't think that this is an administrative decision. Ultimately, it really doesn't require any action. There was no planned action for this Commission. I believe that the Administrator likes to include the Commission in some of this decision-making in regard to how an interim administrator should move that could have long standing impacts financially on the overall economic health of the Unified Government. She could go alone but she chose not to. She chose to get some level of direction. I believe that the overriding goal of having the auditors here were to do just that.

You have a project that, I believe, went from \$4M. Am I correct? We are well over \$100M in a short period of time for a variety of reasons. She pointed out that there were some deficiencies as well. I believe that the recommendation from both our Administrator and from the auditor, that was independent that came in, they're recommending that we pause and we look at how best we can see what technologies may be there. Look what cost-cutting measures that may be there. Look at how we are accounting. Making sure that we're using best practices all in an effort to find ways to save our taxpayers in Wyandotte County money. That's really what this is all about. Am I correct?

That recommendation was, since we've progressed so much, let's take a pause. Let's get all this information that this Commission has indicated that they wanted while we're pausing. Let's stop, put a pressure point on spending money that really hasn't gotten us too much of a value, is what I'm getting. When you talk about 30%, I don't think that there's any agitators or anything else that have been fixed at this plant that I've been told.

So, it's a way to put a pressure point and stop spending money. Let's reevaluate what we're spending while we're spending it, and find ways that we could better efficiently and effectively provide infrastructure improvements that we know are desperately needed as a means to get us to, hopefully, saving our taxpayers' money. That's what this is all about.

Again, the Administrator could have done that. I don't believe that there's a vote that's necessary. I believe that our Administrator has clear guidance on what needs to take place. I believe that she will get the information that this Commission requires. I believe once she gets feedback from you all, based on that information you have more time to think about it, then she could make an informed administrative decision on whether or not to pause this, and then do the types of things that were recommended from the independent auditor and a recommendation as well. Is that correct? Okay.

Commissioner Burroughs said I appreciate the overview. What I'd like to bring to our attention is that we do have a motion and a second on the floor. We need to either pull the motion...

Action: **Commissioner Kane withdrew his previous motion. Commissioner Burroughs withdrew his second.**

Mayor Garner said there's a motion and a second. I do agree with Commissioner Davis. There was no actionable item. There was nothing that was presented. I believe that Legal weighed-in and said that would be appropriate given the question. So no motion, no vote.

The Administrator knows the overriding goal is we've got to find ways to save our taxpayers money because that is a huge project and a huge budget. When you talk about \$100M, nothing to sneeze at. There have been some serious questions of how we go from \$4M to over \$100M in a short period of time. That's why the recommendation to take a pause and let's see if we can do this project just a little bit better in the interest of our taxpayers.

Commissioner Townsend asked, do we know when the completion of the evaluation may come to fruition because there may be, it's possible, other recommendations to consider as well? How far away are we from the conclusion of the evaluation, all of it or the audit?

Ms. Zielke said we are waiting for some additional information from Public Works. They're trying to obtain from UG Water Partners, again, being able to better quantify the revenue assumptions. That's the last remaining piece of our work.

Commissioner Townsend asked, do we have any expectation of how long that might take to bring that to conclusion?

Ms. Zielke said we're hoping early next week we'll be able to have the information. I'll take us some time to review and analyze it. So, I'm hoping within 10 days.

Mayor Garner said I believe that's a good question, Commissioner, and that's good information because there have been some noted gaps in regard to the financials, and I think the taxpayers deserve to know where their money's going and how it's being spent.

Action: For information only.

COMMISSIONERS' AGENDA

No items

LAND BANK BOARD OF TRUSTEES' CONSENT AGENDA

No items

PUBLIC ANNOUNCEMENT

No items

ADJOURN

Mayor Garner said I'll entertain a motion to adjourn.

Action: Commissioner Davis made a motion, seconded by Commissioner Ramirez, to **adjourn.** Roll call was taken and there were ten “Ayes,” Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Sites, Davis, Bynum.

MAYOR GARNER
ADJOURNED THE MEETING AT 8:42 PM
February 16, 2023

Brett A. Deichler, PMP|CPM
Unified Government Clerk

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February 16, 2023