STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, MAY 17, 2018**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, May 17, 2018, with ten members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District (arrived at 5:06 p.m.); McKiernan, Commissioner Second District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District (arrived at 5:17 p.m.); Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO presiding. Murguia, Commissioner Third District; was absent. The following officials were also in attendance: Ken Moore, Chief Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Gordon Criswell, Joe Connor and Melissa Sieben, Assistant County Administrators; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Jeff Fisher, Executive Director of Public Works; Brandon Grover, Asset Coordination Manager for Public Works; Troy Shaw, County Engineer; Brent Thompson, Director of Engineering/County Surveyor; Mike Tobin, Deputy Director of Public Works; John Kelly, Director of Buildings & Logistics; and Officer Sutton, Sergeant-at-Arms.

MAYOR ALVEY called the meeting to order.

ROLL CALL: Johnson, Kane, Walters, Philbrook, Bynum, Burroughs, McKiernan, Alvey.

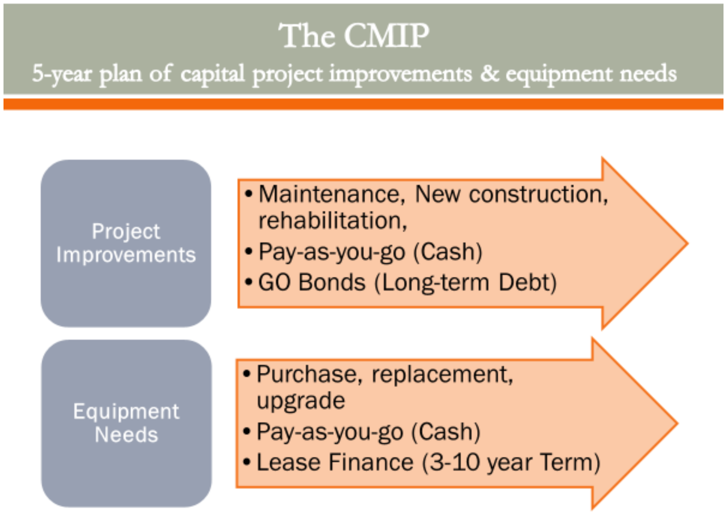
NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, May 17, 2018, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building, regarding the Capital Maintenance and Improvement Plan (CMIP).

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Alvey said I will ask Melissa Sieben, Assistant County Administrator, to make some opening remarks.

Melissa Sieben, Assistant County Administrator, said tonight we're going to present to you the first reveal of our 2019-2023 Capital Improvement Program for the Unified Government. We will start out tonight with Debbie Jonscher with our Finance Department to kind of give an overview of sort of where we're at and where we're headed. Then I will transition it over to our Jack Fisher, our Director of Public Works.

Debbie Jonscher, Deputy Chief Financial Officer, said we're going to start out with reviewing some of the basics of the CMIP process. A lot of you have heard this presentation before, but we will go over it just to reveal. Earlier this week you were emailed copies of all the documents that we prepared for tonight. We're going to be talking about both, projects and equipment, in the presentation; however, all the documents you have are only related to Capital Projects. You should have a packet of projects financed with debt, projects financed with cash, and then a list of unfunded projects that we've been tracking as we go through the process.



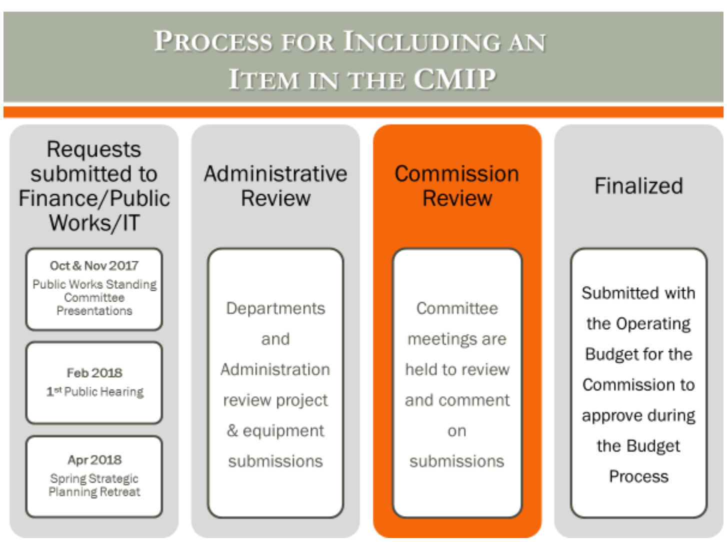
I will start out with what is the CMIP. It's the 5-Year Capital Plan of project improvements and equipment needs. We have the current year and then we also look at five additional years in the CMIP. We only approve the current year and the next year; however, the 5-year Plan gives you an idea of what's out there for future years.

For Project Improvements it could be maintenance, it could be new construction or rehabilitation of an asset. It can be paid with cash which is considered pay-as-you-go. We also finance larger projects with General Obligation Bonds, long-term debt, and it's usually financed over a term of 20 years.

Equipment needs could be new purchase, replacement or upgrade of any equipment. It could also be paid with cash and equipment is usually financed under lease finance agreements and the term is usually 3 to 10 years depending on the life of the asset.

As I said, we have both Capital Projects and Equipment in the CMIP Projects and can include public building improvements, infrastructure, it could be streets, bridges, sewers, any of that type of work, parking lots. Parks & Rec could have improvements to shelters, the parks themselves, any of those improvements and traffic control.

Capital Equipment can be vehicles, large equipment such as street sweepers, tractors, mowers and other technology equipment which could be any type of software replacement or upgrade.



This just shows the process we're including an item in the CMIP. In February we requested that all departments submit their Capital requests to us. Finance has been working closely with Public Works and the IT Department and we're having those departments also work closely with the other departments so when someone wants an item submitted to the CMIP, they can work with them. If it's a software upgrade, they can insure that all of the other information that's needed for that upgrade is included so we've requested help from them to work with us on getting those projects submitted.

I just wanted to list out a couple of meetings that have already taken place. The Public Works Standing Committee back in October and November 2017 they came and presented some of their current and future projects. In February 2018, we held the first public hearing for the budget and in April 2018, we had the Strategic Planning Session.

Once we get all the projects and equipment submitted to us, then we do an administrative review where we work with the County Administrator's Office and we go through all the projects and equipment and review them. The third step is the Commission review which is where we are tonight. We're presenting the project side to the Commission so that you have a chance to review and comment on anything that is included.

Finally, the Capital Budget would be submitted along with the Operating Budget and proposed to the Commission in July for your approval.

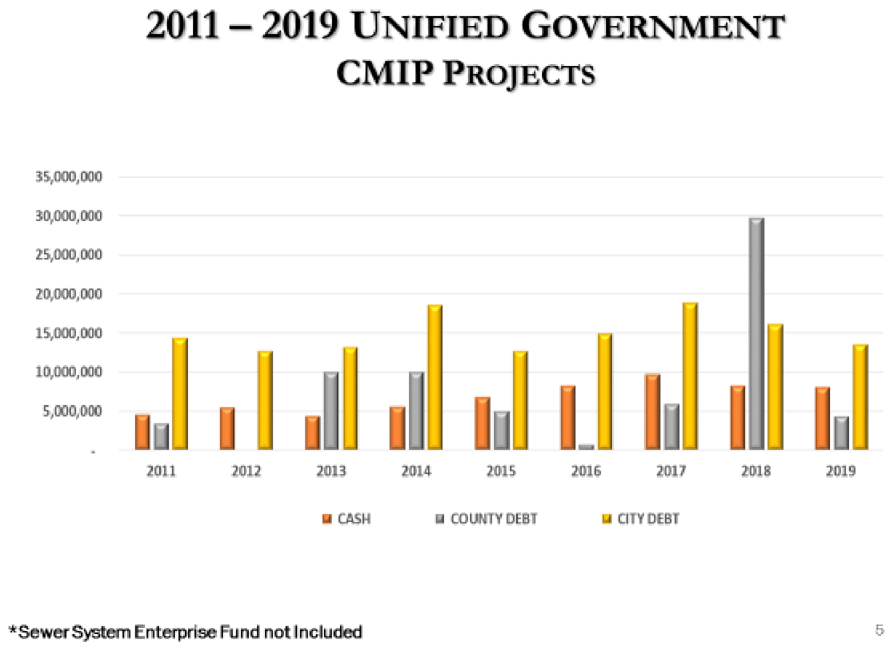
Commissioner Philbrook said tonight you're presenting what you want us to see, what you're suggesting as followed what we had said previously, but our comment part of it we can ask questions, bring that to you and then on the next meeting we can talk about all that stuff again. **Ms. Jonscher** said that's correct. **Commissioner Philbrook** said I just want to make that very clear.

Ms. Sieben said we do have two nights set out for this at this point. Tonight, the 17th, and then next week the 24th. So, if you're thinking about it tonight and you're not quite formulated yet, we will be more than happy to address any specific concerns or questions that you have next time or if you want to bring them up, we can try to address them tonight. **Mayor Alvey** said I think the point we were trying to get to is this is a presentation, informational, we would then look over and bring questions either through our normal process or back next meeting. **Commissioner Philbrook** said or they can send it to you guys so when you know what we're going to be asking about. **Ms. Sieben** said that is true.

Commissioner McKiernan said since we brought this up now, I will address this now. Here's what I'm requesting from this. To the best of my knowledge last year between the time we had these worksheets presented to us in this session and the time the final budget was given to us, I didn't see an updated CMIP worksheet. I was surprised this year to learn that something that was on this worksheet that we got on May 4th last year had been shifted by a year and I was told it was in the final budget, the final budget that was given to me five minutes before the meeting on the night that we were going to approve the final budget.

Here's what I'm asking. I get it that these are worksheets, that this is a work in progress, but I can't read all 500 pages of the budget on the night that it's going to be voted on to look for things that are important to me. These were two master plans that got shifted by a year. When I talked with Doug, I understand why they got shifted, it wasn't necessarily a question of money, it was a question of staff availability and other resources to support them, but I didn't know about it and I'll take that. It was on page 401 and I didn't get to page 401 of the budget on that night before we voted so that's on me.

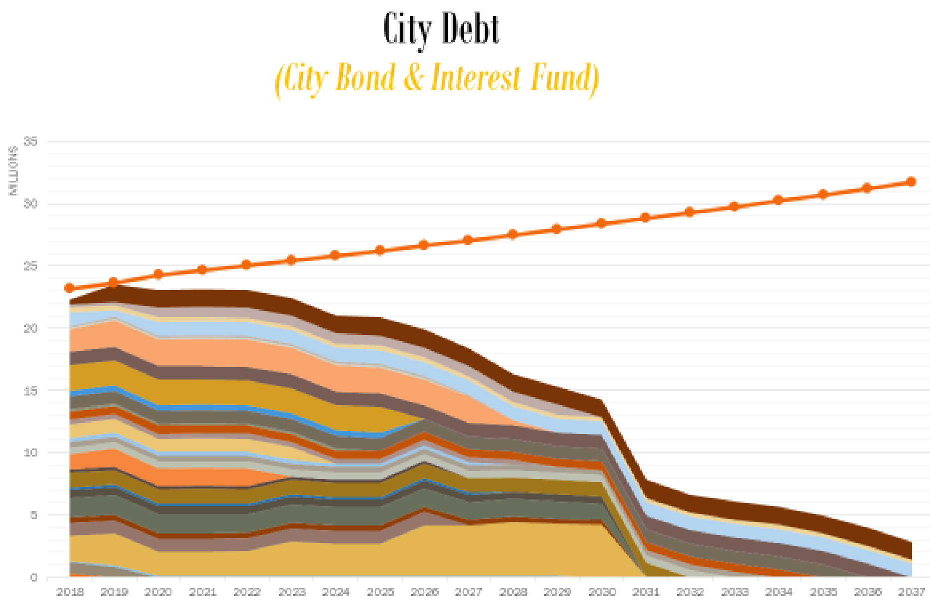
Here's what I ask, when we make changes to what's presented tonight, give us either a change log or give us the final budget in enough time that we can look all the way through it and see if there are things that are important to us that have been shifted. Either one, a change log or give it in enough time and this is a theme that I just keep coming back to. When I vote on something like a budget, I'm trying to do my best to vote in the best interest of the people in my district and the people of this entire city and county. I can't vote in what I believe are their best interest if I'm not fully informed about what I'm voting on. I have a responsibility to review and make sure that I'm up to speed, but we have a collective responsibility to make sure that materials and data are given in enough time to allow thoughtful review so, change log or much earlier on the final budget. **Ms. Sieben** said, Commissioner, I do believe that is our intention is to have a change log on the CMIP side. I will talk to Doug about what you're suggesting on the totality of the budget as we move forward.



Ms. Jonscher said this next graph shows a breakout of the Capital Projects broken out between cash and cash is the orange line, the gray line in the middle is County debt that has been issued, and the yellow is the City debt. As you can see, we're showing this from 2011 to 2019 and currently we're issuing more debt. We've talked about trying to switch that and get to where we're issuing more cash. You can see that through the last several years we have increased the cash Capital that we're proposing in the budget. I will note that the large amount in 2018 was the PBC debt issue. We had two of them. One of them was for the Juvenile Facility and there was also another issue for the improvement of the Adult Jail as well as other Courthouse improvements and so that's the large amount there.

Commissioner Johnson asked is that just for debt issued? It's not the amount that carried forward, it's just what's issued in that particular year. **Ms. Jonscher** said right. That is the amount that was issued.

Ms. Jonscher said the next few graphs we put together as shown before are the debt graphs for the City and the County Bond & Interest Fund.



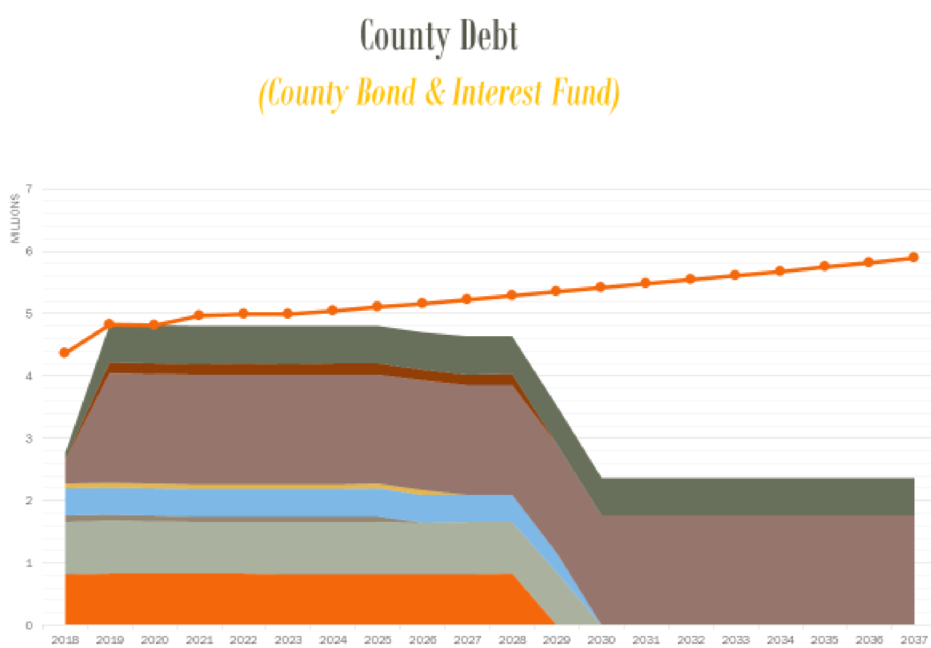
This is the City Bond & Interest Fund and what we're showing here is the current debt that we have issued through—in February we did a bond issue for 2018, so this graph does include that issue. The long-dotted line you see is the tax revenue that we're projecting for this fund. We have increases I think built in at 1.9% going out. This next part is going to show what we're—and that would be the tax revenue that would cover at the current mill rate assuming the mill rate is held constant. This would be the tax revenue with that increase that's built in each year to cover the debt. You can see as we add on future debt, and we're estimating $15M each year in debt, as we add on those future years about the year 2022 we do start to creep up above that line. I will just note, we are monitoring this closely because any change if we were not to realize the 1.9% that we have built in, that could actually lower the revenue and then we would be funding debt higher than what we're actually taking in in revenue. **Commissioner Philbrook** was inaudible. **Ms. Jonscher** said I believe that is probably—we can get you that. I think the issue is that it's an animation in the presentation and so when it's printed out those second pages probably did not printout.

Commissioner McKiernan said let me make sure I'm understanding again what I'm looking at. I'm looking at on the white access that millions, is that millions of annual debt service or millions of debt load? **Ms. Jonscher** said that is debt—these are the debt service payments, annual debt service payments by year. **Commissioner McKiernan** said years ago I thought we had said that we were going to try to stick with $20M annually as the cap and we were going to try not to issue debt so we didn't creep above $20M annually for debt service. This starts above 20 and goes up from there so I just want to confirm we've upgraded our thinking and now what we're saying is we're comfortable that as long as we keep it under that dotted line—so as long as we stay behind the mill rate for the Bond & Interest Fund that we don't issue enough debt to push us above that dotted line, then we feel we're okay. **Ms. Jonscher** said right. I think in prior presentations we did have a dotted line of the $20M and that was to certify that if we stayed at that point, that we wouldn't have to adjust the mill rate, but with the increased valuation that has changed. That's why we put this dotted line in now because I think before we always just kept the line constant whereas now we've built in those increases for assessed value.

Commissioner McKiernan said last year we had discussed the fact that based on projections we might have to increase the Bond & Interest Fund mill rate as I recall. **Ms. Jonscher** said I don't think it was for the current year. I think we were looking at outer years. **Commissioner McKiernan** said yes, it was the potential in the out years that we might have to increase that mill rate, but now what you're suggesting is with valuations as they are and with revenues increasing as they have been, you don't anticipate having to change that mill rate. **Ms. Jonscher** said no, but you do see that up here around 2021, 2022 we are starting to creep above that so any change in our assumptions here could affect that if we—these outer years are based on that we would bond $15M every year. If we get a year where we bond $20M, $25M of General Obligation debt, that could change this forecast. **Commissioner McKiernan** said well just to set up a conversation that will occur later, anything that we could do to decrease the amount that we borrow would decrease the principal and interest we're paying and would definitely keep us below that dotted line. **Ms. Jonscher** said right, for future issues. Anything that we've already got outstanding we're obligated to pay. **Commissioner McKiernan** said setting up a future conversation. **Ms**. **Jonscher** said yes, this would be future, any future debt.

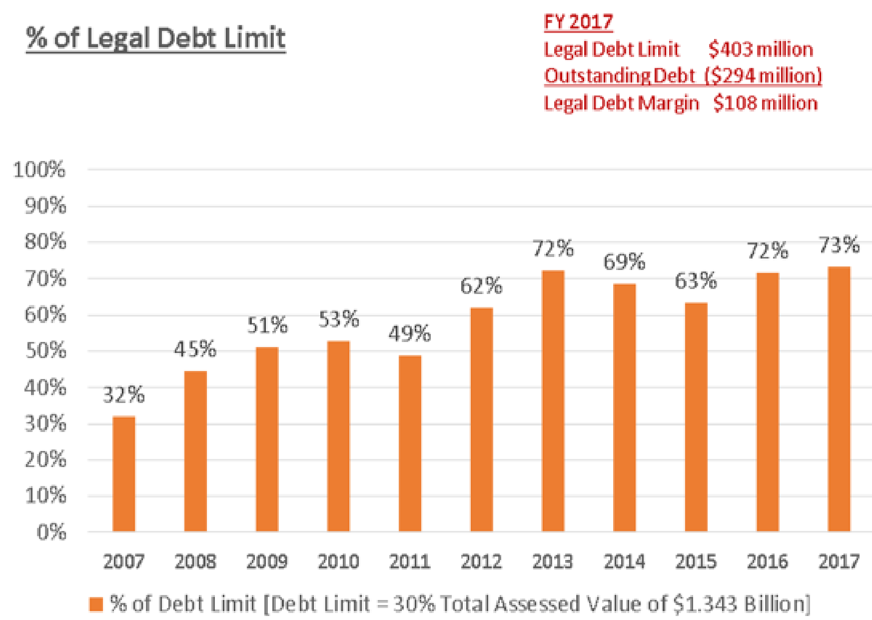
Commissioner Burroughs said following along that same line, if we were to refinance some of our debt at a lower rate, that would impact that '21, '22, '23, '24 area right there. **Ms. Jonscher** said that's correct. That could happen. As you know in the past we've done advance refunding, but with the passage of the tax bill earlier this year, advance refunding's are no longer available for us to do; however, I believe we still do have the ability to do current refunding's so there is a potential but we will have to evaluate that. I believe this year the refunding we did was for 2010 I think so we're a couple of years ahead. By the time we get to looking at current refunding's we will probably be a couple years out before we're eligible to do another refunding. **Commissioner Burroughs** asked do we have debt and the resources available to pay down or pay off debt today to reduce that line without refinancing. **Ms. Jonscher** said we can't pay off a bond issue until its call date. When we issue a 20-year bond, usually the call date is 10 years so you don't have the ability to refinance or call that debt prior to that date. Once we reach that 10-year period, reach the call date, then we would have the ability to pay down the debt or refinance at that point. I don't know that we have the resources to pay. Most of our bond issues are—even a $20M bond issue halfway through, you're probably still looking at maybe $10-$12M outstanding.

Ms. Jonscher said we will go on to the County Fund.



Ms. Jonscher said this is the County Bond & Interest Fund. The same presentation. Currently the two PBC issues that we did at the beginning of 2018 are included in this graph and we got the same projections going out for future growth for the assessed value. What we've done here is we have added on—we do have a couple of PBC issues that are in the budget currently and we've added those on and you will see that if we issue those, we are creeping above the line. We will probably want to review those. We'll need to watch those very closely to determine when we want to issue the next issuance on the County side.

Mayor Alvey said in general, maybe is there an average about the amount of debt we retire each year? **Ms. Jonscher** said I think I've looked that up before, but I can't remember. It seems like we were in the $12-$15M range. **Mayor Alvey** said in general. **Ms. Jonscher** said yes. I can doublecheck that just to make sure I'm not misquoting.



This next graph we want to talk about is our Legal Debt Limit. This information is based on the information that we put together when we did our 2018 financing this year. Our Legal Debt Limit is currently at $403M. The Legal Debt Limit is calculated at 30% of our assessed value so our total assessed value for the County is $1.3B so 30% of that gives us a debt limit of $403M. We currently have outstanding debt applicable to the debt limit at $294M leaving us a Legal Debt margin of $108M. The graph shows that the amount that we have outstanding is 73% of our total debt limit. **Mayor Alvey** asked is this City/County combined. **Ms. Jonscher** said that's based on the County, yes. **Mayor Alvey** said City/County combined. **Ms. Jonscher** said it's not combined, it's using the County valuation. **Mayor Alvey** asked are we at 73% of our debt limit for the County side or the City side. **Ms. Jonscher** said that would be for the City side. We use the County valuation, but it's because we're combined, we use it for the calculation because we're a combined City/County. On the County side we're limited in issuing General Obligation debt on certain projects.

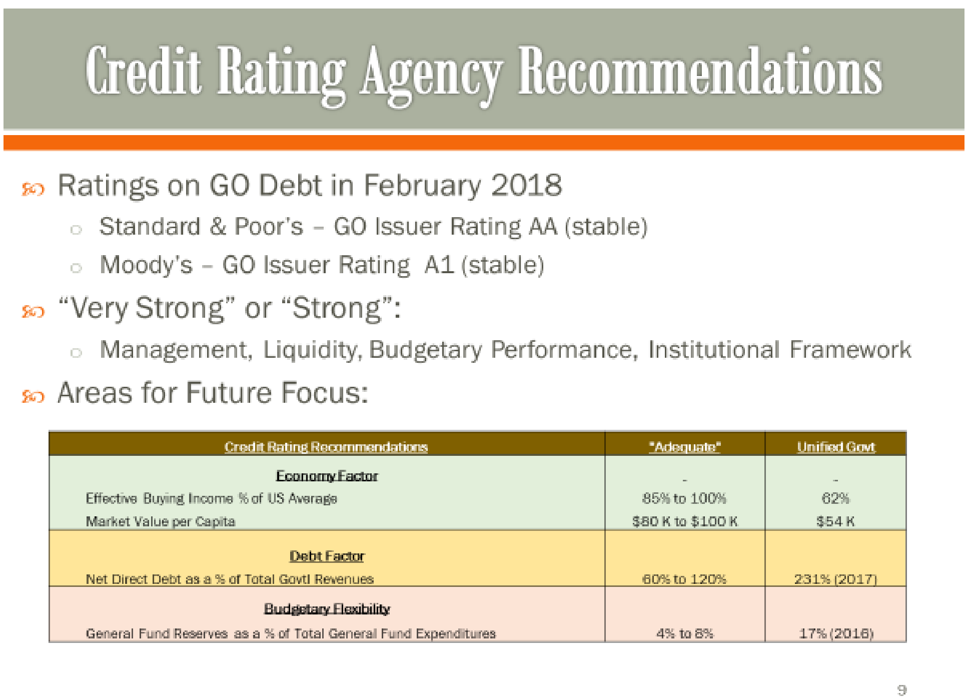
Commissioner Johnson asked what's the recommended valuation for a municipality our size. I see that we're doing it at 30%. Is that a legal limit? **Ms. Jonscher** said that is set by state statute. **Commissioner Johnson** said the limit is set by state statute, but what is the, in my other world, I would say the industry average for a municipality our size, the standard on an average? Seventy-three percent, would it be lower than that, more than that? **Ms. Jonscher** said our rating agencies do recommend that this is probably a high number. They have quoted that in our reports before that our debt limit is high so they would probably like to see a lower number. I don't know if there is a certain percentage that they have quoted us to be at, but based on the size of our municipality they state our debt limit is high. **Commissioner Johnson** said that leads to another question later on, so I will ask it later.

Kathleen VonAchen, Chief Financial Officer, said I just wanted to add to Debbie's comments. Moody's and Standard & Poor's, they don't necessarily use AV as the denominator in their calculation. They are looking at some other economic factors when they do their evaluations so it's not exactly the same calculation, but definitely they're looking for us to have a lower debt level in general.

Commissioner Bynum said kind of to go back to the Mayor's question a minute ago, as far as this person of Legal Debt Limit it's off using County valuation, but it's City side debt that we're talking about on this graph, correct? **Ms. Jonscher** said yes. Well, no, I guess this does include—that $294M does include both City and County because we do have some small issues of General Obligation debt on the County side. **Commissioner Bynum** said so it's combined, but on average we're borrowing on the City side and apparently are there some kind of limitations on the County side as to what we can borrow? **Ms. Jonscher** said right. I believe for County roads and equipment we can issue General Obligation debt, but the Public Building Improvements we're limited by state statute to $300K so we established the Public Building Commission as another route to be able to issue debt.

Commissioner Burroughs said I want to see if I understand. The 30% debt, that 73%, it's 73% of the total 30% that you're talking about our debt load? **Ms. Jonscher** said yes. **Commissioner Burroughs** said so we have another basically 27% which gives us that \$108M. **Ms. Jonscher** said that's correct. **Commissioner Burroughs** said that's on the City side. **Ms. Jonscher** said it would be both City and County.

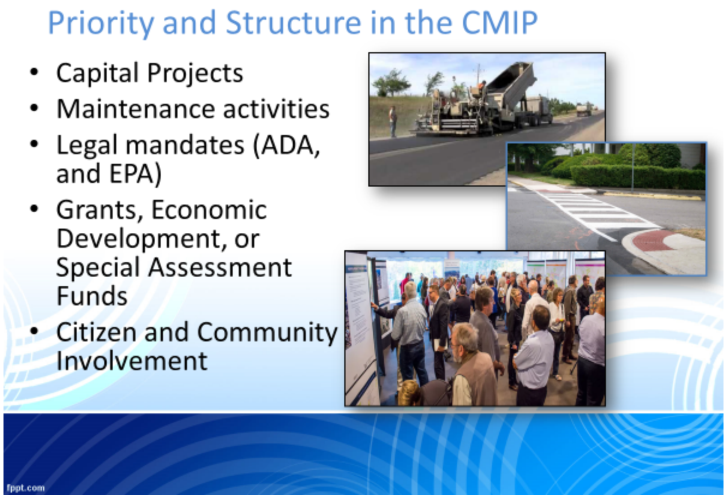
Commissioner Philbrook asked how close to the limit are we on the County side. **Ms. Jonscher** said this is combined so it would be \$108M. The amount of GO debt issuance on the County side is relatively small compared to the—I'm trying to think, I don't even know if it's maybe \$15M or less so the rest of it is City.



The last slide I have is on the Credit Rating Agencies and Kathleen talked a little bit about what they look at, but this was just to reaffirm that when we issued the bonds in February both Standard & Poor's and Moody's upheld our current ratings. Standard & Poor's has us at AA stable and Moody's has us at A1 stable and they've cited our management, liquidity, budgetary performance as being very strong and debt was one of the areas that we should focus on. **Commissioner Johnson** said can you elaborate on the debt factor comparison? **Ms. Jonscher** said pardon me. **Commissioner Johnson** said the debt factor, the yellow. The net direct debt as a percentage of total governmental revenues. Help me to interrupt that. **Ms. Jonscher** said when they are looking at our debt—under the first column we have the 60% to 120% that's what the rating agencies view where our percentage should be and we're a lot higher than that. **Commissioner Johnson** asked does that tie back to the prior 73% when we were talking about that and how do you reconcile those two? **Ms. VonAchen** said we can provide you with a graph of the net direct debt over the years and then you can see how that calculation is done. It's just the second financial ratio unrelated to the first one that she presented regarding the debt limit and so it's just another way of looking at it, as I mentioned the rating agencies use another means of calculating that. We can provide you the information and you can see it historically. **Commissioner Johnson** said I would love to see that.

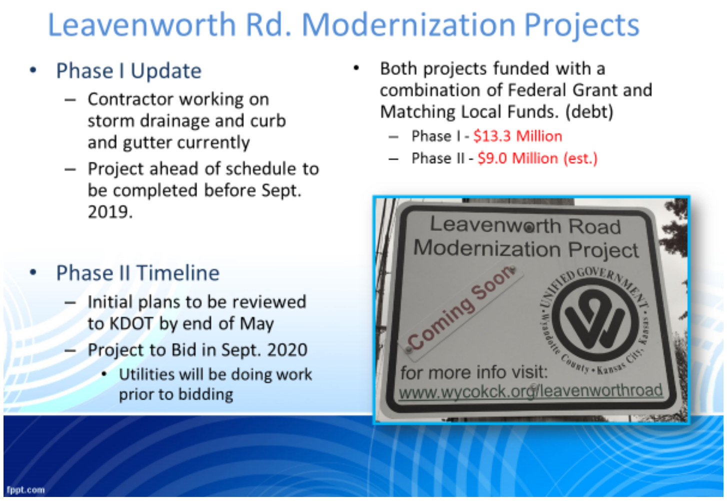
Ms. Jonscher said that's all I have for my part of the presentation. I'm going to turn it over to Public Works and let them go through some of the projects.

Jeff Fisher, Executive Director of Public Works, said you can see I have a few people around me tonight that's going to help with the presentation. They are either responsible for, involved with the work at hand. Brandon Grover sitting next to Debbie and then Troy Shaw our County Engineer, Brent Thompson, our Director of Engineering and then Mike Tobin, Deputy Director behind me and John Kelly, Director of Buildings and Logistics next to him. I'm going to let Brandon start us off and then Troy.



Brandon Grover, Asset Coordination Manager for Public Works, said first off, we want to start off with the same slide we present to you almost every time we speak about our budget because we really like driving home the fact that we do have a set way of looking at our projects and a set way that we like to prioritize our projects.

The first one is our Capital Projects which are a larger scope usually involving multiple parties within our community, making sure that we get the best overall outcome to really ensure a long-standing project without any kind of issues of digging up for watermains, things like that, so that's why they take a larger budgetary dollar and they take a longer time to plan. Next, we have our maintenance activities which are like our NSRP, our Neighborhood Street Resurfacing, our future curb and sidewalk repairs or concrete repairs; things like that. We have our legal mandates which are required by our ADA compliance and the EPA. We also value grants under economic development opportunities to help us aid in building our projects. Finally, we also look at citizen and community involvement to determine what are the applicable projects that meet the needs of our community because ultimately that's what we're all here for, is to make our community better and give the citizens what they really need.



We're going to highlight a couple projects that are currently ongoing right now that are kind of hot buttons that everybody likes to know about. The first one is Leavenworth Road. As everybody knows, that's in two phases. Phase I is currently from 38th to 63rd. Anybody that has driven the corridor recently knows the contractor has been out there working very diligently, currently working on storm drainage and curb and gutter before they get the actual pavement portion of the road down. The project is currently ahead of schedule. The KDOT schedule said that the project is supposed to be completed in September 2019 and we're working with KDOT to try and change the contracting dates and everything to move this up sooner. We're not going to give it a specific date yet because we still have some issues to work out with KDOT, but we are anticipating finishing ahead of that September 2019 schedule.

Phase II, we currently have a designer onboard and they've got plans pretty well wrapped up. We're getting ready to submit to KDOT for a field check review by the end of this month. The next date you see is September 2020. It seems like a long way out, but we realized with this first project there is a lot of utility involvement through this corridor and there is a lot of other things to discuss so we wanted to give ample time to get those things out of the way and also give a little bit of lag time between this project and the next one so it's not people continually going from construction to construction since we all love that so much. **Commissioner Bynum** said Phase II is 63rd to—**Mr. Grover** said 78th going through the intersection at 77th and just stopping short of 78th Street itself.

Both of these projects were funded with a combination of federal grant money through the Mid-America Regional Council and our own debt. Phase I is coming in right now about

$13.3M and Phase II currently is estimated about $9M. We're looking at those numbers to make sure we're still on track for all that.

Commissioner Philbrook said could you refresh my memory. How much were we actually projecting that to be at? Are we under or over or about where we thought it was going to be, Phase I? **Mr. Grover** said Phase I, I believe we were anticipating being closer to 16. **Commissioner Philbrook** said I thought it was higher. I won't be upset if we come in under. Thank you for reminding me of that.

The next project we want to highlight is our Annual Street Preservation Program. It is not really one specific project, but a larger program that I know is near and dear to everybody's heart, is our Pavement Preservation Program. Currently, for the 2019 year we've got about $4.975M allocated for our Street Preservation and $3M of that is set up in our Debt Fund currently with $1.975 coming from our Dedicated Sales Tax Fund. We're hoping to get that increased over the next few years, but we will do what we can with what we've got.

We want to make sure and highlight this, especially this year, because as you've all seen in your packets that we sent out a couple weeks ago there are different treatment options than there has been in the past. Historically we've done solely mill and overlay or remove and replace depending on what you want to hear, but we're looking at more crack sealing and micro surfacing this year. Some of these options extend the life of the road a little bit, but at a much greater cost-savings to us. So, we're getting 10 years out of a micro surface at 30% of the cost so we're looking at several of those kinds of options to extend our dollars and to be able to touch more areas. One of the things we will be doing is putting together a graph of that to be able to show how far our dollars are going based on these different applications.

I'm going to turn it over to Troy Shaw, our County Engineer, to highlight some of our new projects that are in the CMIP this year that are just getting added.

Troy Shaw, County Engineer, said as Brandon said, these are new to CMIP; probably the first time you see them in the budget; however, you've probably heard us talking about at least a couple of these before in the past. The first two we have there are the intersections on Hutton Road at Leavenworth and Donahoo. Currently, we're going to be doing this year Hutton Road from Cleveland to Leavenworth redoing that whole road. Utilities are being moved right now. That will be bid later this summer I believe. Those intersections are kind of based off that and we've actually started a study right now on these to determine what the outcomes should be for these in the future. We've done enough at this point to have traffic counts and know that yes, something needs to be done. Even with current volumes of today they're still underperforming what they should be doing. There are things that we need to do now and also for the future for these intersections so I will talk about the Hutton and Leavenworth Road a little bit more in a minute.

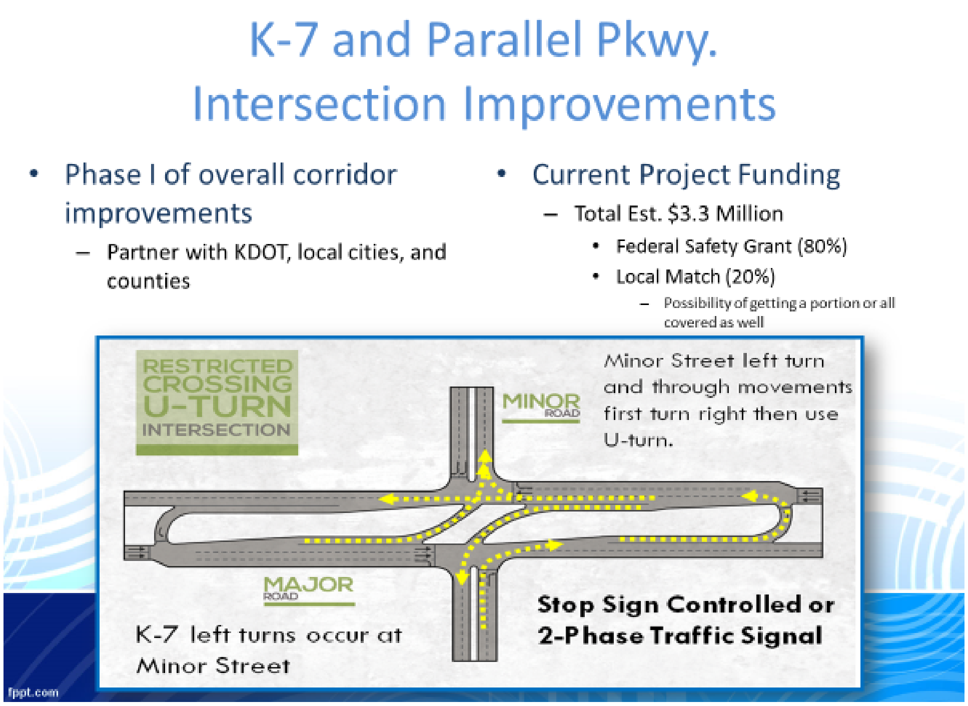
Commissioner Kane said let's just make sure they're not a roundabout. **Mr**. **Shaw** said I was thinking three lanes, three decker's, right.

Bridge 223, it's a box culvert. This one is on here because it's one we've identified that needs to be replaced. There are issues with the stream cutting around it. We've actually started designing this right now just in case we need to move it up for some reason if it gets worse, deteriorates a little more and so we want to have it ready to go when we need it, but we're hoping we can make it until 2021with that, but we want to have the design just in case. For everybody's knowledge, that isn't a major bridge you drive across on an average day. It is partially closed right now so it doesn't affect a whole lot of people, but it is something we want to keep an eye on. Also, when we say bridge we consider box culverts are bridges under words so don't think of a huge massive structure. It's much smaller than what it sounds like.

Also, Parallel Parkway and K-7 Intersection Improvements, I will talk a little bit more about that in a minute.

Hutton Road and Leavenworth Road, what we proposed is a two-phase approach for this when we do it. No matter what we do at the intersection, which is Phase II, we will need to take down the hill in Phase I because if you've driven on that going either direction, especially going west, you can't see that intersection over that hill. It's very dangerous. You will get up there and have to slam on your brakes because people are stopped so that hill is going to need to come down and trimmed up either way.

We're trying to do this in two phases to spread out the money for one and also to make it less inconvenient for the public so leaving the intersection open at Hutton & Leavenworth while we're doing the work here and then shifting that to the Phase II. Like I said, whatever we do with the intersection that Phase I has to be done and really there's, from what we've seen so far, what's going to have to happen at the intersection the cost differences are pretty minimal at this point so that's how we're able to come up with an estimate not really knowing what we're going to have to do at that intersection yet. We will have that figured out in the next few months.



K-7 & Parallel, most of you have heard about this one. We've had some fatal accidents at this intersection. We are part of a K-7 Corridor Committee that works together to try to figure out what's the best solution for K-7 all the way from Johnson County to Leavenworth County. Many different representatives from other cities including KDOT are involved with this committee. We've recently received a grant to do, it's called an RCUT, at the K-7 & Parallel Intersection. This is an example of what an RCUT looks like. It basically eliminates the left turn off the minor road so you have to go right to go left. It looks a little weird but the U-Turns are basically controlled so it derives a much safer access for people to make a left turn there. This is actually the first one in the state of Kansas. Missouri has some and there are a lot of others throughout the country, but this is the first one in the state of Kansas. KDOT is a big fan of this and what we've looked at with this corridor is the idea would be, okay let's improve the whole corridor K-7, that's monetarily infeasible for anybody including KDOT, so we're looking at doing a chunk at a time along with assistance from KDOT and others. This is a big portion. KDOT is a big fan of this and is really onboard so we're just now getting started here next year. **Mr. Thompson** said if anybody has driven down 13 Highway or 7 Highway down towards like the Springfield area, you see one of these right about Osceola Cheese where everybody intends to stop at. This is the same kind of thing. If you want to do a little research on it, it's called a Michigan J-Turn.

Commissioner Philbrook said I just wanted to say that when they first brought this forward several years ago to start talking about it, I was at some of those meetings and yes, definitely a great change. Although, I will tell you that I like the two-phase traffic signal instead of the free-flow sort of thing. You don't have it on the explanation part, I would like for you to say more about Hutton Road & Donahoo Intersection, what you're planning on doing there. **Mr. Shaw** said as you can see from that, as I said, we recently—I don't have a picture. That picture is Hutton & Donahoo on the left, but you can see from what we put in the budget there, $350K, that's not a complete replica of the intersection. That intersection has been done already. It looks really nice, it functions and so the initial thought is that a signal would go there. This is preliminary because we just got this study back and we're still updating with the numbers, but in the short-term at least a signal would vastly improve that intersection for minimal cost compared to a complete rebuild of doing something, it's an ultimate solution at that intersection. I believe the results are going to be that we add a signal at that intersection, not really change the pavement at all and that will function really good for 10+ years until the traffic grows and we get much more development. **Commissioner Philbrook** said thanks for clarifying that because I've already been asked.

Mr. Shaw said I will also point out a couple things that we've recently seek grant funding for through the MARC application process. State Avenue and Village West Parkway Interchange, improvements to that to handle additional capacity that is needed right now. Also included in that is pedestrian improvements, access throughout that area a little better. Safe Routes to Schools Phase G which is a continuation of our other Safe Routes projects which we do almost year. North 72^{nd} Street I will talk a little bit more about in a minute. Then, Minnesota Avenue Improvements from 6^{th} to 7^{th} which is very similar to 7^{th} to 8^{th}, that stretch that we've already rehabbed there.

Commissioner Philbrook asked is that the one that has the change in the bend where you guys are actually going to straighten that out so the Indian Nation is going to work with us. **Mr. Shaw** said maybe.

Commissioner McKiernan said what you are proposing mainly is the last of Pylon Plaza would go away and we would straighten out in front of the UMB building and take down those awful evergreens. (Several people were talking at the same time). **Commissioner McKiernan** said none of these guys were around when Pylon Plaza was built or when it was torn down. Mr. Tobin was. **Ms. Sieben** said the answer is, we don't have a solution at this point. **Mike Tobin, Deputy Public Works Director,** said I was around, Commissioner, but I'm not commenting.

Commissioner Philbrook said I think Downtown Shareholders are playing with helping you guys out with this if I remember correctly. **Mr. Shaw** said the estimate was based off the work that was done between 7th and 8th Street and making 6th to 7th a similar type feel and that's as far as we've gotten on what actually is going to be done. **Commissioner Philbrook** said so we can actually have some parking. **Mr**. **Shaw** said that's the hope.

Commissioner Burroughs said it would seem the most opportune time in which to address Minnesota Avenue would be why the traffic is being slowed due to the Lewis & Clark Viaduct closure. Why would we not want to expedite the project for Minnesota Avenue so that we don't re-inconvenience those business owners after the new road opens up coming from Missouri into Kansas? The prudent thing to do would be to put our investment in now to show that we are supporting our business owners and our downtown so that when the new thoroughfare is open, that traffic can then move through and address the businesses along that corridor. I would hope that we would give stronger consideration to pushing that project forward. **Mr. Fisher** said I think that's a good point, I really do. I think this has a grant attached to it, but I don't remember the criteria on the grant. **Ms. Sieben** said right now we have submitted for a Bloomberg Grant, but the street was our match for the grant. This was not in our 5-Year Program so this has been expedited to fit in there with other projects that already are in queue and have been designed. This hasn't been designed yet so we have some gearing up to do so your thought is good. I would need to work with staff to sort of see where they're at, what could be done, how quickly it could be. Unfortunately, this wasn't in queue until the last few weeks.

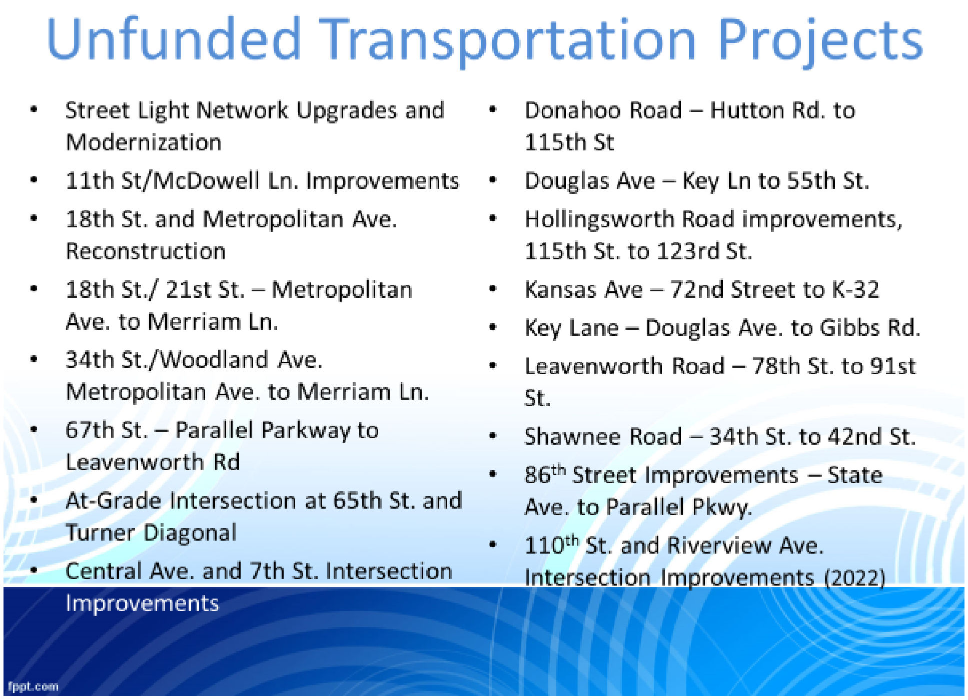
Commissioner Burroughs said that's understood. I know the business owners of our community are going to be tremendously impacted by the closure of the Lewis & Clark Viaduct so I would like to see some kind of investment from the local unit of government in sharing some of that pain to share with them that we're willing and progressive enough to take under consideration the impact it's going to have on the business community of downtown. We're partners in this process and if we're going to be inconvenienced by KDOT, then we ought to take advantage of that inconvenience and do the least amount of interference with local businesses as we can. If there are other projects out there that can be pushed back a little bit that don't impact the community as much, I would hope that the Commission and the department would look at what we could do with Minnesota Avenue as soon as possible. **Mr. Fisher** said okay, understood.

Mayor Alvey said I do think though in pursuant to that, that we would make sure we check through with the downtown business owners to see how much they have been impacted by the closure of westbound because if it's not a significant difference, then the urgency would not be there. **Ms. Sieben** said I would be happy to make that connection with them. Also, we are needing to take into account that the library is currently looking at what it's doing. I was just at a meeting with Commissioner Bynum yesterday on that very issue and so try to understand, sir, where they're headed will also help us in what we do so kind of the staging or phasing of the investment in this area I think is going to be really critical so that we don't do something and then they turnaround and need something else. We will have some conversations and see between the library where they're at and the downtown business as you suggest Mayor.

Commissioner McKiernan said I have just one thing to add to that. This is seven years overdue in my estimation. We should have finished off these half blocks when we did the transit center at 7th because what we do is, we shut down a block to do half a block, the one we did in 2011 with the transit center. Now we're going to shut down the block to do the other half of the block and then we absolutely need to coordinate with BPU because I've heard rumblings that we might need to shut down and dig up parts of the 700 block a third time because something about vaults and somethings need to be replaced. We can't inconvenience a business owner a third time by saying it's only temporary, it's only for the summer, but we're going to shut down most of the traffic on this street. Right now, this isn't budgeted until 2020 so I would agree with Commissioner Burroughs if we can excelerate that—for next year we have $130K budgeted for this project and I don't understand, is that planning? **Mr. Shaw** said that would be design, major construction in 2020 and then—**Commissioner McKiernan** said so we're going to borrow design money? This is listed as $130K on the Debt sheets so we will borrow the design? **Ms. Sieben** said it's the project that we do so the design goes into the borrowing, I believe, but Debbie—**Ms**. **Jonscher** said right. We've bonded design along with construction on other projects. Design is an eligible cost as long as there is a project to go with it. You can't bond design by itself. There has to be an improvement project going with it, but you can bond design with the project.

Mr. Shaw said in the past, I believe, we have bonded as one single thing over one year. Say it was $2M, but we didn't factor the design out of that, it was factored into that $2M. To do that to get your money for design you have to bond it and carry that bond an extra year so you're paying interest on that an extra year so we kind of broke it up so that the design portion of it, and then bond the construction separately so we pay for that separately.

As I mentioned, 72nd Street what we're talking about from Parallel to Leavenworth as a project we have applied for a grant for—72nd Street is very wide from back to curb to back of curb more than needed so part of the grant application is looking at pedestrian connectivity. We've done work on Leavenworth Road obviously right now. With Eisenhower Middle School and JFK Elementary, KCK Community College, all the way down College Parkway to State Avenue and then continue on Turner Diagonal, this is a very good corridor to add pedestrian connectivity. This picture shows bike lanes on the street and the sidewalk. We're also looking at a five foot sidewalk on one side and maybe a ten foot trail on the other if we can get room instead of the bike lanes. If we pull the bike lanes off, then we have room possibly to add turn lanes on that where necessary for the school to track of moving during school time. This is just a project that we recently applied for that would, I think, connect everything really good to Leavenworth Road onto State so I just wanted to note that.



We also have a list of Unfunded Transportation type projects just to point out that these are some of the ones that we have looked at and we continue to look at and look to find ways to get these types of things done. There are more than this as well, but in the future, we are going to start approaching projects like this as seeing if we can do them in pieces. Maybe there's a box culvert that needs to get replaced and when we replace that culvert, let's make sure we build that culvert so that it doesn't have to be redone whenever we come through and do something else. Also, working with utilities, if they are going to go through and tear something up, what can we do along with them doing that to help us build part of this road as we're going so we don't have to debt $10M to do this chunk of road. Maybe it's a million at a time, but we can spread it out and try to get roads done without just making it strictly a road project. I just wanted to kind of update on that and give an idea of what we have.

Mayor Alvey said I would like to have a longer conversation which we will not do now, but just in terms of the criteria by which these are set up as priorities on the Unfunded Transportation Projects, as I look at the projects for south of the river, it would seem to me Metropolitan Avenue from 635 to 59th Street really ought to be a priority. There are no sidewalks. There are students walking up and down that road in the dark, it's very heavily trafficked. It seems to me it is one of the primary feeders into Turner, in that part of Turner anyway, so just have a longer conversation with you about how these things are prioritized. **Mr. Shaw** said along those lines, we are actually currently working on a Transportation Master Plan as well and that master plan is going to be a multiyear process, but we're starting with our major arterials including I-70, 435, state highways in order to put that foot forward to KDOT to help them decide to do projects in our county as opposed to going a county away and spending hundreds of millions of dollars. We're starting there with that Transportation Master Plan and we will build down even to local roads by the time we're done with it and that will help us come up with a strategy and scoring system to help rate different roads for different reasons and provide ideas about which roads we should do when. We are 100% on board with determining a process to figure that out.

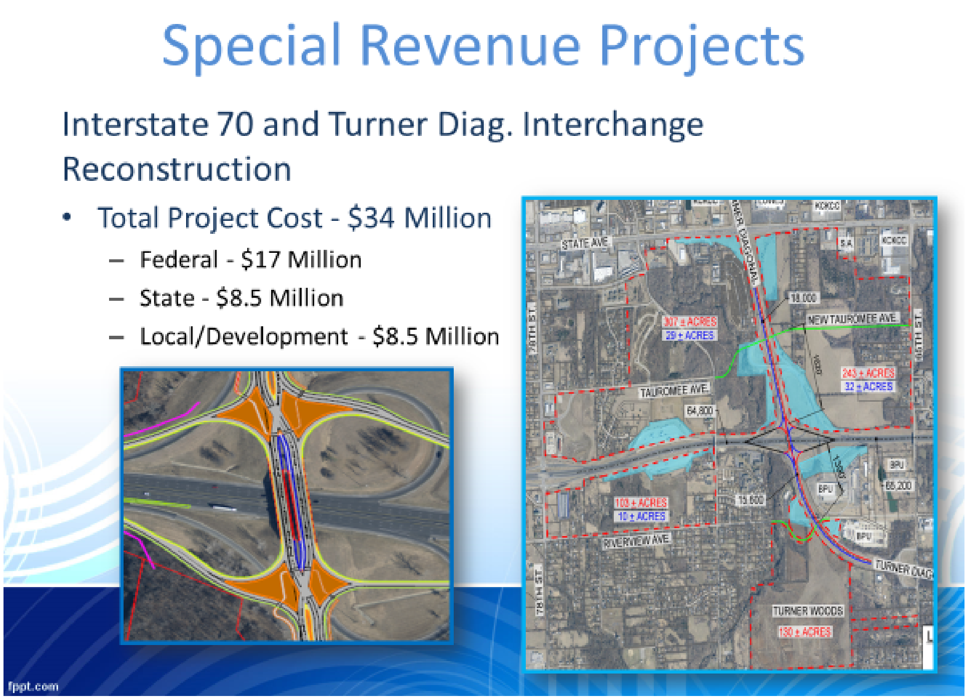
Commissioner Markley said first I would like to acknowledge progress so first I would like to acknowledge that there are maybe only three of us who have been around long enough to know that there didn't use to be an Unfunded list. We used to say, well what happens to the stuff we asked about and do research on but doesn't get funded and it was like a shrug of the shoulders so I appreciate the fact that we are tracking projects that we have identified as a need, but we don't have money to fund right now and so I really appreciate that.

Along the lines of the Mayor's comments, I think they're asking about—most of these projects as I look at the list is that these are neighborhood streets for the most part so they're not the type of projects we're going to get MARC funding for, they're not probably going to be eligible for federal grants, so I would just reiterate something that I said in past years which is that we as a Commission need to look at whether we try to pick one of these off every year and start to go down that priority list and spend that money because MARC isn't going to do it for us. The feds aren't going do it for us. These neighborhood street projects are things that we are going to have to figure out a way to do. I love your idea of trying to piece it together, but I sure wouldn't mind getting one done every year and piecing the other ones, so something to think about as we're trying to figure out how to prioritize our street work. We know that's a high priority in our survey for our constituents. Obviously, I think the constituents are happy when we do those big road projects, they are happy to see the big intersections get done as well, but the reality is for some residents they are driving these roads three or four times a day, these are what they're seeing every day and they are seeing them continue to not get attention.

Commissioner Bynum said I appreciate Commissioner Markley's comment as well, but I wanted to speak to two things. In the past I recall that you have brought us your system that you've used for prioritization. I recall having that conversation. Last month at our two standing committee meetings there was the beginning of a conversation around, I guess, the Transportation Master Plan. At the time I wasn't quite sure what we were looking at or talking about, but I've since come to understand a little bit more clearly that it is part of this prioritization and a comprehensive master plan for streets, roads and bridges and the way that we're going to decide how and when, like Commissioner Markley said, we can slide one of these into the budget. Am I tracking? I want to make sure—**Mayor Alvey** said you are. **Mr. Shaw** said yes, and part of that Brandon could speak to this better than anybody, but with our Asset Management approach and the work we're getting right now, the data we're collecting on our roads right now and being able to—we're working with utilities to get all their GIS files so we can put it into ours. When they say we're going to do work here, we can overlay it on what we plan to do work on and kind of see where those things kind of mesh together. That's all kind of part of this and our Transportation Master Plan will fit into that so we will have maybe a dot on a map that says there is big issue here that when BPU says we're going to rip everything up here to do a waterline, we will say maybe it's about time we fix that issue with this. That's part of our approach that we're trying to take going forward as well.

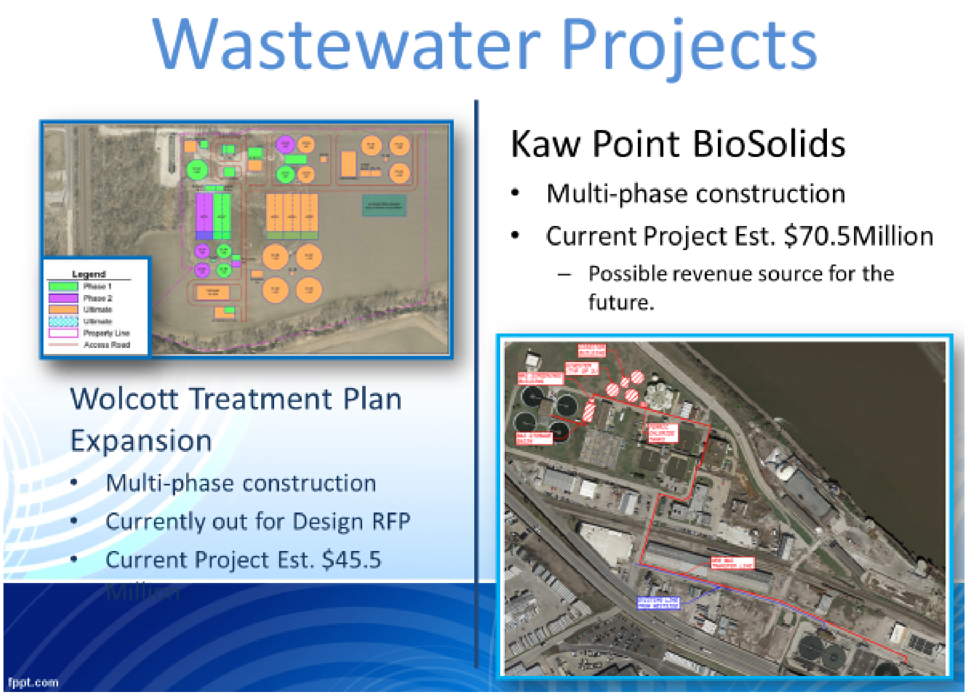
Commissioner Philbrook said I just want to thank you for following through on that, you and BPU, following through on collaborating on that because that had been talked about in a meeting previously and I just want to say thank you.

Mr. Shaw said I'm going to pass this on to Jeff to talk about Special Revenue and some Wastewater Projects.



Mr. Fisher said I think you all have seen this one before or most of you. This one was in our presentation last year I believe, I-70 and Turner would be a conversion from what it is today to a diversion diamond interchange that you see all over the place now. It will allow traffic to move through that interchange more efficiently, tighten things up, remove a lot of pavement and allow for more economic development. We submitted a TIGER Grant last year and an IMF Grant. The TIGER we were unsuccessful. We are anxiously awaiting a response on the IMF Grant right now. That should be any time. If we're unsuccessful there, there is a new TIGER Grant which is called BUILD now and we will pursue that. We will keep you posted on that.

Wastewater, we've got several here. I'm going to speak to Kaw Point here in the next slide. I wanted to speak to Green Infrastructure some. There is money in that budget in our EPA and our IOCP, there is a big component for Green Infrastructure. We want to stay committed to that whether we have a IOCP or not. That makes sense and so every opportunity we get with other projects we will spend money smartly on Green Infrastructure. In fact, we have a Juvenile Center project that is going to kick off here real soon and we're going to propose some Green Infrastructure projects in that area soon. We're pretty excited about that. These other projects, Piper Creek Interceptor, that's sort of being proactive, the highway sewer, the Piper area. We've got the Dewatering down at Plant 20 and Armourdale Separations. I want to get into the next slide. If you have any questions, I will be glad to go back to that.



Wolcott, you saw this before. **Commissioner Philbrook** asked exactly what is the Green Infrastructure Improvement. Is that like in drainage areas where instead of putting in culverts and stuff like that, we're putting rocks and landscaping. **Mr. Fisher** said island tension, landscaping, all those things and in fact on the Juvenile Center, for example, if we can use green space to detain and take it out of the combined system, that's what we want to do. **Commissioner Philbrook** said I just wanted to make sure it's more than pretty bushes. **Mr. Fisher** said that's right, yes, and pretty bushes.

Commissioner Burroughs said the Wastewater Projects at Kaw Point BioSolids Project, I would like to visit with someone about that specifically about that project. I would like to hear what's going on with that. **Mr. Fisher** said I'm getting ready to highlight a little bit of it and then we can have additional discussion whenever you like. **Commissioner Burroughs** said I must have missed it on the top part on the New Wastewater Projects and now I see it's been listed twice so evidently, it's moving along quite rapidly. **Mr. Fisher** said it will, that's right. I will go through Wolcott if you don't mind real quick and then we will go to that.

Wolcott, you have seen before. That's a new treatment plant that we had on the books for a while. This one will start this year. We will be selecting an engineer here very soon and then our construction manager at-risk soon after that and start our design process. The remainder of the year we will probably start that construction in 2019 and I should say construction costs are going crazy right now and so we have bumped that estimate up anticipating that.

Kaw Point BioSolids, we currently have to landfill our solids down at the Kaw Point Treatment Plant and that is getting expensive every year and it's uncertain in the future. We are going to propose digestion at that plant. It's around $20M. Then, KCMO, we've been working with them very closely. They have their plant very nearby and they don't have a good solution and so we are just about to wrap-up what we believe will be a good business case to partner on this. They would send their solids over to Kaw Point, we would treat that and dispose of it and so we feel real confident that will work. Then, there is a third phase, where we will produce biogas as a Bio product and we want to maximize the benefits of that; great revenue sources we don't currently have. We basically run it right now as a breakeven analysis. KCMO would pay us to treat theirs and handle that, dispose of it and then the biogas would be another opportunity to create revenues so this would be a plant of the future essentially. We're going to take in waste that we're not now that the region needs a place to go to and then ideally, we will actually make money on this.

Commissioner McKiernan said the very, very, very unpleasant odor that is constantly in Strawberry Hill and the Intercity Viaduct; my understanding is it's actually coming from the Kansas City, MO plant. **Mr. Fisher** said it is. **Commissioner McKiernan** said your plan would eliminate that in your Phase II by us taking their waste and it would be better than they can. **Mr. Fisher** said it will help, but they still have to make improvements to really address that odor. They have to make improvements whether we partner or not to adjust their odor issues. **Commissioner McKiernan** said yes, they do. **Mr. Fisher** said we've expressed to them that we would like that to happen sooner rather than later. **Mayor Alvey** asked have they told you what their timeframe is. **Mr. Fisher** said I believe they were a couple years out, but we're pushing them as hard as we can. **Mayor Alvey** said you said a couple of years. **Mr. Fisher** said yes. It could be sooner, but I don't want to over promise.

Commissioner Burroughs said help me understand this. We as a Unified Government are going to invest in a process to import waste from another state and we are going to become a business entity to dispose of that waste at a fee. **Mr. Fisher** said that is correct. **Commissioner Burroughs**

said and you think it will be a breakeven proposition. **Mr**. **Fisher** said at least. Right now, we're just running breakeven so our performance is conservative.

Mayor Alvey said so this is problem we have to alleviate no matter what. **Mr**. **Fisher** said that's right. **Mayor Alvey** said the opportunity for us is to build it so that we can take this, process it, and that helps us pay for our facility. **Mr. Fisher** said the first two stages are at least break even. We are very confident in that. It's the biogas I can't be certain about and we will continue to develop that solution.

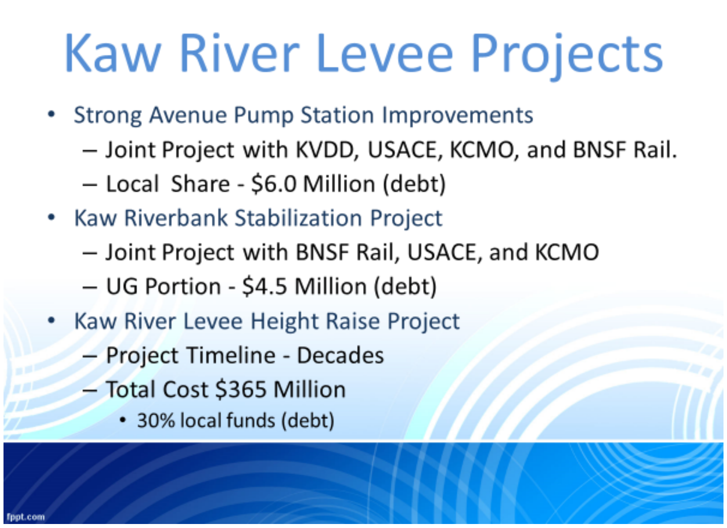
Mr. Shaw said, Jeff, correct me if I'm wrong, but the way this process is setup is if we didn't get KCMO involved, we would be paying for it anyway, maybe not to the magnitude that we're building it at, but we're paying for something anyway because we have to do per regulations anyway and disposal costs and other factors that are causing that. Basically, by increasing what we're doing a little bit to take Missouri stuff, it allows us to gain some of that money back in the end. **Mr. Fisher** said that's correct.

Ms. Sieben said, Jeff, can you go ahead and share—do you remember about what the total amount of cost we are incurring landfilling right now on those. I think there is a per month cost on just landfilling the solids. **Mr. Fisher** said that's right. There is an operational—if the UG just chose to do Kaw Point digestion, the operational savings from landfill pays for the project. Is that what you're asking? Then, adding KCMO and that revenue covers that portion as well and so we're at least going to cover those costs.

Commissioner Philbrook said if I remember correctly, KCMO doesn't have room really to do anything more. They're pretty—**Mr. Fisher** said they have a force main under the river that they push their waste over to their other plant. **Commissioner Philbrook** said they could do their own. **Mr. Fisher** said a big liability, yes. This would be similar to little Blue Valley Sewer District, there's all kinds of regional plants around the country and we would become a regional plant. **Mayor Alvey** said really that's been a MARC initiative as well.

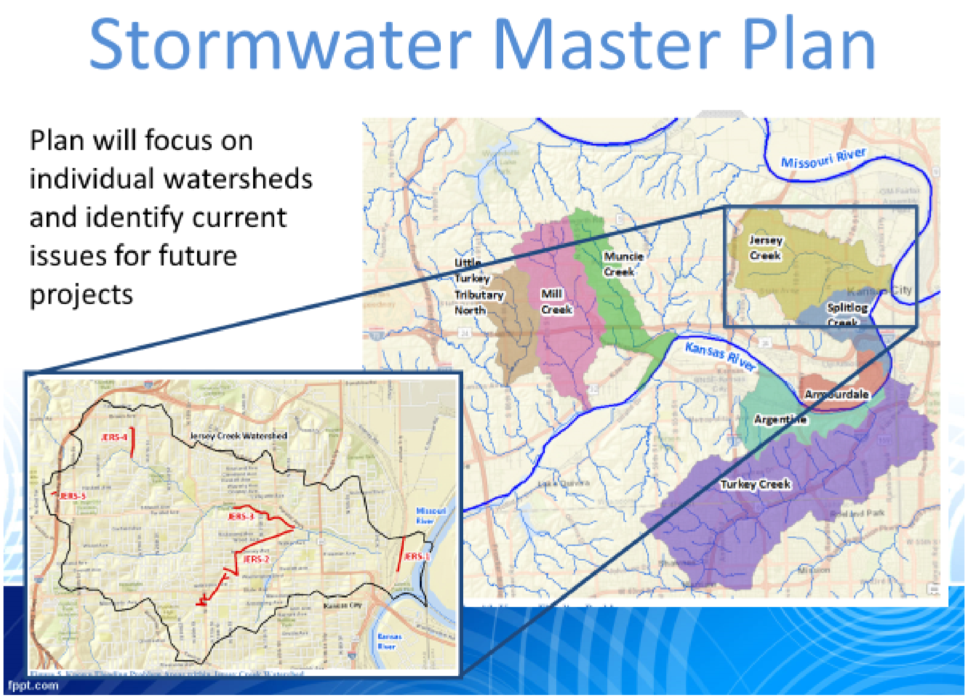
Commissioner Townsend said this is not what a just nice to have, we have to do this because you're saying that the landfill costs are getting beyond what we can reasonably handle. **Mr. Fisher** said costs are increasing and we don't even know long-term if the landfill will accept it. Right now, we're limited to between eight and three during the day. We have to provide odor control before we take it over there or they will send it back and then the city of Shawnee has purview over this special use permit. **Commissioner Townsend** said the construction you're saying the first phase is expected to begin when. **Mr. Fisher** said we don't know that yet. We're getting ready to issue an RFQ to get a design partner onboard. We're probably going to go progressive design and further develop the solution, report back to the County Administrator to make sure we feel good about the solution. **Commissioner Townsend** said the request for the contractor, you expect to have that solidified by when, the end of the year? **Mr. Fisher** said we will have—the first two parts we feel real good about now and would have our construction and design partner onboard probably by the end of the summer. Then, the third solution we would further develop—the third phase of that we would further develop the remainder of the year. We can go ahead and construct the first two without the third so we have time to continue to evaluate that. Like I said, I have to report back to the County Administrator and make sure he's comfortable with it all and the Commission of course. **Commissioner Townsend** said you have to give him that report by when? **Mr. Fisher** said probably I will report back to him this summer.

Mr. Fisher said now I'm going to hand it over to Brent Thompson for stormwater and levee's.



Brent Thompson, Director of Engineering/County Surveyor, said here we have our Kaw River Levee Projects. The Strong Avenue Pump Station Improvement has been in there for a while. It is something we have been talking about and it kind of goes along with the River Levee Height Raise Project. This is something that came out of the seven Levee's Studies back in 2004 and they are telling us we need to raise our levees and you can see that the cost is $365M and 30% local fund on our part. Again, if we have it, it's going to take decades to make that happen and we have been working as a group, meeting monthly I would say with the CORP, Kaw Valley Drainage District and other areas working on this process.

This map here kind of shows where the pump station is and also where we're doing some Turkey Creek work on there and on there was the, if we back up, the Kaw Riverbank Stabilization Project. That basically came from last year's events, our two or three rain events we had back to back. We had our Turkey Creek Wingwall fail. What happened was, the riverbank got saturated, the river came up, the river went down with all that force coming out of the Turkey Creek Tunnel and it just pulled all that sentiment away and the whole floodwall fell and so that's what we've been working on. We actually have been working with FEMA on getting money for that. We've been working with the railroad and so once we get that funding back into what we've got to do, we will partner up with KCMO and the railroad to get that fixed. Again, that's just the location of those on that map.



Our Stormwater Master Plan, this started back in the spring of 2017. We started looking for a consultant to help us with this project here. This is a large undertaking. The reason we're showing it still is because it will continue through 2018 and into '19. The plan focuses on our individual watersheds. We have about 50 of those. Right up there on that map we're showing eight of those and projects will come out of those, each watershed. How that happens is, right now we gave our consultant all of our known flooding areas, work orders, customer complaints, and they're going through and taking those along with their research of our system and they will come back with—just like in that Jersey Creek that blown out there that you can see, they will come back with projects in those areas, with the priorities of those projects, with recommendations whether it's a pipe system, ditches and a cost of each one of those projects. Then, the main goal here is to be able to, as you can see, we've been doing the transportation, we're doing the stormwater, we're trying to get to where we can get a priority rating system for staff as we move further to be able to take and identify these types of projects ourselves and be able to put them into a queue to get worked on. That's the goal on the Stormwater Master Plan.

Now I will turn it over to Jon Kelly for Buildings and Logistics.

John Kelly, Director of Buildings & Logistics, said I'm going to talk about a couple of Facility Improvement Projects that we're super excited about getting underway. As we all know, the Juvenile Justice Center between 7th & 8th Street between Armstrong and Ann Avenue is getting ready to get underway. In order for that site to start construction, we have to get the new parking done which is between Barnett between 7th & 8th between Barnett and Tauromee behind Memorial Hall. Currently, we're working on removing the rest of those homes out of there on that site. We have two additional houses that are still there that are ready to hopefully come down in the next couple of weeks which will allow our contractor to start the construction sometime in June for that new parking lot. In order for that parking lot to be wrapped-up, we're hoping that we can get over to the site where the facility will actually be held. We need to get the employees that are currently there parking in Lot 1 and Lot 2 so that's the reason that we're taking the path of getting the parking lot facility done behind Memorial Hall first. We're going to be aggressive with the contractors that are working for the construction of the new site to try to get that new facility completed in 2019.

Commissioner Bynum said my question on that specific project, that is quite a grade. How do you handle that? Is there going to be like a super huge retaining wall? **Mr. Kelly** said that is correct. The engineers have looked at that site and essentially there is going to be—the whole lot itself will be actually two parking lots, they will be surfaced lots, but there will be one entrance and exit on Barnett and then the lower tier because of the evaluation there will be an entrance and exit on the Tauromee side. That does kind of address that grade with the slop that goes down to allow people to come in and out and to keep the traffic flow moving somewhat smoother.

The next project we're excited about getting underway is the new Piper Fire Station at Hutton & Leavenworth Road. We're currently going through the process of—literally tomorrow we're hoping to select the architect for that particular fire station and then we will be starting the process after that selection takes place for the architect to get a CMR onboard so we can get the construction underway. Our hope is late fourth quarter to get in the ground. If not, it could be potential early 2019 before we start construction.

Mr. Thompson said some other facility improvements that we're doing here in the downtown is the Courthouse roof and we've now tied it to also masonry repairs. As they were looking at that particular structure of the Courthouse, we found some masonry issues along with the brick and some of the capstone to that facility so with that particular project we're going to have to do some masonry repairs. We are slated to start in 2018 for that roof project for the Courthouse that may result in getting into 2019, weather depending.

Another project we're super excited about, Memorial Hall has been a venue that as we all know has been in our community and everybody loves the facility, but over the last couple of years we have done some major enhancements to that facility. That's really become more of an eyeopener for the community and other users thereby putting in the elevator and doing some enhancements to the ballroom that has really made the site a great place to go, but we've always had the problems with the dated air-conditioning system to that facility. We're super excited about getting the air-conditioner project underway. That will take place this fourth quarter once this air-conditioning season is over with. We're about 95% completion of design so that project will take place in 2018 and wrapping-up in 2019.

Commissioner Burroughs asked are we on budget with the window replacement in the facility. **Mr. Kelly** said yes. The window project is budgeted and our architect has come back thinking that our funding will be able to wrap-up the rest of the windows to complete that project. I'm sorry, I didn't touch on that part on the windows, but the windows are supposed to be probably third quarter we will have a contractor out there replacing the rest of the windows. **Commissioner Burroughs** said and it fell within the budget. We're not over budget on those windows, correct? **Mr. Kelly** said correct.

Mayor Alvey said that completes the presentation. Are there any questions? I have one question, does anybody have a billion dollars just to pass on over? We need a sugar daddy or a sugar momma.

Commissioner Walters said this goes back to, I think, Debbie's part of the presentation. I want her to check my understanding. Commissioner McKiernan mentioned that we used to have a $20M target and we kind of blew through that so we kind of moved the goal post a little bit and now we have a target that rises with the proposed increases of valuation in the county which is property taxes. You know the mill levy relates to property taxes. All of our residents would like tax relief and when I hear that we are increasing our spending on debt, consuming all of the increase in revenue due to valuation increases and we may even have to increase that mill levy because we're spending so much on debt that we are exceeding the appreciation on property, I think that's a bad plan. I would like to see since we're just in this early stage—so we've got a plan that we can't pay for with expected revenues without raising the mill levy, I would like to see a plan that is limited to the revenue available and I would also like to see a plan that expenditures stay below the revenue because we're not even talking about cutting taxes which is what our residents want us to do. We're talking about spending all of the revenue from the increase in property value and maybe even spending more than that so I think we're going in the wrong direction. I would like to see Option B and Option C. Just my thoughts.

Commissioner Johnson said I will just dovetail on Commissioner Walter's. I'm going back to that sheet that we talked about with the green, yellow and brown that talks about credit rating recommendations. Are we changing our goals particularly as it relates to General Fund Reserves? Are we lowering them? I know we were shooting for I think somewhere 15 to 18% Reserves and I see here the adequate amount is 4 to 8. Is there a reason to show that here? I just want some confidence that we're not trying to use the difference of 7 to 9%, whatever the numbers are; to spend that in some other area. **Ms. VonAchen** said at the June 4th Economic Development & Finance Standing Committee meeting a whole set of financial policies and revisions will be provided and amongst those revisions will be a recommendation to increase our General Fund, Consolidated General Fund Reserve to two months so from 10% of expenditures to two months which reflectively raises it up roughly around 17%. That's going to be under the committee's consideration and we will be receiving comments and feedback from them at that time and so it goes through process. This chart here shows—so the adequate column what they mean by that is bare minimum. **Commissioner Johnson** said I just wanted to make sure I wasn't interrupting that incorrectly. **Ms. VonAchen** said this would be if we had an A rating. This is the bare minimum column. **Commissioner Johnson** said we're still striving for the 17. **Ms. VonAchen** said we've achieved the 17% and we're beyond it. We haven't finalized the 2017 CAFR yet so that's why you're seeing the 16 number because the 2017 number is not released. **Commissioner Johnson** said I feel a lot better now.

Mayor Alvey said I want to go back to Commissioner Walter's remarks. I think we're really faced with—this came up the other day at the Chamber of Commerce Legislative Committee meeting. What we're faced with clearly is even if you look at the unfunded projects, I think that's just the tip of the iceberg. We have so many more things we could do. We just happened to put those on the list. I don't think what we're looking for are extravagant projects, we're not doing things which are out of the ordinary of what ought to be done and needs to be done. I do think when we start looking at these projects we have to, again, I want to get back to that conversation about what the priorities are, and how do we prioritize those things. I think we're at the place where—the issue again is we know we have to reduce taxes, we know we have to provide more services, more capital improvements, more infrastructure; those two things go in opposite directions. The only answer is to further develop our tax base and if we could continue to develop or redevelop empty properties, vacant properties, tax delinquent properties; if we could just bring some kind of development to a new home, whatever it might be, that's going to take us from minimal property revenues to as much as we can get. Reverend Bachus said at the meeting he had some properties, I think he said that were producing about $32 per parcel, now producing $3,200 per parcel. That's the way out and that's a long-term play and I think as we go forward looking at these Capital Projects and any of our expenditures we have to say, what are the real priorities. I think we've been in and we're going to be in a much longer period of being very judicious with all expenditures and if it's not generating new residence, new business revenues, then we have to take a second look at it. We have to put our money into those things, those projects which are going to generate more sales tax revenues and property tax revenues so we can spread that property tax burden over more people at a lower rate and also bring more expenditures for necessary improvements. That's it. I don't know any other explanation for the situation we're in. I think we have to keep our conversation centered on that. That's the crux of the matter as I see it.

Commissioner Bynum said, Mayor, I wasn't sure if we were going over the debt in cash finance projects tonight or if this is a next week conversation. I have a little statement because I'm going to be absent next week. **Ms. Sieben** said I'm very sorry you won't be able to be here, but we can discuss anything on those sheets tonight. We don't have an agenda for next week other than to respond to what you need responded to. Tonight, we just want to give the overview of what was on here, but if you do have specific things you would like covered, please get ahold of Doug, myself, Gordon, Joe and we will make sure we get that prepared and pulled together for you next week. If there is something you want to talk about before we leave tonight, I would be happy to take that and we will make sure you get the video for sure. **Commissioner Bynum** said yes, there's one thing. On the debt finance, cash finance and everything else we want that we don't have funding for, I've brought the desire and need for a police substation in the northeast for at least a year now in multiple venues, special meetings, during Northeast Master Planning conversations, during the retreat. Part of my question is I don't know—I know at least one other commissioner, two, possibly more, also supports that. **Commissioner Johnson** said hear, hear. **Commissioner Bynum** said it's not on here anywhere. I don't see it in any of the spreadsheets. I even know that staff has looked at buildings and had outside folks analyze repurposing certain buildings in the northeast for that use. I would really like at least a placeholder for a Northeast Police Substation. I think my broader issue is, I'm not sure how Commissioners Johnson, Townsend and I at a Northeast Master Planning meeting, for example, or us commenting in a special session finds its way to the places that need to hear it or know it so that it can land in a place like this. I'm putting that on the table. I'm going to be absent next week and miss the overall conversation. I didn't want to leave tonight without expressing that. **Commissioner Johnson** said second. **Commissioner Philbrook** said third.

Ms. Sieben said I have that information and I will take it back to Doug and we will look at what we can do. I'm not sure. Gordon, do you have any update on that, that you would like to share. **Gordon Criswell, Assistant County Administrator,** said by way of update, Commissioner Bynum, you are correct; we have had an outside group look at a potential building. We've had some preliminary renderings to repurpose that building and that's about as far as we've gotten with the idea of a Northeast Police Substation. I think one of the things that we are wanting to do is see if we can combine the police substation with some other type of development. We think that might be a draw to another type of private development. We're still working it. We just don't have a finalized plan I think that Doug wants to come to you all with for some direction, but we have been working it very hard.

Commissioner Philbrook said on this wonderful graph we have here and the other one that we don't have, the assumption we're making is that it was the assumption of how much money we thought we would be bringing in, but does that roll in the additional monies we are actually bringing in right now? Do you understand what I'm saying? **Ms. Jonscher** said this would include our 2018 estimates that we're estimating right now. That's where the 2018 starts and then going out forward we've built in growth for the future years. **Commissioner Philbrook** said that's a very—what do I want to call it—**Someone** spoke and was inaudible. **Commissioner Philbrook**

said no, they are putting in a lower amount than what they thought we could make I think. **Ms. Jonscher** said right. The outer year that we built in is 1.9%. Obviously, if our growth was higher than that, that line would adjust upward. If it was lower than that, it would adjust down.

Commissioner Markley said sort of a comment and then a question. Again, I feel really old today because Kane, McKiernan and I are the only three that went through the early days when this document was a lot less easy to deal with. I also wanted to say thank you for the ranking because we used to always say it's kind of difficult for us to make a budget decision and say let's cut this or that project when we don't know what the department thinks the priorities are. I really appreciate it. As I was going through this document on my computer when we got it earlier in the week and I just appreciated being able to look and see the ranking, where the priority is.

My sort of related question is, is this available to the public anywhere? If people wanted to go out and look at the projects we're going to spend money on, is it available where they could look at it? **Ms. VonAchen** said this is not yet the proposed CMIP. It's very preliminary. This is the first presentation of it. We can provide a link on the budget website that would provide those sorts of updates and information to our citizens if you would like. **Commissioner Markley** said I would just like to make sure that it's available before we say this is your final budget. I mean obviously, we had the early hearing and that's where we're looking for people's input, but I think it's important for people who are interested and maybe have a lot of fun free time on their hands, to see how far out into the future we're planning and to see how we're laying the projects out and to maybe see the projects they are interested in and see what year we're projecting it might happen. Whether it happens right now or maybe after we've had another couple of discussions is really not material to me, but I would just like it to be available so the public can see sort of the breath of what we're doing and how we're processing this information.

Ken Moore, Chief Legal Counsel, said even though it's a preliminary draft; since it's been presented at an open meeting and referred to in an open meeting, it is a public record so there would be no problem with making it available as longs as it's designated as a proposed draft. **Ms. Sieben** said that is something I think is best placed where Kathleen suggested, out on the budget webpage so we will work to get that published and out there knowing it's going to change and I think we will have to put some dates on that and make it very transparent and clear as it is a working document, a watermark draft.

Commissioner McKiernan said this is something I probably should know, but just as I have gone through this, several lines begin with auto. What does auto mean? **Ms. Jonscher** said auto means that—I will say this is the first year that we've used the new budget software for input of the Capital spreadsheets. Auto means that project was entered—it means it could be a new project. That means it was entered by the department when the request came in so auto would be new projects. There could be some projects that—when our Budget staff went through and added all the prior year projects, they put those into the software, and then anything that was added later was probably designated as auto. I don't know that we have a—we have a column in there that is marked new, but I don't see that. **Commissioner McKiernan** said so it might not be a new project, but just how it was entered into this new software that drove that designation. **Ms. Jonscher** said right. **Commissioner McKiernan** said basically, I can just ignore that to be safe. **Ms. Jonscher** said yes.

Commissioner McKiernan said the second question is, there is a column that's labeled MSF. What is that? **Ms. Jonscher** said that means Multiple Source Funding. In the past when we were creating the spreadsheets ourselves we would put next to the project plus CI for City or County or debt or grant. The software we currently have we haven't figured out how to make that. There is a field in the software that checks if there are multiple sources if it's funded with both cash and debt or if there is debt plus a grant and so that checkmark indicates that there are multiple funding sources. On the debt, in addition there, there could be a grant associated with that project. **Ms. Sieben** said so in other words, you have to look in multiple places if you see that X, to see the totality. **Commissioner McKiernan** said which is a beautiful thing because there is at least one project that I have specific questions that I will save until next week, but it does come funding from multiple sources.

Also, if I look at the total amount of cash or debt from the final budget document that we review, that we approved last July, that total dollar amount should equal the total dollar amount in the 2018 column of this document. **Ms. Jonscher** said yes. **Commissioner McKiernan** said we'll talk. **Someone** spoke but was inaudible. **Commissioner McKiernan** said I know Original. **Ms. Jonscher** said I'm sorry, you mean the total—**Commissioner McKiernan** said he said to make sure I'm looking at the 2018 Original, not the 2018 Amended in these new documents. I am and I have some things I want to discuss. **Ms. Jonscher** said if there were some things that were moved around either on the debt or the cash, say for instance we moved—say it was a Capital item, but we moved it to Operating, we would have moved the budget with that. It could be that you're Original does not—if you go back to the 2018 that was approved last year, it may not match exactly and that because we moved—**Commissioner McKiernan** said it doesn't match. There is a million dollars difference on cash and it's a million dollars difference on debt. That's a right direction. This sheet you gave us today is a million dollars lower than last year, but again, I'm trying to keep up with all this stuff. Last year and for several years you've done things like putting boxes around stuff. Now, I know you created an Excel spreadsheet yourself and you could manipulate the format and do that, but some of these things are invisible to us that don't play with this every day and I wonder why is there a million dollars difference in the total cash last year to this year. **Ms. Jonscher** said I can't speak to specifically for any project, but I'm guessing—for instance, on the debt, we may have had a debt project that was listed. If that project didn't move forward and we didn't issue debt and they decided to scrap that project or cancel it or push it out, if they eliminated it completely, we would have eliminated the line which also eliminates the original budget. **Commissioner McKiernan** said the line is not eliminated, but we will talk later. **Ms. VonAchen** said I want to mention also that we have been revising our Capital policies. We've increased the threshold for projects that are considered to be Capital and so those things that you may have previously seen on the Capital sheet got moved to the Operating Budget. They weren't eliminated, they were just taken off the Capital and put over on the Operating side. Just so you know, that's some of the changes too. **Ms. Jonscher** said we've got a list of those if you want to talk about them. Just let me know what they are.

Mayor Alvey said thank you for the presentation and the questions. If there are other questions, please just forward those on to Kathleen.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:34 p.m.

Bridgette D. Cobbins
Unified Government Clerk

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