STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, JANUARY 17, 2019**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, January 17, 2019, with ten members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; 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: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Melissa Sieben and Gordon Criswell, Assistant County Administrators; Alan Howze, Knowledge Director; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Jeff Fisher, Executive Director of Public Works; Mike Taylor, Public Relations Director; Maureen Mahoney, Chief of Staff in Mayor's Office; Lynn Melton, Assistant to the Mayor; and Officer Ron Sutton, Sergeant-at-Arms.

MAYOR ALVEY called the meeting to order.

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

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, January 17, 2019, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building, for a Commission Retreat follow up.

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.

Board of Commission
Retreat Follow Up Workshop
5th Floor Conference Room

January 17, 2019
5:00 p.m. to 7:00 p.m.

Meeting Purpose:

Develop consensus on a strategic approach to increase the Unified Government's financial sustainability and improve the quality of life of its residents.

Agenda

5:00 p.m.	Welcome & Retreat Expectations	Mayor David Alvey
5:15 p.m.	Review Agenda & Ground Rules	Molly Saunders Shockey Consulting
5:20 p.m.	Consider Scenarios to Increase Financial Sustainability and Improve Quality of Life *What is the strategy?* • Increase neighborhood investments that result in improved quality of life and financial sustainability? • Increase investments in existing programs and increase levels of service? • Reduce the mill levy and make service level adjustments? • Issue less GO bond debt and use available cash to fund capital projects?	All
6:10 p.m.	Prioritization Activity & Discussion	All
6:50 p.m.	Closing Remarks	Mayor David Alvey
7:00 p.m.	Adjourn	

Mayor Alvey said our purpose tonight as a Commission is to develop some consensus on a strategic approach to improve the Unified Government's financial sustainability over the long term and improve the quality of life for our residents over the long term, and the fundamental responsibilities that we as a Commission have to our citizens. We are going to begin our budget process within a month or two and as we begin that process it might be helpful to look back over last year's budget process. Often times I've tried to summarize my experience of that process and I think the way I summarize it is we have so many more needs than we have funds to pay for. That seems to be the fundamental problem.

If we look at the budget every year, we see that most of our revenues whether they're property taxes, sales taxes, user fees, are already obligated for continuing operations. Public Safety, Public Works, Judicial Services, Administration, Pensions, and other post-employment benefits; the bulk of our funds are obligated from year-to-year which does not give us much discretion to apply additional monies.

Over the last year we saw an increase in our assessed valuation of approximately 7.9%, so the question our residents often come to us is, well 7.9% improvement in property tax revenues, we should see a 7.9% reduction in our property taxes. What we all have to understand and communicate is that increase in property assessment, those assessed values, generated just 2.9% more in property tax revenues, just 2.9% more in property tax revenues. Property tax revenues does not make up the majority of the revenues for the city.

What we experienced last year is that we maintain a Reserve Fund of at least 17% and we maintain that Reserve Fund in order to have funds available to us in case of an economic downturn which everyone knows is always bound to happen. So, we maintain reserves to be able to continue to fund operations consistently even during economic downturns, but also to have funds in case of an emergency that would simply wipeout out operations budget. We look back, we experience that we found ourselves trying to find money for multiple Capital projects that we simply were not able to fund. In fact, if you recall, we spent 20 minutes discussing whether we could expend another $20K for our Neighborhood Business Revitalization groups and we decided not to.

Even with all of those constraints we still found a way to reduce the city mill levy an additional 2 mills, an additional 2 mill decrease last year. Since the payoff of the STAR Bonds, we have, this Commission, has reduced the mill by 6, the mill levy level by 6 mills. We're now at 38 mills for the city side. That 6-mill reduction would have generated—reduces the total revenues coming to the city through property tax revenues at $6.5M a year. Even as we are trying and struggling to find ways to meet the needs of our citizens of our community, to fund programs, to fund Capital projects, to do the things we know need to get done, we've reduced the amount of revenues coming to the city for our property tax revenues now $6.5M a year.

In short, we have more demands on our revenues than revenues to meet the demands. At the same time, we understand that property taxes and the PILOT, the City PILOT on the BPU bill, is a tax burden. It's a cost to our residents. The problem is how do we find a way to grow our revenues, how do we find a way to broaden our tax base to generate additional revenues that could then be devoted to providing more and better services and/or paying down our debt and/or reducing the mill level further and/or reducing the PILOT? How do we grow our tax base in such a way that we generate additional revenues that allows us to do more for the quality of life of our residents and at the same time reduce the burden on each individual?

I would like to look at it this way. If we consider ourselves as a business, if we looked at the Unified Government as a business; we are in the business of property, and if General Motors, and they did this, they don't sit back and wait and say we've got to figure out—we hope that we're going to have more revenues come in. No, they have to develop a strategy for enhancing their revenues by enhancing their market, by growing their market. So, General Motors has decided looking at where they are, their money is in trucks, SUV's; money is not in Sedans. They are phasing out production of Sedans because the money is not there for them, especially small Sedans. There just is not enough revenue generated for them to sustain their capital investment, so they're reducing their production of small Sedans, but they also know in the future the revenue is going to be in electric vehicles. They have dedicated their capital to developing new electric vehicles because in the future it's going to generate more revenues for the company.

What I'm suggesting is if we could take a look at ourselves and say we could sit back and wait and hope that development will occur and that we will bring in more residents, we will bring in more businesses, or we could look at the limited resources we have and come upon a strategy, decide upon a strategy, commit to a strategy over the long-term that is going to enhance our revenues so that over the long-term we can turn the tide on this.

Again, we could just simply go into our budget this year and find ourselves arguing or questioning can we spend an additional $20K for our neighborhood groups, which we're probably going to do anyway, but we at the same time need to come up with and talk about a strategy that is going to allow us to enhance our revenues that will allow us to provide more and better services, meet the needs of our residents, improve the quality of life, and give us the freedom as we grow our revenues to reduce the burden across many more people and many more businesses, and many more sells.

This evening we're not getting down into the details of the budget. That's going to come later when we go through the budget. We've have got to talk about—come to a consensus, a long-term strategy, for enhancing our revenues.

I'm going to mention just one thing, the Commission in a way has already indicated its desire for that and giving direction to the County Administrator to develop a policy and a process for bringing in new housing. So, in a way we've already started down that path. That's where we are.

Before I hand this over to Molly, our Facilitator, any thoughts or questions about that discussion?

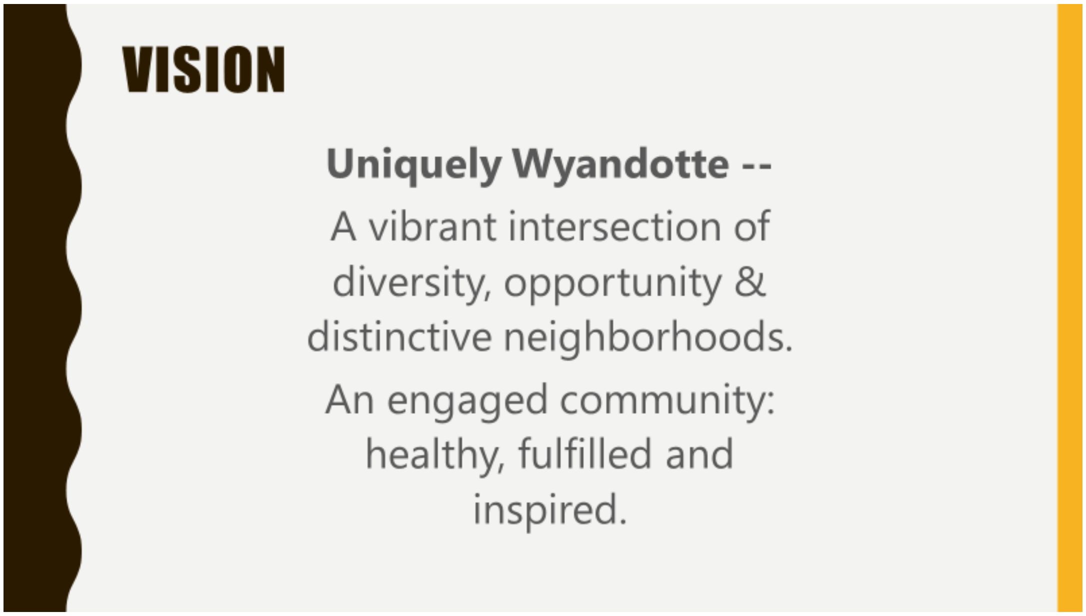
Commissioner McKiernan said you said we're in the business of property and I would agree with that, but to a point. I would turn that a little bit and say I think we're in the business of providing services to properties and property owners and so I think I would turn that just a little bit. Yes, property is one of our means of generating a revenue to provide those services, but ultimately, I think we need to think about ourselves as service providers to properties and property owners and that's how we frame going in. **Mayor Alvey** said I like that. I think what we're talking about is ultimately what generates our revenues are properties and businesses that generates sales tax. Whatever we do to enhance those property tax revenues and sales enhances our revenues which allows us to do what we need to do for our residents. **Commissioner McKiernan** said I think that the key piece to finish all that off is it ends up with providing services to properties and property owners and dwellers.

Commissioner Philbrook said and thanks to Jeff Fisher and some folks under him about actually make some money off some services to be provided through Kansas City, Missouri, so a way for us to make money off of services we provide. So, that's an option too.

Molly Saunders, Shockey Consulting, said I think the Mayor did a nice job of outlining the desired outcomes today. Really, today is about setting direction. We're not going to have a discussion about $20K. We're going to keep it at a high level and kind of decide—we're getting in the car and deciding which direction to go, not exactly where we're going to end up. We are going to consider different strategies for developing a better quality of life and improving financial sustainability of the community. You have a handout that we're going to go through and have a discussion because I think at the last retreat some of the value was just having discussion and kind of hearing what other people have to say outside of a process where you have to make a decision at that moment about something like $20K.

We're going to go through an exercise where we will develop some properties of, okay, which direction do each one of you want to go and when we look at the whole, what direction is that going to take for the budget process. Then, staff can gear the budget toward whatever those priorities are instead of splitting everything equally. We're going to have lots of discussion, so we've got an agenda. We will stay on time, but the most important thing tonight is to really have a good vetting of these issues so when it's the budget process you're not having the what's our priority discussion at the same time. We will talk about what the next steps are and then leave here at 7:00 tonight.

Just like we did at the last retreat to talk briefly about kind of the ground rules and, again, when this is something that we want everybody to participate in and there often needs to be talking and listening. So, listen to what other people have to say before interrupting. Everyone's ideas are equal in value, so everybody should get an opportunity to speak. We may have some disagreements here tonight but let's not be disagreeable while we're having the discussion. We're going to brainstorm some ideas, we're going to talk about pros and cons of things and you all may have different opinions, but its okay; that's part of the discussion. Finally, just side conversations and cell phones can be disruptive, so if everybody can focus, that would be great.

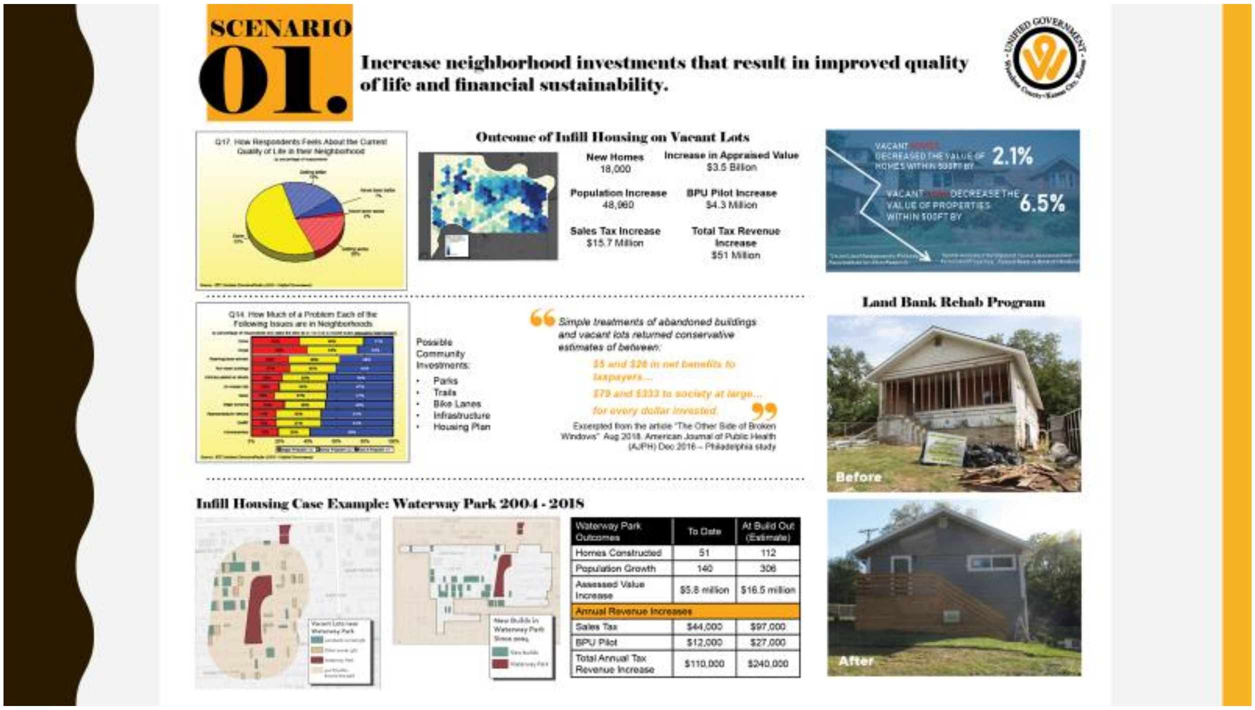


You we're talking a little bit a second ago about what your job is as a community and so I just wanted to bring back the Vision and Mission that have been defined for the UG to kind of keep, again, in context of the discussion tonight. "Uniquely Wyandotte—A vibrant intersection of diversity, opportunity & distinctive neighborhoods. An engaged community: healthy, fulfilled and inspired." It's pretty exciting. Keeping that in context, what things can we do to get closer to that vision.

The Mission of the UG is to deliver high quality, efficient services, be a resource to its residents. We are innovative, inspired public servants focused on our community's wants and needs. So, that's exactly what we're talking about tonight are the wants and needs of the community and how do you direct resources toward that.

Tonight, we're going to go over four different scenarios and we may come up with alternatives to these, but we're going to take a step-by-step approach and look at each of these scenarios at a time. These are kind of the alternatives, different directions you can go. You may chose to go a combination of directions, but we're going to talk about them each individually.

For the purpose tonight, we're going to talk about increasing neighborhood investments that result in improved quality of life and financial sustainability. We will talk about what that is. Increasing investments in existing programs and increasing levels of service. Is reducing the mill levy and making service level adjustments the direction to go? Should the UG issue less GO bond debt and spend more cash on capital projects? We're going to talk about each one of those tonight and we will be prioritizing from those.



The first scenario, Scenario 1, is about increasing neighborhood investments that result in improved quality of life and financial sustainability and your handout really just provides a snapshot of some information about both what the UG is already doing and some of the affects making investments just by national data and trends. This is not comprehensive, and if anybody has something they want to add or ask a question about, feel free to do that.

The residents of the UG kind of feel like things are going the same as in the last survey. The smallest piece of that pie chart are people that think there has been a big increase in their quality of life. **Commissioner Philbrook** was inaudible. **Ms. Saunders** said never been worse. You're right, never been worse is the smallest piece of the—**Commissioner Philbrook** was inaudible—**Ms. Saunders** said exactly. We don't want to grow that piece. We want to grow the blue piece where it is never been better. Wouldn't it be amazing if that blue piece of the pie got bigger?

Some of the things that you're seeing in investments that you've already made is the outcome of the infill housing on vacant lots. The total tax revenue that is generated by addressing infill lot development is pretty significant and there are negative trends by having vacant lots. As you can see, vacant homes decrease the value of adjacent properties and vacant lots decrease the value of properties within 500 feet. Every time an investment is made in that it kind of has a ripple effect.

The Land Bank Rehab Program is a good example of really transforming a neighborhood and also the specific example of infill development in the Waterway Park area, the outcomes of that to date while maybe not huge numbers, if you think about applying this to lots of different neighborhoods, the additive affect can get quite large.

This is just information for you to kind of keep in contact for other discussion about what the strategy is which is increasing neighborhood investments that result in approved quality of life and financial sustainability. So, kind of digest that, think about it for a second and let's talk about the pros and cons. You have a handout, if you want to kind of jot down your notes as we go along of what other people say, you can kind of keep your own notes for your reference as we go along.

Let's start the discussion. What are some of the pros and cons of taking budget resources and directing them toward this strategy?

Commissioner Bynum said can I start with a question I had? One and two seems so similar to me. **Ms. Saunders** said we actually had a good discussion about that in that Scenario 1 is a little bit of the programmatic piece. It talks more about land and investment in that sense where Scenario 2 is the services that support the program. We debated whether we should add them together and subtract them and I think that's a great point. You can't do one without the other, but you kind of have to decide where you're going to lead.

Commissioner Markley said I think one of the pros is, depending on the type of investment, the benefit to the quality of life is very immediate. You know if we're fixing a vacant lot or we're putting a house on a vacant lot, that's a pretty immediate benefit compared to some of the other strategies we will be discussing today like not taking out more bonds. That's kind of invisible down the road sort of benefit where this is more visible and immediate.

Mayor Alvey said I like that idea that you do see an immediate improvement and I think so there's an immediate improvement in a person's perception of their neighborhood, so there's a greater pride in our neighborhood and it increases the attractiveness of the neighborhood as a place to buy, to settle. It's encouraging to the neighbors. If I see an improvement in a neighborhood that I might be willing to put my own money into my place to make that extra step, and I think ultimately long-term, it should increase the attractiveness of a neighborhood that people want to be there, then you should see an improvement in property values and additional building and, again, that would be a long-term solution to the tax issue—revenue issue.

Commissioner McKiernan said lots of thoughts on this. I certainly do think, and I've always thought, infill housing, any sort of housing will improve the quality of every neighborhood and each individual new or renovated house could potentially generate more taxes for the provision of services to that block, but some things I think we need to think about. We need to consider a range of price points for these new or renovated houses. We certainly have a range of incomes, people in our city and they can afford varying levels of housing, so we have to make sure we get price points across the ability of our citizens to pay either to buy or rent in housing. We might need to consider how we incent builders and developers to build these new houses especially when we're talking about infill housing, it's very cost inefficient when we're doing onesies and twosies. It's not as efficient as a new build in a greenfield, so are we going to have to spend money to make money here and if so, how much and what's our ultimate return on investment if we have to provide incentives maybe not charging our sewer and water service hookup fees, so the developer can save that money and close the gap on building an infill house. **Mayor Alvey** said, Commissioner, those aren't necessarily cons as challenges. **Commissioner McKiernan** said absolutely. These are thoughts that just came to mind as I think about what—I love the strategy. In my district this is the strategy we need to adopt to get all those vacant lots filled, but those come with challenges. We need a lot of new homes. We're not a lot of newly occupied homes that generate revenue. Since the revenue from any one residential structure is less than any one commercial structure, it takes proportionately a lot more of them, so we have to think about how we can scale. Onesies and twosies only work for so long, but at some point, we've got to start getting dozens to start bringing in enough money.

We also have to provide services for all of this new housing especially when it's going to be infill. Our citizens have told us our infrastructure is in sad shape. Streets, curbs, sidewalks, alley's all need to be fixed, so we're going to get a little revenue off of this lot, but we're going to need to make sure if somebody is coming in that we are increasing our game in terms of infrastructures and the support we're providing. So, could it potentially be a net negative? You get a little bit of additional revenue off of a few new houses on a block, but you have to spend millions on the infrastructure. I mean we have to spend millions on that infrastructure eventually, but how do we balance and titrate all of this? **Ms. Saunders** said this is a strategy we're investigating, but there's some—the netting out of what's the investment versus what the return is on something—**Commissioner McKiernan** said absolutely. One last thing, with more people living in a neighborhood, we just need to make sure we're doing a great job of communicating and coordinating that we do have a minimum code of ordinances that everybody is going to be a good neighbor who lives in our neighborhood. So, it increases our challenge to make sure that everyone is playing with us in the quality neighborhood game. I love the strategy. Ultimately, I think it is the strategy that sees us through to a much better place, but it comes with a lot of challenges we're going to need to meet along the way.

Ms. Saunders asked what are some other pros and cons? **Commissioner Philbrook** said just listening to him, I just want to say what that sounds like to me is, and I totally agree, is that we need to pick areas to improve so we are being more directed in where we do these improvements because that can help us with the payback, so to speak, on our costs for the infrastructure. You find a spot, make sure your infrastructure is good, and you develop that area. **Ms. Saunders** said so you kind of have the targeted approach rather than kind of piecemeal. This is a strategy and then if this is the direction—**Commissioner Philbrook** said so that can be a pro or a con depending on what you have to do. **Ms. Saunders** said right. That's kind of the strategy within the strategy.

Commissioner Markley said I think one of the other advantages of this goal is that it impacts so many other areas of sort of our goals. We're talking about just infill housing a lot as we talk about this, but we know that these same improvements are going to impact crime and all of the associated problems that we deal with. I think it's a nice package from that perspective. **Ms. Saunders** said right, because some of the things that residents said how much are these things a pollen in your neighborhood. You know, blight was kind of one thing, but crime draws other things to go along with that are concerns, so it kind of brings it all together.

Ms. Saunders asked Commissioners Kane, Townsend, Walters; any questions or comments?

Commissioner Townsend said I don't disagree with anything that's been said, I just didn't want to necessarily repeat it because when we look at the opening remarks by our Mayor, this is something we look at every budgeting year. I don't see it as a onetime this is it forever and ever approach, so it's good that we're talking about it and it's really going to determine—when it comes down to making a budget what we all value most in keeping with what we're talking about. A lot of this is not really new, so that's why I'm kind of quiet, but we need a strategy. While it's focused on going forward and something that's not going to sway too much, it has to be flexible enough to deal with the needs that arise from our constituents and things that come up.

Mayor Alvey said I agree, and this is why I don't think this is—it's not a onetime solution to this years' budget. This is a long-term strategy that we're looking for and a direction and it's going to require—you know some years we might be able to put more resources, whatever we chose, other years less, sometimes you might have to shift. I would also say that I know it focuses on infill housing, but I think we talk about neighborhood investments, it's not just about infill housing. It could be those kinds of things like coming in and helping with the infrastructure in a particular neighborhood. It could be beautification, it could be street calming, whatever those simple things we can do, those investments we can do that will have a long-term effect on the quality of life for the people in that neighborhood.

Commissioner Markley said really, I can't read all the writing over there, it's a little far away from me, but I do think that probably on the con side we just need to recognize that although there will be some immediate increase in income from each individual house, really this is a long-term play. It's not going to put money in our pockets tomorrow, it's going to take time.

Ms. Saunders said you're shifting direction. It's shifting in a direction that you're going to want to continue for a while to have an effect.

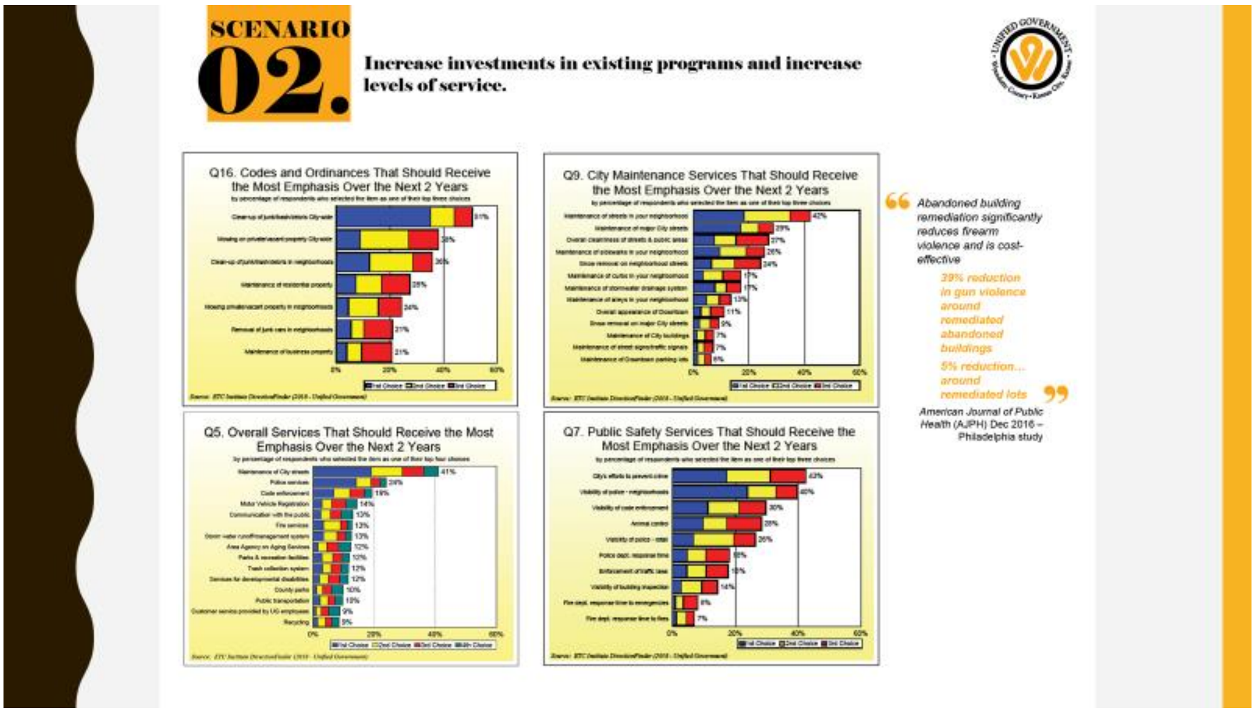
Commissioner Johnson said I will say that while I think we all should be moving towards this particular point within our community, we need to be mindful also of the negative results of gentrification and as we improve the quality of life and financial stability, I think we need to be, at the same time, putting in processes and be thoughtful enough about how that will affect existing residents so they won't be forced to move. We talk about this as if we're just at the beginning, but I think we need to be talking about that at the same time as we're improving the quality of life and sustaining our financial debt liabilities. I want to make sure that's always out there and that we think about that—you know people look at that word in two different ways, but out there, there is a negative aspect to it. We don't want to force people out of their homes that they've invested their lives in. **Ms. Saunders** said so improving the quality of life of all people regardless.

Commissioner Bynum said I think just tagging on that, making sure that we make smart investments around our population which I think is similar to what Commissioner Johnson is saying and whether its market rate, whether it's affordable, whether it's for older adults, for transit oriented, housing. I think we have to look at each area and identify what kinds of neighborhood investments are needed here or how is this area changing that we need to pay attention to so that the kinds of housing in particular, but I also think of things like parks as a neighborhood investment, serves and meets the needs of what's happening in that area.

Ms. Saunders said so, again, with the strategy if this is the direction in the budget, the budget process is getting more finetuned on what exactly are those investments and where can we maximize the investment. It's certainly more than just housing.

Mayor Alvey said I just want to touch on the point of gentrification. There has actually been a study done about gentrification and what the study demonstrates is that in fact so-called areas have been gentrified have had an improvement in economic, ethnic, and racial diversity so that it actually does sometimes—I think we take maybe the extreme cases, but in general it actually has a very positive affect on growing the community and ends up not actually displacing poor, it actually provides them with more opportunities. **Commissioner Johnson** said I totally agree with that Mayor. I think that's what I call the positive results of gentrification. I think there is a negative aspect that we need to be considerate of at the same time. I do agree it does improve the quality of life. It causes to be more diverse in the things that we certainly hope for. We just don't want to have situations where people are feeling like they're being forced to move. Again, it just depends on how you look at it and for somebody that's been in their home for so many years and then they can't afford to pay the taxes on their homes, that could be a real issue. I do see what you're saying, but I want to make sure that we look at the full breath of that term.

Commissioner Philbrook said basically as he said, I'm just going to say, a con on this would be the increased taxes for the individual as their house goes up, not that we think that's terrible, but then it's not our house. I'm not on limited income yet, but I'm not far from it, so it's all these things to consider and help our community to—I don't know, almost like grow into a different way of thinking about what and who we are. To look to the future for what we can be and not just look behind us as to what we were.



Ms. Saunders said this is very similar to the last one, but it is slightly different. What have the residents have said in the survey is they actually would like to see improvements in existing services. This scenario is about making additional investments in the services that you already provide, but increasing that level of service whether it's responsiveness, quality of streets, blight remediation. If you did nothing additional and made no big capital investments, if you just focused on services and put more resources for those, what result would that have on quality of life and your financial sustainability? Maintenance of city streets, junk and trash, maintenance of streets in neighborhoods, crime prevention are all things that top the list of what residents want you to focus on in the coming year. If you thought about shoring up services and improving satisfaction with those services, how would that affect quality of life and financial sustainability for the community?

Commissioner McKiernan said just some first thoughts on this. I think we can make some service improvements without necessarily investing anymore money. I think there are things that we can still do within our service delivery that won't cost us anything, but if we can improve service, then I think that improving service will lead to the attainment of number one. If we have neighborhoods that people want to live in, they will invest in them privately and they won't require as much incentive, but ultimately increasing our level of service provision, as the Mayor said in his opening remarks, ultimately that's going to require more revenue. It becomes a chicken and the egg thing, but I think if we can find a way to improve our delivery of service to citizens in the city and county right now, we can drive number one which will then circle back around and drive better service delivery.

Commissioner Markley said I agree. I think this supports the scenario that we just discussed in a lot of ways. I also find it kind of weird that street maintenance would be under here because to me what our surveys have shown is that people really want to see improvements to infrastructure, to streets and sidewalks. I don't know if I would consider that a service because that's stuff we usually bond, but I think it's a little weird that it's in here, but I think that is high on the priority list of our residents is that it is an increase in infrastructure. If that doesn't fall under this, then I think we're just talking about services and not improving streets, I don't think we're meeting our goal.

Mayor Alvey said I'm going to go back to the question that Commissioner Bynum raised, you know the relationship with Scenario 2 to 1. Certainly, there's always better ways to provide better service with less expenditure. It happens. For instance, you can have a technological change. I remember at the Board of Public Utilities we invested $25M in automated metering infrastructure which allowed us then—we no longer had to have 13-meter readers going out. It was all done electronically and so those folks were able to find other positions within the utility as other retired. That was a significant savings, annual savings, and so it paid for itself, so there are certainly ways to do that. At the same time, we do hear from folks that in the short-term there are certain limits to that. We have so many roads and so many sidewalks that—like street resurfacing at 70%, is that really getting us where we need to go if we did put more money into that, would that be part of a strategy to actually enhance revenues over the long-term? I think we can do that, but at some point, there is a limit to what you can do with just finding efficiencies.

What I've experienced is it seems to me that our operations are fairly lean. I don't know if other people feel like there's some department out there that's just bloated and not performing well, I haven't run across it.

Commissioner Markley said I was going to say I think on the con side you just brought forward an important con which is this, at least in the short-term, are obviously like initially doesn't bring any additional revenue to us and it costs additional money, so those are two pretty big cons that probably should make there way to our chart.

Commissioner Kane said I certainly agree our employees are doing a good job, but we're still having trouble with Waste Management, so I can't say everything we do is perfect and there's not a Monday that goes by that I don't get a complaint. I have the District Manager's phone number now and I take pictures and send them to him. I agree that our street crew did a great job the other day with the snow, but I'm still getting killed with the trash pickup.

Commissioner Bynum said if I could on Item 2, increase investments in existing programs and services. To me we make investments with some of our partners. I want to make sure we recognize that and include it here because some of the investments that we make with our partners are paying dividends for the community as a whole. The one that pops right into my mind is the fact that we can see with data that in just the last two or three years our median household income is up by $4 or $5K per household and I think we know that can be directly tied to the work of the Unified Government with its partners, the school district, the community college, Wyandotte County Economic Development, the Workforce activities. We have said we must increase the wealth of our citizens, we must increase their median household income and then strategies created carried out and we can see that those incomes are higher. I think those are really good investments to make. I just wanted to make sure we don't forget about things like that as we talk about services.

Commissioner Philbrook said you having said that, of course, I'm going to bring up Section 42 Housing because a lot of people think Section 42 Housing we're downing what we call as properties, it's not as good, it's for low-income only, that sort of thing. What I will tell you is that any of the 42 Housing in my district that has come in has raised the per capita as far as income because of how it's structured. There are a lot of our folks that work for us at City Hall that would fit into those categories of 42 Housing, so we're providing affordable housing and at-rate housing at the same time with those. I just wanted to mention 42 Housing because this is something people need to think about because a lot of times they just have a bad taste in their mouth about it, but in my district, it has made a difference and has helped, and I know I have more coming, so yeah, I'm happy about it. Those are not exactly short-term things, those are 15-year investments from the State. It makes them pay attention to what's going on for at least 15 years, then it behooves the rest of us elected officials and the people that live around them to keep cracking the whip over them to keep them in good shape to stay abreast of what needs to happen with those types of buildings. I just wanted to mention that.

The other thing is that although the services around keeping things clean and picked up and looking good may not make us direct money, but what it does is it shows pride in our community and when we do that, and people come in to look at buying a house or moving into Wyandotte County they see something different than what they may have heard. It is very important that we look good. There may be one bad house on a block, but if it's neat and clean around there, somebody is willing to come in and buy that house and fix it up. I just happened to speak with someone in my district that did that. They moved up here from southeast Kansas and bought property and improved it and they stayed on it and they are going to stay on it because they love living in Wyandotte County. It's those kinds of folks that we want to try to come into Wyandotte County to help us improve.

Mayor Alvey said I think that's a good example of increase investments in existing programs, increase levels of service. Simple things like beautification. You know when you drive—get off I-70 and get on 5th Street that retaining wall there as you get off the exit, some days I drive by there and say did someone just drop their whole bag of trash and spread it out. As you come into the city, if that's your first experience coming onto Strawberry Hill, it sends a bad message. It turns people off from the beginning and sometimes you don't get past that experience, and so again, if we're not proud of bringing people in—we can have poverty but still be clean, but that might require additional services. I think that was really the impetuous behind the SOAR Program, if I understand, was that let's get ahead of these blighted properties, let's board them up, secure them, see if we can rehab them, let's mow the lots so they don't get overgrown and become a place for trash accumulates and varmints, the impetuous of that does—and we put additional money into that and there was even some talk about doing some more, a Rapid Response kind of thing, that's the kind of additional investment in those programs that could have a long-term affect. Not immediate, it's a long-term play, but that's where we're trying to get to is a long-term strategy.

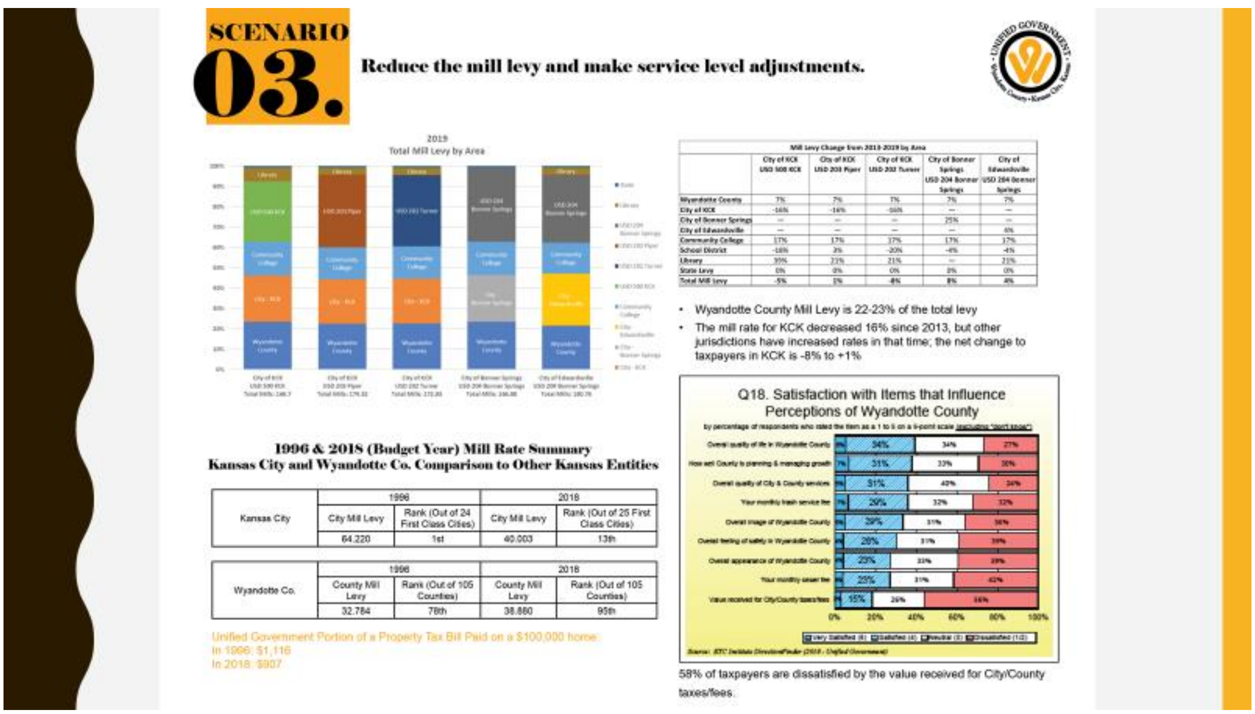
Commissioner Philbrook said, Mayor, don't we still have a Rapid Response on graffiti? **Mayor Alvey** said yes. **Commissioner Philbrook** said yes, and I've heard really good feedback on that because I've had people notify me about graffiti and it's usually taken care of within 24-48 hours and so that's a big thing.

Ms. Saunders said so there are immediate affects on people, their day-to-day quality of life, but raising the value of properties in the neighborhood may take time to follow.

Commissioner Markley said I would just say some of this could also be a con in the sense depending on what services we increase the level of, some residents may feel the impact more than others. For instance, when we add bus routes—I have some residents who say I don't know why you're doing that, nobody over here rides the bus. There are always certain services that impact one resident more than another one and we would have to be careful to put our money in places that we think will benefit the greater good.

Mayor Alvey said I think it comes back to the—the idea that came back before is target wherever we put these monies since we have limited revenues and we would put them in targeted areas that we think would generate the best improvements, the most improvements, and have it generate from there. **Commissioner Philbrook** said well, that's partially why we have our neighborhood groups to give us feedback to tell us where, what areas to target, and then make suggestions on how we can do this stuff and they are very wise in their suggestions. It's just sometimes we don't always have the money, so sometimes we need to talk with them to see if they have ideas on alternative ways to do that.

Commissioner Johnson said I don't consider this to be a pro or con, but I will say that the work that is already being done with SOAR, we need to continue to look at that particularly in terms by internal communication, interdepartmental communication. I don't know whether that's going to cost more money or not, but when departments are talking to each other I think that is what improves efficiencies to deal with a lot of the problems that we have in our community, so we continue investment in that. I think we're doing some great things right now and we're seeing some improvement. I want to continue to see that, a lot of things Alan is doing, Melissa, that are paying dividends we need to continue to go down that road and whether we're talking internally I think we could probably without putting a lot more money in the external things, probably get more efficiencies out of those monies. **Ms. Saunders** said do what we're doing but do it may be better. **Commissioner Johnson** said however you want to phrase that, as a pro or con, I don't know.



Ms. Saunders said the next scenario is reducing the mill levy and making service level adjustments and a couple pieces of information on this snapshot for you. First, is to reinforce the point that in this chart it shows the UG is only a portion of the overall tax burden of that of residents. There are other jurisdictions, school districts, library, city's that contribute to the overall mill levy. The County mill levy is about 22-23% of the overall mill levy depending on where you live. Another thing you can see is the County mill levy has remained pretty steady and when you compare that to other counties in Kansas it ranks number 78 out of 105 and if you want to have a low mill levy, you want to have a bigger number there, you want to see close to 105. That compared to other counties—oh sorry, I was looking at '96. It's actually gone from 78 to 95 since 1996 to 2018. So, compared to other counties, Wyandotte County is comparatively better than other counties.

Likewise, the City tax compared to other first-class cities in the State of Kansas, you went from being number 1, which that's not something that you really want to be number 1 in, to number 13 out of 25, so kind of the middle of the pack. In 1996 if you look at the community within the UG, you would say they are pretty heavily burden community taxwise compared to other communities in the state.

Finally, this is something we've alluded to in the other scenarios about service levels, 58% of taxpayers are dissatisfied with the value they get from the packed taxes they pay. You can look at that in one of a couple of ways. They feel like they pay more taxes than they get value from, so should you increase the services so then that don't mind the taxes as much or you can reduce the mill levy is the other side of that equation, but then you probably won't improve, so this is causing dissatisfaction. It's kind of a balancing act.

With reducing the mill levy and making service level adjustments, you're going back to the question how does this improve quality of life and increase financial sustainability. What are your comments?

Commissioner Bynum said my initial comment is I don't know that we've said definitively that if we continue to reduce our mill levy that our service levels will decrease, so I don't—I've not seen data from anyone here that tells me that. **Ms. Saunders** said so, you need some data to show that if the mill levy went down and looking at the revenues, would your service levels decrease. **Commissioner Bynum** said correct, because I'm not there yet.

Commissioner Johnson said as a matter of fact, I think I asked for that at the last strategic meeting what would a 1-mill—how would that affect the budget if we took another 1-mill reduction. I didn't see it in the notes, but I could have overlooked it.

While I have the mic, I will say that to what Commissioner Bynum was talking about, it is possible I think to cut too close to the bone with regard to this. While we all want to have a low mill levy as it results on our property taxes, I think we have to be careful and measured on that.

Finally, one of the things I think that our residents when they talk about property taxes, that conversation tends to spillover from taxation to what they're paying in terms of their bills to BPU. I think a lot of times our residents consider those to be one in the same, and so, whatever we can do to clarify that. They're not one in the same, but they both have a definitive impact upon taxpayers in our community. **Ms. Saunders** said people do put those things together.

Mayor Alvey said let's say there was another 1-mill, on a $100K house, how much would that reduce the tax on that person having a $100K house? **Kathleen VonAchen, Chief Financial Officer,** said it's $11.50 per year. **Mayor Alvey** asked per mill. **Ms. VonAchen** said for a 1-mill reduction on a $100K house. **Mayor Alvey** said for a $100K home.

Commissioner Bynum said as you know, my point is that my house that was $100K 20 years ago when I bought it is not $100K today and I'm still saying balancing the equation. **Ms. Saunders** said so balancing as assessed valuation goes up, is that—**Commissioner Bynum** said assessed valuation is going up and some of the increases are dramatic, and so yes, balancing as assessed valuation goes up because that is what is happening here which is a good thing for me and other homeowners. There has to be some balance for me.

Mayor Alvey said so reducing the mill levy 6-mills, which is diming, so we're at now 13 out of 24 which is in the bottom half of the top 24 cities and then we're 95th out of 105, debt to me looks like we're fairly close to the bone. I would suggest that over that time when your house has appreciated so has the cost of services and, of course, salaries. It's like everything has gone up in price and tax revenues have to grow with that to meet those demands.

Commissioner Walters said I think we've cut the mill levy each the last three years, our revenues have increased each of the last three years and we've had a surplus each of the last three years. It's a false equivalency to say that we have to reduce service levels if we reduce the mill levy. We have successfully done that three years in a roll. I think that's what our residents expect us to continue to do and I think that's good because we want to attract people to live in Wyandotte County and I think taxes are an issue if you believe our surveys, so I think we should continue that program.

Commissioner McKiernan said, Mayor, I think one of the things—you're right the cost of providing service has certainly continued to increase, but one of the things that has been brought to my attention quite a bit over the last several years is that at least for some properties, and I get it, the State of Kansas has said to us you have to close the gap between what the market and what the appraised value are for these properties, but we've had some properties that have increased so dramatically in value that the property owners simply cannot keep up with. A 2-mill reduction does not keep up with the appreciation of value there and they end up really dramatically changing what they owe in terms of property taxes from one year to the next. It's those large and dramatic changes in what is owed that is hard for any business or any homeowner to absorb. I think one of the things that we need to look at as we continue to consider lowering the mill rate overall is strategies that we can put in place that would buffer or blunt sharp increases up, which falls on the back of the homeowner, and similar sharp increases down that fall on the back of the local unit of government that is required to provide services. I think we ought to look for strategies that would blunt sharp swings in either direction. We can talk about what those are at a later date.

Commissioner Markley said aside from whether we increase or decrease or do anything with taxes, I would just say from my perspective this line item in the survey that is about value received, I think the strategy for that is different. When you go to a restaurant and you do a survey that asks you about value received, if you say I don't think I got enough for money, they don't stop selling you hamburgers or they don't lower the price of the hamburger, they give you more hamburger. They are still going to charge you the dollar, they're just going to give you a bigger hamburger for the dollar. When people say they're not getting the value, I think if we lower taxes and lowered services, they would still say I'm not getting any value. As long as we're charging them a penny, they are going to expect something for their penny. No matter how little amount we charge, they're going to expect a value for it and so our services still have to be there and have to be good. I don't think we can expect to improve that score by lowering our taxes and lowering services. They're still going to want their hamburger. **Ms. Saunders** said people want something better for their penny.

Mayor Alvey said I have a couple of questions. First of all, do we expect now that we've kind of trued up the assessed value, am I right about that, that we're getting to the place now where we are—the assessor has done the work to try to get the properties within the 10% range, either 10% below or 10% above market value, that was a correction, am I right about that? **Doug Bach, County Administrator,** said yes. I don't want to state that it's done. I mean there's a whole lot that's happening, but yes, she has done a lot of correcting to that. **Mayor Alvey** said okay, so that's really kind of a onetime true-up to come into conformance with the state statute. I understand, again, people have experienced, and family members have experienced that themselves.

Secondly, when Commissioner Walters mentioned that we've got more revenues coming in, what has been the additional revenues that we've brought in each year than we project? We projected—has there been actually a large amount of revenues more than we projected each year over the past several years and what was that?

Commissioner Walters said, Mayor, I'm just referring to our budgets. Our budgets grow every year and our revenues go up every year and our expenditures go up every year. I'm not suggesting that we cut services and I don't think anybody on the Commission thinks we should do that, and we haven't done that. **Mayor Alvey** said no, I understand, revenues have increased, and costs have increased, and rate of inflation alone is at 2.1% and has been annually. What is the delta there?

Ms. VonAchen said the debt margin in the combined General Fund in 2016 was only $100K. In 2017 it was $9.2M. That's a difference between revenues and expenditures and that was because of a great deal of—basically, onetime revenue related to the STAR bond payoff, but there were a couple of other reasons too, such as expenditures came in lower than budgets and there were some other increased revenues that came in higher than we estimated. In 2018, we're still working on those numbers, but we don't really expect—we expect it to be between the $1 or 2.5M range, the net positive in 2018. **Mayor Alvey** said that $1-$2M, what happens to those revenues? **Ms. VonAchen** said once we finalize the financial reports and are closer to finalizing our audit, which I suspect will be in March or April, then we will come back to the ED&F

Committee as well as the other commissioners, perhaps in a Special Session, and according to our General Fund Reserve Policy we will layout the status of the fund balances of all our governmental funds and provide you with the five options that are outlined in the policy for dealing with excess revenues. Those options are to dedicate some of those funds towards paying down our long-term liabilities such as pensions, OPEB, and Worker's Comp or to fold it back into fund balance so that we can increase our reserves for any kind of perhaps economic downturn that may occur in the future or three, we could rededicate those funds towards paying—by reducing the future debt we issue in the future, we would pay capital projects more with cash. These are all onetime sources that we can use these monies. There are two others that I don't remember offhand what they are. We're going to do that in March or April once we know what the dollar amounts are.

Ms. Saunders said so taking the question back to does reducing the mill levy and making service level adjustments improve quality of life and increase financial sustainability? That's kind of what's the long-term strategy with this.

Commissioner Townsend said I don't know if I'm going to address that question specifically, but it's still in the context of it. When we did Part 1, I guess of this retreat back in October, I believe it was Commissioner Markley that made a comment that I wholeheartedly support and another time maybe Commissioner McKiernan said the same thing. As part of evaluating whether this body reduces the mill rate further, I would like to see some correlation—we've got smart people here at the UG who could figure it out what level of service we are currently at when we have this discussion before we reduce it. Now, Commissioner Walters was talking about the surplus, maybe one of the answers is to use that surplus money, maintain the current mill levy for that year and move on because since 2013 we have either held steady or reduced the mill. There is only so much we can do when the citizenry is going to come to this body, not the school district, not Junior College, to look for services provided in the way that we get these calls. I'm not saying that we do, or we don't, but when we really have to make that decision come budget time, I think that needs to be part of the analysis. I'm not sure that those we serve fully appreciate that every dollar that comes into these coffers is not for us to distribute. I go back to—is that a dollar we see in the circle, Mr. Administrator, it's amazing how small a percentage of that single dollar we get a chance to dispense in some way. What is the percentage of that? **Mr. Bach** said 47%. **Commissioner**

Townsend said that's what I thought, it was less than 50 even though our citizens may be writing a higher check, they need to be aware that we've done what we can do to lower the amount that they are writing on that check and be reminded that they also can call to account other elected officials who control other budgets that we don't.

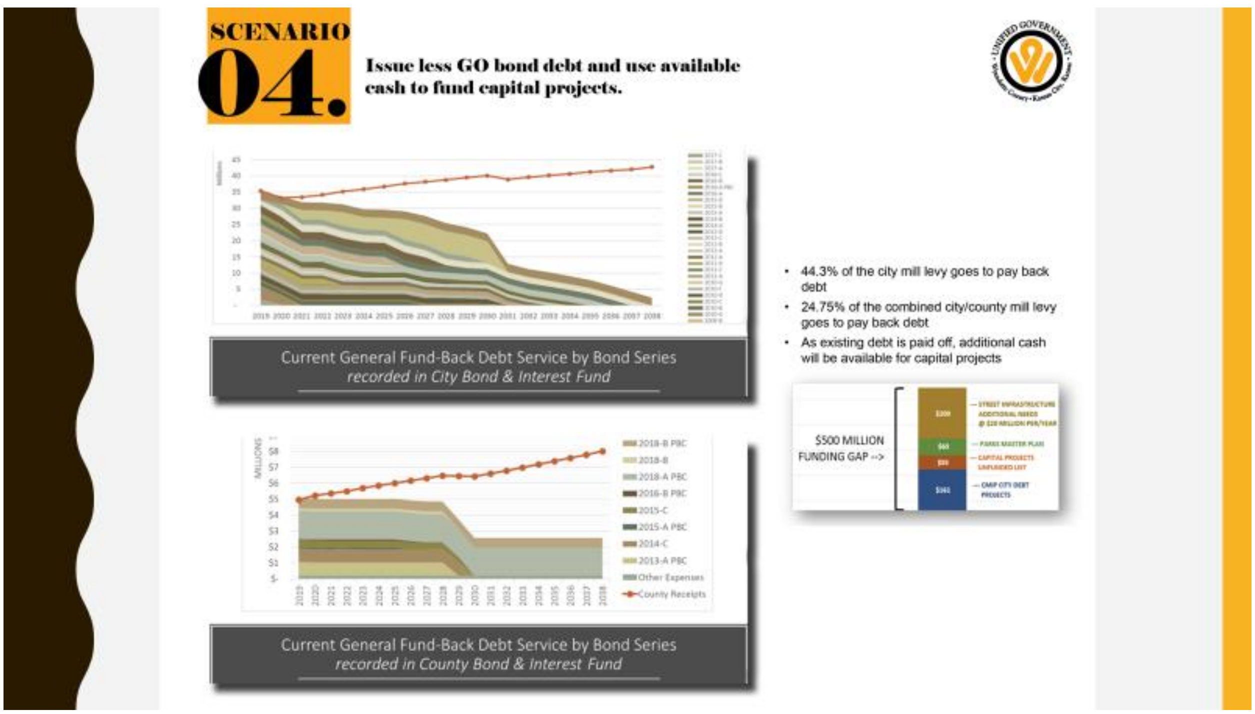
Commissioner Philbrook said I have very pointed question for not the Commission, but for the viewing audience out there. How many people have told their commissioners thank you for lowering the mill levy by 2. I mean, have they really said anything? I think mostly it's just thanks for not raising the mill levy. I haven't heard anybody say, oh yeah, I'm not having to pay as much taxes, this is great. So, it's basically people think even though we say it over and over again that we don't have control over evaluations of property secondary to what the state demands that we do and the guidelines we have to follow, I think that gets lost because the bottom line is we're all people and we don't want to have to write a bigger check than we have to. I want my property worth a lot, but I don't want to pay the taxes on that and that's human, so I just had to say that out there.

Mayor Alvey said I guess I'm just of the opinion, going back to what Commissioner Markley said, Commissioner Townsend, there just seems to me there's just so many needs in our community that we are not able to fulfill because, frankly, we can only get so efficient and we can only—there's just not the revenues to do the kinds of things we know we need to do in order to improve the quality of life. I'm looking for a long-term strategy. I promised to continue to reduce taxes, I would love to see us take a whack at the PILOT, that's a regressive tax, and yet when I try to search the budget to say what department would I cut, what program do I think we have plenty of already that we could reduce this, I've had people come to me we need more transit services, we need more sidewalks improved, we need more incentives for businesses, we need more code enforcement, we need more animal control. You name it. You name the department. We had the District Attorney come to us for additional money for a Conviction & Integrity Unit. That's the kind of thing that we're hit with constantly and so we have to find a long-term strategy and if we have additional revenues over and above what we expected, projected, where do we devote those? We have to be strategic with those. We have to say this is a long-term investment. We're going to put the money in places that is really going to generate a return on investment and we have to be strategic about that, we have to use the right data to evaluate those, we have to develop a criterion to evaluate them, and until we do that we're stuck every year fighting over $20K.

Commissioner Johnson said I think the word is dynamism, it's a real word, but it speaks to what we're doing right now. We have lowered the mill levy in successive years, we are increasing the value of our real estate, we are currently fighting blight in ways that we've never done before and it's going to create this kind of tension that I think is inherit. It would be one thing if we weren't doing anything and we lowered the mill rate, but we're not just sitting here as a Commission, as a governing body, doing nothing. We're doing the things that our community needs, that our constituent holders hold us accountable to, and there is just no way—you're not going to be able to get all things. I mean, do you want your value, your property to increase, yes. That means you're going to have to pay higher property taxes, not relative to the fact that our mill levy is so high, but because the value of our property is generally going up with the work that we're doing. I don't know that there's ever going to be an answer as long as we're having this kind of dynamism going on within our community.

Mayor Alvey said, again, I think it's important for residents to understand that two protectories, we could be declining, we could see our property values decline and when they do, that's actually a bad sign. That's not a good thing. We don't want that. We've had plenty of that. We've had decades of that and now we're on a projectory that is actually we're seeing improvements in those fundamentals. I guess the question is, let's run with that. How do we excelerate that? How do we be strategic with the advantages that are accruing to us because if we're generating additional revenues because we've got more revenues coming because property values have gone up, can we now take those revenues and use them as investments in the future to accelerate that?

I'll give you an example. When I was at the BPU, when I first got on, they found out that the 8" meters that were feeding industry and commercial establishments, some of them were not metering the low flow. So, if you're running an industrial process it would cause that 8" meter to run at the right level and you would get the right reading and you could charge—bill for the right amount of water. If they were not running an industrial process and they were just using the toilets or a sink, it was not enough flow to move that meter, so we were missing revenue because it was not being measured. What they did is, when they discovered it, they said we're going to go in, we’re going to talk to the businessowners, and we’re going to install new meters that capture the low flow. They did that, and they began to see that there was an increase in revenues obviously. So, what do you do, well they had a 5-year program to change out these meters and the idea was let’s excelerate that. Let’s take the revenues that we’re realizing, put more money into installing those meters more quickly so we can capture that low-hanging fruit then maybe—Commissioner Johnson, you talk about the dynamism, that’s what we’ve got, let’s run with that. How do we take that, realize those gains, and invest it and become—so that, again, we incentivize more development, more businesses, more residents, which further spreads out the tax burden which gives us more freedom to reduce the burden on any individual.



Ms. Saunders said Scenario 4 is a little bit of a strategy on capital projects. The strategy is issue less GO bond debt and use available cash to fund capital projects. This was something that we talked about quite a bit at the last retreat of such a large percent of the city mill levy goes towards debt payment, so 44.3% of the mill levy goes to pay back debt. That’s a significant share of the mill levy. As the existing debt gets paid off, there will be more money available to do capital projects. It’s kind of a question of how do you go about capital projects. Is it funding it through GO bonds or is it a cash approach.

Commissioner Markley said I think obviously we talked under the first goal about how it was immediate invisible, and this is the opposite of that. It's invisible, not immediate strategy for us, but obviously it gives us better long-term control over our budget which is a pro. The con is it can limit the projects that we are able to do and since we're already behind on our infrastructure projects, it's a particularly large con. For me, I would just say, I think this is definitely part of our long-term strategy, but it's probably a slow transition as we start to try to do a little more cash every year and a little less debt every year. It's probably not something where we can we're just never going to use debt again although I would love to be able to do that, but I don't think it's in the cards for us if we're going to continue to make progress in our infrastructure goals.

Commissioner McKiernan said I would just say I completely agree with Commissioner Markley there. I think it should be a long-term strategy of ours that we lean away from GO and more towards cash over the long-term. One of the things that is always brought up to me when I talk about that is well there's an intergenerational equity if we have it paid off over a long time then the people who use it 20 years from now are still going to pay for it. I don't care. My son is going to have something else to pay cash for in 20 years, so if we get on a cash basis, every new generation is going to have something they are going to pay cash for. There will be intergenerational equity in that our infrastructure is consistently good across all generations, so I still do think, as Commissioner Markley said, that's the direction we should go. **Commissioner Markley** said that's the same argument as the people that say don't pay your house off because you need it as a tax write-off, but it's still like you saved 75 cents and would have only had to pay—it's an argument, but I don't know if it's a good one.

Ms. Saunders asked what are some other pros and cons of this strategy.

Mayor Alvey said the con would be that the alternative cost would be that you would not see an immediate improvement in the quality of life measures of a neighborhood. The money that we would take and dedicate to paying off the bond debt would obviously give us more freedom with our debt moving forward in our annual expenditures, but we would not see immediate improvements in some neighborhood features, whatever those might be. It would also—we would maybe not see a return on investment at least, again, not for a long-term, but that's what we're talking about is long-term strategy no matter what.

Commissioner Philbrook said we're really just talking more about a balance of how much GO bonds to use versus how much cash to use, not all or none, right? **Mayor Alvey** was inaudible. **Commissioner Philbrook** said I know and use a little bit more in cash, but that doesn't lock us in to anything other than a strategy and we as commissioners have to be constantly be reevaluating what we're doing and where money is being spent. I think it's a great idea to have a strategy, but we all know, having said that, doesn't always mean we're locked into that.

Mr. Bach said I think one thing that made this jump out for us a little bit was last summer when we started looking at that percentage of whole. When you look at Scenario 3 where we had that down at the bottom of the page and when the city's mill rate was 64 mills and we issued 16.5 of that was for debt, as a percentage that didn't seem that striking. Reduce that by the 26 mills because it's not 40 now, it's 38 coming into this year, so you drop it that much and now by percentage is where this debt—by percentage looks out of kilter and that's where we've got to rethink that cash debt scenario, I think that's where it comes in so much more.

Commissioner Markley said the related tax implications—I think one of the things that probably needs to be, I don't know whether it's pro or con, I guess it depends on whether we adopt the strategy in full or not, but our choices in this area impact whether, and to what extent, we're able to maintain or continue to lower taxes. If we can't make our debt payments, we're going to have to find a way to get that money.

Ms. VonAchen said I just wanted to add that right now if we're not including equipment, just capital, we're spending about $5M out of our $200M General Fund on capital, not the equipment and that equates to about 2.5% of the total. If you could increase it to 5%, that would be a good thing. That's one way of looking at it.

Commissioner McKiernan said I agree with you, but the report that you put out not too long ago, and I can't pull it up really quick here, but it suggests that we're a little bit out of whack in terms of total debt or debt to assets or that we are not where we want to be when you take into account other factors within our budget. While it would be great to increase that amount for more services, your own report suggested that we have some work that we should be doing regarding our total debt especially as it relates to other aspects of our assets and our budget. **Ms. VonAchen** said what I'm suggesting is that we increase the amount of cash funded dollars towards capital and then not borrow as much every year. **Commissioner McKiernan** said my apologies. That's not the way I heard that come out, so I agree with you.

Commissioner Burroughs said I guess my question would be and I would pose to the committee, what do we want to see our—how do we want to see our community moving forward? You know a $209 reduction tax in property tax in 22 years equates to $9 to $10 a year. Overall that's a tremendous amount of money we've taken out of the budget in giving tax reductions and we're still dealing with the same issues we dealt with before. Doug, you hit right on it, that percentage is more obvious today because of the lower mill rate. What is it we want out of our community? Do we want to have vibrant neighborhoods? Do we want to have a wholesome retail sector? Do we want to have a very heavy industrial community that's going to provide just the jobs to sundowners? I think collectively an urban planner that could look at the demographics and the make-up of our community in the separate pockets that we have and find a way to harness the assets from those individual pockets and bring them forward and give us direction as commissioners as to what we see our community in 10 to 15 to 20 years and set a vision. It's one thing to try to meet a financial responsibility, it's another thing to set a vision for a community that ensures that we're not only meeting our budget and fiscal responsibilities, but we're also meeting those things that make our community vibrant in 25 years from now.

We've had some tremendous experiences with investment on our western corridor with help from our state partners. We have new schools that have been built in our individual districts and within the two-block radius there are only three or four homes because the properties are vacated, or the homes are boarded up. Why haven't we invested in building those neighborhoods out and encouraging families to move in to utilize those schools. It's difficult to set a vision if we don't really know what it is we want.

I just love this community and I appreciate the leadership that has been demonstrated over the years to do what we can to keep us as vibrant as we have, but we're not importing the wealth to do some of the things we need to do. The gentrification is an issue that we're going to deal with, but we can't be all things for all people, and as leaders, sometimes those decisions aren't going to be easy.

I would just ask, do we have a set vision as to where we see Kansas City, Kansas in the next 20-25 years long-term?

Commissioner Bynum said the mission and vision that we have currently is the one that we came together several years ago to—**Mayor Alvey** said I think that Commissioner Burroughs makes an excellent point. It's about the greater that we're looking for. It's what do we want the experience of our residents to be. When they bring their friends from out-of-town to Kansas City, Kansas, are they proud, are they willing to invest their money, do their children want to settle nearby, do they point to quality schools, do they point to quality services, do they point to clean streets? Is that what they point to? Is it just for people who can afford to move to a newly developed suburb or is it for everybody in the community? That's what we have to get to. It just can't be about the suburbs, it has to be about our entire community, and so I think that's the vision that Commissioner Burroughs is referring to. If that's where we want to go, that is what I think attracts our residents. That's really what they're saying. It is, are they getting the value for their money, well, what we're hearing from them a lot are saying no and they're not feeling its getting better. If we want it to get better, we have to invest in our neighborhoods in our community to make that happen. So, this is why it is, how do we—if we have additional revenues to come in, because improvement already in our property values or sales taxes, what are we going to do with those revenues? Where is this going to take us?

Commissioner Philbrook said aren't we already starting down that path in investing in areas looking at planning for those areas? You've already got one west of 18th Street and south of Central that you're looking at seeing what the plan is for that area to create new neighborhoods, to give additional, possibly even business and industry, in that area. My comment is that I think we're starting down that road, but it's so difficult because we are human, and our neighborhoods have personalities. As you say, Mayor, we're going to have to go neighborhood to neighborhood and figure out what will work in that neighborhood, but also what will help in that neighborhood to give them, I don't know, something in some way that they want to live into to help give them some vision and some hope and talk with them about how that's going to be. Yes, it's going to take a while, but for me I think that's probably the only way we're going to be able to do it because we are such a variety of people, but that's a plus because folks have a lot of—they really care about their community and it matters to them. It matters to them what happens in their communities, and so we just need to address those issues and work with them because they want to work.

Ms. Saunders said we've kind of had a chance to look at all the scenarios, pros and cons. If you need to think about those, we have the notes on the pros and cons. What we're going to do now you're getting six coins. I'm going to put each of the scenarios out in the middle in a jar and whether this is new money or existing money, I want you to spend those coins according to your priority of what is going to improve quality of life and increase financial sustainability. I will get the jars out, we'll drop the coins in and then take—**Commissioner Markley** was speaking but was inaudible. **Ms. Saunders** said the jars are labeled, but yes, absolutely.

Mayor Alvey said to be clear what we're saying, this is assuming—this is an exercise, assuming we had additional revenues to devote to one of these scenarios, where would we want—**Ms. Saunders** said it could even be redirecting existing revenues, whichever way. Go ahead and put your coins in the jar and we must take a five minutes break. **Mayor Alvey** said you can distribute them among all four. **Ms. Saunders** said you can distribute it however you would like, all or nothing.

Mayor Alvey said let's reconvene because I do know we have some commissioners that have a meeting after this meeting.

Ms. Saunders said we will wrap this up. We appreciate all the discussion earlier. Here's how the tally came out. It's pretty definitive. Scenario 1 of increasing investments in neighborhoods that result in improved quality of life and financial sustainability was kind of the clear preference of everyone along with the supporting scenario of Scenario 2 of increasing investments in our current services and increasing the levels of service. With this, this is a nice tally, but let's talk for a minute about what does that mean to you as a Commission. What does this say and what direction can we give staff from this prioritization activity?

Mayor Alvey said I'm going to say I think it was really important for—people kept saying look Commissioner Johnson, Commissioner Philbrook, Markley, others—we're already on this path. We're already on the path of trying to improve our neighborhoods and in a way, we want to double down on that. That's a long-term strategy to really work with our neighborhoods to increase our investments there, to be strategic about that, have criteria developed and that we feel good about that and that's what we want to present to our residents. It's the vision that Commissioner Burroughs referred to.

Ms. Saunders said as staff moves into the budget process and now you've said increase these investments, what does that kind of mean to you at a high level?

Commissioner Markley said I think part of it as we discussed before we put our money in the jars depends on whether we have money available to increase anything and we may have to make decisions in that vain to begin with. I think this tells us pretty strongly if we have funds available, where we want those funds to go. I also don't think that means—you see the 4 on Scenario 3, I don't think that means that nobody wants to reduce the mill levy. I just think that people are saying if we're going to look at reduction, it's going to be reductions we can make without reducing our service levels and while still supporting our other goals. I want to say that because I'm guessing most people probably feel that way. I don't want people in the audience to think they're never going to reduce the mill levy again. I think it just reflects on the statement that's up on the board and how we would make those choices.

Ms. Saunders asked what other comments do you have or do you want to discuss about what does this mean. **Someone** said go SOAR. **Ms. Saunders** said go SOAR. I see lots of nods.

Commissioner Philbrook said it also speaks to what was mentioned about urban planning, long-range planning, wrapped around our neighborhoods. That's basically what I'm hearing because that's where most of us think we need to go so we understand where our money is going to be headed so we can do it strategically instead of us throwing $20K, $100K, $2M in different directions and have it not work in the directions we need it to go. **Ms. Saunders** said so even investing in additional planning that can layout the future. **Commissioner Philbrook** said yes.

Mayor Alvey said I also think it comes back to something the Commission has had conversations about before which is we need more economic development targeted to bringing in housing in the neighborhoods around that. Not just the one off, but an entire block or a neighborhood and be targeted strategic about that and even though it's going to require an investment, the long-term payoff is, this is what is rebuilding our community.

Commissioner Markley said I also think we should note for our community that this Scenario 1 in particular, we talked about how it will show some immediate results, but how the revenues results are a long-term play here. We want them to see the immediate sort of relief from blight, but we all need to be in it for the long-haul if we're going to use this strategy to increase our revenue.

Commissioner Burroughs said I believe that we as a governing body should set the example for our community. We should invest in the properties that we own, we should maintain them, and set the example as to what we expect our community to reflect. It is awful difficult to send a message when we have properties that have deferred maintenance to the point that they're not efficient, not effective, and they're a drain not only on us financially but as a community as a whole. If our community centers are modernized and up-to-date, they're not going to be utilized and the neighbors or the community is going to make comment about that and we're going to hear about that. If our parks are not up to standard and not being utilized, it's a drain on us financially and the community is going to consider other alternatives to spend their dollars elsewhere for their recreation.

We can talk about codes, but if we don't address our own house, it's very difficult to set a tone. It's a hard step to take a cultural change in how we approach looking at our community. We as a governing body should set the tone. We should be proud of the buildings we own. We should upkeep, we should maintain those properties in a pristine manner as much as we possibly can. Then when we have a code violation within our community, we have the right to issue that code violation and have an ability to stand behind that reason.

Mayor Alvey said we're going to wrap-up. What this has done is we've been able to express kind of what our long-term strategy is. This is now in the hands of the County Administrator who will need to find ways to operationalize this. In other words, how do you implement that strategy, and so that will be part of the budget process to come back with us with proposals.

Mr. Bach said I appreciate that. I think myself and all our staff look at this and when we hear a lot of good intentions and initiatives from the Commission being able to figure out what the primary focuses are and not that any of them fall off the table, but the discussion around housing has been one that has come about in the last year in a much higher rate. You've brought it up in a few different meetings and I think this just reinforces that it's time for us to put in a new strategy or I could say a strategy that has not been an area of as much focus, so that will take some work to go through and figure out some scenarios. Then, we will come back and share with you as we work through it. I won't hold that out to unleash everything at the last minute at the budget process because we will want to develop that probably in the operational areas. As you've said today, it's kind of the continuation of SOAR and what we're doing with code enforcements, I think is a lot of the key direction in moving those. Of course, we will look where we're at with debt.

I think this gives us great direction and I appreciate all the input. We spend time going back through the notes of these meetings. That way we see the individual comments and we will summarize all those and those can be shared out with the Commission as well, but as staff we go back through them and see all the points that you made through the night and that helps us as well as we formulate.

Mayor Alvey said in closing I want to say thanks to all of you for being here this evening. I want to thank Molly and Shockey Consulting. Thank you for your work in helping us and facilitating us through this. I thank staff for all their work and I also thank all the residents who are watching and engaging.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:52 p.m.

Bridgette D. Cobbins
Unified Government Clerk

dt