ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, February 4, 2019

The meeting of the Economic Development and Finance Standing Committee was held on Monday, February 4, 2019, at 5:30 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Burroughs, Chairman; Commissioners Townsend, McKiernan, Murguia, Commissioner Bynum substituting for Commissioner Walters; and Jeff Bryant, BPU Board Member. Commissioner Walters was absent. The following officials were also in attendance: Gordon Criswell and Melissa Sieben, Assistant County Administrators; Patrick Waters, Senior Attorney; Maureen Mahoney, Chief of Staff in Mayor's Office; Kathleen VonAchen, Chief Financial Officer; Alan Howze, Chief Knowledge Officer; Andrea Parra, Deputy Treasurer; Katherine Carttar, Interim Director of Economic Development; and Jay Doleshal, Sergeant-At-Arms.

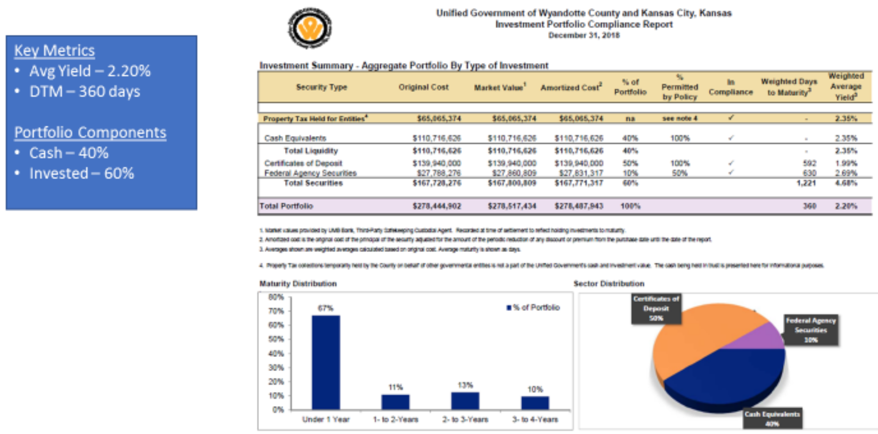
Chairman Burroughs called the meeting to order. Roll call was taken and members were present as shown above.

Approval of standing committee minutes from December 3, 2018. **On motion of Commissioner McKiernan, seconded by BPU Board Member Bryant, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

Item No. 1 – 199…REPORT: 4TH QUARTER 2018 CASH AND INVESTMENT

Synopsis: The 4th Quarter Cash and Investment Report for the period of October through December 2018, submitted by Kathleen VonAchen, Chief Financial Officer.



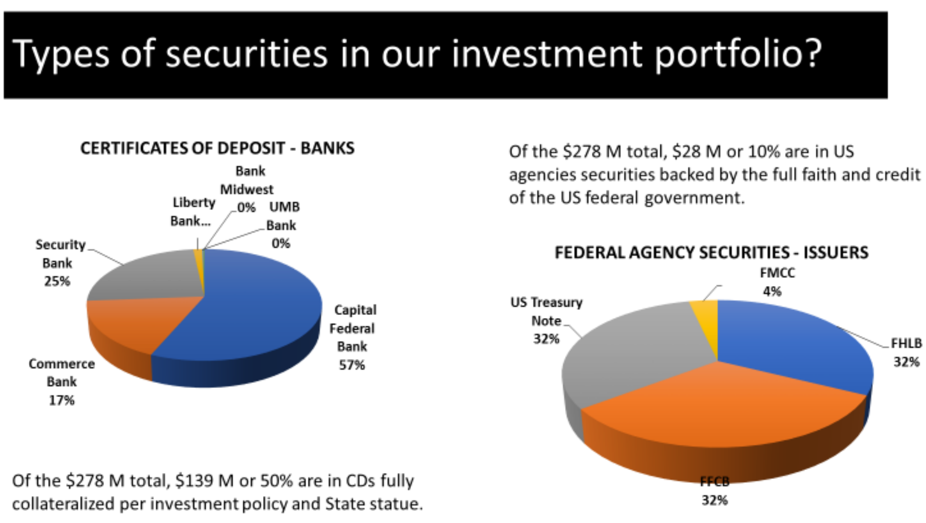
Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
December 31, 2018

Investment Summary - Aggregate Portfolio By Type of Investment

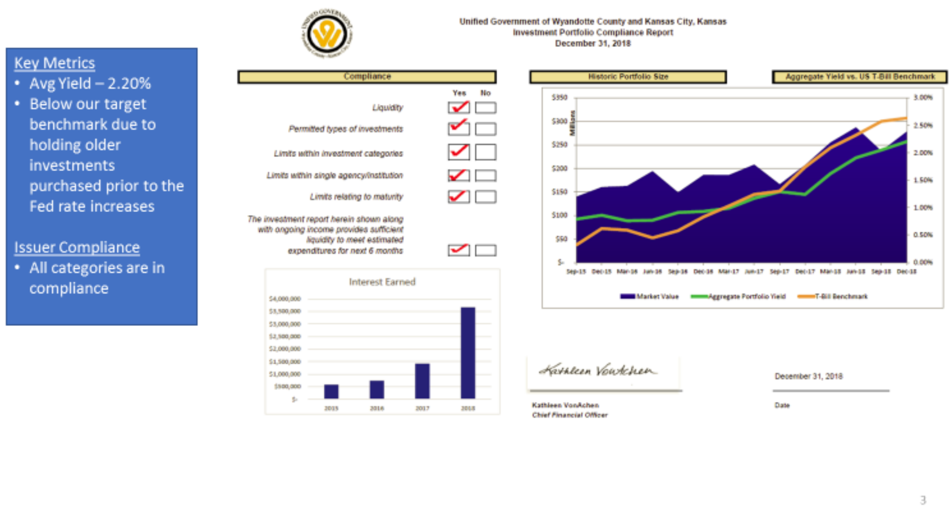
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$65,065,374	$65,065,374	$65,065,374	na	see note 4	✓	-	2.35%
Cash Equivalents	$110,716,626	$110,716,626	$110,716,626	40%	100%	✓	-	2.35%
Total Liquidity	$110,716,626	$110,716,626	$110,716,626	40%			-	2.35%
Certificates of Deposit	$139,940,000	$139,940,000	$139,940,000	50%	100%	✓	592	1.99%
Federal Agency Securities	$27,788,276	$27,860,809	$27,831,317	10%	50%	✓	630	2.69%
Total Securities	$167,728,276	$167,800,809	$167,771,317	60%			1,221	4.68%
Total Portfolio	$278,444,902	$278,517,434	$278,487,943	100%			360	2.20%

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent. Recorded at time of settlement to reflect holding investments to maturity.
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.
4. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value. The cash being held in trust is presented here for informational purposes.

Andrea Parra, Deputy Treasurer, said the first slide's here. I'll just go over a few metrics. The average yield for this quarter is 2.2%. We have the days to maturity which was about 360 days and then our portfolio components; 40% were in cash and then 60% we had invested.



The next slide we're kind of going to go over the securities of our investments. We have $139M or 50% that are in CDs. The total portfolio right now in this quarter was about $278M. Then, on the right side, you'll see we did have some federal agency securities, $28M or about 10%.



The next slide is going to be kind of where we are in terms of compliance. I will note that Capital Federal, during this quarter, would have been within the limit of 30% or less. That was because we are holding what would have been about $65M in property tax held for the entities. We will see a difference that will put them back out of compliance in Quarter 1. They'll hit about 31% based on the calculation I did. With everything maturing by May, we should hit down below for a firm 30 or lower by the second quarter 2019. They have about $17M that'll be maturing before Quarter 2 of 2019, keeping them in compliance at that point.

What transactions occurred in Q4?

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q4	NA	UMB, Wyandotte Operating	2.349%	1/2/2019	60,125,640	60,125,640
Thru Q4	NA	UMB, Wyandotte Health Reserve	2.349%	1/2/2019	149,000	149,000
Cash Equivalents					**60,274,640**	**60,274,640**
Purchases					-	-
12/11/2014	70122999	Capitol Federal Bank	1.340%	10/25/2018	(3,000,000)	(3,000,000)
5/11/2018	70167423	Capitol Federal Bank	2.060%	11/13/2018	(5,000,000)	(5,000,000)
5/25/2017	70155741	Capitol Federal Bank	1.440%	11/26/2018	(5,000,000)	(5,000,000)
3/26/2015	70127694	Capitol Federal Bank	1.240%	12/3/2018	(4,000,000)	(4,000,000)
Calls/Maturities					**(17,000,000)**	**(17,000,000)**
Total					**43,274,640**	**43,274,640**

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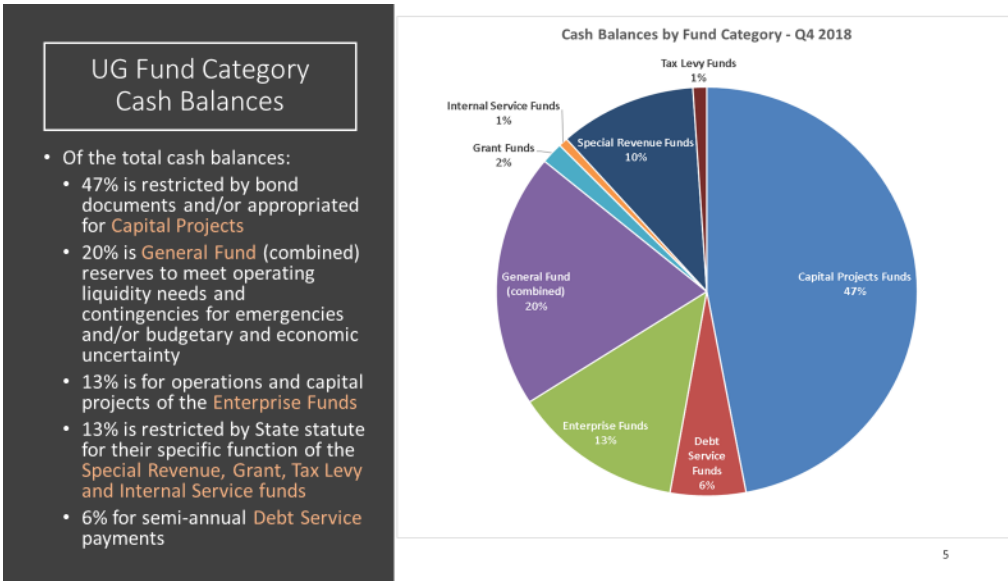
This will be what kind of happened overall in Quarter 4. We did not make any purchases. Then we did have 4 matures; obviously all showing Capital Federal as well, which did help quite a bit lowering the amount that they were holding. As you see at the top, we did have quite the higher level of our operating account, which was part of what we were holding for the securities of the other entities for property tax.



Kathleen VonAchen, Chief Financial Officer, said one thing I did want to point out is that in the—since this is the yearend, we earned $2M more in interest than we did in the previous year and that's because the interest rates rose during the year by the fed mainly.

The other point is that blue area is larger than the prior years and that is mainly because we're holding quite a bit of cash because of the juvenile center. There's a variety of temp notes that we're holding and spending down, and PBC bond money because we're in the middle of construction of various large projects. That kind of goes into what I was going to talk about with this last pie chart, which as you can see 47% of the total portfolio was in capital project funds. The general fund has 20%, enterprise funds combined have 13%, and other special revenue funds have 10%.

Commissioner Murguia said this is just for information only, correct.

Chairman Burroughs asked any questions. Anyone from the public have any questions? Seeing none, as I stated, it is for informational purposes only.

Action: For information only.

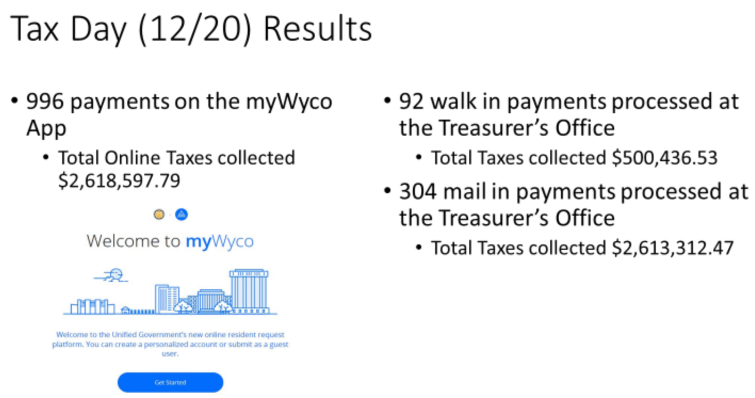
Item No. 2 – 1910…PRESENTATION: PAYIT PERFORMANCE FOR 2018 TAX SEASON

Synopsis: Presentation by Andrea Parra, Deputy Treasurer, on the performance of the PayIt property tax collection process for tax season 2018, submitted by Kathleen VonAchen, Chief Financial Officer.

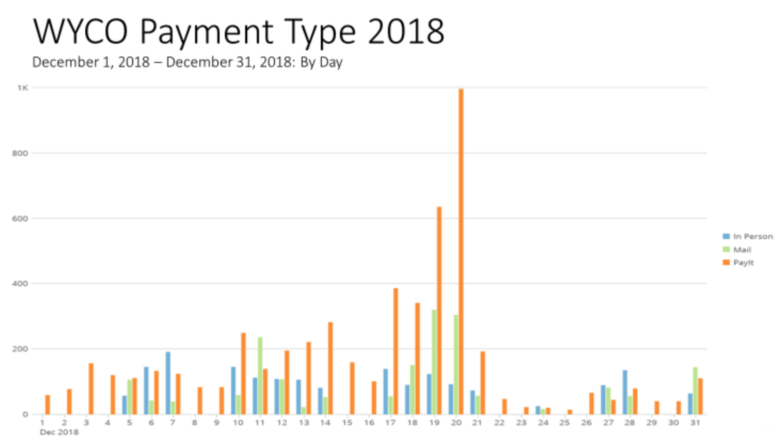
Andrea Parra, Deputy Treasurer, said this is kind of like a story we're going to tell if you will. As you may know, we went live with PayIt in 2017. We've had a full year and a full tax cycle to kind of compare what was done before as opposed to what we did here a few months ago. The first one I'd like to touch on is we really hit the marketing really hard thanks to the PayIt team, the Knowledge Department and Alan's group.

A few features we did, the very top right side you're going to see—this right here is going to be on the flap of every envelope we did and then the back of your envelope you would have seen this marketing item and additionally we added what is essentially this large size. It's a business card shaped marketing card that every member of my office would have handed out, regardless of what they were coming in to do, talking about what to do. We kind of pushed towards what we call an education campaign where we wanted to push them to attempt to PayIt first, myWyco app, then if there was an issue, we would bring them in for essentially mailing your payment in or walk-ins at the third level.

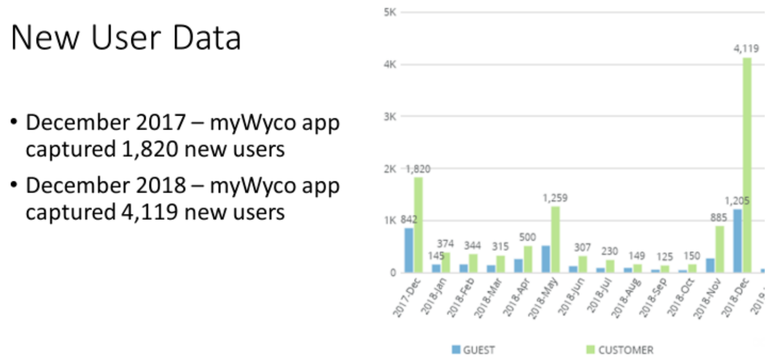
We did all three types of business, of course, but we tried to really up sale myWyco as much as we could this year. Like I said, we did heavy emphasis on the different envelopes that we had, then we did heavy emphasis on the social media. We had Edwin Birch help us out, posted it to every newsletter and every market item. We went to neighborhood meetings, talked about the program and then we also updated what we call, they are 6-foot tall standalone banners, if you haven't been in either of our offices, that stand outside in the front lobby of both locations.



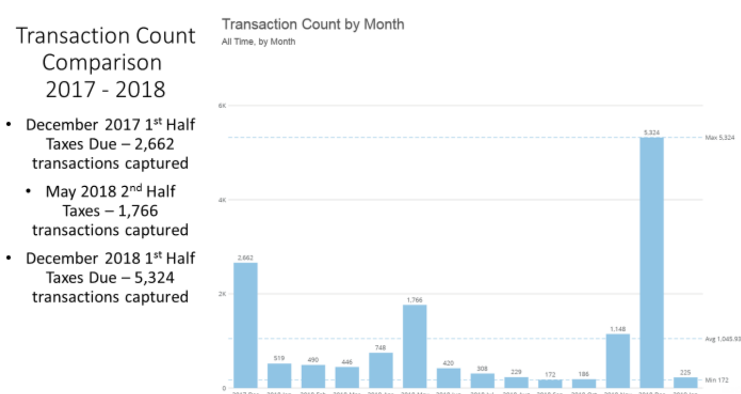
This is going to be the results that we had on Tax Day on the 20th of December, kind of show you what we really did. On the 20th we had 996 payments on the myWyco app, totaling about $2.6M of tax collected. Then we completed 92 walk-in payments for about $500,000 and then our back-office team worked on mail and got about 304 mailed payments. About $2.6 was collected that day as well.



Just to kind of compare, about 71% of the total payments that day were done online; then we had 6% in walk-in and about 21% mail that we processed. This follows up from that slide. It just shows you on the 20th, that red line is going to be the PayIt online payments that we received. Blue line is in person and then you've got your green line which is mail and that's going to be Tax Day. As you kind of compare every orange line is about higher than all the blue or green which is great for us to see.



New User Data is going to kind of compare what we call a new user versus a guest. In 2017 when we went live, we only had captured about 1,800 people that actually joined the service, created an account and have since synced their properties. After multiple different discussions with everybody we could talk to we got 4,100 people to join as a new user. What that will essentially do is next year 4,100 people don't have to call. They can go on; we push them a notification and they pay their taxes in about two minutes or less.



The next one is going to kind of just compare what we did last year to what we did this year. The first half in 2017 got about 2,600 transactions. The tax half first in this year 5,300 transactions. We're hoping to double, if not triple, the amount we get here in May as well by just continuing to talk about the service and pushing it. Everyone in the office knows how it works from beginning to end which really helps educate everyone involved.

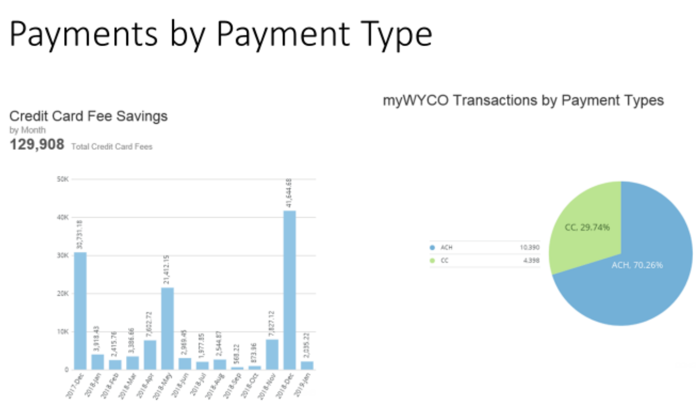
Chairman Burroughs asked with this increase in app application for paying your property taxes, are we seeing a decrease in delinquent taxes. **Ms. VonAchen** said yes, I recently took a look at that and I'm very happy to report that where I was budgeting 7% on the city general fund side and 6.5% on the county, what we actually saw in 2019 was 5.5% for both. **Chairman Burroughs** said wow. That's good. **Ms. VonAchen** said a decrease of over 1%. **Chairman Burroughs** said and what does that translate into dollars? Do we know just a rough estimate? **Ms. VonAchen** said no, I don't know offhand, but we'll provide that during the budget process because we talk about delinquency rates then. **Chairman Burroughs** said I'm just taking into consideration the $2M in interest that we were able to achieve and with additional property tax delinquencies dropping, that's important revenue for bonded indebtedness that we'll be discussing later. **Ms. VonAchen** said well, the $2M is spread across all the UG funds. Some of it goes to sewer and a lot of the other funds but sure.

Alan Howze, Chief Knowledge Officer; said I'll just add, I think there's a combination effect too. I think the work of the SOAR Team to focus on delinquent tax and the work on the Tax Sale is also driving additional messaging within the community about—it makes it easier for people to pay online and so these things are working in combination or in concert with each other in positive ways.

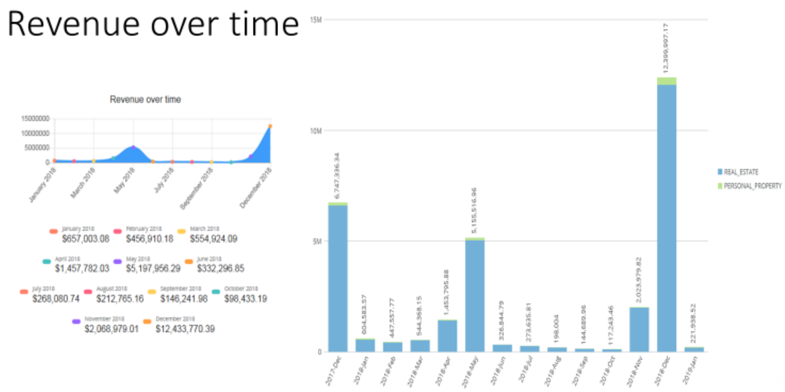
BPU Board Member Bryant asked is there a processing fee that the UG has to pay to use this service? **Mr. Howze** said there is. We have a per transaction fee that we pay to PayIt and then if someone chooses to use the ACH option, which is you eCheck option, it's free; and we pay a small amount on that. If it's a credit card, people still have the option to use a credit card because that's a percentage of the transaction amount that is passed through to the end user, to the person paying the taxes. We retain the free option to pay, whereas in the past, we just had the credit card option. We had very high credit card fees as a result. Large taxpayers were paying using credit cards and thousands of dollars worth of associated fees with that for a single transaction. We've basically sort of flipped that ratio if you will.

BPU Board Member Bryant said so the credit card fees, which we're very aware of, because we see that when you pay online at BPU, but the credit card fees are the responsibility of, the payee/payer and the fee, just the general online fee to use is a set fee per transaction not based on the amount. **Mr. Howze** said that is correct and that is absorbed by the UG. That per transaction cost is not factored in. It doesn't show up on your bill. **BPU Board Member Bryant** said no, it's just a convenience to try to improve. **Mr. Howze** said correct because it's certainly a lot cheaper to process an online payment than any other form of payment; somebody walking in the door, somebody paying by mail. The cheapest channel for them to pay is paying online.

PU Board Member Bryant said well, it's nice to see that it has increased the traffic. Thank you. **Mr. Howze** said correct. If you went back to that daily, you know that showed every transaction that in the past, you spoke to this, it would have looked different where what is now the orange or the online payments would have been the mail in payments. Again, that sort of whole channel, those channels have flipped in essence.



Ms. Parra said it actually leads up to the next slide we are going to go over. As you see for the month of December, each month it kind of breaks out what credit card fee the Unified Government has saved by using this new process through PayIt. As Alan was kind of touching on, the UG used to pay the credit card fees. Now they're passed through to the payee who is accessed the fee based on what they're charging a lot of, most honestly 70% of our residents are using that free feature through ACH.



This kind of just breaks down the revenue over time. We've got December 2018 hits at about $12M over time based on the comparison of December 2017. I would say we doubled that for sure.

Commissioner McKiernan said Mr. Howze knows I've been an early adopter of this. There were some growing pains that, with credit to your department, you have worked through each of those growing pains. I just want to know how responsive has the vendor been to concerns that have come up, requests for feature changes, requests for bug fixes, those types of things? **Mr. Howze** said I'll start. We've been having a weekly meeting with the vendor. This conversation started in July for how we were going to advertise and support the marketing for the fall tax season. They've been with us every step of the way providing ideas and providing feedback on ideas that our team presented. I think they've been quite responsive. There are more features that we've identified that we would like to continue to iterate and improve upon. Andrea can speak to those as well.

Ms. Parra said not only have they been very open, I mean every meeting we have it leads with, here's what we're doing next. Here are the ideas we have. Even to the point where there are weeks where we don't even realize there was a bug because it was already fixed when it was brought to us; whether it be an interest issue or something did not download right. Most of the time we know because it's already fixed.

From my experience being in Treasury, I've never used another vendor that is so cooperative but also informative and very transparent when there comes an issue and they accept the fault, fix it and move on.

Our residents do not suffer when they use this product for sure. We're open. We have a dashboard, a long list of things we want to do. We're working with multiple different departments, seeing how we can push anyone who does anything in terms of making a payment goes through myWyco. Setting up reoccurring payments is the next goal. We'll meet with them next week to make sure that's on the board. They're just really the sky's the limit of what they can do for us.

Commissioner McKiernan said and this is something I had communicated with Mr. Howze about. I had one complaint that you couldn't link multiple properties together. I just want to confirm that you can make one payment for multiple properties with one transaction. Is that correct? **Ms. Parra** said correct. Yes, that is correct.

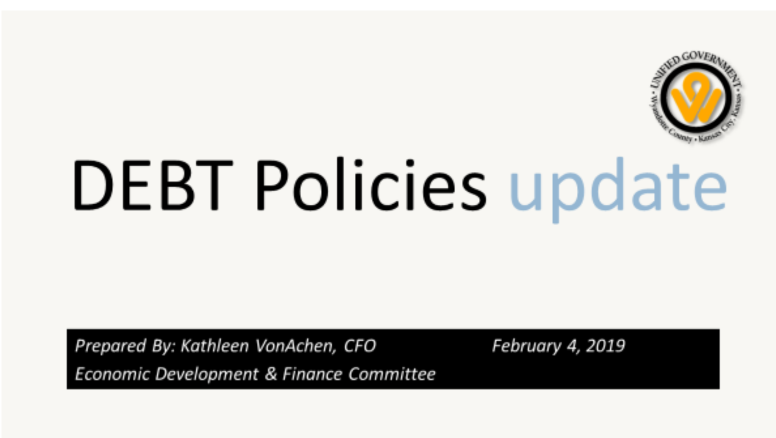
Commissioner McKiernan said so the person who complained to me said they had been informed by your office that was not possible. All of our staff do know the capabilities of the system and they're able to give accurate instruction and feedback to anyone who calls in? **Ms. Parra** said yes. We actually had a vendor representative come out and do a walkthrough from beginning to end at our October offsite training, and then we reiterate it every time we have meetings. We discuss how to use this function and to sell it, upsell it and make sure you understand how to work it. **Commissioner McKiernan** said perfect. I really do appreciate it.

I'd love to get a report someday on the code violation module since that was the one I downloaded, even during your presentation, that it was available and have used it and have been pleased to see many similar evolutionary changes in it. I'd love to get an update on where it is at some point down the road. **Mr. Howze** said we'd like to bring that to you this spring.

The 4,000 new people that have set up accounts now, part of the benefit of that is that they're also able to use the 311 feature on that as well to submit where there's code violations, pothole or any number of things. We want to continue to think about how we can use that user base to improve neighborhoods to improve the community. The other benefit is that you can also pay your motor vehicle registration through that so—**Commissioner McKiernan** said I do that too by the way. **Mr. Howze** said so that's an additional benefit for Treasury is that you can—as people begin to link their vehicles to it as well, that again becomes less calls and service requests that are coming in Treasury, and more people can do 24/7 at their convenience and at no cost. **Commissioner McKiernan** said I really do appreciate it because as I said, I experienced a rocky start in my association with this app; but it has grown in ease of use and certainly I'm a strong proponent. I pay all my stuff through it, so thank you.

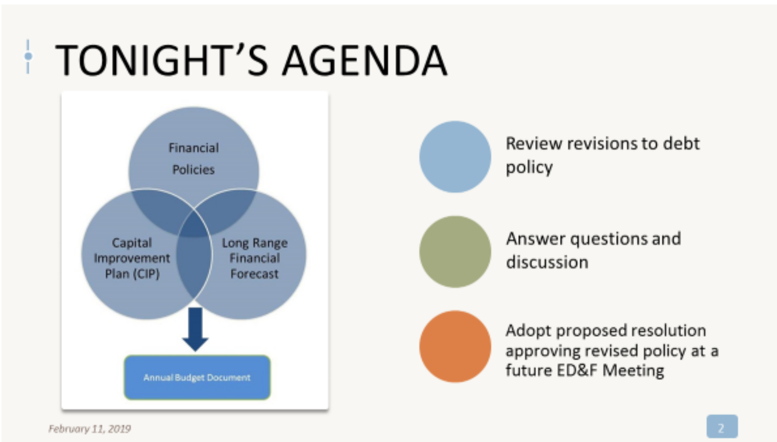
Action: For information only.

Item No. 3 – 19559…DISCUSSION/RESOLUTION: DEBT POLICY REVISIONS
Synopsis: Discussion and approval of a resolution adopting debt policy revisions, submitted by Kathleen VonAchen, Chief Financial Officer.

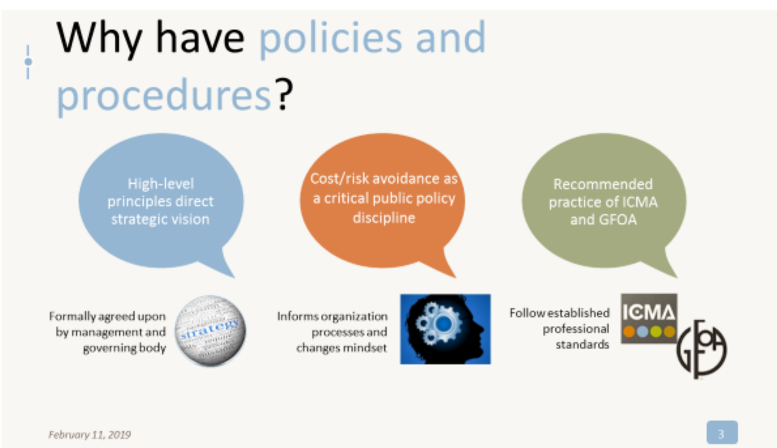


Kathleen VonAchen, Chief Financial Officer, said the presentation tonight is just to review or talk a little bit about the debt policy revisions and to provide some graphic information of how the debt structure would look given certain ratio guidelines that are discussed in the policy. I would recommend that we hold on voting on this policy until the March meeting when we can have all of it finalized at that time. I've had a variety of meetings with various Commission members over this past month. I think it would be best if we held off.

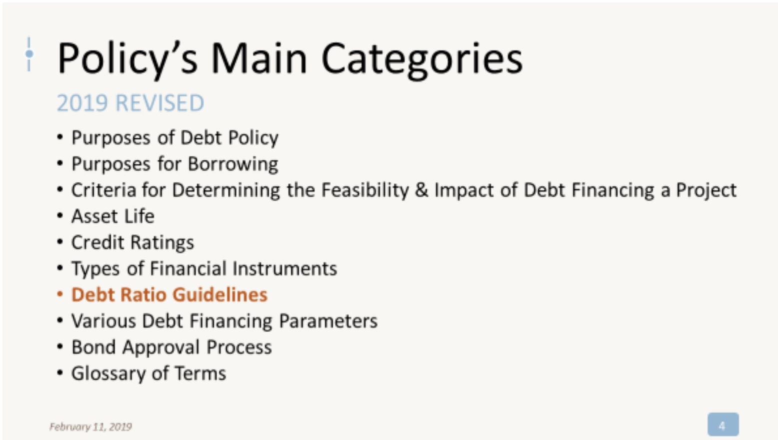
At this time, I did want to present to you some information I've compiled. Tonight, no action in other words. **Chairman Burroughs** said so this will be for information purposes only. **Ms. VonAchen** said that's correct. **Chairman Burroughs** said okay.



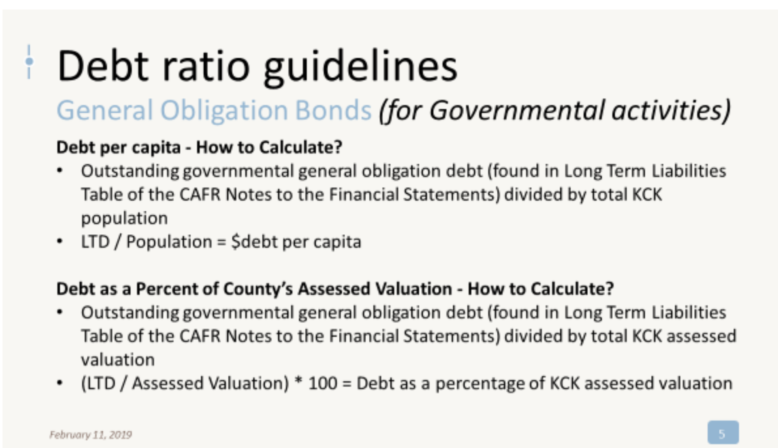
Ms. VonAchen said as you know, we've been reviewing all of the policies. The meeting tonight is really just to answer questions and have discussion. I hope we can adopt it at a future date.



We want to prepare policies that have a high level of principle that direct the strategic vision of the organization, that mitigates costs or risks that are critical in public policy, discipline and then also that these policies are recommended by ICMA and the GFOA.



Last month, we went over the policy as revised and so here are the major sections or categories of the policy as discussed before: the purpose of a debt policy, the purposes for borrowing, the criteria for determining whether it's feasible or what's the impact of the debt financing of a project, the asset life, the credit rating, the type of financial instruments (there's a variety of them), there's a section on debt ratio guidelines—that's what I want to talk about tonight. In addition, later on, in the policy there is also various debt and financing parameters, then how a bond is approved, and then a glossary of terms.

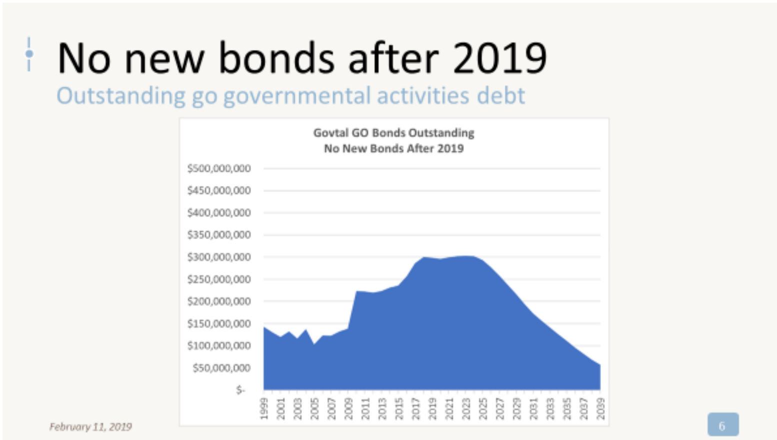


In the debt ratio guidelines, there's some discussion of what kind of ratios do we look at for only general obligation debt that is funding governmental activity projects. There's also another section on what debt ratios do we look at when we're issuing revenue bonds for electric utilities, for the water utility, or for the sewer utility. Tonight, I only want to talk about that debt that's a general obligation bonded debt that is supporting governmental activities that are not business type activities. In other words, what I'm referring to is what's often referred to as the $15M a year debt, the general obligation debt that pays for our streets and for many of our other capital projects that relate to our infrastructure and pay for facility replacement and that sort of thing. **Commissioner Murguia** said these aren't economic developments. **Ms. VonAchen** said that's right because see, economic development projects are often paid for from special revenue bonds where sales tax revenue or property tax revenue is generated within the project to pay that debt. That's separate from what we got here tonight that I'll be talking about.

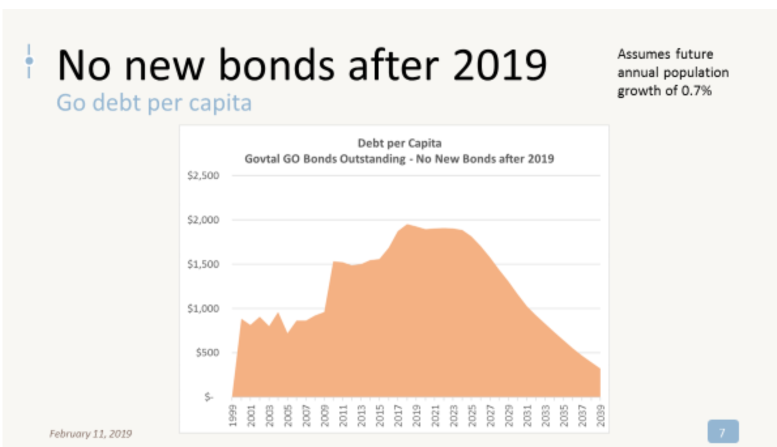
The ratio guidelines I've outlined in the revised policy are two. They're very common in most cities. It's debt per capita and then debt as a percentage of the county or the city's assessed valuation. The first one is very easily calculated. It's that general outstanding governmental general obligation debt that's found in our CAFR under the long-term financial, long-term liability table and then you just divide it by the total KCK population.

One revision that I'm recommending, which isn't in the packet tonight, is that when we do this calculation, we use Kansas City, KS population and Kansas City, KS assessed valuation. Because our organization is so large, and Kansas City, KS, does make up 93% of the total population in Wyandotte County, a lot of time we sort of interchangeably use the City of Kansas City or interchangeable use Wyandotte County when we really should be really specific and just talk about the city of Kansas City, KS.

This bonded debt that's paying for general governmental infrastructure improvements is all coming from a city mill rate. When we do our ratios, we should also use the city population and the city assessed valuation because that's the right way to go. I'm making a few refinements to the policy that you have in front of you or that was posted on the agenda system tonight to accommodate some of those nuances. There's also some edits which some of the committee members suggested. I'm taking that total bonded debt divided by the city population. On the assessed value side, and I probably should of written city here, I should take the debt as a percentage of the city's assessed valuation, and that's the calculations I did do so I'm going to show you here in a second. That one's presented as a percentage so you multiply it by 100.



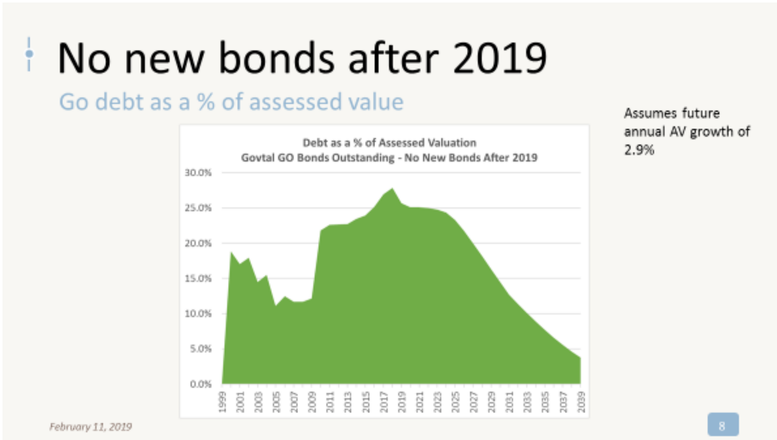
Now how does that look? What we're going to show you is a series of three graphs. One of them is just the outstanding debt. How much debt in this category? Is there? How does it look out in the future? The second graph will be the debt per capita and then the third graph is the debt as a percentage of assessed value. This is if we did not issue any more bonds. We just issued bonds last Thursday.



This is how we look. Today, our outstanding general governmental debt level is $300M. Basically, we're about right there. Actually, there are no more bonds after 2019. It does bump up a little bit because we have included bonds as they were approved in the current CMIP. I have to qualify that just a little bit. We have the current CMIP financed here and then after that, there are no more bonds. It drops all the way down to $57M in 2039. Now, this is how it looks for GO per capita. Right now, in 2019, it's $1,900 per resident. As we pay down those bonds, it drops down to $300 per resident. Just consider it like your mortgage, like that, where it drops as you pay down the principal.

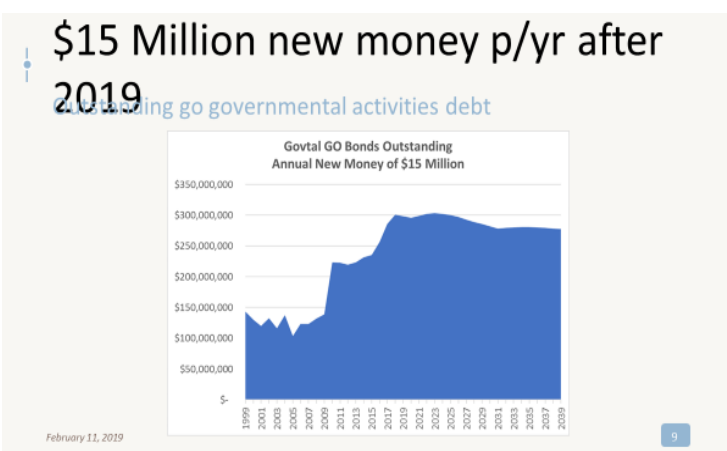
Chairman Burroughs asked, Kathleen, may I stop you just one second. The question that I would have, you show no additional bonding after 2027 but realistically, we know we have $17M, I believe, in the budget that we bond every year. **Ms. VonAchen** said yes, so—**Chairman Burroughs** said that we look at bonding every year for projects. That's not reflected in this graph. **Ms. VonAchen** said that's right. What's reflected here is only financing the amount that is in the current Capital Maintenance and Improvement Plan. Next year, there is about $19M. The year after that, I don't remember offhand how much, we can look it up, but whatever is already approved for projects is in this graph and then after that, no more projects. I'm showing you these three graphs as a baseline, so you can make a judgement compared with the next graphs I'm going to show you.

Commissioner Murguia said I know that we've talked about this multiple times and at strategic planning and stuff, but I just have to hear you say it. Is that really possible? **Ms. VonAchen** said well, you know our community is aging. We have dire infrastructure needs as our streets become—you know there's a lot of maintenance that needs to happen and there's a lot of replacement and rehabilitation of our streets. This is not doable. The recommendation in the debt policy is not necessarily to adopt any specific ratio target, but to provide a guideline. We're going to go through that in a moment. What is an investment in our infrastructure that's sustainable and yet still diminish our outstanding debt? **Commissioner Murguia** said again, these are capital improvement projects and regular expenses that normal government incurs on a regular basis; road improvements, sewer improvements—**Ms. VonAchen** said not sewer. Sewer is an enterprise fund. **Commissioner Murguia** said list three things that are so people know what you're talking about. **Ms. VonAchen** said buildings and facilities—**Commissioner Murguia** said that are owned by the government. **Ms. VonAchen** said owned by the government, roads, bridges, sidewalks. **Commissioner Murguia** said that's good. Yes.

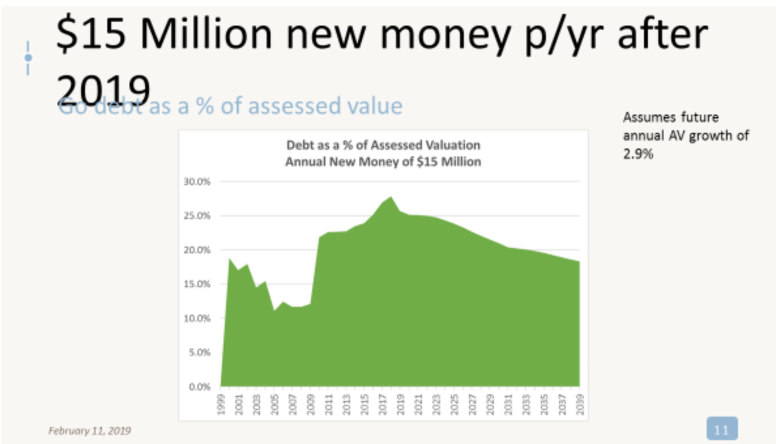


Ms. VonAchen said right now, it's at $1,900 per resident. On a debt per—debt as a percentage of assessed valuation, remember this is the city, right now, we are at 25.7% of—that's how much outstanding governmental GO debt as a percentage of our assessed value. It's at 25.7%. Moody's and S&P, you know the credit rating agencies generally think 15% is a better percentage, but don't lose hope because you're going to see some information here in a minute.

Chairman Burroughs said, but if I may, at a time of low interest rates, the exception to carrying a little more debt than usual is a fact that that debt is cheaper now than what it would be in a higher interest environment. Even though carrying debt is not what a business should do, but with the the market as being as it is with the low interest rates on borrowing money, it's cheaper to do it now than it would be in hypothetically 2-4 years from now. **Ms. VonAchen** said that's a very good point. I am going to back up to the two slides before and touch on that topic for a moment.



You can see in 2009 we had an $85M increase in our outstanding debt and that was because the Unified Government and the Commission approved bonds that were backed by the—they called the stimulus bonds. Partly, as a result of undertaking those stimulus bonds, we got credit back from the federal government on the amount of interest that was due on those bonds. They turned out to be very inexpensive. That is part of the reason why all of this is still sitting out here. It increased dramatically. As that burns off, then you see the slope coming down. **Chairman Burroughs** said that's the recession time that we're referring to on the stimulus programs. **Ms. VonAchen** said yes.



Now we're here. Now you notice there's this big kind of peak right here. The reason that this drops down is because our assessed value went up. As our assessed value went up, the percentage of debt as a percentage of assessed value went down. That's the benefit of growth in our assessed value. That's why we or the credit rating agencies look at it so closely. We can grow our debt as long as the growth of our city and our county is growing as well. It's when you enter into debt and you're not seeing a lot of market value improvements in your area that you know it gets problematic.

Commissioner Murguia asked do those projections out to 2039 take in account the potential for growth in our property values or is that solely based on not taking out additional debt. **Ms. VonAchen** said this 2.9% is a ten-year average of the assessed value of the entire. It factors in the recession as well as the recovery. That's purely all it is. **Chairman Burroughs** said it doesn't have the ongoing, you add on to it. **Commissioner Murguia** said right. I get that. I just wanted to make sure in the projections, that you've included the average rate of appraisals going up. **Ms. VonAchen** said right, very conservative because last year we had 7.5% for the county.

Now, what we're going to do is we're going to look at the current administrative policy or the direction that the County Administrator is taking, with your guidance, is that we issue about $15M a year on average in governmental general obligation debt. This past budget year, he recommended and you approved $13.5M. Subsequent to that, we added another $2M for the grade school, which I'm forgetting the name of it now. Brune, thank you. We brought back up to $15.5M just so you know. You noticed how it's not going down here. Before, this was all going down here, all the way down to $59M. Now we're ending—we start around $300M and we end at $277M. Not growing the level.

By pursuing this guideline or policy, we're not actually growing our outstanding debt because we're adding as—as we pay down, we add, and so it's staying pretty much level with where it is. It does represent an investment in our community and addresses those infrastructure needs. This is how the ratios look. Our debt per capita, right now it's at $1,900. At the end of this period, it drops down to $1,600. It does drop down a little bit. On an assessed value basis, it drops from that 25.7% down to 18%. The credit rating agencies, they kind of like to see 15%.

Commissioner Murguia asked do we have any information on how less of an investment—okay, let me see if I have this right. We're going to spend less general obligation money on these types of improvements. I assume that means we're going to do less projects. **Ms. VonAchen** said this is actually what we're doing now. We actually are just spending about $15M a year in new money. If we were to do less projects, that would be the next three slides. **Commissioner Murguia** said this is if we do the same out of money that we're doing now. **Ms. VonAchen** said yes, status quo. **Commissioner Murguia** said it's going down, and then you're going to show us if we do less. **Ms. VonAchen** said yes.

Commissioner Murguia said we are going to issue general obligation bonds, we're just going to issue less than what we have in the past. **Ms. VonAchen** said well, that's entirely up to you. The policy actually just provides some guidelines. You all provide us what direction you want to undertake. The policy just helps you to frame your thoughts around your outstanding debt so you could say yes, I think we want to target this amount per capita or this percentage as a percentage of assessed value. From there, we're able to move forward with how much new debt we should issue in order to meet those guidelines. **Commissioner Murguia** said right.

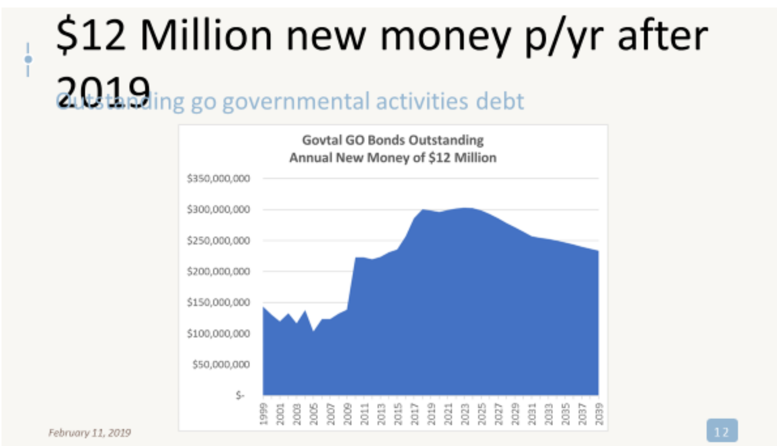
Just for clarity for people watching, because I get this question in my district, these kind of projects don't generate any revenue so there's a difference in the general obligation bonds the government issues to pay for government expenses. The general obligation bonds that are issued, for example, economic development deals which typically the way those deals are structured is that the deal itself is paying down the debt on those general obligation bonds, not the taxpayer. Correct? **Ms. VonAchen** said that's correct. That's not part of this at all. **Commissioner Murguia** said right. There's no potential to get revenue from any of these projects. These are just things we have to do. **Ms. VonAchen** said right; exactly. **Commissioner Murguia** said right.

Chairman Burroughs said I would add it's not a monetary return, but what you will see is a goodwill. You'll see a public that sees new sidewalks and new streets. You'll see enhancements in your neighborhood. You'll see a commitment to people to stay in their neighborhoods and continue to grow our population. That's the return on a GO investment if it's done properly. **Ms. VonAchen** said that's right. There are intangible benefits to the community, which we're calling quality of life, that if we make these improvements, then generally the community will feel happier in their community and more fulfilled as they travel to work, or play in the parks, what have you. That all intrinsically has a benefit which may translate to improved assessed value on the growth of their property because as they enjoy where they live, others will see that and want to move here to and it may drive demand up. It's not necessarily a revenue that's pledged like an economic development bond.

Commissioner Murguia said I completely agree with what Commissioner Burroughs and you are saying. I get that putting in a new street or a new sidewalk greatly enhances the quality of life, but also does have an affect on the appraised value of individual residents that live on that street which I think is good. I only emphasize that because if we decide as a commission to issue less general obligation bonds to provide those kinds of infrastructure needs to our community, it will have an affect on our appraised values. **Ms. VonAchen** said it certainly could. Yes.

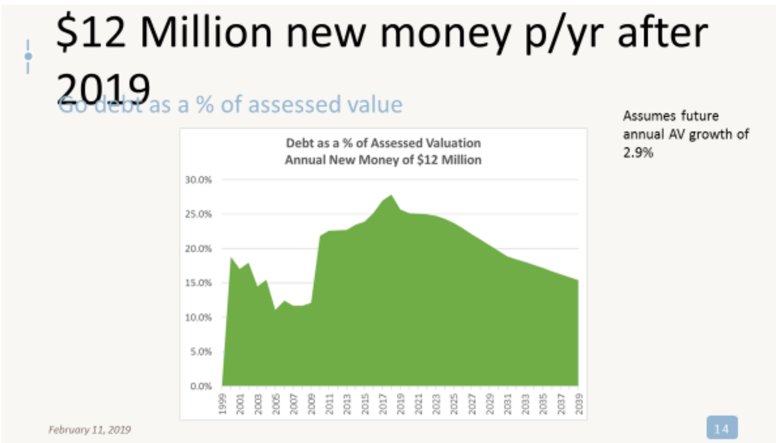
Commissioner Murguia said I would like—**Ms. VonAchen** said deinvesting or investing less in our community. **Commissioner Murguia** said I think we've seen that in particular in the older parts of our county and those older neighborhoods east of 635 with the lack of investment and sort of those basic infrastructure needs what happens to appraised values, and also what happens to the housing stock. There isn't a lot of motivation for the resident to reinvest if their own government isn't reinvesting. I'm anxious to see if we're going to issue less general obligation bonds and maintain the quality. I'd like to see it actually go up, the quality of our infrastructure. It'll be interesting to see how we're going to do that, maintain valuations and keep our residents motivated in maintaining their property.

Ms. VonAchen said alright. If we dropped it from $15M a year to $12M, how does that look? We're starting out around $300M. With $15M, we end with $277M. With $12M a year, it's $233M.



Instead of $277M, it's $233M, a $12M investment. $40M less at the end of roughly 20 years.

On a per capita basis, right now we're at $1,900 per resident. At the end of 2039, we would be at $1,300 per resident. If we stayed at the $15M per year, it'd be $1,500 per resident; $200 less if we changed from the status quo. It still drops because we were at $1,900 and it goes down to $1,300.



If we were to invest $12M, how does it look in terms of the debt as a percentage of assessed value? Right now, we're at 25.7% and it drops to 15%, which is basically what Moody's and S&P would recommend, but at the current status quo value of 15%, it's around 18%. If we may continue to just invest or issue debt of $15M a year, we end up with 18% at the end instead of the 15% if we dropped it to $12M a year. Clear as mud.

Commissioner McKiernan said I just wanted to put this out there. Historically, I've been concerned about the amount of debt that we're issuing and I want us to be prudent in that. I will say going back to Commissioner Murguia's comment about infrastructure improvements, I am struck more, more and more by the critical need to improve the infrastructure in our older neighborhoods: the streets, the curbs, the sidewalks and the alleys. It is going to take a very large investment on our part. While I want us to be cautious about significantly increasing the amount of debt we take on for infrastructure purposes, I also don't want to see us cut it down any because we are in such a large hole and it's going to take a lot of resources and a lot of time to dig out of it for the benefit of our residents.

Commissioner Murguia said I also have another comment and question. I've been gone for a little bit but when I came back, I understand there's been some changes in regard to—it's a little bit different, but it does relate to this, that our government has decided not to issue general obligation bonds on development deals any longer or they're going to be more strict about the projects that they do invest general obligation bonds in. I'm saying this, but if I'm wrong, someone correct me. I'm really not completely sure, but I think I understand this.

When we issue in the past, since I've been up here, when we've issued general obligation bonds on development projects, we usually require that developer to install new roads, new curbs, new sidewalks as part of that development deal. My understanding is the development itself has to pay those general obligation bonds off, not the residents through our traditional tax base like what we're referring to tonight.

Ms. VonAchen said ideally, what we want to do, is issue special obligation bonds that are economic development bonds, that are not backed by the general obligation of the government. When you refer to general obligation bonds, they do get lumped into here because basically we've determined that the project isn't secure enough to generate the revenues to make the debt service payments and so we have to issue an annual appropriation clause. If the project doesn't generate enough revenue, the Unified Government is on the hook to make the debt service payment.

There's two types of economic development projects. You just need to keep that in mind when we're talking about it. It's those projects that don't have a history of a revenue that is strong enough to be able to sell the bonds to investors because the investors are concerned about whether they're going to get their return as they expect. Those bonds, we have to tack on a GO backing or an appropriation clause. Our direction is that because our economic development efforts are becoming more mature than they were say 20 years ago, we feel now that perhaps we're in a position where we can be a little bit more selective about which projects we want to assume risks for and which others we don't. That's probably more, but I don't actually remember anything happening per se in the last month or so but generally, that's the direction the administration would like to take.

Commissioner Murguia said you would think, okay, I think most people would agree that growth is risky in development; but without taking that risk, there is no potential. You take the risk or there's no potential at all. I think there does need to be some risk. I guess what I don't understand is would we rather just pay for infrastructure improvements ourselves and rely on our taxpayers to shoulder that entire burden, or would we rather take a little bit of risk that a potential development deal or potential economic development situation could incur that debt. I just think logic would rule on the side of if there is even a remote potential for someone else to pay that debt other than our residents, why would we not take that level of risk. **Ms. VonAchen** said right now in this section of the debt policy, we don't talk at all about projects that developers potentially would be interested in maybe doing if we gave them support. These are projects that don't have any possible means of generating any other revenue. That's what we're talking about right now.

Commissioner Murguia said maybe, and I'll just throw it out and I won't belabor it, I can meet with you later about more of the specifics, but maybe that's the problem. Maybe if we had looked at our infrastructure around the county as opportunities for development potential instead of just a burden to shoulder to improve them and we incentivize those areas with general obligation bonds for potential development, we can get the infrastructure that we need and the improvements that we need, not to mention create additional jobs and at the same time, potentially share the risk of the payoff with another party other than our taxpayers. They are very separate. I agree, Kathleen. I'm not sure that they should be. If we're having to revamp these infrastructure areas, then there has got to be some sort of development potential there. That would mean nothing else is there. **Ms. VonAchen** said rehab or replacement of old streets, that's what we're talking about here and other similar activities, facilities that are very old and rehabbed.

Commissioner Murguia said I would like to see those top projects, let's just say the top 10 projects that we'd like to do in the next couple of years, where they're located at and what we plan to do. The ones we want to spend the bulk of our bonds on. I would like to see those. **Ms. VonAchen** said I'll send you a link to our Budget document with what page to look at specifically. I wanted to have that up here on the screen to show you. **Commissioner Murguia** said yes, because I don't think those are neighborhood streets that are eating up the bulk of our money. **Ms. VonAchen** said what we do is we review all those in May as part of the Capital Maintenance & Improvement Program budget process. **Commissioner Murguia** said I've seen those projects before and a lot of times they're large stretches of road that maybe aren't necessarily neighborhood roads. I would just like to see the top ten, even the top five projects that we're spending money on.

BPU Board Member Bryant said, Kathleen, I appreciate the scenarios. My one hazard would be that you're projecting out 20 years, and I don't believe that $12M will buy you $12M worth of what you're seeing now in 10 years. **Ms. VonAchen** said that's true. We had to make it—**BPU Board Member Bryant** said I understand. I just believe that even the $15M won't be $15M anymore. **Ms. VonAchen** said right. You do see the dramatic impact that an increase in our assessed value has. It really does improve the capacity of your debt. **BPU Board Member Bryant** said I believe that's going to be the biggest gain will be the fact that in 20 years from now, $15M will cost us $20M, $22M to realize the same value; but hopefully, our growth in assessed value is more than 2.9. **Ms. VonAchen** said if I inflated the $15M a year, then I think everyone would have been really confused but—**BPU Board Member Bryant** said no, no. Thank you.

Commissioner Bynum said I don't disagree with what you're saying at all, but I need to make sure I'm understanding since I don't normally sit on this committee either. These slides are talking only about GO debt, nothing else and—**Ms. VonAchen** said what's really a little bit confusing, by way, is when we say GO. We do issue general obligation debt for sewer. I am not including that in there because sewer pays for itself through sewer rate fees. **Commissioner Bynum** said when we keep moving down through the packet, the next item is revenue bonds, which are used, can be used for economic development. **Ms. VonAchen** said yes, there are some economic development related revenue bonds. **Commissioner Bynum** said that's not this. **Ms. VonAchen** said no. **Commissioner Bynum** said what you're suggesting is, and I guess part of this is a question because it talks about how each of these are set out by state statute, the ways that we can use the various forms of debt. I think you're suggesting we be a little bit more outside the box with how we might use GO debt versus maybe another of these forms of debt. Then my question just becomes, is that yet another arena in which we are constricted by what the state law tells us we can and can't do? **Commissioner Murguia** said no, because we do that now. We have issued general obligation funds for large economic development projects.

Just a mini example, because I happen to be intimately familiar with it. When the Walmart was built on the superfund site in Argentine, it was a requirement of that development to put in substantial curb and sidewalk. Road improvements were made to Metropolitan and 24^{th} Street.

I'm just saying, when we look at an area that's in need of these traditional, regular maintenance kind of things, is there someone out there that is looking strategically at those. Maybe what we do is we look at our economic development incentive packages and our financing options there because at least we then have a partner in the debt. We're not trying to pay it ourselves. It's a bad analogy, Melissa, but it's sort of like do you want to just go out and buy a new car for yourself or would you like someone to potentially help you pay it off. Economic development is sort of like that. **Commissioner Bynum** said I was just wanting to make sure I understood are there constraints that keep us from doing more of that kind of thing.

Commissioner Murguia said I do think there's a lot of public confusion when you talk about, and I know you all hear it—**Commissioner Bynum** said the different kinds of debt. Right? **Commissioner Murguia** said absolutely. I know that all of you get the same calls I get from people complaining about why we're giving these wealthy developers a bunch of money. They're making tons of money and we're not getting anything out of it. What they don't realize a lot of time is we are getting something out of that. They just—I don't know if it's the way we're explaining it or it's too technical for the average person to understand because I know that I didn't when I first came up here. I'm just saying there are some very strategic, creative ways to look at making not just infrastructure improvements, but developing our county.

I'll just leave with this very broad-brush statement. All of our staff do a good job watching our money. Everybody does the best they can with what we give them as part of our budget; how much money we allow them. I personally have not seen a lot of waste of financial resources on behalf of our staff but when they run out of asphalt patch and they don't have any more money to buy more, then we can't fill a pothole. I'm just saying that instead of us trying to shoulder that entire burden, we need someone that has the ability to look at these areas that need improvement strategically from an economic development standpoint, figure out a way to partner with developers in making those improvements, and also creating development opportunities that create jobs and amenities for the people that live here. Until we grow our county, you can only stretch a dollar so far. At some point, it's just not a $1 anymore, it's $1.50. I think our staff's done a really good job at that.

I think from a policy perspective, we're going to have to come up with a more strategic way, and we're also going to have to do a better job at explaining this and educating our constituents and the taxpayer about actually how these kinds of debts are paid off. Right now, they're under the impression they're paying for things like that. **Commissioner Bynum** said no, that makes sense.

It kind of leads to one of the other questions that I had thought of as I was trying to read through the packet, which is, once this committee does approve a debt policy that comes forward to the full commission, is that going to be in a place that's very easy to get to on the website where people can go and see it and understand it for themselves? **Ms. VonAchen** said yes. The policy will be on our Finance Department Fiscal Accountability's Rule website. By the way, this debt policy has a lot more verbiage and discussion of how the debt process works, how we evaluate projects, and how we finance them. It doesn't actually specifically set what kind of level you all want in terms of debt. It just provides some guidelines.

Commissioner Murguia said it's a very small, in the weeds, incremental story I'll tell you. For example, I think we just had Land Bank tonight where people are actually—the Land Bank and SOAR are doing a phenomenal job marketing those vacant lots in older parts of our community where we all know the infrastructure is poor. For example, the curb and sidewalk. It would seem to me if that person is interested in acquiring a vacant piece of ground next to their home to make improvements or do a yard expansion and they have money to invest, I think a missed opportunity is why are we not at that time promoting our 60/40 curb and sidewalk program. If you just invest a little bit more money, you can put new curb and sidewalk in front of your house and the government will pay 60% of that and you only have to come up with 40% of that. All of a sudden, we're seeing these incremental improvements all across our older areas. It's just those little, tiny incremental ways are way beneath what our staff is doing tonight. They're looking at a much bigger, more global picture. In my mind, we need to get someone that is really focused on a very grassroots level, incremental improvement strategy.

Chairman Burroughs said I want to go back to my original conversation in reference to the low interest rates that are being paid right now on bonds. What some of us has witnessed is borrowing a large sum of money at a lower rate to attack a major problem that encourages external investment is worth the risk when the bond market is low. We can attack those big item issues so that we don't have those big item issues come forward when we have a higher interest rate and struggle to make everyday investments for our local unit of government.

I believe the general public understands that we are—government is a business. We have to provide services; and it's our responsibility to do it in an efficient, effective and cost sound manner. We can do that if we are willing to take some of that financial risk that you're talking about.

Commissioner Murguia, when you were talking STAR bonds, for Kansas, on the state level, is doing just that. It brings a private sector, the public sector and the government sector together and builds large developments. I just don't know if local governments are there yet being able to do just that. I think if it comes to project specific, I believe the new debt policy that I've been reviewing has those criteria in there to measure the return on investment within the project of a GO distribution of funds. We have an opportunity here to look at these graphs. I could make recommendations of other things to add to these graphs, but these are pretty simple for the complicated discussion that we're having in reference to those.

As Mr. Bryant brought out, this is a 20-year projection that if we take on no additional debt and we go from a $15M to a $12M with the interest rates being the way they are, the $15M might be the place to stay right now. I don't like borrowing money, but in three years if the interest rates jump up to the extent that they could, $12M may be the cap that we want to look at and we discipline ourselves. Those are the things we will look at as a body to make those financial decisions to help lower our debt.

One thing this graph doesn't review is that we haven't started paying off debt earlier with our new debt policy paydown that we talked about as a Commission which will have an affect on that bell curve.

Commissioner Murguia said I completely agree with Commissioner Burroughs, completely. You're spot on, but we've got to start somewhere.

Chairman Burroughs said absolutely. It starts with this committee and there's enough people in this community that will provide us the guidance necessary to make the right rational, fiscally responsible decisions.

Chairman Burroughs asked does the public care to make a comment. Let it be known that nobody's stepped up. This was for information purposes and you want us to review the policies that were presented in our packets and be ready to discuss the possible passage of those at the March meeting. **Ms. VonAchen** said right. In a few weeks you're going to get a packet for the March meeting and it's actually going to have a brand new—it'll have what you have with a few more tweaks; all kind of spelled out and real clear and a resolution for you to approve.

Chairman Burroughs said I would encourage the committee, as we did with the investment policies, to review those. Should you have questions, to reach out to Kathleen early or write them down in a document and send them out to other members to see if they have the same questions, and we can expedite the questions that may come about from the new policy recommendations; take it a bite at a time versus trying to do it all in one evening; if we can chip away at it during the next month.

Action: For information only. Held over until March meeting.

Item No. 4 – 19562…RESOLUTION: SET PUBLIC HEARING DATE FOR DOWNTOWN GROCERY REDEVELOPMENT DISTRICT - PROJECT AREA 1

Synopsis: A resolution setting a public hearing date of March 28, 2019, to consider the adoption of a redevelopment project plan in the Downtown Grocery Redevelopment District - Project Area 1, submitted by Katherine Carttar, Interim Director of Economic Development. On January 14, 2019, the Economic Development and Finance Standing Committee, chaired by Commissioner Burroughs, voted unanimously to hold this item over until the February meeting.

Katherine Carttar, Interim Director of Economic Development, said I'm actually going to ask yet again for a hold on this item. What we've decided was that in an attempt to bring you kind of a larger package of things and if you would allow me, I would love to go into a bit of an update on some of the things that will be forthcoming so they'll be kind of a nice package rather than have this kind of one item here, one item there. If you are amenable to that. **Chairman Burroughs** said you're requesting we take no action this evening. This will be for information purposes only. Do you want to do the full presentation this evening in reference to just educating us? **Ms. Carttar** said I would, if you wouldn't mind. **Chairman Burroughs** said I don't mind if that's alright with the committee. **Ms. Carttar** said fantastic.

As I mentioned, we're trying. We've got a lot of different things kind of in the hopper that we're trying to make this kind of very unique project. It's almost kind of a new way of thinking about options for financing large development projects. This is not a particularly large project, but still our hope is to kind of try out some different tools so they will be more kind of accessible to the rest of KCK and that we can really use this in a different way. I just want to give just a couple—I had promised that I would give some periodic updates on the grocery store.

First of all, I want to make sure everyone—there should be about 19,000 some folks who will be receiving these postcards this week. This is a community meeting. We had the design for the grocery store that was submitted. The preliminary plan was submitted just last week. As part of that process, there is necessary, obviously we would do it anyway, we want the public's input on this project. We're going to have four community meetings. They will be Wednesday, February 13th. There will be two each day. On the 13th, they'll be one over the lunch hour from 12 p.m.–1:30 p.m., and another from 5:30 p.m.–7 p.m. Then again on Thursday, February 21st, again, one at noon and one at 5:30 p.m. All will be at Memorial Hall; free parking. We want to encourage as many people to provide their input. This really is a community grocery store, and we want to make sure that everyone is heard.

We'll be specifically talking about kind of the design of the grocery store. We will have people from the MERC there to answer questions and give a little more update on what the interior design would look like as well as a bit about products, price points, and things of that nature.

Additionally, the MERC is holding some listening sessions with different community groups. That is much more focused on kind of the interior. What are the products that people want to see? Making sure that we're really covering all the bases, and this is going to be a very usable grocery store that really accommodates the needs of the public.

I did want to go in briefly, kind of at a higher level on some of the financing strides that we've made. It's, I think, pretty exciting. Kathleen and I have really been working hard on the proforma and looking at different options for financing. We do have the Special Asset Fund from the sale of the downtown hotel. If necessary, kind of what we are prepared to do is basically pay a lump sum and just pay for this grocery store to be built; however, we really want to make sure that we're able to leverage these funds and if possible, to be more flexible so there are other funds available for other projects that come down the line that really is our goal. As we're talking about in the last item, use public funds in the most responsible way but really in a way that gives us kind of the most bang for our buck.

To that end, we have engaged Sunflower Development to help us on a new market tax credit deal for this project. New market tax credits, in a nutshell, I'll try to explain them but I'm happy to go into as much or as little detail as you would like, either here or at another time. It is fairly dry how tax credits work but basically, you're getting investors to pay for projects that happen in low income areas. Basically, we are working with a community development entity, Central Bank. They've been very encouraging about our possibility of using new market tax credits on this project. They have an allocation kind of ready that they've been kind of holding aside. We have formally submitted an application and it will go through a pretty quick process with Central Bank. We're looking for the tax credits there which will actually—it's very complicated, but it ends up kind of being free moneyish. It will allow us to use this money in a different way so that we're not—we can kind of save some of the other money that we had set aside and use that for other items.

Additionally, LISC, the Local Initiative Support Corporation, here in Kansas City, we've been working with them. They have a predevelopment fund that is specific for KCK and Wyandotte County that we'd really like to see more projects get involved with. I would say as a way to kind of make them as comfortable as they can be with loaning funds to projects in KCK, we figured what better way than to kind of work on a project like this where if we can get a loan at a reasonable rate, then as loans or mortgages do, that frees up money for other things. We've been working with them.

They've got a healthy food financing, some funds through that that we've been able to kind of work with the interest rates. Now they are actually offering us a $1.25M loan at a 3% interest rate, which is actually lower than if we were to do GO bonds, which is pretty phenomenal. That, again, just kind of frees up some of the cash that we're kind of holding on so that we can do some other things.

In a nutshell, that is what we've been doing. We're excited to get some more input from the community over the next month. Hopefully, next month, I will not only be setting the public hearing for the TIF—I promise not to hold it again, you can take that to the bank, but there'll be some other items relating to the new market tax credits and things like that that will be coming forward.

Commissioner Murguia asked is the grant money that Mayor Holland talked about still available. **Ms. Carttar** said I am not sure what you're referring to. **Commissioner Murguia** said it was a million-dollar grant contingent upon the building of the store, I believe, from the Health Care Foundation. **Ms. VonAchen** said a portion of the Health Care Foundation million-dollar grant was spent during the Healthy Campus Project, a very small portion. The remainder of the amount was returned back to the Health Foundation. **Commissioner Murguia** said so they're not willing to support the construction of the grocery store anymore. **Ms. VonAchen** said we felt together, they all felt that it was best to kind of—it was cleaner to break it off but then reexamine it once more conversation took place regarding the YMCA and the healthy portion.

Commissioner Murguia asked is there any grant money at all for this grocery store. **Ms. VonAchen** said at this moment, there is the contribution that Katherine mentioned from the Special Asset Fund. **Commissioner Murguia** asked what Special Asset Fund? **Ms. VonAchen** said we have a Special Asset Fund. **Commissioner Murguia** said I'm talking about someone else, not us; grant money outside of us paying for it. Is there any outside grant money that's helping to build a grocery store? **Ms. VonAchen** said other than the new market tax credits, which are sort of like a grant but not really. **Commissioner Murguia** said that's not a grant. **Ms. VonAchen** said the answer is no, we don't have any.

Ms. Carttar said we do have a couple of applications in. We are hopeful that we will get some funding down the road, but nothing is committed at this time. **Commissioner Murguia** said all that money that was supposedly there is not really there. Okay, alright. Thank you.

Commissioner Townsend said preliminary plans, since we, this body is not taking action tonight to move this forward to set a public hearing, if this group next month sees this again, at what point now are you anticipating there's going to be a public hearing on this. Here it said March 28th so now we're not looking at March 28th anymore? **Ms. Carttar** said right. It would be one month. **Commissioner Townsend** said in April sometime. Okay.

How will deferring that impact the dates on these cards and these meetings? **Ms. Carttar** said these are totally separate. We are moving forward with Planning Commission meetings. That is kind of on the design on one path, and then the public hearing that I was originally coming here to speak to you tonight was for the tax increment financing. We are still moving forward with getting a TIF in this location for the project plan that would encompass the grocery store, but that's kind of separate so there's kind of the financing, but then there's also the design. We're moving forward with the dates and everything that we've been working with the community and have been publicizing.

Commissioner Townsend said when these meetings are held as scheduled, the public will be able to ask questions or hear about the design of the grocery store internal, external, the type of products it'll be carrying and the price point. Who will be there addressing the public on those issues? **Ms. Carttar** said Rob Richardson and I are going to be doing a portion of the presentation on the building itself to the design aspects, and that's really what it is moving through the Planning Commission process for is the design, making sure it is in conformance with the master plan and things of that nature. Knowing that while I'm sure many people are very interested in the outside design, I would say the majority of people are more interested on what's happening inside and what they can plan to purchase and getting their input there. To that end we'll have folks from the MERC, from the grocery store, that will be the operator present and able to answer questions and take input. **Commissioner Townsend** said I think people are going to be very concerned about what it looks like inside, the design aspects, as well as the products and the price point. This may work out very well then because if members of the community who have questions about that attend the scheduled meetings, they may have even more input later in April. Now, we're looking presumably at a date in April for the public hearing.

Chairman Burroughs said, Commissioner, thanks for bringing that up. I wanted to make sure that one, there's a difference between a community meeting and taking formal action necessary to call the public in for us to do the IRB approval that night.

Action: For information only. Held over until March meeting.

Adjourn

Chairman Burroughs adjourned the meeting at 6:48 p.m.

tpl