STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, JULY 11, 2019**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, July 11, 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 (arrived at 5:04 p.m.); 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; Gordon Criswell, Alan Howze, Melissa Sieben, Emerick Cross, Assistant County Administrators; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Mike Peterson; Assistant Budget Manager; Matt Zayas, Management Analyst in Budget Department; Maureen Mahoney, Chief of Staff in Mayor's Office; Officer Doleshal, Sergeant-at-Arms.

MAYOR ALVEY called the meeting to order.

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

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, July 11, 2019, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building for a Budget Workshop.

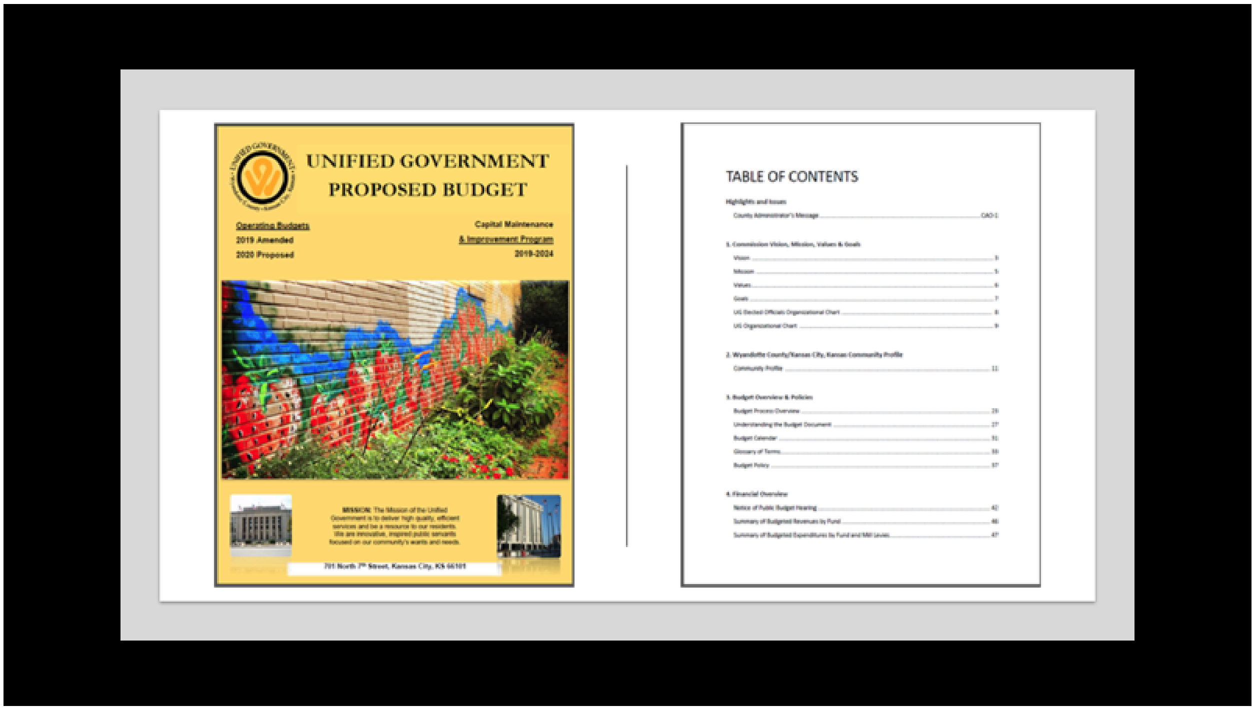
CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and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

Mayor Alvey said as the Clerk stated our meeting this evening is the second of several budget workshops. We do have two others scheduled; however, we believe that we may be able to progress through our discussions and perhaps not need to meet next Thursday, the 18th, assuming, again, that we make the progress we would like to make tonight and next week. If we can, we will work through all the topics scheduled for tonight during the 5:00 p.m. session, during the Special Session; however, if there is more discussion that needs to continue we anticipate a very short regular Commission agenda at 7:00 p.m. After that we could adjourn from that meeting and come back and complete the discussion afterwards.

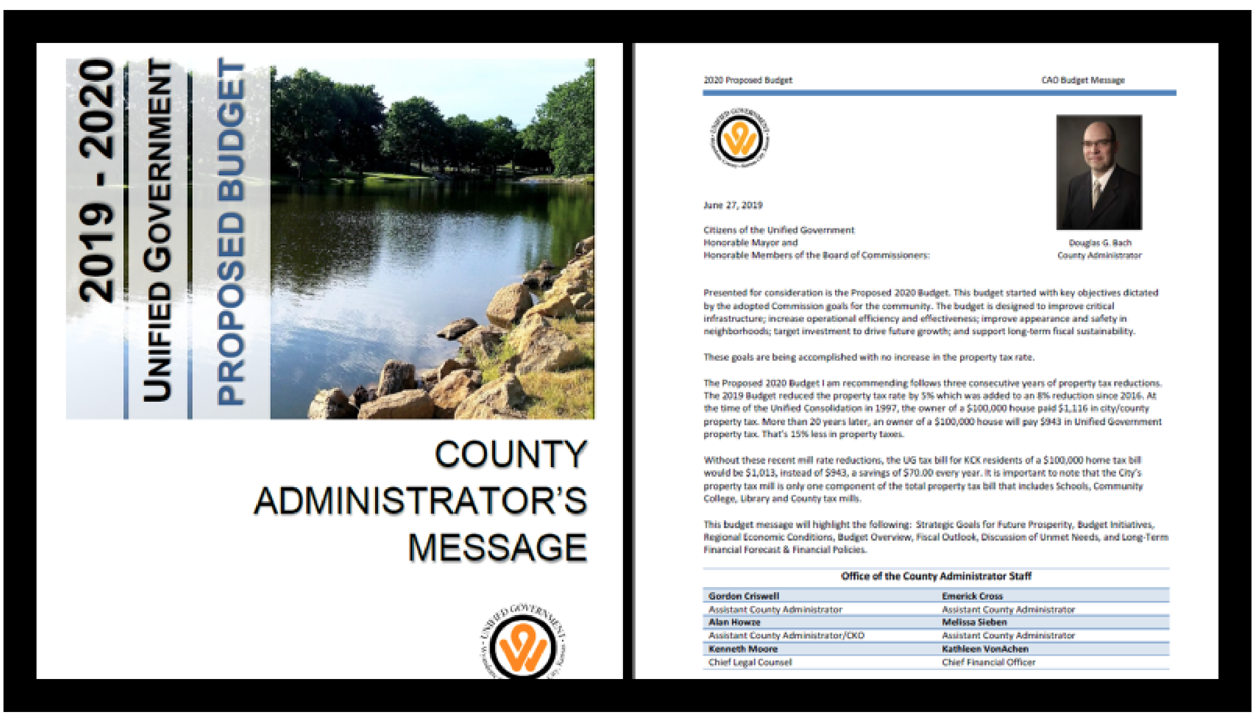
Doug Bach, County Administrator, said tonight's agenda is really one that is set out first that we're going to do an overview of the budget so that's the difference of the documents to kind of run through each section of it. We're going to do a review or changes that came from our CMIP project list from May. You will note when we go through that section most of the changes in that are either those that are the cause of, we moved the funds around or move it between funds for changing budgets or some of them, as I told you, I had gone back to staff, particularly that in the City fund and had them do some reductions. In some cases, the deductions were directed right toward Services and Commodities, but in some cases the department elected to make the cut off of their Capital piece and leave their Services and Commodities like they had originally budgeted. That's where you will see some of those cuts come back over and show up on the project list as we were balancing things before we came forward with the proposed budget at the end of June.

We will follow that with Revenue Forecasts. This is really a result of a lot of different questions and requests that have been made by commissioners to Kathleen and her staff, so we will be going through that information. Then, we have some discussion on Debt.

Reginald Lindsey, Budget Manager, said today I have with me Assistant Budget Manager, Michael Petersen; and Management Analyst, Matt Zayas. They are going to help me in presenting the budget document. They put in a lot of hard work and I don't want to take all the credit and I wanted to give them some opportunity to present their information.

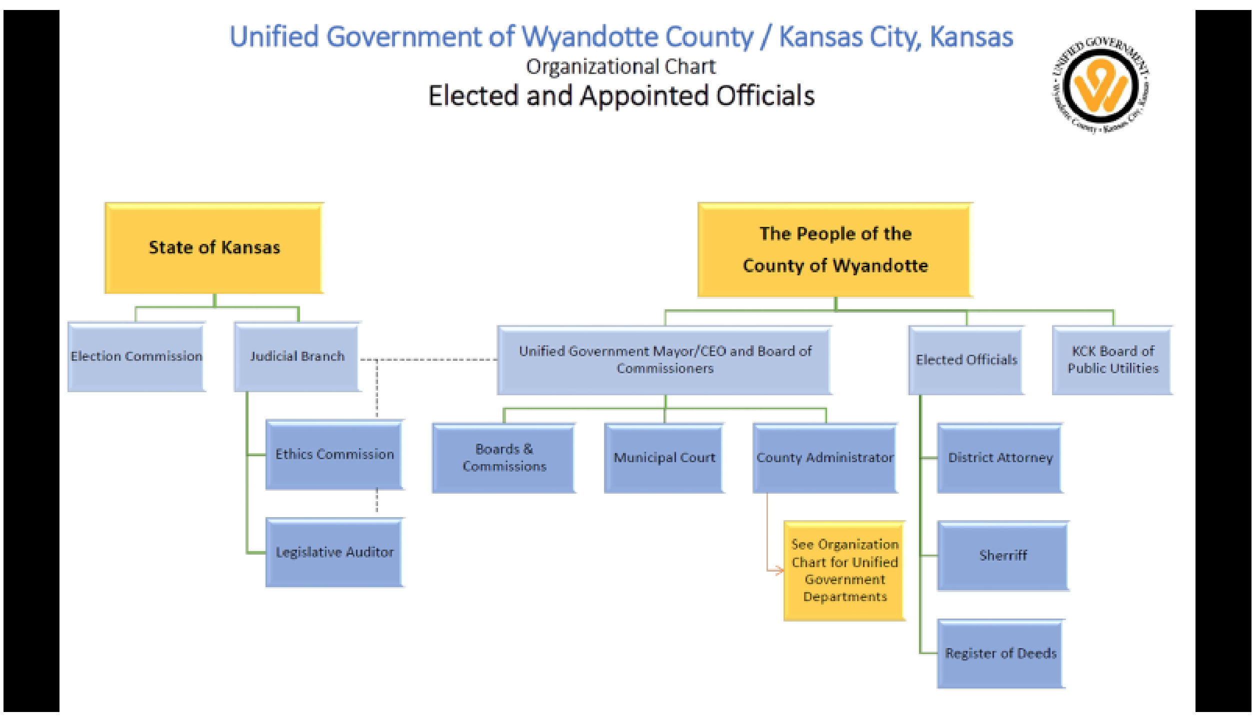


I'm going to kickoff with the Table of Contents. Basically, we have the Table of Contents that is real nifty. It's clickable if you're looking at it in an electronic PDF, so you could click on the number here and it will take you straight to that page. I'm pretty sure a number of you probably have already figured that out.

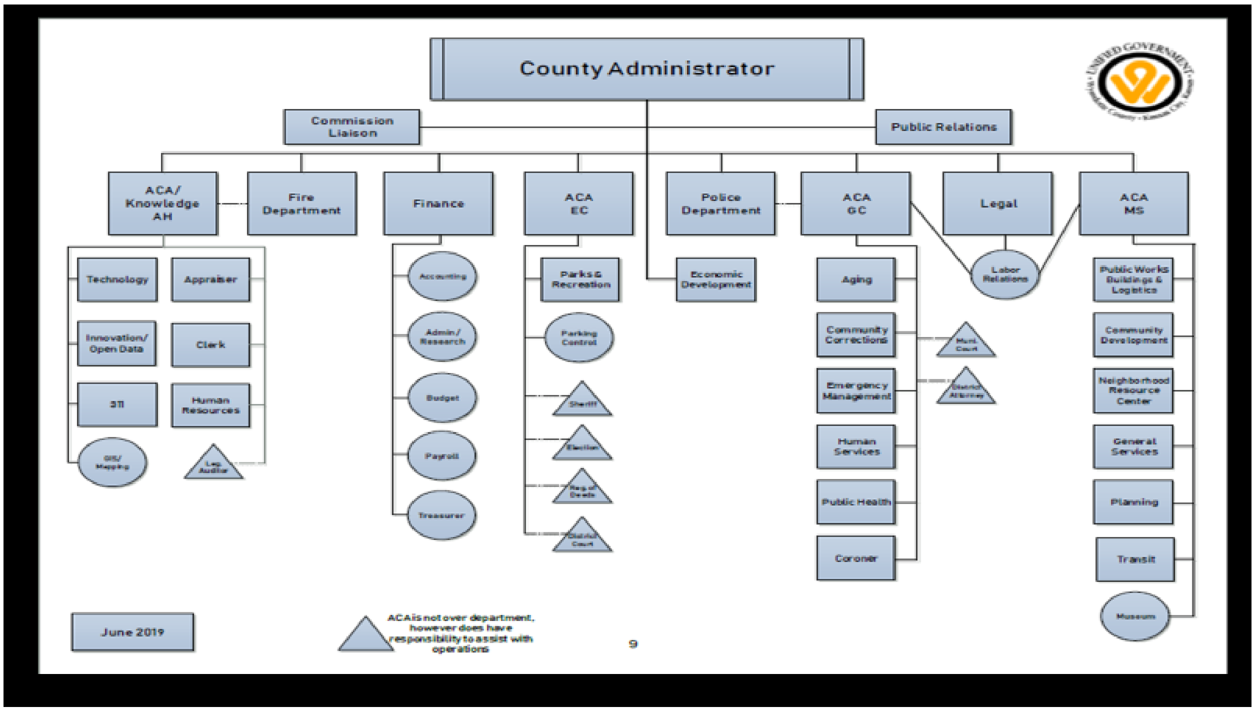


In the next section is the County Administrator's message. We have the actual message from the County Administrator and then we also have the presentation that was done on June 27th.

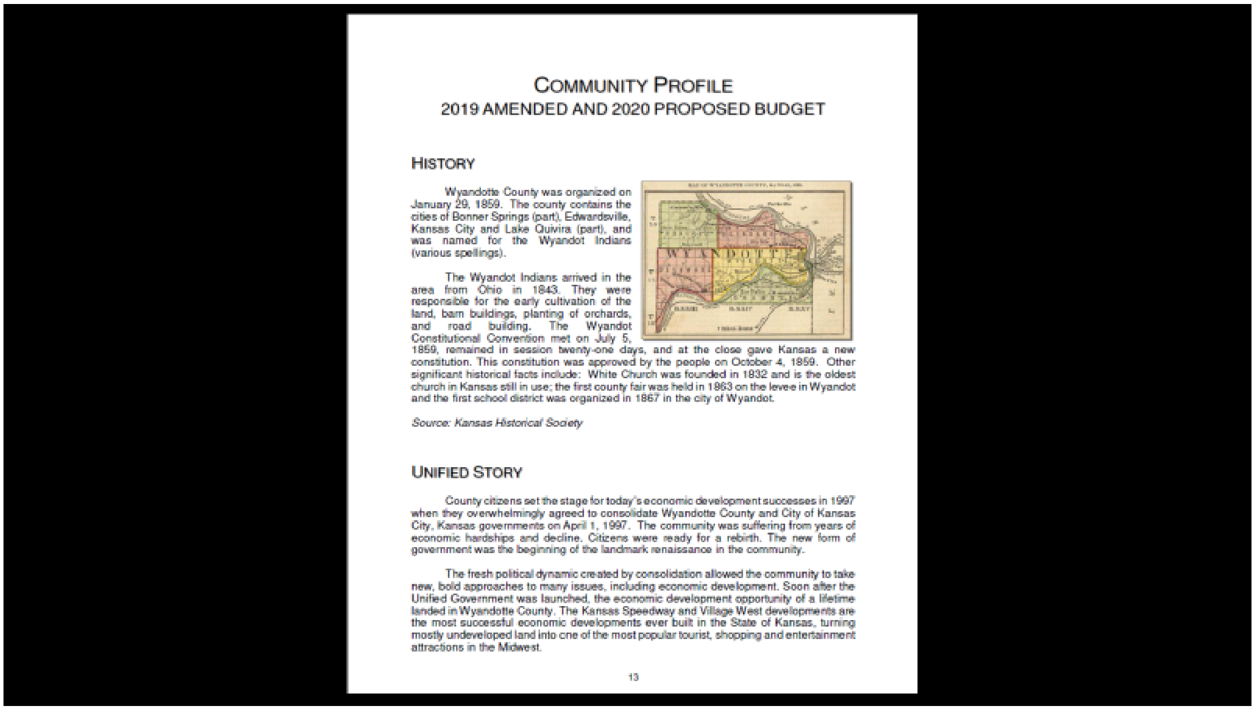
In the next section we have the Commissioner's Visions, Values & Goals.



There you can find things like the Vision Statement, the Mission Statement, Strategic Plan Values, Strategic Goals. Also, you can see a hierarchy of elected and appointed officials.



Then there is a hierarchy for internal departments.



COMMUNITY PROFILE
2019 AMENDED AND 2020 PROPOSED BUDGET

HISTORY

Wyandotte County was organized on January 29, 1859. The county contains the cities of Bonner Springs (part), Edwardsville, Kansas City and Lake Quivira (part), and was named for the Wyandot Indians (various spellings).

The Wyandot Indians arrived in the area from Ohio in 1843. They were responsible for the early cultivation of the land, barn buildings, planting of orchards, and road building. The Wyandot Constitutional Convention met on July 5, 1859, remained in session twenty-one days, and at the close gave Kansas a new constitution. This constitution was approved by the people on October 4, 1859. Other significant historical facts include: White Church was founded in 1832 and is the oldest church in Kansas still in use; the first county fair was held in 1863 on the levee in Wyandot and the first school district was organized in 1867 in the city of Wyandot.

Source: Kansas Historical Society

UNIFIED STORY

County citizens set the stage for today's economic development successes in 1997 when they overwhelmingly agreed to consolidate Wyandotte County and City of Kansas City, Kansas governments on April 1, 1997. The community was suffering from years of economic hardships and decline. Citizens were ready for a rebirth. The new form of government was the beginning of the landmark renaissance in the community.

The fresh political dynamic created by consolidation allowed the community to take new, bold approaches to many issues, including economic development. Soon after the Unified Government was launched, the economic development opportunity of a lifetime landed in Wyandotte County. The Kansas Speedway and Village West developments are the most successful economic developments ever built in the State of Kansas, turning mostly undeveloped land into one of the most popular tourist, shopping and entertainment attractions in the Midwest.

13

The next section we have the Community Profile. This is a really neat section also for someone that wants to learn the history of the Unified Government and different things about the Unified Government as far as the makeup of ethnicities.

We have the Budget Overview which basically breaks down and provides information on the budget process, the budget calendar and it also provides a glossary of terms.

Then we have the Financial Overview. Here you can find a listing of the Notice of Budget Hearing that went out.

Unified Government of Wyandotte County/Kansas City, Kansas
2019 Amended – 2020 Budget

Expenditure by Fund & Mill Levies

	2019 AMENDED BUDGET	CERTIFIED MILL LEVY, 2019 BUDGET	2020 PROPOSED BUDGET	PROPOSED MILL LEVY, 2020 BUDGET	CHANGE IN MILL LEVY RATE FROM
Tax Levy Funds					
General Fund - City	160,737,432	21.242	163,524,635	21.242	0.000
Bond and Interest - City	36,451,536	16.896	34,829,169	16.896	0.000
General Fund - County	64,673,867	31.187	66,882,495	31.187	0.000
General Fund - Consolidated Parks	6,927,666	1.391	6,274,145	1.391	0.000
Bond and Interest - County	5,370,945	2.202	5,326,823	2.202	0.000
Aging	1,918,474	1.027	1,887,849	1.027	0.000
Developmental Disabilities	593,504	0.346	645,598	0.206	-0.140
Elections	1,483,721	0.875	1,552,296	0.875	0.000
Health	3,572,111	1.559	3,534,768	1.699	0.140
Mental Health	659,000	0.425	684,000	0.425	0.000
Total UG Tax Levy Funds	**282,388,256**	**77.149**	**285,141,778**	**77.149**	**0.000**
Other Funds					
Alcohol	573,475		1,259,743		
County Clerk Technology	120,000		60,000		
Court Trustee	611,245		585,422		
Dedicated Sales Tax	11,067,650		10,852,488		
Emergency Medical Services	11,926,632		12,509,728		
Environmental Trust	1,130,000		1,130,000		
Jail Commissary	60,000		100,000		
Parks and Recreation	595,349		698,399		
Public Levee	387,440		388,040		
Register of Deeds Technology	130,170		130,170		
Sewer System	50,923,302		60,321,394		
Special Assets	850,000		850,000		
Stadium	693,600		843,600		
Stormwater	5,058,553		4,598,899		
Street and Highway	7,829,631		7,991,589		
Sunflower Hills Golf Course	670,129		685,002		
Travel and Tourism	5,825,220		5,773,178		
County Treasurer Technology	45,000		45,000		
Wyandotte Co. 911	927,500		897,500		
Total Other Funds	**99,424,896**		**109,720,152**		
TOTAL UG OPERATING BUDGET	**381,813,152**		**394,861,930**		
County Library Fund*	3,205,354	0.000	3,365,622	0.000	0.000
Total All Funds	**385,018,506**		**398,227,552**		

47

*The County library mill levy is set by the County Library Board and not the Unified Board of Commissioners.

Also, a summary of all the expenditures by fund and their mill levies and there's also revenues by fund.

Unified Government of Wyandotte County/Kansas City Kansas
2019 Amended - 2020 Budget

Fund: 110 - City - General Fund

The City General Fund is the principal operating account of Kansas City, KS. Revenue is received from taxes, fees, intergovernmental revenue, charges for services, and other sources. The General Fund is used to support general operations including Police, Fire, Municipal Court, Public Works, general services functions, and administrative programs. General Fund revenues are also used to finance the purchase of capital equipment and cash-funded capital projects.

The revenue increase in 2017 is partially due to the City's share of a sales tax revenue resulting from the early payoff of STAR Bonds that financed the Village West Shopping Area.

Note: The increase in debt service in the 2018 amended and 2019 budgets is attributed to budgeting reserve annual appropriation STAR Bond, Speedway Bond, and Transportation Development District debt payments should their pledged revenues fall short. This debt expense is offset by a corresponding revenue increase. This appropriation is required by outstanding bond covenants.

Account Type Description	2017 Actual	2018 Actual	2019 Original	2019 Amended	2020 Budget
Revenues					
41 - Tax Revenue	$121,077,180	$120,666,665	$136,577,981	$134,768,192	$136,824,560
42 - Permits And Licenses	$1,236,276	$1,288,260	$1,294,960	$1,350,200	$1,389,800
43 - Intergovernmental Revenues	$709,228	$940,238	$704,000	$713,000	$723,000
44 - Charges for Services	$10,507,575	$10,826,204	$10,928,100	$11,366,500	$11,976,200
45 - Fines/Forfeits/Fees	$3,734,998	$3,886,253	$3,412,500	$3,427,700	$3,155,700
46 - Interest Income	$209,321	$575,620	$160,000	$900,000	$900,000
47 - Miscellaneous Revenue	$2,278,285	$1,549,511	$1,757,100	$1,611,379	$1,655,131
48 - Reimbursements	$1,700,000	$1,737,843	$1,716,300	$1,619,000	$1,659,000
49 - Other Financing Sources	$2,739,104	$2,295,675	$2,336,000	$2,336,000	$2,336,000
Total Revenues	$144,191,967	$143,764,269	$158,886,921	$158,090,971	$160,619,391
Expenses					
51 - Personnel Costs	$102,498,597	$107,166,059	$111,549,971	$111,087,401	$113,047,767
52 - Contractual Services	$19,337,748	$20,297,514	$22,785,113	$23,242,135	$23,569,246
53 - Commodities	$4,003,004	$4,363,975	$5,576,634	$5,508,184	$5,345,299
54 - Capital Outlay	$4,315,912	$4,280,797	$4,133,477	$4,135,062	$4,878,571
55 - Grants, Claims, Shared Revenue	$4,953,026	$4,613,058	$5,132,494	$5,092,494	$4,794,994
56 - Debt Service	$641,913	$640,850	$10,524,264	$10,524,264	$10,735,855
57 - Nonexpense Items	$1,788,119	$2,767,800	$797,903	$822,903	$802,903
58 - Reserves	0	0	$350,000	$325,000	$350,000
Total Expenses	$137,538,317	$144,130,053	$160,849,856	$160,737,432	$163,524,635
Net Change in Fund Balance	$6,653,650	($365,784)	($1,962,935)	($2,646,461)	($2,905,243)
Cash Basis Ending Fund Balance	$20,655,386	$20,289,602	$19,370,116	$17,643,141	$14,737,897
CAFR Ending Fund Balance	$29,383,420	$31,628,994	$28,098,150	$28,982,533	$26,077,289

Also, in this section we have the Fund Statements. Right here we have the City General Fund, but all our 29 funds, there's a page for those. You can see, there's historical information for them for the 2017 Budget, 2018 Budget, and then also the budgets that we're recommending for the 2019 Amended and the 2020 Budget.

Unified Government of Wyandotte County/Kansas City, Kansas
2019 Amended – 2020 Budget

Department Expenditure Summary
Dedicated Sales Tax

Police Department - Expenditure Summary

	2019 Approved		2019 Amended		2020 Proposed	
	Expenditures	% of Budget	Expenditures	% of Budget	Expenditures	% of Budget
Personnel	$ 1,616,785	15%	$ 1,934,301	17%	$ 1,966,039	18%
Operating	$ 1,279,924	12%	$ 841,061	8%	$ 849,980	8%
Capital	$ 983,000	9%	$ 919,125	8%	$ 785,268	7%
Total	$ 3,879,709	35%	$ 3,694,487	33%	$ 3,601,287	33%

Fire Department - Expenditure Summary

	2019 Approved		2019 Amended		2020 Proposed	
	Expenditures	% of Budget	Expenditures	% of Budget	Expenditures	% of Budget
Personnel	$ 2,429,092	22%	$ 2,611,348	24%	$ 2,680,645	25%
Operating	$ 743,913	7%	$ 132,416	1%	$ 155,556	1%
Capital	$ 749,000	7%	$ 897,000	8%	$ 765,000	7%
Total	$ 3,922,005	35%	$ 3,640,764	33%	$ 3,601,201	33%

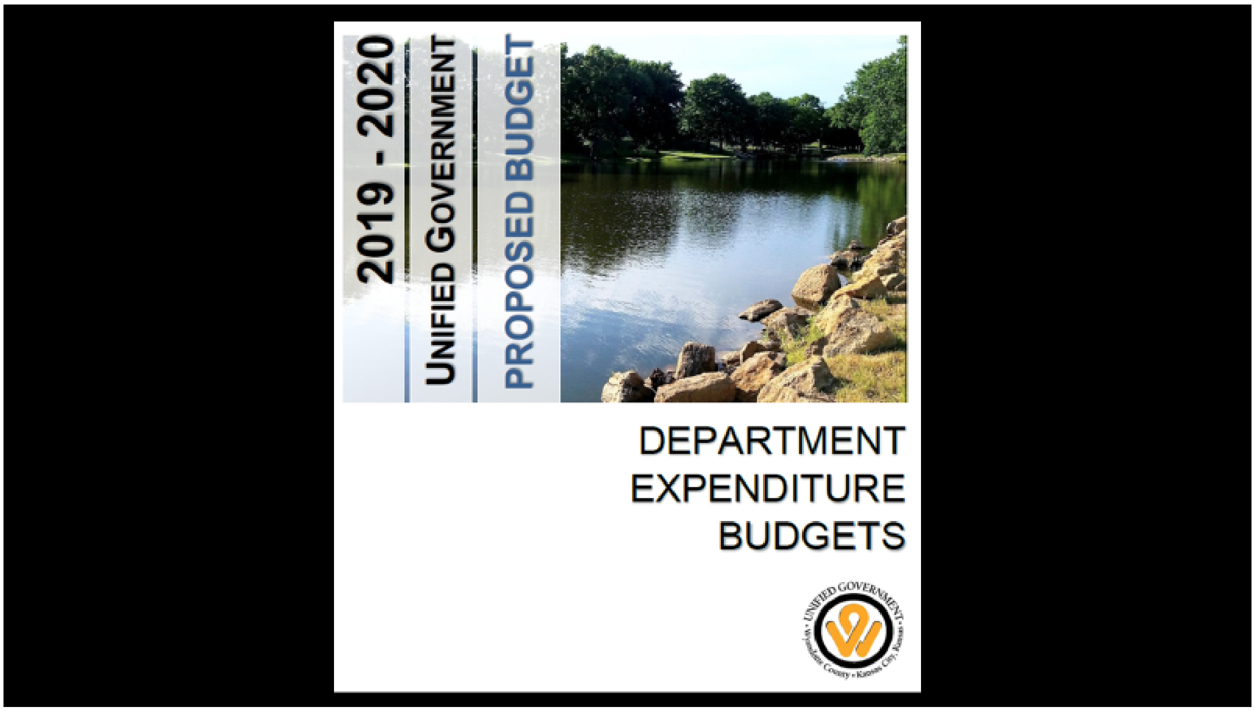
Infrastructure - Expenditure Summary

	2019 Approved		2019 Amended		2020 Proposed	
	Expenditures	% of Budget	Expenditures	% of Budget	Expenditures	% of Budget
Operating	$ 100,000	1%	$ 200,000	2%	$ 200,000	2%
Capital	$ 2,630,000	24%	$ 2,950,000	27%	$ 3,450,000	32%
Other	$ 570,000	5%	$ 582,400	5%	$ -	0%
Total	$ 3,300,000	30%	$ 3,732,400	34%	$ 3,650,000	34%

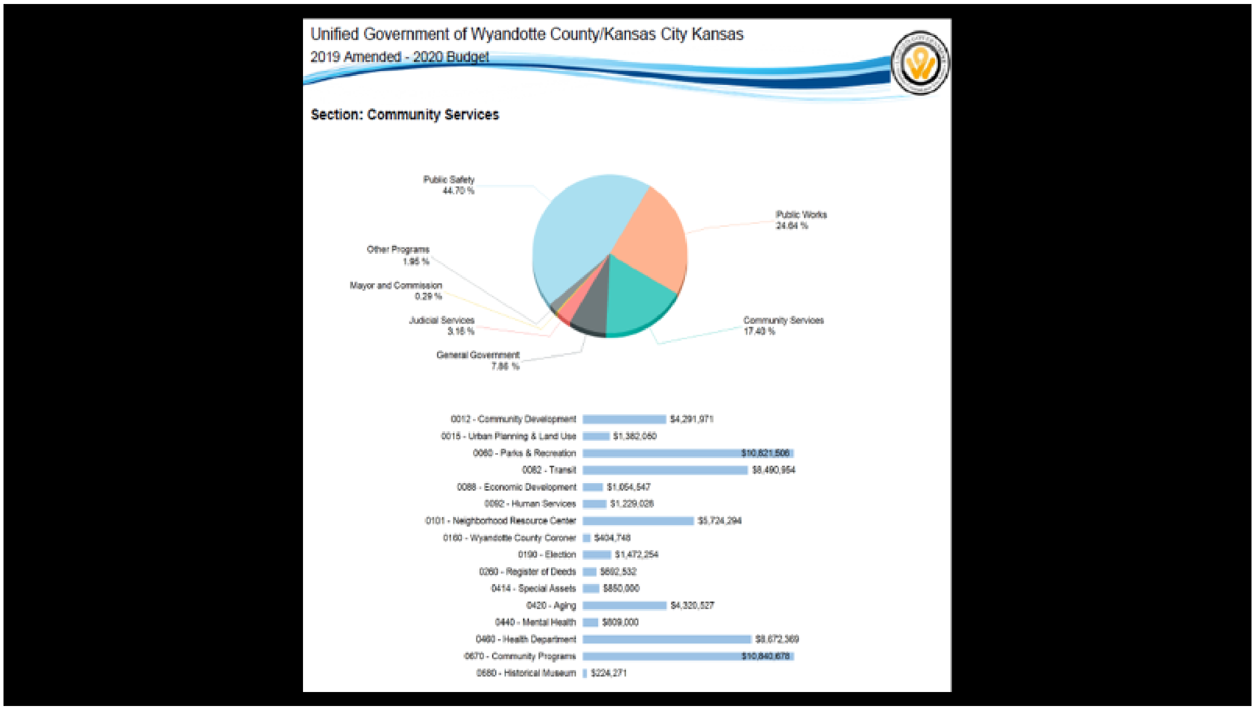
Dedicated Sales Tax - Dpt Exp Totals

	2019 Approved	2019 Amended	2020 Proposed
	Expenditures	Expenditures	Expenditures
Totals	$ 11,101,714	$ 11,067,651	$ 10,852,488

In the Financial Summary Section, you will find a breakout of the Dedicated Sales Tax. One of the things we do here is kind of the three main funding areas. The Police Department, the Fire Department, and Infrastructure. We also show what the 2019 approved budget was and what we're recommending for the 2019 Amended and the 2020 Proposed and also the percentage of each of these sections like how much of the budget they received in their particular department or section.



Then we move on to the Department Expenditure Budgets.



Here is where we breakdown all the departments. The example I'm going to use is Community Services. At the start of Community Services section, you get a display of all the departments that are here, an illustration of the pie chart on the percentage of what it comes out to be. You can see Community Service right here and how it compares to all the other categories of the budget. In the department breakout we have like the Public Safety section, Public Works section, Community Services section, General Government, Judicial Services, so there are departments within all these and there is a section for each of those in the book. Here for this particular section of Community Services you can see the total of each budget.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
2019 AMENDED – 2020 BUDGET

DEPARTMENT: PARKS AND RECREATION

Department Overview:
The Parks and Recreation Department manages a 2,600 acre park system with the goal set to meet the majority of the leisure needs of our community. The Department is divided into three divisions: Recreation Management, Park Maintenance and Golf Course Management. The Recreation Management Division is responsible for all recreation programming that includes youth and adult sports, recreation programs, and seasonal special events. These programs are conducted at the Department's seven community centers, numerous athletic fields, swimming pool and parks. The Golf Course management division oversees the management of an eighteen-hole championship course with a full-service club house and a six-hole junior golf course. The Park Maintenance division oversees the daily maintenance, repair and development of 3 regional parks, 4 community parks, 47 neighborhood parks, 7 recreation/community center buildings, 3 community center buildings, 3 spray parks and one pool.

Important Issues:
- Continue our ongoing strategy to address our aging park system and equipment replacement while operating within the budget guidelines.
- Implement a revised CMIP to address the growing needs for repair of essential components of the Department's parks, buildings and other facilities.
- Continue addressing the major repair and replacement needs such as roofs and HVAC systems for the buildings, shelters and restrooms.
- Staffing levels throughout the department are inadequate
- Fulfilling the suggestions of the adopted 2017 Parks and Recreation Master Plan

Highlights:
- Continuing to strengthen the mowing program to better meet the needs of the community
- Received private donation through (Carmax Foundation) to replace Bill Clem Park Playground through a community build project.
- Received $50,000 grant through Royal's Charities for City Park Field #3
- Working with Baseball Tomorrow Fund to secure additional funding for City Park Field #3
- Securing remaining funding for the National Fitness Court campaign for Huron Park
- Reintroduced department "Program Guide" as a marketing/informational publication from the department to the community.
- Funding to add a second quick response abatement team.

New Initiatives:
- Minor renovations taking place to Davis Hall
- Improving community centers to become code compliant with requirements to obtain State Licensing approval for programs.
- Phase II of waterline at Wyandotte County Lake taking place 2019.
- Integrating new recreation management software system for department to achieve goal of providing online registration for the community.
- Conduct an evaluation of the current Sunflower Hill Clubhouse and recommend changes or a new facility along with a feasibility analysis.
- Resurface the parking lot at Providence Amphitheatre.
- Continue to improve and add to the communities' trail network to encourage our residents and visitors to be active and exercise.

Also, providing the information with the departments you kind of get an overview of what the department does, some important things that they have going on and then some of the highlights of what they accomplished in the past year or accomplishing right now and what are some of the new initiatives they look forward to accomplishing in the future.

Department: 0060 - Parks & Recreation

Department Expenditure Summary	2018 Actual	2019 Original	2019 Amended	2020 Budget
51 - Personnel Costs	$5,060,494	$5,585,048	$5,737,536	$6,130,941
52 - Contractual Services	$1,955,819	$2,279,800	$2,291,525	$2,333,466
53 - Commodities	$727,130	$680,935	$692,135	$711,835
54 - Capital Outlay	$679,573	$1,598,000	$2,005,000	$2,732,600
55 - Grants, Claims, Shared Revenue	$1,944	$9,200	$9,200	$9,200
57 - Nonexpense Items	$175,000	$1,110	$1,110	$1,110
58 - Reserves	0	$95,000	$85,000	$85,000
Total	$8,599,961	$10,249,093	$10,821,506	$12,004,052

Full Time Equivalent Positions	2018 Actual	2019 Original	2019 Amended	2020 Budget
061 - Park Administration	10.50	10.50	13.00	16.00
062 - Park Rangers	1.00	1.00	1.00	1.00
063 - Parks	47.00	47.00	44.50	44.50
064 - Recreation	26.50	26.50	26.50	26.50
067 - Sunflower Hills Golf Course	4.00	4.00	4.00	4.00
Total	89.00	89.00	89.00	92.00

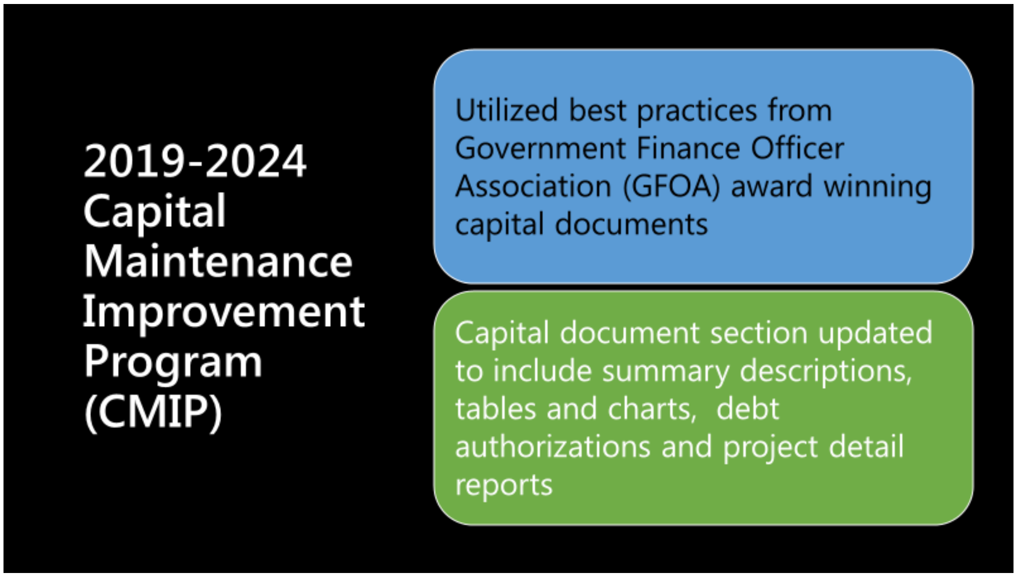
Expenditure By Fund	2018 Actual	2019 Original	2019 Amended	2020 Budget
110 - City - General Fund	$821,890	$933,637	$973,394	$1,844,308
113 - Consolidated Parks-General	$6,211,537	$6,754,217	$7,097,353	$6,451,464
160 - County - General	$68,919	$195,488	$218,829	$350,271
212 - Dedicated Sales Tax	$100,000	$100,000	$100,000	$100,000
221 - Special Parks and Recreation	$522,125	$545,123	$622,575	$702,275
223 - Tourism & Convention	0	$100,000	$200,000	$1,130,000
225 - Community Development	0	$780,000	$780,000	$700,000
266 - Other Special Grants	$106,352	$120,000	$120,000	0
560 - Sewer System	0	$31,600	$31,600	$31,600
562 - Public Levee	0	$10,000	$10,000	$10,000
565 - Sunflower Hills Golf	$708,138	$679,028	$867,755	$684,134
972 - County Capital Project	$61,000	0	0	0
Total	$8,599,961	$10,249,093	$10,821,506	$12,004,052

Expenditure By Division	2018 Actual	2019 Original	2019 Amended	2020 Budget
061 - Park Administration	$1,444,951	$1,901,570	$2,213,933	$2,782,068
062 - Park Rangers	0	$78,774	$79,321	$81,215
063 - Parks	$5,391,684	$5,794,654	$6,048,672	$6,404,559
064 - Recreation	$1,055,188	$1,795,068	$1,811,826	$1,872,076
067 - Sunflower Hills Golf Course	$708,138	$679,028	$867,755	$864,134
Total	$8,599,961	$10,249,093	$10,821,506	$12,004,052

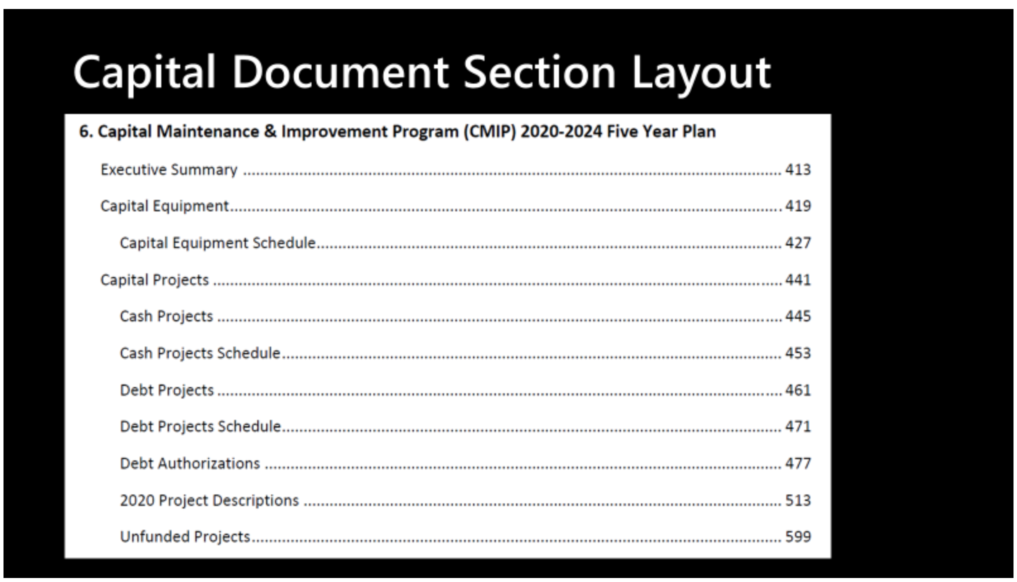
There is also the Financial page for the department. One of the things it does here and is a very neat page if you're into numbers, basically we breakdown the categories of all expenditures. You see we have the Personnel costs, Contractual Services, Commodities, Capital Outlay, and a host of other categories that kind of shows you historically what they've spent in the prior year and what we're recommending for the budget in the 2019 Amended and 2020 Budget. You can also see the divisions here and the amount of employees in each division and the change over the years. Also, we talk about the different funds that the Unified Government has. It's a breakout of all the funds that fund this particular department of Parks & Rec. Above, up here, we have the fulltime equivalents by division. Down here at the bottom is a breakout of the divisions by dollar amount.

Now I'm going to turn it over to Michael Peterson and Matt Zayas to talk about the Capital Maintenance Program. This is a section that they really improved during the budget season. They started work on it in November 2018 and put a lot of work on it. It wasn't just them, but it was like the whole Finance Department that came together and worked through it.

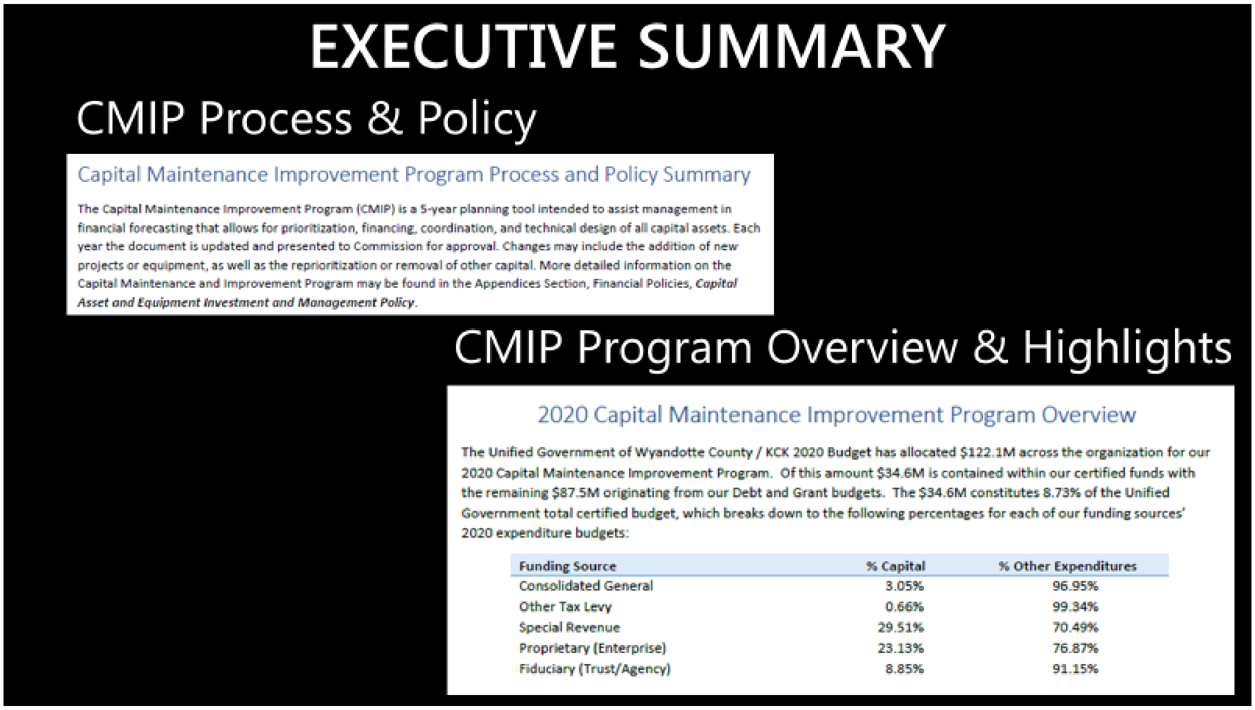
Michael Peterson, Assistant Budget Manager, said the Capital Maintenance Improvement Program section is the section that is the most changed from prior year's budget documents. Basically, what we did was we utilized best practices from the GFOA, Government Finance Officer Association. We went and looked at what some of word—or highlighted budget documents were that they had and then we incorporated some of those changes into our document.



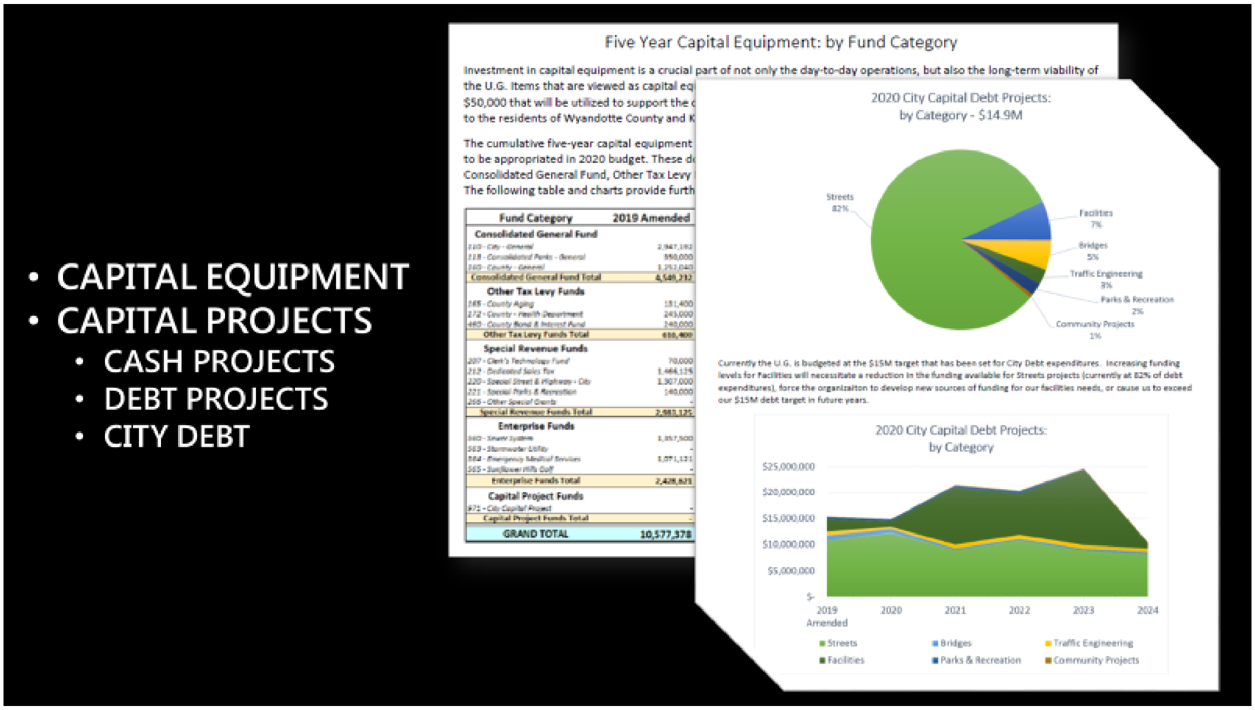
We updated the Capital document section to include summaries as well as summary tables, charts. We also added in authorizations that normally show up in the fall as well as project detail reports highlighting the 2020 Capital projects.



Just a short overview of kind of the changes that we made. In prior years the Capital Projects section was first. There were two different Capital sections, Capital Projects and Capital Equipment. We consolidated that into one Capital Maintenance & Improvement Program section starting with an Executive Summary followed by the Capital Equipment, Capital Projects split into Cash Projects and Debt Projects. Then following, the Debt Authorizations, 2020 Project highlights and then Unfunded Projects. Matt is going to go over kind of what's in each section in a little more detail.



Matt Zayas, Management Analyst, said our Executive Summary consists of our CMIP process and the policy associated with that and then we also touch in some of the 2020 financials. We say here's what we're going to spend Capital Assets in 2020 and finally, we produced a little bit of highlights for what we see as the major projects and capital assets that will be improving in 2020.



Then some of the work we did, as Michael said, we summarized our CMIP by Capital Equipment, Capital Projects, and then the three different types of funding that goes towards Capital projects.

In order to expand upon just the schedule, we had before, we used a variance of tables and charts to make it more readable, help the resident really understand what's going on in his or her Capital Improvement projects.

To do that we had some charts, as you see in the background, and kind of organized the fund category, the functional area and also the Capital type. To add a little bit more visuals to that we made a lot of different pie charts, stack charts and they illustrate here's where we're going to focus our funding in 2020, the pie charts do. The stack charts go into more detail of here's what it's going to look like over five years.

CMIP Schedules

UNIFIED GOVERNMENT
2020 - 2024 Proposed Capital Maintenance Improvement Program (CMIP)
Capital Cash Project Summary 6/27/19

Fund/Department	New	Annual	Dept Priority	Ranking	MSF	CMIP	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24
110 - City - General Fund														
Fire Department														
		☒	1	4	☒	8015 - Annual FS Interior Renovation	-	-	75,000	-	-	-	-	75,000
						8094 - Future Fire Station Land Acquisition	100,000	-	-	-	145,000	-	145,000	290,000
						Fire Department Total	**100,000**	**-**	**75,000**	**-**	**145,000**	**-**	**145,000**	**365,000**
Neighborhood Resource Center														
	☒		2	14		8195 - Customer Service Area Safety Improvement	-	12,000	-	-	-	-	-	12,000
						Neighborhood Resource Center Total	**-**	**12,000**	**-**	**-**	**-**	**-**	**-**	**12,000**
Police Department														
		☒	2	13		8419 - Police Station Annl Maint Prog	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
		☒	2	13		8420 - Pol Stn Major Facility Improvements	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
			2	11		8436 - Pol Headqtrs Flooring Replacement	-	-	17,000	17,000	17,000	17,000	17,000	85,000
			2	14		8437 - Police HVAC Upgrades	26,000	26,000	26,000	26,000	26,000	26,000	26,000	156,000
			2	11		8443 - Police HQ Gutter Replacement	25,000	25,000	25,000	-	-	-	-	50,000
	☒		2	11		AUTO - 2136 - PDHQ Window Replacement	-	-	-	-	75,000	75,000	75,000	225,000
	☒		2	13		AUTO - 2145 - PDHQ Brick Refacement	-	-	-	25,000	25,000	25,000	25,000	100,000
						Police Department Total	**151,000**	**151,000**	**168,000**	**168,000**	**243,000**	**243,000**	**243,000**	**1,216,000**
Public Works														
			5	12		1055 - PW Asset Mgmt Sys Integrations	50,000	50,000	50,000	50,000	50,000	-	-	200,000
			3	12		1065 - Village W.Infrastructure Improvements	-	-	70,000	70,000	70,000	70,000	-	280,000
			2	11		1068 - Concept Studies & Roadways	100,000	100,000	150,000	150,000	200,000	200,000	200,000	1,000,000
			2	21		1069 - Bridge and RCB Inspections	300,000	300,000	176,000	176,000	176,000	176,000	176,000	1,180,000
	☒		3		☒	7846 - Landscaping	-	50,000	-	50,000	50,000	50,000	50,000	250,000
	☒		3	8	☒	7847 - Hardscape	-	50,000	50,000	50,000	50,000	50,000	50,000	300,000
			1	15	☒	8199 - Capital Project Reserves	80,000	80,000	80,000	80,000	80,000	80,000	80,000	480,000
			3	3		8202 - Facilities Impovements - City	215,000	10,000	130,000	-	-	-	-	140,000
		☒	1	10		8513 - Fac/Parking Annual Maint/Rep	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
						Public Works Total	**945,000**	**840,000**	**906,000**	**826,000**	**876,000**	**826,000**	**756,000**	**5,030,000**
Urban Planning & Land Use														
	☒		1	26		7848 - Bike share grant matching funds	-	34,860	-	-	-	-	-	34,860
				18		9251 - Central Ave Area Plan	150,000	150,000	-	-	-	-	-	150,000
						Urban Planning & Land Use Total	**150,000**	**184,860**	**-**	**-**	**-**	**-**	**-**	**184,860**
						110 - City - General Fund Total	**1,346,000**	**1,187,860**	**1,149,000**	**994,000**	**1,264,000**	**1,069,000**	**1,144,000**	**6,807,860**

Mr. Peterson said in each section you will also see the schedule that has always been incorporated in the budget documents, each schedule. The Equipment section has the equipment schedule, Cash Projects has the cash schedule and the Debt Projects has the debt schedule organized by funding source and department and project.

Debt Project Authorizations

Unified Government of Wyandotte County/Kansas City,
2019 Amended – 2020 Budget

Debt Project Authorizations

131st St and Leavenworth Rd Intersection Reconstruction **CMIP #:** 1615

Statutory Authority: Charter Ordinance CO-03-09
Prior Authorization Approved: R-52-18
Prior Authorization Amount Approved*: $1,100,000
New Authorization Amount*: N/A
**plus capitalized interest on any temporary financing and costs of issuance*
Project Description:

Project to reconstruct the exiting rural four-legged intersection, with north and south stop patterns, to a rural section with a roundabout style intersection. Improvements would include two 12 ft lanes with 2-3 ft shoulders, a 5 ft sidewalk on one side and a 10 ft shared use trail on the other, and "v-ditches" for storm water drainage. The roundabout itself would be constructed out of concrete with mountable curb and gutter to accommodate larger vehicles.

51st N of Cleveland RCB Replacement **CMIP #:** 5045

Statutory Authority: Charter Ordinance CO-03-09
Prior Authorization Approved: R-80-16
Prior Authorization Amount Approved*: $700,000
New Authorization Amount*: N/A
**plus capitalized interest on any temporary financing and costs of issuance*
Project Description:
Replacement of a reinforced concrete box located approximately 150 feet north of the intersection of Cleveland Avenue and N. 51st Street.

One of the big changes we made was we moved to the Debt Project Authorizations from the fall into the budget document so that we can approve the debt authorizations along with the budgets for the Debt projects. That's a section you will see after the Debt Project schedule.

Project Detail Reports

Project Title (Project #): Interstate 70 and Turner Diag. Interchange Reconstruction (1620)

Priority Based Budgeting Results: Increase Safety and Perception of Safety, Increase Economic Prosperity for All Citizens, Increase Community Cohesion

Department: 0040 - Public Works **Scheduled Completion Date:** Dec 31, 2023

Description and Scope of Work: The project will reconfigure and construct the interchange of I-70 and Turner Diagonal to a Diverging Diamond Interchange (DDI). This configuration would eliminate several of the extra ramps needed and would make this interchange more efficient for traffic flow and future development. The project also includes pedestrian accommodations, signals installation, and storm drainage concerns.

Justification: This project is located on a highly traveled and desirable corridor of I-70. Changing the ease of accesses would greatly increase the development possibilities long this section of Turner Diagonal.

Funding Sources	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24	Future
990 - Internal Improvement	10,000,000	-	3,750,000	3,750,000	-	-	-	7,500,000	-
999 - Outside Funding Source	24,000,000	24,000,000	-	-	-	-	-	24,000,000	-
Funding Sources Total	**34,000,000**	**24,000,000**	**3,750,000**	**3,750,000**	-	-	-	**31,500,000**	-

Project Budget Impact	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24
Additional Positions (FTEs)								
Total Project Capital Cost	10,000,000	24,000,000	3,750,000	3,750,000	-	-	-	31,500,000
Total Facility & Department Operating	-	-	-	-	-	-	-	-
New Revenue Sources	-	-	-	-	-	-	-	-
Net Project Impact	**10,000,000**	24,000,000	3,750,000	3,750,000	-	-	-	31,500,000

Operating Impact:

Another very significant change, we added some Project Detail Reports. There's about 80 of these projects that were highlighted. Each project you can see a description and the scope of work as provided by the department that's over the project as well as the justification for why the project exists and then the funding sources that are going into the project as well as an overview of the projects budget impact. That wraps up the Capital section. I guess behind the Project Detail Reports there is the Unfunded Projects list.

The Grant Inventory comes next in the budget document. Within the Grant Inventory we breakout the grants that are currently awarded by whether they're federal grants, state grants, private grants or a combination. We break them out by department and we also break them out individually and have a description for each grant. There's about $17.5M that we have in grants for this budget.

Personnel Overview, we added a few charts to just show the breakdown of where the positions are allocated by funding source as well as by functional area.

Unified Government of Wyandotte County/Kansas City, Kansas
2019 Amended – 2020 Budget
Position Inventory by Fund
(In Full Time Equivalents)

Fund	2019 Original	2019 Amended	2020 Budget
Consolidated General			
110 - City - General Fund	1090.14	1087.32	1094.32
113 - Consolidated Parks-General	73.25	73.25	70.25
160 - County - General	601.63	619.20	625.20
Consolidated General Total	1765.02	1779.77	1789.77
Other Tax Levy			
162 - County - Elections	19.25	19.25	19.25
165 - County - Aging	21.92	22.27	22.27
171 - County-Developmental Disability	2.45	2.45	2.45
172 - County - Health Department	38.55	38.35	38.35
Other Tax Levy Total	82.17	82.32	82.32
Special Revenue			
212 - Dedicated Sales Tax	50.25	50.25	50.25
220 - Special Street & Highway-City	72.50	73.50	73.50
221 - Special Parks and Recreation	3.00	3.00	3.00
222 - Special Alcohol	5.30	5.50	5.50
223 - Tourism & Convention	0.00	1.00	1.00
Special Revenue Total	131.05	133.25	133.25
Proprietary (Enterprise)			
560 - Sewer System	127.77	127.47	127.47
563 - Stormwater Utility	6.00	6.00	6.00
564 - Emergency Medical Services	66.00	65.00	65.00
565 - Sunflower Hills Golf	4.00	4.00	4.00
570 - Court Trustee	9.00	9.00	9.00
Proprietary (Enterprise) Total	212.77	211.47	211.47
Certified Funds Total	2191.00	2206.80	2216.80
Grant			
225 - Community Development	9.80	10.30	10.30
233 - Justice Assistance Grant	1.00	0.00	0.00
234 - Lead Hazard Cntl/Healthy Homes	2.20	2.20	2.20
240 - Adult CCA	26.45	27.05	27.05
241 - Juvenile CCA	31.00	29.20	29.20
242 - JJ KDOC Reimburse Grants	1.50	0.50	0.50
244 - JJ Reivestment Grant	0.00	3.00	3.00
262 - Department of Aging Grant Fund	13.30	12.95	12.95
263 - Health Department Grant Fund	48.70	49.15	49.15
266 - Other Special Grants	8.15	15.90	15.90
267 - Spc Develop Disabilities Grant	4.50	4.55	4.55
290 - HOME Program	0.00	0.50	0.50
Grant Total	146.60	155.30	155.30
Grand Total	2337.60	2362.10	2372.10

We also have tables showing where the positions are allocated by fulltime equivalency by fund

Unified Government of Wyandotte County/Kansas City, Kansas
2019 Amended – 2020 Budget
Position Inventory by
(In Full Time Equivalents)

Department	Position Class	2019 Original	2019 Amended	2020 Budget
Aging	ADMIN SUPPORT SPECIALIST	1.00	1.00	1.00
	DIRECTOR	1.00	1.00	1.00
	FISCAL OFFICER	1.00	1.00	1.00
	FISCAL SUPPORT SPECIALIST	1.00	1.00	1.00
	PROFESSIONAL PROGRAM ASSISTANT	1.00	1.00	1.00
	PROGRAM AIDE	1.00	1.00	1.00
	PROGRAM COORDINATOR	2.00	2.00	2.00
	PROGRAM SPECIALIST	7.00	7.00	7.00
Aging Total		15.00	15.00	15.00
Appraiser	ADMIN COORDINATOR	3.00	4.00	4.00
	ADMIN SUPPORT ASSISTANT	3.00	3.00	3.00
	ADMIN SUPPORT SPECIALIST	2.50	2.50	2.50
	APPRAISER	9.00	9.00	9.00
	APPRAISER SUPERVISOR	1.00	1.00	1.00
	DIRECTOR	1.00	1.00	1.00
	FISCAL OFFICER	1.00	0.00	0.00
	INFORMATION SYSTEMS ANALYST	1.00	1.00	1.00
	MANAGEMENT ANALYST	0.00	1.00	1.00
	MANAGER	1.00	1.00	1.00
	PROFESSIONAL ASSISTANT	1.00	1.00	1.00
	PROFESSIONAL PROGRAM ASSISTANT	1.00	1.00	1.00
	PROGRAM COORDINATOR	1.00	0.00	0.00
	PROGRAM SUPERVISOR	2.00	2.00	2.00
	REAL ESTATE APPRAISER	5.00	5.00	5.00
Appraiser Total		32.50	32.50	32.50
Commissioners	COMMISSIONER	3.00	3.00	3.00
	PROFESSIONAL ASSISTANT	2.00	2.00	2.00
Commissioners Total		5.00	5.00	5.00
Community Corrections	ADMIN SUPPORT ASSISTANT	0.50	0.00	0.00
	ADMIN SUPPORT SPECIALIST	3.00	3.00	3.00
	ADMIN SUPPORT SUPERVISOR	1.00	1.00	1.00
	DIRECTOR	1.00	1.00	1.00
	INTEN SUPERVISION SUPERVISOR	8.00	7.00	7.00
	INTENSIVE SUPERVISION OFFICER	35.00	34.00	34.00
	INTENSIVE SUPR ADMINISTRATOR	3.00	3.00	3.00
	PRE TRIAL COORDINATOR	2.00	2.00	2.00
	PROFESSIONAL PROGRAM ASSISTANT	5.00	5.00	5.00
	PROGRAM AIDE	2.00	2.50	2.50

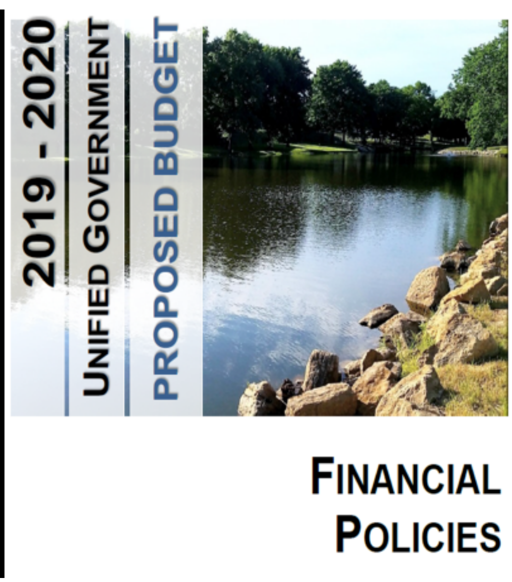
as well as by department and classification.

Unified Government of Wyandotte County/Kansas City, Kansas
2019 Amended – 2020 Budget

Employer Paid Benefit Assumptions

Employer Paid Benefits	2019 Original	2019 Amended	2020 Budget
Health Insurance (Traditional Plan)			
Single Coverage	$8,018	$8,169	$8,823
Family Coverage	$18,990	$19,462	$21,019
Health Insurance (Health Savings Account)			
Single Coverage	$7,214	$7,352	$7,940
Family Coverage	$16,835	$17,265	$18,646
Dental Insurance			
Single Coverage	$382	$364	$393
Family Coverage	$899	$856	$924
Vision Insurance			
Single Coverage	$47	$52	$56
Family Coverage	$108	$112	$121
Standard Life Insurance			
Single Coverage	$32	$28	$28
Family Coverage	$32	$28	$28
Health Insurance Waiver	$1,800	$1,800	$1,800
KPERS Civilian Rates	9.89%	9.89%	9.61%
KPERS Fire & Police Rates	22.13%	22.13%	21.93%
KPERS Sheriff	22.13%	22.13%	21.93%
KPERS Retired From Different Employer	8.89%	8.89%	8.89%
FICA (Social Security)	6.20%	6.20%	6.20%
FICA (Medicare)	1.45%	1.45%	1.45%
Unemployment	0.10%	0.10%	0.10%

At the end of the Personnel Summary section you will see the Employer Paid Benefit Assumptions and this will show the amounts that we used in our '19 predictions last year as well as the current amounts that are being budgeted for employee benefits and the amounts that we are projecting for 2020.



Lastly in the budget document you will see the Financial Policies. This section contains the 18 financial policies along with adoption dates and the resolution numbers to go along with each policy.

Mr. Bach said with that, do we have any questions or do you have any closing statements on that Reggie? Any questions over the budget document and how it was put together, format, or anything you're missing.

Commissioner Kane asked would you go back to the Hutton Road & Leavenworth Road. Wasn't there something about a roundabout out there? The second line with a roundabout style intersection. I thought we realized since we were putting a fire station there, we weren't even thinking about a roundabout. **Commissioner Bynum** said 131st. **Commissioner Kane** said okay, I'm sorry. I don't like a roundabout at 131st either. I don't like roundabouts period so I don't care where you think you should put one, I could tell you where you could put one, but I think it's a bad idea to set that up especially because you're talking by a school which would be a lot more traffic.

Mayor Alvey said I will speak to that point. My daughters attended St. James Academy. There are several roundabouts. In fact, there's a roundabout right in front of a combined Police & Fire Station on Prairie Star Road and there is a roundabout right as you enter into the school. What was interesting is it seemed to handle the traffic better, but then again, I'm no expert on that. **Commissioner Kane** said I will bet you money that Leavenworth Road is a hell of a lot busier than the road you're talking about. **Mayor Alvey** said I don't know. It could be. **Commissioner Kane** said it's a highway. We use it all the time and you're talking about—they run all the way from Johnson County all the way back to St. James and I agree, slow moving places like that is fine. This is not slow moving. **Mayor Alvey** said I don't know what the comparison would be. **Commissioner Kane** said this is an overabundance of traffic. I would think before you do something like that you would want a traffic study and then see what it compares like somewhere else. **Mayor Alvey** said agreed.

Kathleen VonAchen, Chief Financial Officer, said I just wanted to make a few closing statements regarding the budget document. I would like to thank County Administrator, Doug

Bach, and the others senior managers for their support of the Finance Department to replace our budget software and to go out and do that training and all of you for your support because that all made utilizing the software to the fullest extent so that we could produce this budget document and produce the Capital section which is almost an inch thick and has a great deal of information for our residents.

Commissioner Philbrook said thanks a lot. This document is heads above some of our older documents. These are much easier to read, much easier to understand and actually when I read it I can figure out what question I have because there are relationships in here.

Mr. Bach said I really do appreciate the way the Budget staff advanced what we did in projects this year. I mean that is one thing I think that as the commissioner was able to pull that out, you know, on the point about roundabout like it or not, it put the detail in there so you understood what we're thinking and let you start thinking about that and offer those comments on, so hopefully, we're not surprising you with something later. That is part of the training they've done too.

I will also note, the message in the front as Reggie pointed out, that's the message Kathleen weighs in real heavy in the way that's put together. If someone's out there that's wanting to look at our budget and doesn't want to cruse through 800 pages of document, that's a 15 page summary that talks about major changes from year to year. That's some of the stuff we try to emphasize in that letter and really there are only a few pages that get to that, but it kind of provides a narrative to the presentation if your flipping through the PowerPoint section that can allow somebody to really know—because a lot of times the budget we bring from year to year is mostly the same. It's a lot of information from year to year and we've done some incremental changes to it, that notes more the substantial changes coming in so you can look at those 15 pages and get a feel for it without—then maybe flip to the sections that are of interest.

Mayor, that's all we have on the Overview unless you have other questions.

Mayor Alvey said I would just add one comment. You know towards the end of your message, the County Administrator's message, there's a discussion of unmet needs which I think is crucial to highlight. It's at the end of the message but I think it's really important to us. As we move into our Strategic Planning this fall we need to really look at our long-term fiscal situation and what we need to do. The only suggestion I would make is that we articulate really what the challenges, we say what the challenges are, but we really identify what the tradeoffs are. Should we chose, for instance, to reduce our debt level by paying things more with cash and then what does that do, really what the repercussions of our—what the decisions to be made are and what the alternative costs are to each of those decisions. For the public who might really latch on to this, they could see really what the situation is and what the varying options are.

Commissioner McKiernan said actually, I think Commissioner Bynum just answered my question. I believe what I was going to ask about is the very next slide that you have and you have not yet covered it.

Mr. Bach said if there are no other questions, I will turn it back over to Reggie and his staff to go over changes. We're not reviewing everything. We are just pointing out items for when you in May and how that left and we left that time and we had to do some things to balance the budget. As I said, and you'll see on this first page, some of them are just the way we are expressing in the document, some are changing by fund or they've moved somewhere and then some are new that have been added. Most of them fall under certain categories or some when we went back to the departments and said you need to reduce your Commodities & Services, and that's just a small area of their budget, but they opted to make that reduction in their Capital versus in Commodities & Services.

2020-2024 CMIP CHANGES FROM MAY SPECIAL SESSION

Debt Financed Projects

	CMIP - Debt	Page #	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24
	Streets									
		2								
May Preview	2169 - Bridge #223 (36th and Ohio Ave.) Replacement		-	-	-	700,000	-	-	-	700,000
Proposed										

	Grants									
		6								
May Preview	AUTO - 2286 - Argentine Levee		-	2,000,000	2,000,000	-	-	-	-	4,000,000
Proposed										
		6								
May Preview	AUTO - 2287 - Armourdale Central Industrial District		-	2,000,000	2,000,000	-	-	-	-	4,000,000
Proposed										
May Preview	NA									
Proposed	5057 - Kansas Levee Betterment	476		4,000,000	4,000,000	-	-	-	-	8,000,000

Mr. Lindsey said what we're doing is presenting here what we first presented back on May 6 in the Capital. Basically, what we're going to start with is the Debt Financed Projects. What we have here is the main preview on one line and then the proposed on the second line. We also have the same way it's set-up in the Capital document each year and then here we have highlighted in blue what the change was and also with this being Debt, like the type of debt it impacts as far as if it's Streets or Grants.

This first particular project we have Bridge Repairs at 36th & Ohio where we're recommending cutting $700K from this bridge repair, but what we're doing is we're moving this over to Annual Bridge Projects. We're really not recommending to cut it, we just moved the funding elsewhere.

Grants, basically we have two projects here that are under Grants, the Argentine Levee and the Armourdale Central Industrial District. Both were at $2M each and what we're doing here is we combined them to equal $4M in the Kansas Levee Betterment. What we did was in the proposed document we made that change, but these here in the May preview, we added $2M in each of those so what we did was consolidated both of these in the proposed document.

2020-2024 CMIP CHANGES FROM MAY SPECIAL SESSION

Cash Financed Projects

	CMIP	Page #	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24
	110 – City General Fund	-								
	Fire Department									
May Preview	AUTO - 2216 - Fire Station 20 Repair/Remodel	1	-	100,000	-	-	-	-	-	100,000
Proposed	8050 - Fire Station 20 Repair/Remodel (Fund 971)	459	-	50,000	-	-	-	-	-	50,000
	Parks & Recreation									
May Preview	1070 - Trail Network Dev Prog	1	-	-	100,000	100,000	100,000	100,000	-	400,000
Proposed	1070 - Trail Network Dev Prog (Fund 223)	457	-	100,000	100,000	100,000	100,000	100,000	100,000	600,000
May Preview	AUTO - 2240 - Heritage Park Trail Lighting	1	-	60,000	-	-	-	-	-	60,000
Proposed	4029 - Heritage Park Trail Lighting (Fund 113)	455	-	60,000	-	-	-	-	-	60,000
	Public Works									
May Preview	1055 - PW Asset Mgmt Sys Integrations	1	50,000	50,000	150,000	150,000	150,000	-	-	500,000
Proposed	1055 - PW Asset Mgmt Sys Integrations	454	50,000	50,000	50,000	50,000	50,000	-	-	200,000
May Preview	8202 - Facilities Impovements - City	1	215,000	215,000	130,000	-	-	-	-	345,000
Proposed	8202 - Facilities Impovements - City	454	215,000	10,000	130,000	-	-	-	-	140,000
May Preview	AUTO - 2164 - Landscaping	2	-	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Proposed	7846 - Landscaping	454	-	50,000		50,000	50,000	50,000	50,000	250,000
Proposed	7846 - Landscaping (Fund 971)	455	-	-	50,000	-	-	-	-	50,000

The second slide here, these are Cash Financed Projects that were moving off from the Debt Projects. Again, what we have here is broken out by funds so we have the City General Fund here and we have it broken out by departments. Again, we have the May preview, what was presented on May 6th and then what's actually in the proposed document and also, we have the page numbers that were impacted.

Basically, what we did here was departments in the City General Fund they were asked to cut 10% from their Contractual Services budget and also their Commodities budget. The Fire Department decided to cut \$50K from their Fire Station Repair/Remodel. It was \$100K when it came on May 6th and now it's \$50K.

In Parks & Recreation Department, basically what we have here is we added \$100K in 2019 and funding also shifted across the years between two different funds, the City General Fund and the Tourism Fund.

Here we have the Heritage Park Trail Lighting and what went on here is just a funding shift between different funds where it moved from the City General Fund to the Parks & Rec Fund.

In Public Works one of the things that happened here—they are in the City General Fund also so we asked them to make cuts based on their Contractual Services and their Commodities in the amount of 10%. What they decided to do was cut \$100K from 2020 to 2022 and then in this next project, Facilities Improvements, they decided to cut \$195K from 2019 Amended Budget.

They also decided to shift some funding out of the City General Fund into the Capital Projects Fund.

2020-2024 CMIP CHANGES FROM MAY SPECIAL SESSION

Cash Financed Projects

	CMIP	Page #	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24
	113 – Consolidated Parks-General									
	Parks & Recreation									
May Preview	NA									
Proposed	4022 - Wyco Lake Marina Docks	455	-	-	60,000	-	-	-	-	60,000
May Preview	AUTO - 2269 - Providence Amphitheater Parking Lot Resurface	2	-	-	240,000	240,000	-	-	-	480,000
Proposed	4103 Providence Amphitheater Parking Lot Resurface (Fund 223)	457	-	-	750,000	-	-	-	-	750,000
	172 - County Health Department									
	Health									
May Preview	8718 - Health Dept Facility Improvements	3	-	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Proposed	NA									
	221 – Special Parks & Recreation									
	Parks & Recreation									
May Preview	NA									
Proposed	4022 - Wyco Lake Marina Docks	457	-	-	65,000	-	-	-	-	65,000

The next fund we're going to talk about is the Consolidated Parks Fund. Basically, here what we're doing, this is a new project. It was not in the May preview and we're getting eight new docks. Two of those are for public use—six of those are for public use and two of those are for the Sheriff and the Parks & Recreation use. That's funded from the Parks & Rec Fund and then also the Special Parks & Rec Fund.

Also, in the May preview we brought forward the Parking Lot Resurface at the Amphitheater and we decided to move funding for it to the Tourism Fund and also fund it in one year.

Also, during the May preview the Health Department had $50K in Health Department Facility Improvements; however, we needed to balance this fund because of the new electronic medical software they are getting that costs $245K, so we cut this $50K out but over in the Debt section there is like $3M in the budget for boiler replacement, also roof replacement and elevator replacement.

2020-2024 CMIP CHANGES FROM MAY SPECIAL SESSION

Cash Financed Projects

	CMIP	Page #	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24
	560 - Sewer System									
	Public Works									
May Preview	6302 - Annual Treatment Plant Repairs	6	3,020,000	3,020,000	3,171,000	333,000	3,500,000	3,670,000	3,850,000	17,544,000
Proposed	6302 - Annual Treatment Plant Repairs	458	3,020,000	3,020,000	3,171,000	3,300,000	3,500,000	3,670,000	3,850,000	20,511,000
	563 - Stormwater Utility									
	Public Works									
May Preview	AUTO - 2272 - Annual Hillside Deterioration Program	7			200,000	100,000	100,000	100,000	100,000	600,000
Proposed	5306 - Annual Hillside Deterioration Program	458				100,000	100,000	100,000	100,000	400,000
May Preview	5082 - Cash Resv Debt Mgmt Major Cap	6	2,580,000	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000
Proposed	5082 - Cash Resv Debt Mgmt Major Cap	458	2,580,000	250,000		250,000	250,000	250,000	250,000	1,250,000
May Preview	5303 - Storm Sewer Repairs/Relacement	6	1,000,000	1,000,000	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000	11,000,000
Proposed	5303 - Storm Sewer Repairs/Relacement	458	1,000,000	1,000,000	950,000	1,500,000	2,000,000	2,500,000	3,000,000	10,950,000
May Preview	5313 - Stormwater Prelim Eng Studies	6	100,000	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Proposed	5313 - Stormwater Prelim Eng Studies	458	100,000	100,000		100,000	100,000	100,000	100,000	500,000

In fund 560 up under Public Works we had a tech change which is this blue column here. When we originally bought it in May it was $333K and that should have been $3,300,000. The Stormwater Utility we basically had to go in and balance this fund in 2020, so all of the cuts we took care of was basically to get this fund balanced across these four different projects.

2020-2024 CMIP CHANGES FROM MAY SPECIAL SESSION

Adjustments to Proposed

	CMIP	Page #	2019 Original	2019 Amended	2020	2021	2022	2023	2024	FY19-24
	565 – Sunflower Hills Golf									
	Parks & Recreation									
May Preview	8941 - Course Improvements	7	20,000	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Proposed	8941 - Course Improvements	458	20,000	-	-	20,000	20,000	20,000	20,000	80,000

Lastly, we have Sunflower Hills. We also had to get this fund balanced so we did cut some course improvements from their budget in their fund but we do have some funding in the Tourism Fund in the amount of $150K for bunker replacement and tee replacement.

That completes all the adjustments that we made to the Capital section.

Commissioner Walters said looking on page 442 of the Capital Maintenance Improvement Program Projects Summary, there are some really big numbers on this page so I'm just wondering, I'm seeing a 2019 Amended Budget, a grand total of $167M. Where could I go within this budget to get some breakdown like Internal Improvement $98M. Where would I go to get a breakdown of detail of what that is? Are you seeing that number? About halfway down the page 2019 Amended, Capital Project Funds, Internal Improvement $98M. **Mayor Alvey** said number 990. **Commissioner Walters** said 990, for example, or all the way down at the bottom 0040 Public Works $160M. Where would I get the detail on those numbers? **Mr. Lindsey** said it would be in the Debt section. It starts like on page 471, page 466. You can see the $97M that you were talking about. It totals up down there.

Mr. Bach said, Commissioner, what you see there on page 466 that then takes that one bulk item, breaks it down into categories; Street, Bridges, Traffic, Engineering, Facilities, Parks, Rec, Community Facilities and such on down the page so you can see how much is in each area. Then on the corresponding pages, unless I'm incorrect guys, then you can go through it and that's where your line detail of each one. So, when you see Streets $10.8M, you come back over here under the next section under the Debt Financed and you'll find—that's where I find Streets and then you find that and that would add up to that corresponding numbers. You will see each one broke out individually. **Mayor Alvey** asked are you talking about page 472 and did you move from 472. **Mr. Bach** said I moved from 466 which does it by category that adds back up to that $97M and then if you move to page—then there is just some more explanation slides in-between and then you get to page 472 and on for these next several pages to go through Debt and Cash, right? **Mr. Peterson** said that's correct.

Commissioner Walters said this page 442 includes all of the General Fund, Enterprise Funds, everything, is that correct? **Mr. Lindsey** said yes. **Commissioner Walters** said I heard a yes, right? **Mr. Bach** said yes. **Commissioner Walters** said it's a staggering number in the 2019 and 2020 and then it goes down dramatically in ‘21, ‘22, and ‘23. I’m assuming, just from my quick review, a lot of that is the Sewer System Treatment Plant.

Debbie Jonscher, Deputy Chief Financial Officer, said the 990 are all the Debt Funded projects so that would include all of them including the Sewer. It would be included in that total.

Mayor Alvey said I think on page 474 and 475, is that what you found? **Commissioner Walters** said I’m just reacting to—would we all agree these are big numbers? **Mayor Alvey** said yep, government expensive. **Commissioner Walters** said I guess if there is any more enlightening information we could get on that, it might be helpful.

Commissioner Bynum asked are we saying that on this line that you’re looking at, 999 for $47.3M, I’m sorry, it’s clear at the Capital Project Funds. You were talking about how it’s very large and then it starts—**Commissioner Walters** said I’m on page 442 which is the Summary page. **Commissioner Bynum** said yes, and then Ms. Jonscher had mentioned that, if I understood correctly, the 990s are the Debt Financed. Just for example, on that Capital Project Funds total $145M. When you get out here to 2024 it’s $19M, you were commenting on how dramatic that is and I think that’s what were—**Mayor Alvey** said but that’s the revenue category, right? This table above is revenues fund sources? **Mr. Lindsey** asked what page. **Mayor Alvey** said page 442. **Commissioner Bynum** said yes, fund category, we’re just going back to that page 442. **Mr. Bach** said no, that’s expense. **Mayor Alvey** said those are expenses, but it’s where it’s coming out of so under Special Revenue Funds, Dedicated Sales Tax $3.3M is being expended at the top? **Mr. Lindsey** said on page 467 there’s an illustration that shows how it drops off over the years and it shows that it’s Sewer System. If you go to 467 in the bottom chart there.

Mayor Alvey said to be clear, the numbers drop-off from 145,792 to 90 to 48 because we have not yet allocated funds or decided those projects yet. This is just what we already have in place and have committed to—the projects we have already committed to, that portion will decline over time, but there will be other projects coming forward. Is that correct? **Ms. Jonscher** said that’s correct. I think this is the current amount that we have for the outstanding projects that are ongoing so this wouldn’t include—this has a similar look to the Debt graft you’re going to see later on in the presentation but this didn’t include any future debt.

Commissioner McKiernan asked could I request that we get updated copies of the actual CMIP Detail that starts in the original budget on 472, both the Debt and the Cash, get updated copies of those. You've provided us with what the changes are but now some of those changes affect some of the totals so as I try to match totals, and actually they don't even match, and I just noticed that so thank you for pointing out that collapsed page there. Could I get an update that just shows 472 through—well that's just Debt and then the same thing for the Cash? It's a reprint of our original detail sheets. **Ms. Jonscher** asked are you talking about for the changes they just went through. **Commissioner McKiernan** said what I would like to see is the original sheets that incorporate those changes. I'm assuming in addition to putting them in that PowerPoint there in the spreadsheet. **Ms. Jonscher** said those changes are in the current CMIP document in your budget book. That was the change from the spreadsheet that we provided at the May CMIP session. Whatever change from that meeting to what is in your book, those were the changes that Reggie just talked about and those changes are already incorporated in your CMIP document. **Commissioner McKiernan** said of 6-27-19. **Ms. Jonscher** said that's correct. The original would have been what we handed you in May which I think was also put out on the website.

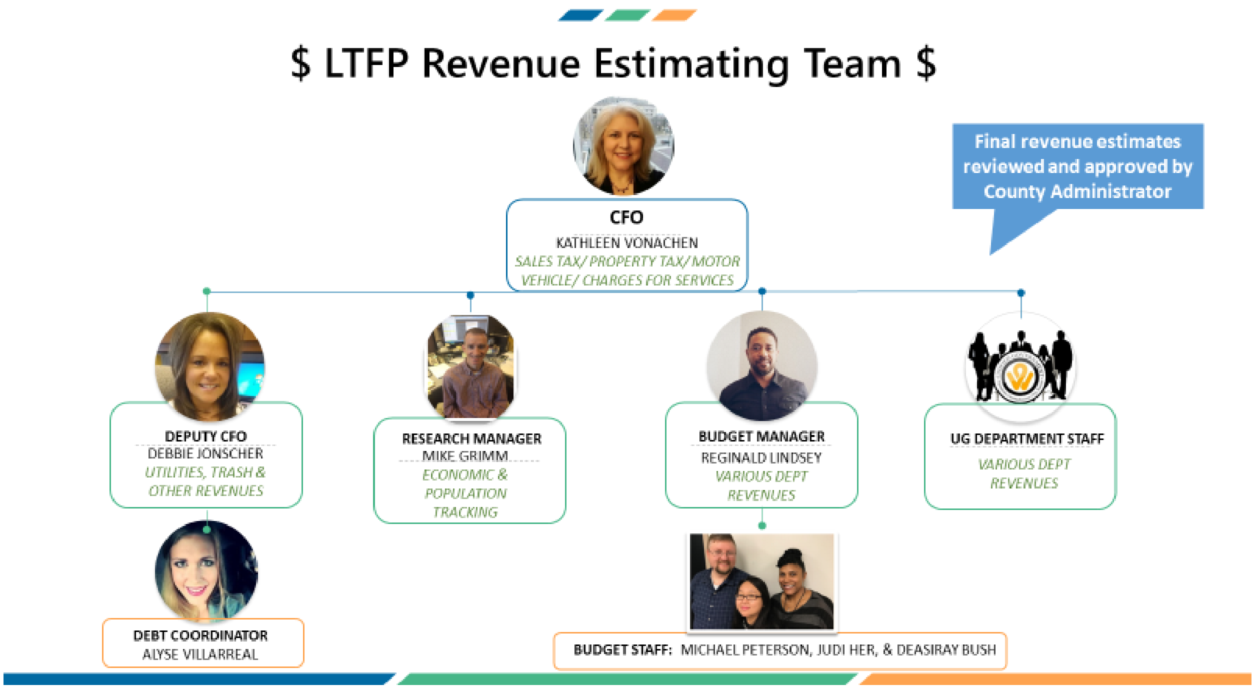
Commissioner Burroughs asked does this budget the way I'm looking at it, I'm looking at I guess it would be page 474 where it has the 2020 through 2024, $70M proposed, that contributes to the $165M I believe that has come up in a question. Does this budget include the new stormwater fee to pay for these? **Ms. Jonscher** said no, it does not. **Commissioner Burroughs** said it does not, okay. **Mr. Bach** said that has not been advanced yet so we're not able to start incorporating those projects in with the exception of the two, the Turkey Creek and then the Argentine Betterment Projects that we had to move forward with earlier this year. They are in the budget and we still need to identify how we're going to fund those in the future. Right now, they will just fall into our General Fund Debt. **Commissioner Burroughs** asked is that the $10M Wingwall Repair? **Mr. Bach** said yes, and then the $10M Betterment on the Pump Stations.

Commissioner McKiernan said if I look on page 468 and I look at the first shaded line it says Streets total and it's 12.2, yes, it's $12M, $12.2M, correct, for 2020? Yes, I'm looking at the 2020 Budget. Page 468, Streets total for 2020, 12.2. Then if I go down to page 472—thank you for following along while I looked at the correct column in page 472 and not the incorrect column in

472, so you should not trust me with anymore numbers in this whatsoever. I see the match. **Mr. Bach** said thank you for clarifying for all of us. It does kind of get you when '19 is in there twice. It always kind of toys with the eye a little bit.

Ms. VonAchen said I could probably speak for Reggie reminding you that we're open to any suggestions on how we can improve how you read it.

Mayor Alvey said I think now we move to Revenue Review.



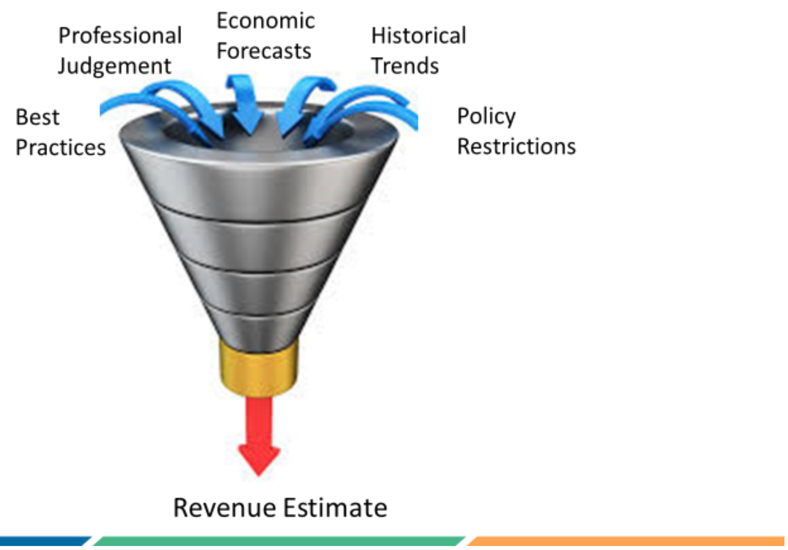
Ms. VonAchen said I have a terrific team of revenue estimating folks who help me put together the estimates and the assumptions and analysis behind our prediction of how the revenues are going to be coming in. First off, of course, Debbie Jonscher, the Deputy CFO, oversees utilities, trash and other revenues. I don't know if you're aware, but there's about 4,000 revenue accounts and we have to go through and look at each and every one. Some of them are pretty small though honestly.

Secondly, we have our Research Manager, Mike Grimm. You've seen him before. He provides a lot of economic background and population tracking and has been instrumental in collecting a lot of data in a whole slew of areas.

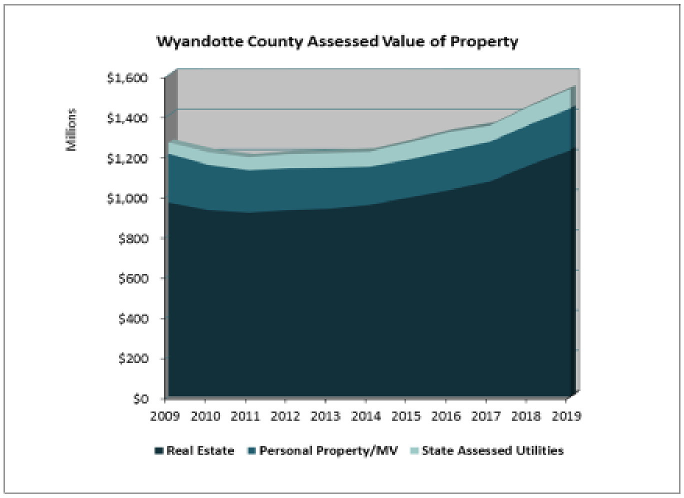
Of course, we've got Reginald Lindsey, our Budget Manager, who assists with various department revenues. Of course, all the UG Departments themselves that provide us information on their own revenues. You know, Municipal Court, for example or the NRC.

You've all met Alyse Villarreal, our Debt Coordinator, and she's a Management Analyst extraordinaire and has really helped us.

Finally, we have Michael Peterson, Judi Her and Deasiray Bush who are our Budget Analysts and are very, very helpful with everything we have to do.



The revenues are estimated typically before the budget process. It begins sometimes—it's while it's going on as well and then at that point the County Administrator also gets to review and weigh-in and ask questions, so it's a collaborative approach. The approach requires all of us to set our best practices of professional judgement. Some of the economic forecast we go to various conferences and do some reading on various economic trends, historical trends as well as policy restrictions. There's a lot of statutes that dictate how much we can collect.



Two largest tax revenue sources that support police, fire, streets, and many other governmental services are property taxes and sales taxes.

Property tax revenue is based on the assessed value of the projected market price of residences and businesses.

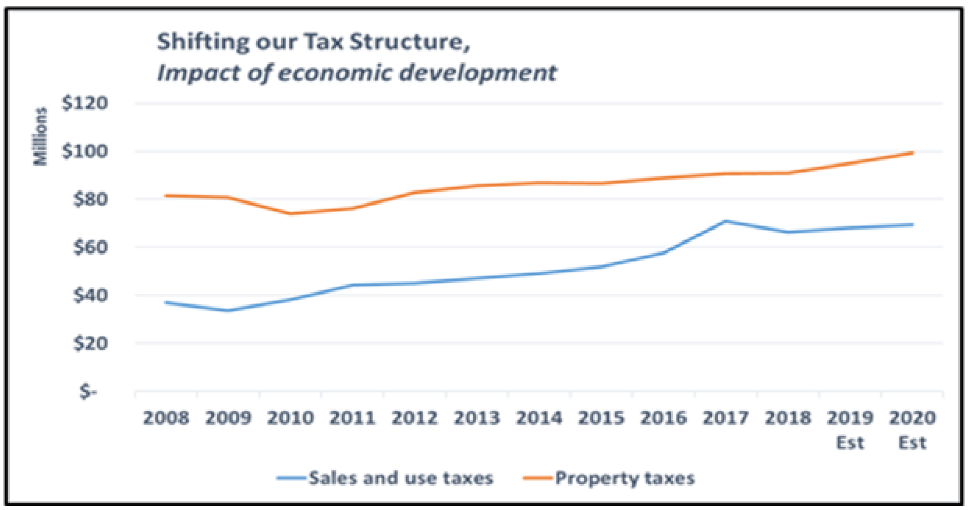
Data represented by tax year; For example, 2019 assessed valuation for 2020 budgeted revenue. County assessed valuation increased 0.6% in 2014, 3.9% in 2015, 4% in 2016, 2.4% in 2017, 7.2% in 2018, and an estimated 6% in 2019. Data includes motor vehicle valuations. Refer to page 178 of the UG Comprehensive Annual Financial Statements.

First off, I'm starting out with a chart that was requested by Commissioner Burroughs several days ago. As you know, the General Fund comprises of roughly $200+ million of our total budget of roughly $390M. It's a significant portion of our operations and the two largest tax sources that support of our operations, that being supportive of Police, Streets, Fire and many other governmental services that we provide to our residents come from property taxes and from sales taxes. We spoke about property tax at our meeting on Monday, but today I'm going to provide you this one little graph on property tax and then we're going to focus on sales tax later on.

Property tax is based on the assessed value of the projected market price of your residences or business. This is a graph, a 10-year graph, of the total since 2009. This very dark area is real estate. The blue area is personal property and motor vehicle and the last part is what they call state assessed utilities, so corporations that provide utilities to our residents; those are assessed by the state, but they're part of our assessed value.

As you can see, beginning with when we had the recession it kind of dipped more so and there's typically a lag with property taxes, property tax values, because it takes a while for the assessor to go in. When there is a housing bust, you really don't see the value of your home dropping until after several years have passed. That's why you see this dip happening in 2011 and 2012, but we have recovered and, in fact, the data shows—and this is provided on a tax year basis, so this 2019 is the tax or the mill rate that you all preliminary set a maximum mill rate on Monday and it's in effect for 2020 Budget. For the 1999 assessed value for the 2020 Budget is how that works.

The County assessed value—this is the entire county, not Kansas City, Kansas. Kansas City, Kansas assessed value is less than this one somewhat, a little, a couple--$200M or $300M. Our assessed value is up here in the, I hate to guess, maybe $1.5M range up there. It increases in 2019 by 6%. It started out in '14 with 0.6, so very slow growth during that recession and then it jumped very steadily 3.9% in '15, 4% in '16, 2.4% in '17 and then it jumped up to 7.2% in 2018 the year we're in right now. Next year we're anticipating 6%. It does include Motor Vehicle valuation and if you want more information on this, you can go to the Accounting Divisions website where you will find a Comprehensive Annual Financial Report and go to page 168.



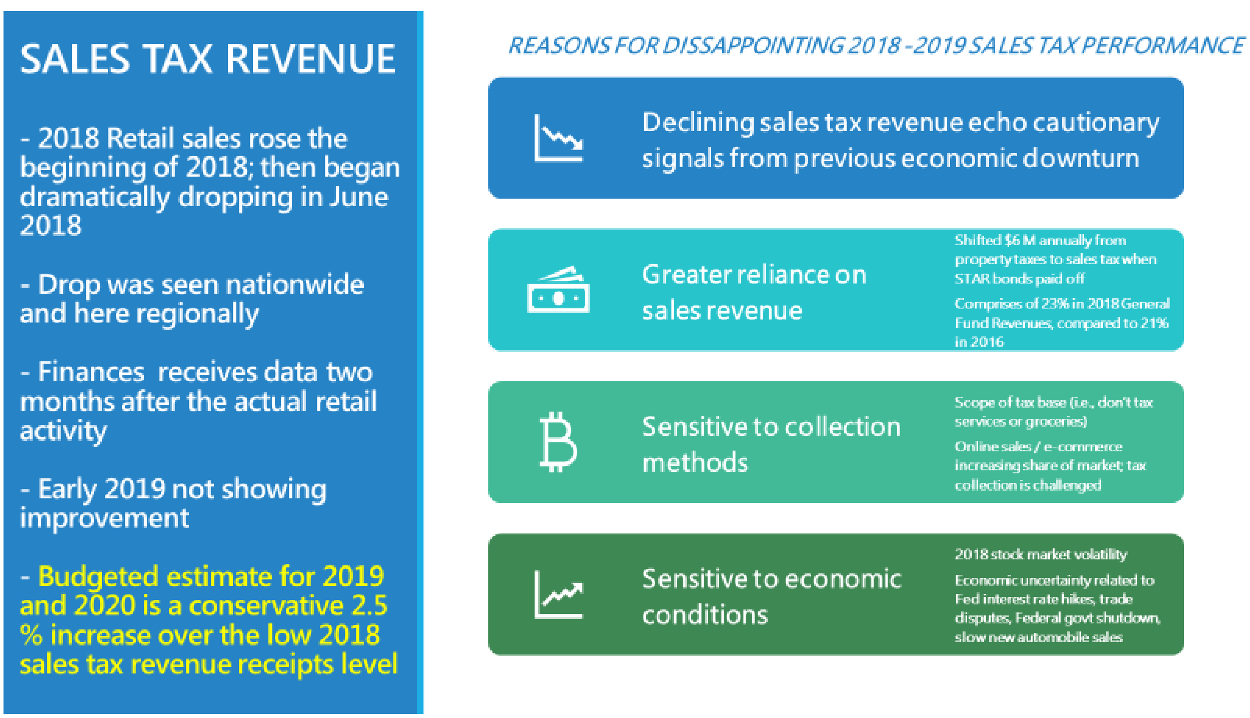
UG-wide Data. Property tax mill rate were reduced by 2 mills in 2017, 2018 and 2019, for a total of 6 mills. Property tax revenue increase projected in 2019 and 2020 due to increased assessed valuation and improved delinquency rate. Sales tax revenue increased in 2017 due to Village West STAR bond payoff, although has declined beginning in 2018.

The next graph I wanted to show you is one that we presented during our budget presentation or perhaps it's in the budget message. I don't remember which. It kind of shows a history of those two key revenue sources. Now, this is the entire Unified Government, so we collect property tax for not just the General Fund, but also a number of other tax levy funds dedicated for certain services.

We also collect sales tax for other functions such as Dedicated Sales Tax and for EMS for example. All of those are reflected here and, as you can see, over time this increase in the revenue part that is generated from our property tax mill rate has been steadily very flat. Why is that? The reason is that there has been a 2-mill reduction that began in ‘17 and a second 2-mill reduction in ‘18 and a third 2-mill reduction in ‘19 and that kept this flat. If you read through our CAFR, you’ll notice there are notes about how there’s very minimal increases in the collection of property tax during those years. Now it’s increasing because we’re proposing in this budget to maintain the mill rate at the current low level that it’s at, but there is that 6% assessed value growth rate that we are anticipating—or actually that the County Appraiser is going to certify.

Some of that mill reaction, I don’t have to tell all of you, was conducted or approved in anticipation of the STAR bond payoff and that’s what this bump here is. As we have all talked about before, sales tax is a very volatile revenue source and so as a result, sometimes it goes up and sometimes it goes down and you have to be prepared for that and that’s why we have Reserves or Fund Balance.

What happened in ‘18 was it dropped and we’re going to talk about maybe some causes for that. Originally, we were projecting this line to continue right through here, but unfortunately, it’s down below. We’ve lost about $3M in revenue that we were anticipating in ‘18, another $4M in ‘19 and another $4M in ‘20 and that requires that we need to assessed our priorities and streamline our practices.



The reasons for the disappointing performance, it's tough to know. You know the sales tax revenue drop kind of echo's what happened during the recession and it can happen very quickly. Because of that you need to—we need to be careful not to rely too much on sales tax and to be ready for it if it happens.

By the way, I made a note here that sales tax comprised of 23% in 2018 of the General Fund revenues compared to 21% in 2016 before the STAR bond payoff. So, not a dramatic difference, but it does signal a little bit of a shift. It also has some challenges, sales tax, because of several reasons. The scope of the tax base—in some state's services and groceries are taxed and in others it's not. It just depends—it's performance greatly depends on the scope of the tax.

Additionally, online sales have really impacted the revenue performance for sales tax. People are trying to get much more convenient to shop online and some of those online retailers don't remit sales tax to the respective states. Lastly, it's very sensitive to economic conditions. We've been talking to a lot of Finance Director's across the state and we're all just puzzled by what's going on here. All we can really come up with at this moment is that it's a product of market volatility that consumer confidence may be down and there's a lot of economic uncertainty related back during 2018 related to the drop in—or the reduction in—no, the increase in interest rates, trade disputes, a number of other things.

Overall, just to recap, the '18 sales tax rose at the beginning of 2018, the first six months, and then it dropped beginning in July. The drop was seen nationwide as well as regionally. Finance, ourselves, we don't actually collect or know the performance of sales tax until two months after the transaction has occurred because the retailer has a month to report and remit his payment to the state and then the state has a month to give it to us. So, we kind of are behind the curve sometimes in knowing this.

We were hoping in 2019 that things would turn up, but they're not really turning up, but we're going to get through this and so as a result we've reduced our sales tax estimate to 2.5% for both 2019 and 2020.

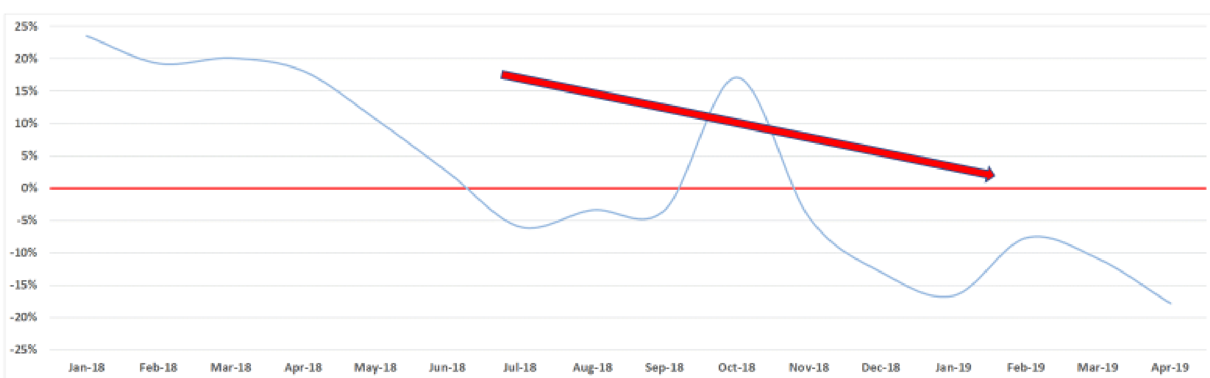
I'm going to show you some examples. This data that I'm about to show you is what they call Year over Year. It's a percentage—what's the percentage change of the amount that I collected today compared—for this month compared to the month from the year before, year over year. Naturally, if it's above zero, then you collected more sales tax this year than you did last year within that same month.

United States Retail Report

Source: US Census Bureau; https://tradingeconomics.com/united-states/retail-sales-annual

You can follow the trend because then you can see how much it's growing up or down compared with the prior period. This is a report from the US Census and it discusses retail activity across the entire United States and you can see that beginning in August it dropped. Now, they're not in the negative category. Here's the zero right here, but you can see that trend line going down.

City of Kansas City, Kansas 1.65% Sales Tax*



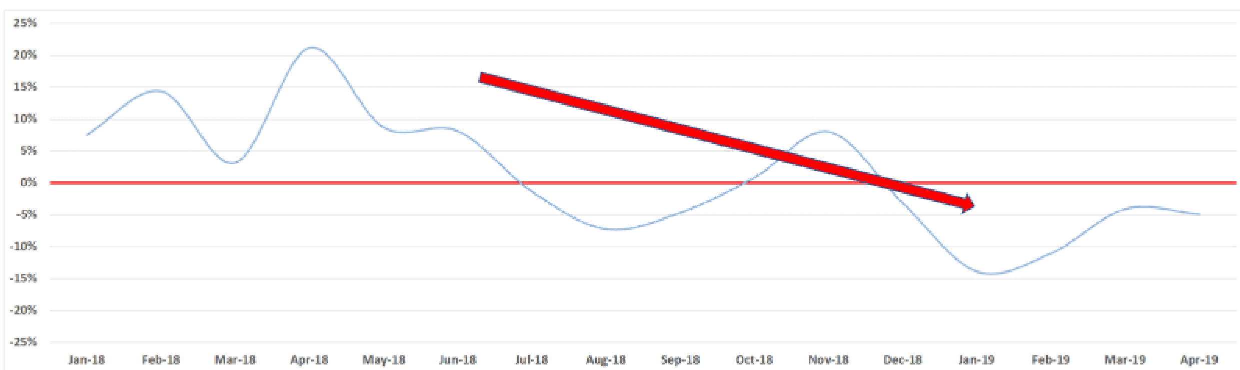
Situs Month	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Current Yr Perioc	$2,527,295	$2,470,128	$2,799,848	$2,652,109	$2,804,884	$2,832,047	$2,657,617	$2,665,174
Prior Yr Period	$2,045,773	$2,070,907	$2,330,663	$2,245,362	$2,533,937	$2,763,226	$2,825,295	$2,756,819
% Change	23.5%	19.3%	20.1%	18.1%	10.7%	2.5%	-5.9%	-3.3%

Situs Month	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Current Yr Perioc	$2,591,489	$2,569,674	$2,576,020	$2,490,591	$2,109,060	$2,281,982	$2,496,088	$2,181,244
Prior Yr Period	$2,680,432	$2,193,935	$2,697,805	$2,861,055	$2,527,295	$2,470,128	$2,799,848	$2,652,109
% Change	-3.3%	17.1%	-4.5%	-12.9%	-16.5%	-7.6%	-10.8%	-17.8%

*STAR sales tax SOCCER revenue base not included

This retail report doesn't have any numbers on it, it's just percentages. The next few ones do have actual dollars so that you can compare and understand it better. What we're looking at now is the City of Kansas City, Kansas 1.65% sales tax, percentage sales tax. That's the sales tax for the 1% City and then the quarter cent EMS and then the 3/8th for the Dedicated Sales Tax. Since January 2018 we had very strong performance with a 25% increase over the prior year in the beginning of the year. This is significant and then it drops to below the zero. There was some sort of blip here in October. Oftentimes retailers file late and so then their payments get all bundled up so this sort of blip happens, but it's continuing. We were very happy when it started to look like there was an upturn in February, but now it's dropped back down again.

City of Overland Park, KS 1.125% Sales Tax



Situs Month	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Current Yr Period	$ 3,675,282	$ 3,840,964	$ 3,882,878	$ 3,823,126	$ 4,058,409	$ 4,251,778	$ 3,751,633	$ 3,765,476
Prior Yr Period	$ 3,417,983	$ 3,358,785	$ 3,763,880	$ 3,156,277	$ 3,734,479	$ 3,932,440	$ 3,803,532	$ 4,058,786
% Change	7.5%	14.4%	3.2%	21.1%	8.7%	8.1%	-1.4%	-7.2%

Situs Month	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Current Yr Period	$ 3,830,980	$ 3,608,907	$ 4,103,476	$ 4,352,789	$ 3,164,887	$ 3,418,736	$ 3,725,092	$ 3,635,668
Prior Yr Period	$ 4,017,999	$ 3,578,999	$ 3,799,284	$ 4,496,370	$ 3,675,282	$ 3,840,964	$ 3,882,878	$ 3,823,126
% Change	-4.7%	0.8%	8.0%	-3.2%	-13.9%	-11.0%	-4.1%	-4.9%

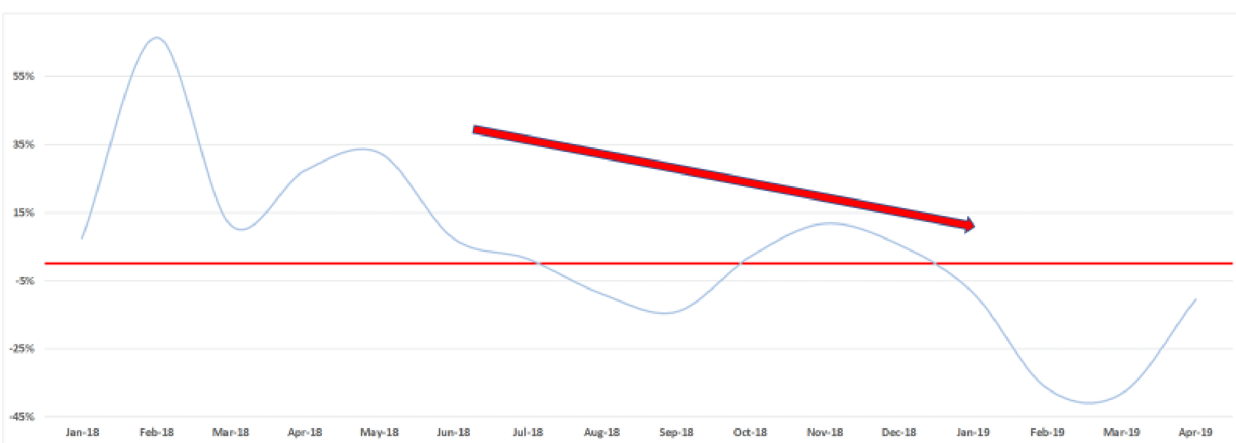
Here's Overland Park. Very similar slope. They're also in the negative although it's looking a little better for them at the end in April. This data is based on the month in which we estimate the transaction occurred. If you're looking at December, it's Christmas.

Commissioner Bynum said if you would go back one slide to the KCK. The blue line is a percentage change. **Ms. VonAchen** said yes. **Commissioner Bynum** said at the very bottom are actual numbers? **Ms. VonAchen** said that's right. The bottom percentages are the same as the blue line. **Commissioner Bynum** said I mean at the very bottom of your slide—**Ms. VonAchen**

said that’s correct—**Commissioner Bynum** said those are actual collection numbers, right? **Ms. VonAchen** said yes. They are numbers that the state gave us. **Commissioner Bynum** said oh, I see. I was not reading it correctly. So, for example, right where you are, July of ‘18 the prior was $2.8M and then July of ‘18 was $2.6. **Ms. VonAchen** said yes. (Talking was inaudible) **Ms. VonAchen** asked got it. **Commissioner Bynum** said yes. **Ms. VonAchen** said thank you for asking that. I just whizzed by, you know, figured you all are on the same page.

Ms. VonAchen said so, Overland Park. Anymore questions on that? **Commissioner Johnson** said it looks like we’re trending the same way that it’s going nationally, but two slides ago suggested nationally we hadn’t reached that threshold as of yet or is that not true? Nationally they have not crossed the zero. **Ms. VonAchen** said right. **Commissioner Johnson** said so what makes Kansas, I suppose, so much different than—is there anything that would suggest what would make us different or lower than the average? **Ms. VonAchen** said I don’t know the answer to that, but I do have a slide from Kansas City, MO coming up. **Melissa Sieben, Assistant County Administrator,** said I would also suggest what we tax so every state varies in what it collects sales tax on, so it could be what we’re collecting sales tax on has a higher elasticity so people have the ability to not purchase those items where other parts may not be that way. That’s just a thought.

City of Lenexa, KS 1.5% Sales Tax

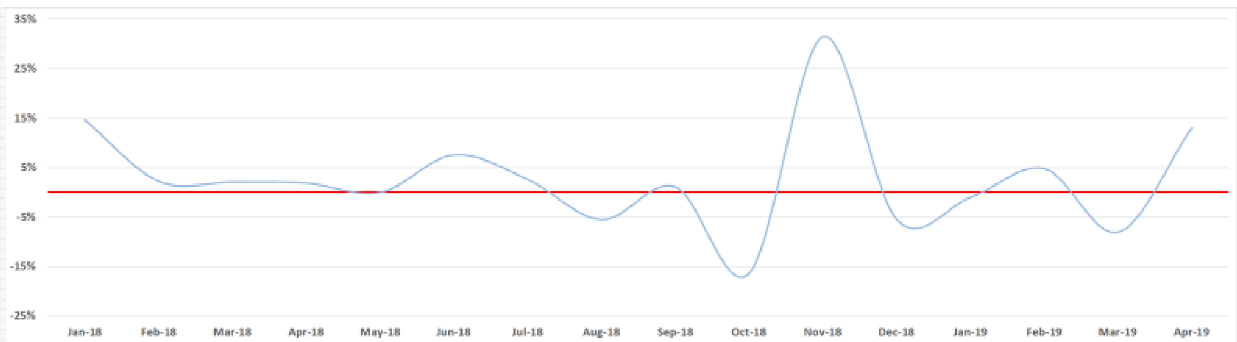


Situs Month	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Current Yr Perio	$1,432,423	$2,069,068	$1,591,311	$1,580,391	$1,920,620	$1,644,849	$1,524,889	$1,471,777
Prior Yr Period	$1,332,650	$1,243,984	$1,428,908	$1,241,593	$1,448,617	$1,530,613	$1,503,486	$1,614,039
% Change	7.5%	66.3%	11.4%	27.3%	32.6%	7.5%	1.4%	-8.8%

Situs Month	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Current Yr Perio	$1,321,775	$1,470,806	$1,653,950	$1,623,033	$1,310,525	$1,312,502	$ 985,285	##########
Prior Yr Period	$1,540,086	$1,440,863	$1,479,488	$1,536,642	$1,432,423	$2,069,068	$1,591,311	##########
% Change	-14.2%	2.1%	11.8%	5.6%	-8.5%	-36.6%	-38.1%	-10.4%

Ms. VonAchen said Lenexa collects roughly $2-$1.5M per month and they're also—they had a significant increase in the early part of 2018. This was likely due to some variability because the vendors tend to hold off on remitting and so there are some lumps in the data, but it's going down. Things are looking a little better for them in April, but it's hard to know if it's a trend.

City of Kansas City, MO 2.875% Sales Tax*

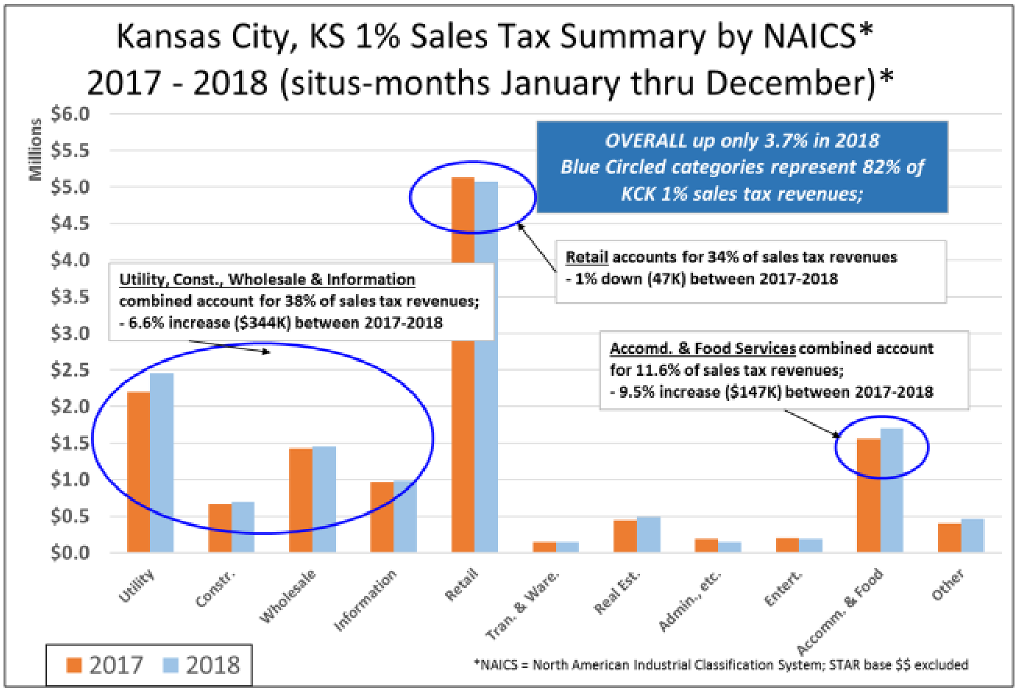


Situs Month	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Current Yr Perioc	$ 25,735,407	$ 18,480,275	$ 15,385,776	$ 21,529,794	$ 24,182,869	$ 17,122,874	$ 24,652,500	$ 17,083,231
Prior Yr Period	$ 22,461,074	$ 18,081,858	$ 15,075,614	$ 21,140,876	$ 24,195,412	$ 15,921,607	$ 24,032,967	$ 18,083,615
% Change	14.6%	2.2%	2.1%	1.8%	-0.1%	7.5%	2.6%	-5.5%

Situs Month	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Current Yr Perioc	$ 14,245,089	$ 22,402,195	$ 22,037,781	$ 16,962,506	$ 25,464,811	$ 19,358,586	$ 14,142,807	$ 24,331,112
Prior Yr Period	$ 14,090,462	$ 26,787,090	$ 16,771,686	$ 17,949,188	$ 25,735,407	$ 18,480,275	$ 15,385,776	$ 21,529,794
% Change	1.1%	-16.4%	31.4%	-5.5%	-1.1%	4.8%	-8.1%	13.0%

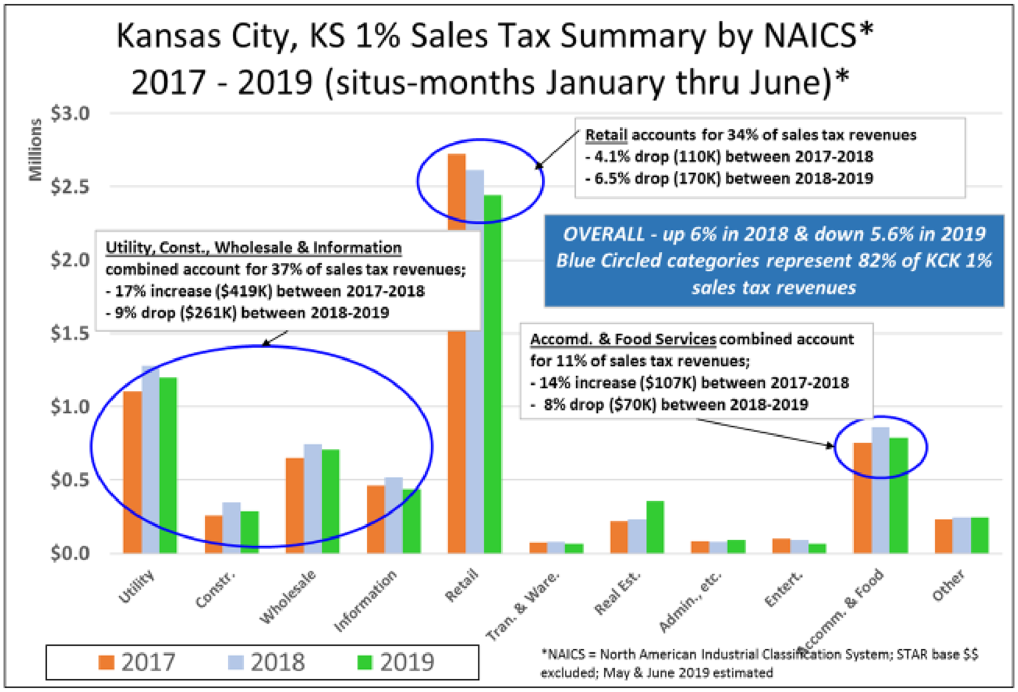
*Excludes the 1/8th sales tax dedicated for economic development projects passed by voters in April 2017.

Here's Kansas City, MO. This does not include their recently adopted ½ cent sales tax dedicated for economic development projects that was approved by their voters recently and that's because—well, the data just wasn't—I think it came in in the middle of the period so they decided to take it out. This is just that portion and so it's hovering above the zero line. It's a lot flatter than the others in '18 and then it drops down as well. I asked her what this was about and she basically, like I said, we were all at the mercy of—in her case the Missouri Department of Revenue, so whatever they give us, we collect it and deposit it.



Here's a really interesting chart. I have two of them. This is basically a comparison of 2018 with 2017 looking at the collection from the perspective of the business classification of the business that remitted the funds. The biggest kind of category, I lumped them into three categories, is retail, accommodations and food service, and utility, construction, wholesale and information. These kind of three represent 82% of the total collections during this period, during 2018 actually. The reason I'm showing you this is because you would think well, geez it's not so bad. You know, in 2018 we had overall that it increased 3.7% so that seems pretty good. The problem was at the beginning we collected, I don't know, I could look back, but you know 10-12% and then at the end when its heading into 2019 it drops below into the negative category. That's why you have to kind of look at it on a month to month basis and I have a great staff that does that. Alyse, Debbie and Mike Grimm, we all look at sales tax all the time.

Here you will notice that retail sales is down 1%. That doesn't seem very much, but you will see later on. Accomodations increased a little bit, 9.5% and then wholesale, utility, etc. increased 6.6.



The next slide I'm going to show you is January through June. This is the January through June for 2017, for 2018, and for 2019. I picked this because it is the most pertinent to us right now because right now we're in January through June. I estimated some June so it's not 100%, but it's pretty close. You will see though how the activity for this 6-month period, for the past few years, you're seeing a reduction. It's not as rosy as you had—than the other overall chart shows. A 4.1% drop in '18, 16.5% drop in '19 and that's from retail activity which is 34% of our total sales tax for this 6-month period in 2019.

In '18 overall there is a 6% increase yet we're down 5.6% in '19 and, so anyway, just some more information you can review. If you have any questions on it, I'm happy to talk with you about it. We're trying to get answers for why is it going down. I'm not sure we're ever going to really know exactly why, but what's most important for us as managers of the organization, is that we stay vigilant and make plans. That's why we do this is to look for every opportunity to make the modifications so that we're continuing to provide excellent service to our residents.

CONSOLIDATED GENERAL FUND	FY 2018			FY 2019		
		May YTD	% of		May YTD	% of
numbers in 000's	Budget	Actual	budget	Budget	Actual	budget
Revenues	$ 206,909	$ 87,669	42.4%	$ 216,507	$ 93,223	43.1%
Expenditures	$ 208,468	$ 82,428	39.5%	$ 219,475	$ 85,385	38.9%
Net Alloc & Transfers	$ 1,325	$ 331	25.0%	$ 185	$ 46	25.0%
Net Change	$ (234)	$ 5,572		$ (2,783)	$ 7,884	
Balance, Start of Year	$ 19,046	$ 19,046		$ 25,785	$ 25,785	
Balance Year-to -Date	$ 18,812	$ 24,617		$ 23,002	$ 33,669	

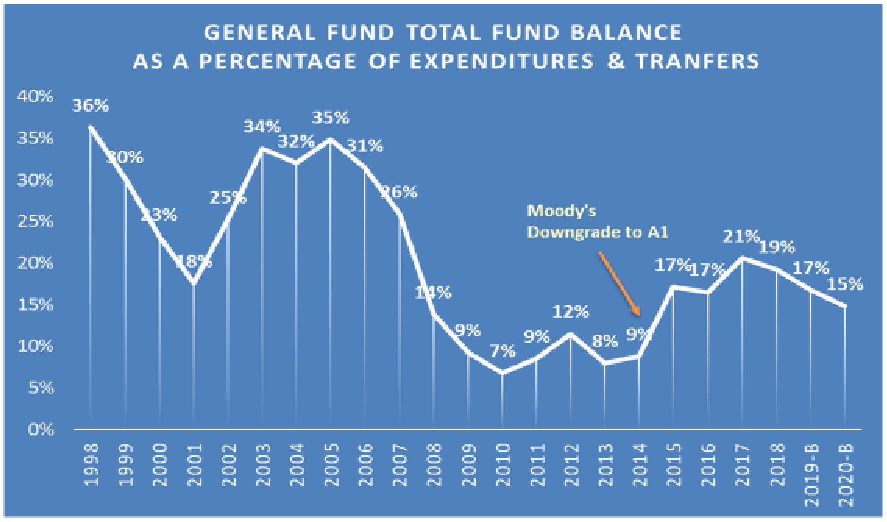
CONSOLIDATED GENERAL FUND OVERVIEW

We're going to go over this real quickly. One of the commissioners requested it. It's how are we doing through the month of May. This is for the Consolidated General Fund. As you can see, this is a comparison of budget to actual for 2019 and then the same period in 2018. As you can see, well, if you divide 5 into 12, you get 42% so basically 42% if you were spending and collecting money at the same rate throughout the entire year, you would be at 42%. It's a little deceiving because you see this 43% paying the revenues, not doing so bad, but the issue is that we actually collect one-half of all property taxes in the first months of the fiscal year. There's a lot of property tax in there that's kind of helping with the soft sales tax performance. Our expenditures are only at 39% so they are down. Our fund balance is staying strong.

GENERAL FUND BUDGET - COMBINED	FY 2019 ORIGINAL BUDGET	FY 2019 AMENDED BUDGET	FY 2020 PROPOSED BUDGET
Revenues	226,387,853	226,723,539	230,867,328
Transfers-In	2,256,000	2,256,000	2,256,000
Subtotal: Sources	**228,643,853**	**228,979,539**	**233,123,328**
Expenditures	229,361,744	230,373,965	234,411,275
Transfers-Out	2,065,000	1,965,000	2,270,000
Subtotal: Uses	**231,426,744**	**232,338,965**	**236,681,275**
Net Change in Fund Balance	(2,782,891)	(3,359,426)	(3,557,947)
Cash Basis Ending Fund Balance	**$ 23,369,753**	**$ 22,793,218**	**$ 19,235,271**
CAFR Ending Fund Balance	**$ 37,033,491**	**$ 36,629,458**	**$ 33,071,510**
17% Target Reserve	**17%**	**17%**	**15%**

Combined General Fund – Amended 2019 and Proposed 2020 Budgets
Planned use of fund balance of $3.36 M in 2019 and $3.56 M in 2020

I want to focus now on the future, on the proposed budget that Doug Bach presented to all of you. In the budget document, the budget message, there's a couple of tables that looks like this one and it's for the City and for the County. This table is the City, County and the Parks all combined. What it's telling us is that there is a very rationale plan to use the fund balance of $3.36M in 2019 and then $3.56M in 2020. We're going to talk about that. Now, what's the impact of that?



Combined General Fund – Fund Balance History and Budgeted Estimate

You've all seen this graph before. All I did was update it for these last two rolls. I've got 2019 Budget which is for the Consolidated Budget at 17% which is the target. We set a target of two months of Operating Expenditures and Transfers and 2 into 12 basically is actually 16.7%, but we round-up to 17%. Unfortunately, we are dipping into fund balance in 2020 because of the $3M delta between revenues and expenditures in 2020. The reason for having reserve is to assist us and give us time to respond to economic downturns.

UG GENERAL FUND RESERVE POLICY

ADOPTED JUNE 2018

General Fund Reserve

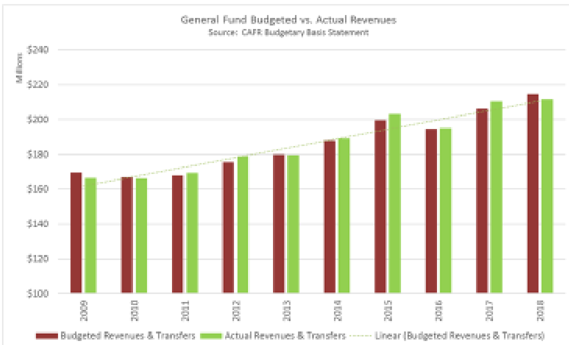
Operating Reserve:	2-months of on-going operating expenditures, or 17%
Economic Uncertainty / Emergency Reserve:	1-month of on-going expenditures, or 8%
Total Fund Balance Reserves:	3-months of on-going expenditures, or 25%

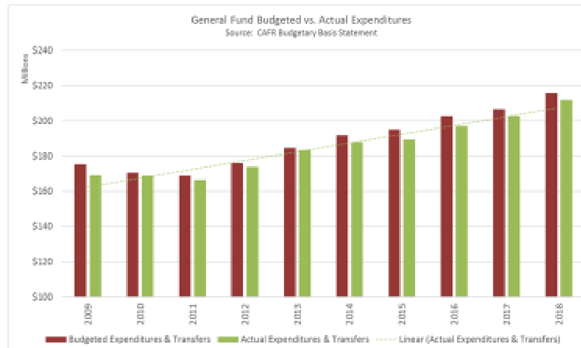
Compliance

- Measurement at December 31st as part of annual financial audit
- If target level of reserves are not being met **or likely to not be met at some point within a five-year time horizon**, then during the annual budget process, fund balance levels will be provided to the Mayor and Board of Commissioners
- Should the projected year-end fund balance **be below the operating reserve,** a **plan to replenish the reserve would be established** to achieve reserve levels **over a five year period**

The rating agencies understand that and our policy actually accommodates for us—has accommodations for that, but it does have a clause right here right here as a reminder, which we all adopted this policy, should the projected year-end fund balance be below the operating reserve, then a plan to replenish the reserve would be established to achieve reserve levels back to where they were over a future five-year period. Now, who puts that plan together? Well, I suppose I come up with some ideas, you come up with some ideas, we all reach a consensus and work towards that common goal.

Difference between budget and actuals over the past 10 years





Average over past 10 years:
Actual **Revenues are higher by $666,000** than estimates; Actual **Expenditures were $3.7 M lower** than budget.
Change to Fund Balance on average over the past 10 years is a **net positive $4.37 million.**

There are a number of ways that you can get your fund balance back to the acceptable level or the target. One way is to simply not use any kind of unspent budgeted money at the end of the fiscal year. Oftentimes, sometimes, in fact over the last 10 years, five times have the revenue estimates exceeded the budgeted—or the revenue actuals exceeded the estimates. So, 5 out of 10 times we collected more than we anticipated, but over the last 10 years all 10 times we budgeted more than we spent. What we've got here, and I've done the math for you, is the average over this 10 years is that $666K in additional revenue we did anticipate and on the expenditure side the average over the 10 years was $3.7M in budgeted money that was not spent. Of course, the net between these two, positive, positive, you add the two together you get $4.37M and that money just goes to fund balance just like your checking account. If you had plans to go to dinner, and then your plans fell through, the $20 you were going to spend on dinner just stays in your checking account and that's what this is. Naturally, this is a common occurrence that happens in financial management and something to consider.

Achieve target reserve within 5 years

Financial sustainability

- Strategically allocate resources by focusing on the UGs highest priorities and core services (Priority Based Budgeting)
  - Identify near-term and longer-term objectives
  - *Example of near-term objective:* eliminate the negative net margin by 2021
  - *Example of longer-term objective:* streamline business process or identify operational areas to reduce costs
- Agree to let any unspent budget at the end of year go towards building back the fund balance
- Examine how our services can pay for themselves to diminish the burden on taxpayers
- Identify programs that have a return on investment while also enhancing the quality of life for residents

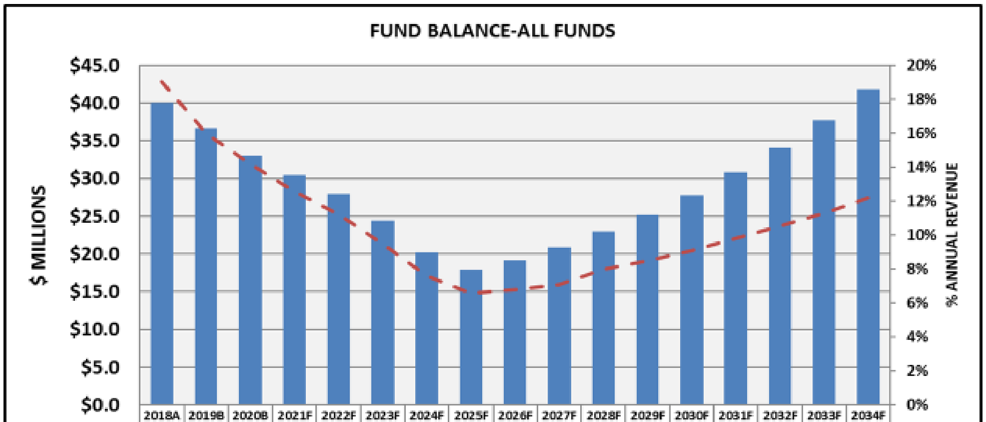
How can we achieve the target reserve within the five years? We could strategically allocate resources by focusing on the UG's highest priorities and core services which Reggie and Michael made a presentation on February 14th on Priority Based Budgeting and we're very much looking forward to working with all of you on developing those strategies and determining where we want to focus on and what priorities we need to look at.

One beginning step, which we look forward to entertaining it in the fall, is identifying any near-term and longer-term objectives. For example, a near-term objective would be to, and this is Finance speak for a balanced budget, eliminate the negative net margin by 2029. Net margin is revenues minus expenditures. We want revenues and expenditures to equal each other, so we need to work towards that goal.

Another example, long-term objective, is to streamline our business process and identify operational areas to reduce costs. We can also, perhaps, agree to let any unspent budget at the end of the year go towards building back the fund balance. We can examine how our services can pay for themselves and diminish the burden on taxpayers who are having to pay higher taxes for services they're not getting. We can identify programs that have a return on investment and grow the tax base while also enhancing the quality of life for our residents.

Long Term Financial Forecast

Combined General Fund



	2018A	2019B	2020B	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F
BALANCE	$40.0	$36.6	$33.1	$30.4	$28.0	$24.4	$20.2	$18.0	$19.2	$20.8	$23.0	$25.2	$27.8	$30.8	$34.1	$37.7	$41.8
% OF REV	19.0%	16.0%	14.2%	12.6%	11.2%	9.5%	7.6%	6.6%	6.8%	7.1%	8.0%	8.5%	9.1%	9.8%	10.5%	11.3%	12.2%

This is a scary graph. I updated the Long Term Financial Plan. As you know, last year, fall, I did a long term financial plan. It's on the Finance Departments website and just to revisit, during that long term financial—it wasn't a plan, it's a forecast. I forecasted that over the coming 5 or 6 years we were going to end up about $3M per year short if we didn't take any actions. Frankly, we're kind of still there.

This is what is happening to our fund balance. I just updated the long range plan and, of course, later this fall I can provide you with much more detail on the assumptions. Because of various positive things that happen around 2026, we actually turnaround a little bit.

Mayor Alvey asked at what point would that affect our bond rating. Would it be at 2023? At what point does it dip below a certain level that would give alarm? I see there, for instance, Moody's downgraded to A1 and when we hit nine but that was a 2 or 3 year term—**Ms. VonAchen** said yes, they have a specific watch for a number of years and then we they saw this happen, that's when they downgraded us because the audit came out and they were like—**Mayor Alvey** said they're looking at a trend but not necessarily year to year, but it could be year to year if it was significant enough. **Ms. VonAchen** said yes. If this dropped within a year or two down to 5%, you would be in big trouble, but they are very careful about downgrading. They put you on a watch for a number of years. The thing is, 10% and above is a minimum for them.

Commissioner Burroughs said if you can go back to that slide again that we were just looking at. I noticed a 10% growth between 14—at 2014, 2013 and 2014, there was a 1% uptick for reserves. From 2014 to 2015 we had an 8%, so within that one year, two year period, what did we forego to either cut expenses or was there an increase in retail sales and property valuations? **Ms. VonAchen** said I think at that time we sold the Cerner property. There was like a $9M bump and those funds along with other factors I'm sure were not spent. **Commissioner Burroughs** said that's a tremendous jump in addition to cutting the mills. I'm just kind of curious as to what we didn't advance, if we put a stop on projects to stop our spending, or we seen a tremendous increase in valuation and an uptick in retails sales. **Ms. VonAchen** said the Cerner happened in 2015. The mill reduction didn't start happening until '17, '18, and '19.

Mr. Bach said I think we had some pretty—I mean we didn't come out and spend a lot in cash. Probably back then I would look at that and see. It wasn't doing our fleet a lot of good, but we were holding back a little bit trying to leave more money at the end of the year and I think those were some of our heftier years where we came in and did not spend as much of our budget, held back on filling employee positions a little, so we kind of went pretty lean for a little bit to try to get some quick build back in there. I just know that because that's the year you all hired me, so we were pulling back pretty hard right then in order to make some of those changes. I think a lot of that was we left money, I should say left money on the table, we didn't spend all of our budget. We really held back to try to get through those years. **Ms. VonAchen** said this is based on the valuation year so the .6% in 2014 that was for the '15 budget and then 3.9% in assessed valuation increase for the '16 budget, it started to pick up around here.

Commissioner Burroughs said the reason why I wanted to bring that to you, to the attention of the commissioners this evening, is that here we are dropping down from the 21% or 20%, we're dropping down to 17 and we're going to use our ending balance to balance our budget. If we can jump 8%, 7, 8, 10%, in a 16-month period, the same can be done today through priority based budgeting.

I would like to see, Mr. Administrator, a pilot program with one of our departments that we can utilize to start doing the performance based budgeting, I'm sorry, priority based budgeting so that when we are educating ourselves this last six months of the cycle, so that next year when the full budget comes forward we are better prepared to do that. I'm not advocating personnel cuts, I'm not advocating benefit cuts, I'm advocating that we have a chance to start looking on a pilot program, a department or an agency, to determine how we can start this priority based budgeting a little early to see if we can't eliminate some of the ending balance. I don't want to call it taking but utilizing the ending balance to balance our budget this year. We don't have to take any action, but I think it's an exercise that we as commissioners should be doing so that we just don't ask staff to come back with this priority based budgeting and then we not have knowledge about how they achieved their numbers without being involved.

Mr. Bach said, Commissioner, I hope I'm going to meet that directive and push it a little bit. It's our plan that we finish going through all of our evaluations of staff or departments in the month of August and in September that we bring all of our departments to you so we're not on just one pilot, that we're able to show you where all those areas are from a ranking from a priority based budget perspective and then get your directive back as to what areas we think we can—where we should spend less. I'm going to offer that and it will be kind of a two-phase approach where we would do that probably in September with the first one, get your direction, take that back and then come back in November and show you okay, this is where we make those reductions in to the coming year to make it happen. That way you will see it and then we build that in as we move forward into the 2020 year and that year for the budget.

Commissioner Walters said you talked about the sales tax and just let me understand. You are projecting a 2.5% increase in sales tax revenue in 2019 and 2020, right? **Ms. VonAchen** said over the very low collection level of 2018. **Commissioner Walters** said okay, so 2.5% increase in 2019 and 2.5% in 2020 and as I understand our budget is increasing about 2.5% so that sounds good, right? **Ms. VonAchen** said yes.

Commissioner Walters said on revenue, as I look at these charts the biggest source of revenue we have in the General Fund is franchise tax, but it was not part of your presentation here today. How is that franchise tax doing and revenue projections regarding that? **Ms. VonAchen** said franchise tax is a big one for sure. **Commissioner Walters** said yes, it's 30% of City funds according to this pie chart. **Ms. VonAchen** said I always look at the comprehensive, Consolidated General Fund, but I just didn't focus on franchise tax this year. **Commissioner Walters** said it is the biggest—**Ms. VonAchen** said it's not very volatile so—**Commissioner Walters** said it's the biggest portion of the City General Fund revenue, so I'm assuming it's increasing pretty substantially. **Ms. VonAchen** said actually in 2020 I only have it increasing about 1.5%.

Commissioner Walters said it would be good to get that historic information like you have for the sales tax and the property tax.

I just want a point of clarification on one item. You were talking about the surplus and what we did to have a surplus go to the bottom line and restore fund balances and things like that. That's not really our policy any longer, right? Our policy that you presented to us, that if we have surplus, there are four actions the Commission can take one of which is to keep it in the fund balance or cut taxes or pay down debt or spend it for—**Ms. VonAchen** said or spend it on long term liability like the $180M in pension liability we have. **Commissioner Walters** said I just want to remind that your policy that you presented last year gives the Commission those four options. It doesn't automatically go to fund balance. **Ms. VonAchen** said that would be a prudent thing to do if—it's certainly an option. It's more prudent to that if you're already above the target reserve, not below it. **Commissioner Walters** said well, I know the Commission will be prudent in all ways.

Mayor Alvey said, Commissioner, I will just say to the franchise tax, the largest portion of that is the BPU PILOT. Last year, of course, it was a very hot year and there was a rate increase and they're anticipating a 4% rate increase on the water, but not on the electrical side, so that's why it is volatile that way. We saw a bump in revenues from the BPU this year that based upon what we've seen—I'm sorry, last year, what we're seeing this year the weather has been much more moderate. It's a very volatile—**Commissioner Walters** said it would just be good to have that information. **Mayor Alvey** said yes it would.

Commissioner Johnson said I was looking at actually page 57, slide 57 here, where you looked at the long term financial forecast and I was also looking at the slide that Commissioner McKiernan had with regard to our target reserves within the 5-year period of time. That certainly does not allow us to do that. **Ms. VonAchen** said to do what? **Commissioner Johnson** said to reach our goal of having a target reserve—**Ms. VonAchen** said no, because the target reserve is 17% so you see that's 16, 14, 12, 11—**Commissioner Johnson** said in particularly those years that are lower than 10%, what would be the potential affect on our bond rating then as compared to now? What I'm trying to see or suggest or ask is would be in jeopardy of even seeing a deeper cut in terms of our bond rating if, in fact, this plays out the way you have it? **Ms. VonAchen** said I would say yes, absolutely, we would get downgraded if we got to this level for sure. The impact of that would be that we would just add 50 basis points to the interest costs which works out to about, I think, I made the calculation several million dollars over the life of a $20M bond issue. There is a monetary cost to it. It doesn't preclude you from accessing the market. Investors just expect a higher yield from you. **Commissioner Johnson** said that's why I continue—I think what you're saying is just as things look as they are such as now, here is where we want to go. I do think that we need to be thinking on a 3 to 5 year basis in terms of the decisions we make now. **Ms. VonAchen** said yes, we just need to think—you know, look long term.

Commissioner Burroughs said so that goes back to my comment. Why would we continue to deficit spend by a projected budget that we know is going to be $3M short every year for the next 2 or 3 years and then utilize our reserves to pay them. I think that warrants additional savings somewhere and to see an increase in valuation, to see an increase in reserves to the extent that we saw in a short amount of time, the economy is still hot enough right now that we can find ways to meet our financial challenges. But, when you have an uptick of 6.5-7% in property valuation and you have growth and interest rates to monies that we have, our assets, we have a tremendous pot of money there and we're still deficit spending. We're not cutting the mills at this time. We're just talking about holding the mills steady, so there's another $2M to the budget and we're still $3M short. I guess I'm having a little bit of trouble getting my head around how we are short money when we had all this new money come in and I do know we had the $10M spending for the Turkey Creek Expansion and a few of those things. Those are real critical issues, but why are we going to continue to deficit spend going into 3 and 4 years and put our credit rating at risk? **Ms. VonAchen** said I want to clarify. This graph assumes that nothing is going to be done, but we are in fact absolutely committed to repairing this situation and prudently managing the finances of the organization. I'm very excited to hear that you're interested in becoming more involved in the priority based budgeting effort which we all have been discussing and are going to be working on in August. The day after you pass the budget we're all going to be switching to the priority based budgeting.

Mayor Alvey said I think another point needs to be made, and I know you made this early on, Kathy Briney made the point that even though we might have seen an uptake in the assessed valuation, does not translate an equal amount of revenues because of delinquent properties, abatements, and so forth. It didn't generate the revenues that you would think the increase in valuation plus the property tax only, what is it 32% of the revenues, it's limited what it can do.

What is more concerning to me actually is the decline in sales tax and that's going to require a long-term shift, I think.

Commissioner Bynum said the sales tax issue, is some of that late '18 drop was around the volatility of the stock market and you had indicated that it's sensitive to economic conditions and yet most of us have seen our retirement portfolios mostly recover from that activity late '18 and yet the sales tax activity doesn't seem to be corresponding. **Ms. VonAchen** said all I know is that if you're a businessowner and there's trade disputes happening on products that you plan to sell abroad and then you're probably less likely to make an investment in your industry. By not making that investment, then you don't create more jobs which then people don't have money to spend doing retail. I don't know. In general, it's stymie perhaps, but I am not an economist. I am a government finance policy person. We would like to bring in an economist. I know several of you have visited or gone to several seminars recently from a regional economist and he mentioned that he expects sales tax to continue to underperform in the next few months.

Mayor Alvey asked is this the last slide, Kathleen, on the long-range financial forecast. **Ms. VonAchen** said yes. Next is Debbie. **Mayor Alvey** said we're going to be digging into this much more deeply during our fall Strategic Planning. Thank you for this information, if you want to summarize.

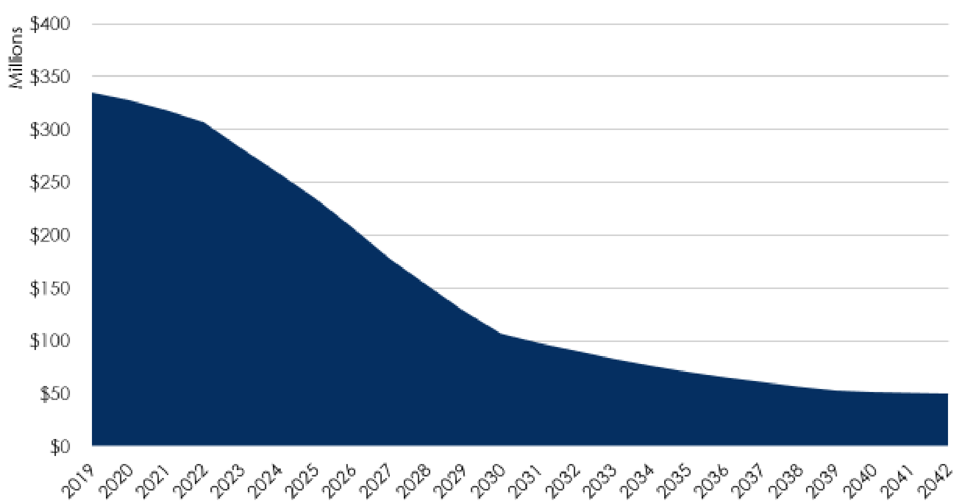
KEY TAKE AWAYS

IMPACTS TO AMENDED 2019 AND PROPOSED 2020 EXPENDITURE BUDGETS

- Dramatic drop in sales tax in the last half of 2018 reduced the level from which the 2019 and 2020 was expected to grow
- Data shows retail and other sales declined across the entire nation beginning in July 2018 thru April 2019, including here regionally (refer to other entities for example)
- 2019 Amended sales tax estimate was been reduced from a 6% growth rate over the 2018 Amended Budget to a more conservative 2.5% over the lower 2018 actuals; 2020 also estimated at 2.5% growth rate over 2019 Amended budget
- Reduction of the sales tax estimate coupled with increasing salary and benefit costs are the reasons for the request for departments to reduce their 2020 budget requests

Ms. VonAchen said this is just to recap what I was talking about and, frankly, I think you all are clear and understand, but if you have any other further questions, that would be good.

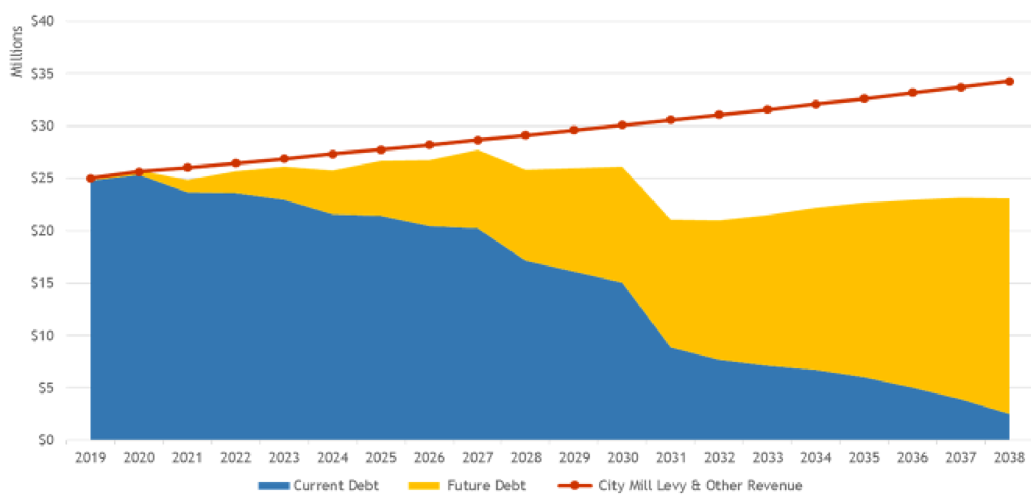
OUTSTANDING INDEBTEDNESS



Debbie Jonscher, Deputy Chief Financial Officer, said we just have a couple of slides on Debt. Some of these you saw in the CMIP presentation that we did back in May. I just wanted to start out here. This is our outstanding indebtedness for the City Bond and Interest Fund. This total is the amount of bonds that are outstanding which is going to be a little bit different. The next couple of graphs I'm going to show you are the debt service payments annually. This is the total outstanding debt for the City Bond and Interest Fund. I just wanted to show here that this does not include any future projected bonds that we would issue. This is only what's outstanding right now and this shows the trend of how if we didn't issue anymore debt how our debt would pay off.

You can see that it starts going down within a couple of years with the majority of it paying off in 2030 and that's due to the bond issues that we did in 2010. We had a series of bond issues that were part of the stimulus packages that were offered where we bonded a lot of projects in advance of completing them and so those were bonded and that's why there's this large amount that's then pays off right here.

CITY DEBT WITH REVENUE LINE (CURRENT CMIP)

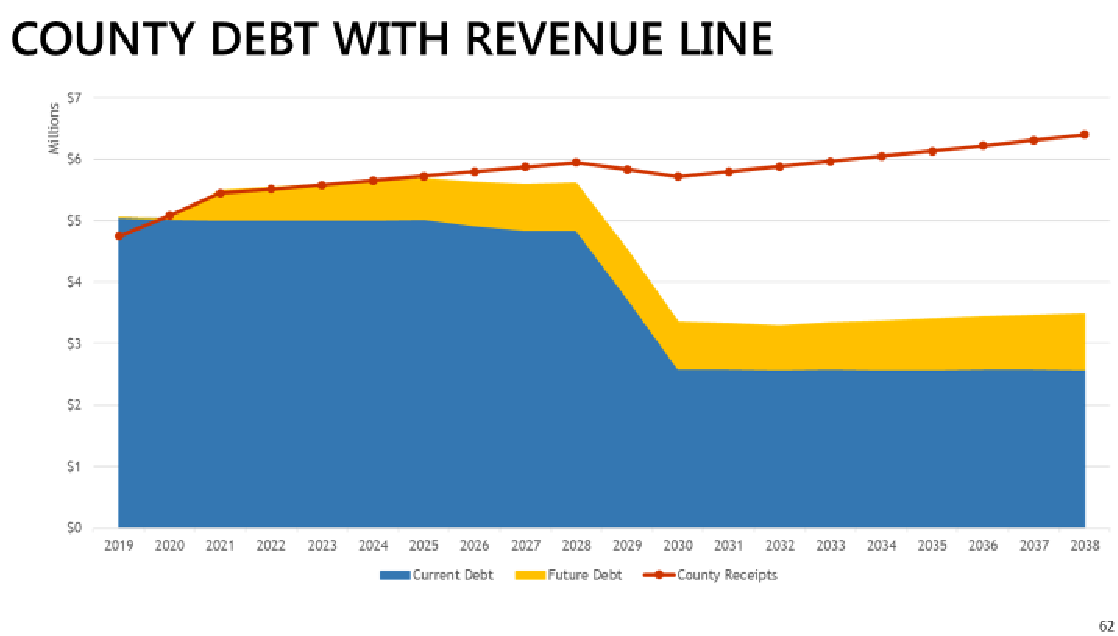


2020 ($15M), 2021 ($22.1M), 2022 ($20.3M), 2023 ($24.7M) 61

The next two are graphs that you saw in the CMIP. These are the City Debt, these are the Annual Debt Service Payments.

This is the City Bond and Interest Bond Fund. The blue section represents the debt that's currently outstanding and the yellow represents the debt, the future debt projections based on what we currently have in the CMIP. Down here I did list the amounts. 2021 is actually 21.4, the change that they had that they noted, $700K, I forgot to subtract that off. This is how the CMIP is currently built and then we're projecting $15M after that. The red line is the revenue projection which we just built in a very conservative increase for property tax revenues. I think it was about 2%. You can see that there is still—for 2020 we're riding right along the line if we need projections and then there is still a little bit of a gap here. This assumes that we need those projections. If the revenue comes in higher, if our property valuations increase more, we might see a bigger gap here but if there are less than our projections, then we could see this line come down.

Commissioner Walters asked does this graph include the temp note financed projects that will become debt at some point. **Ms. Jonscher** said yes. They are included in the future projections here. **Commissioner Walters** said the yellow is those numbers at the bottom plus the current temp notes. **Ms. Jonscher** said right, yes. These would be current projections plus we currently about $45M in temp notes out issued this year, so those are included. We estimate about a third of those would be bonded every year so that plus the additional amounts here are included in this projection.



This next one is the County Debt Service which the same assumptions here, we've included a modest increase in the revenue and the blue is the current debt that we have already obligated and then the yellow are the additional Public Building Commission projects that are included in the budget. I think there are about three of them that are included there.

I also did want to note that this revenue estimate includes the transfer that we built in for the Juvenile Center. The idea was that savings when we move the juveniles out of the adult jail, we would have savings that would then go to pay for the debt service and we built in—it's $1M for '19 and '20 I think and then I think it's $1.5M or building up to $1.5M in the outer years. So, if we don't achieve that savings to be able to make that transfer, we might see a little dip in the revenue here also.

DEBT REDUCTION OPTIONS

1. Reduce number of capital projects
2. Use fund balance to pay off temp note projects
   - Risk of potential downgrade by rating agency (50 bps increase on interest rate)
     - Interest costs could be substantial over 20-year life
   - Diminish reserves for future emergencies
     - One-time unexpected costs could further reduce FB
   - Operational disruption
3. Reduce operating costs and redirect savings to cash finance projects (PBB)
4. Enhance revenue sources

63

I just want to talk about some of the debt reduction options. Some of those have already come up in the conversation. One would be to reduce the number of Capital projects that we're debt financing. Use fund balance to pay off temporary note projects. We can't use fund balance to pay off the bonds that are already issued, but we could pay off the ones that are not permanently financed yet. We've already talked about some of these risks, the potential downgrade by using the fund balance and dropping below our policy percentage of 17%. Diminish the reserves for future emergencies which could be one-time costs and also operational disruption.

We could also look at reducing the operating costs and redirect savings to finance projects through the PBB process or look at enhancing our current revenue sources.

Mayor Alvey said I want to thank you for adding this slide because it simply states for us and for the public that there are no easy answers and there are always trade-offs and so we can make a decision to do debt reduction. What does that mean for us, what are the trade-off, what do we forego, what do we avoid. We would not get done some of the Capital projects that need to get done. We could enhance revenue sources by increasing taxes or generating economic growth which would generate even more revenues, but there is no simple way. This is it and these are the trade-offs that we have to let sit with us and make our decisions based upon these exigencies. **Mr. Bach** said that concludes our Debt presentation unless you have any other questions on it.

Mr. Bach said what we're looking at for Monday is a presentation on our Police Body Camera Project which is funded and moving forward in this years' budget. We had a few questions asked about that as we went through some sessions with the commissioners and wanted to come back and have more diligent discussion. Same thing with out Investment in Building Security and then we are going to take a little bit deeper dive into what we're doing with Water Pollution Control and maybe that helps a little bit in looking at some of the questions asked earlier, but as we are significantly investing in this area to meet our EPA consent decree or pending consent decree that we're working on we thought it was worth the time because there is so much money being invested in this area.

Mayor Alvey said please take note that we will meet on Monday for those topics. If we move through all those topics on the 15^{th}, we would not be meeting on the 18^{th}.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:45 p.m.

____

Bridgette D. Cobbins
Unified Government Clerk

dt