STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, JUNE 13, 2019**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, June 13, 2019, with eleven members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Murguia, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO, presiding. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Counsel; Bridgette Cobbins, Unified Government Clerk; Gordon Criswell and Alan Howze, Assistant County Administrators; Jeff Fisher, Executive Director of Public Works; Sara White, Public Works Project Manager; Dave Reno, Public Works Community Engagement Officer; Mike Taylor, Public Relations Director; Kathleen VonAchen, Chief Financial Officer; Maureen Mahoney, Chief of Staff in Mayor's Office; and Officer Doleshal, Sergeant-at-Arms.

MAYOR ALVEY called the meeting to order.

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

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, June 13, 2019, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building, for a stormwater rate update and the Federal Legislative Program.

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 tonight we have two presentations. The first is a presentation regarding an update on stormwater rates and that will be followed by the Federal Legislative Program. I'll turn it over to Administrator Bach to introduce staff.

Stormwater Rate Update

Doug Bach, County Administrator, said you noted the first item on our agenda this evening is about stormwater. This is an item that has been out there for some time, one that we started working last year when we went through and started working on an introduction of a couple different proposals that we took to the community.

This is something that has really come to us because we look at it from, I'll say, two main factors. The first being that of need. When we look at what we have going on in the community today as far as washouts in areas or just different drainage issues we have across the community, the amount of funding that we have going into this account is not enough to pay for major projects that we have. We had to look at it from that perspective to come up with different solutions and staff spent a considerable amount of time evaluating projects in the community and then determining different structures that we could propose to come forward.

The second on it, was the regard of equity. The current stormwater rate we have now is a flat $4.50 bill that everyone in the community receives monthly. When I say everyone, it goes out to all the parcels of property, but it doesn't matter whether you're a small house here on Strawberry Hill or you're the Walmart out on 110th Street, you pay the same $4.50. One of the other big aspects of what we were doing was trying to make this much more equitable in regard to the amount of stormwater that you cause—are accountable for with the community.

With that, staff has spent a lot of time on this and I'm going to turn this over to Jeff Fisher, Director of Public Works. He will start the presentation and let his team take it from there.

Jeff Fisher, Executive Director of Public Works, said I will make quick introductions. We have Sara White to my right who is the Public Works Project Manager, Dave Reno, Public Works Community Engagement Officer; Anna White, Economist, Project Manager for Black & Veatch. She has been with us the entire time.

Before we get started on the presentation, and please maybe hold questions until the end, we will get through this presentation efficiently. I would like to talk generally about the state and condition of our community's infrastructure. In the last year we've described and quantified the conditions and costs of the street network and stormwater directly ties to street conditions as well. We've also discussed recently the condition of our wastewater systems and how those conditions drive the negotiations with the Environmental Protection Agency and the Department of Justice and then tonight, the state of the stormwater system and how we're going to solve those problems.

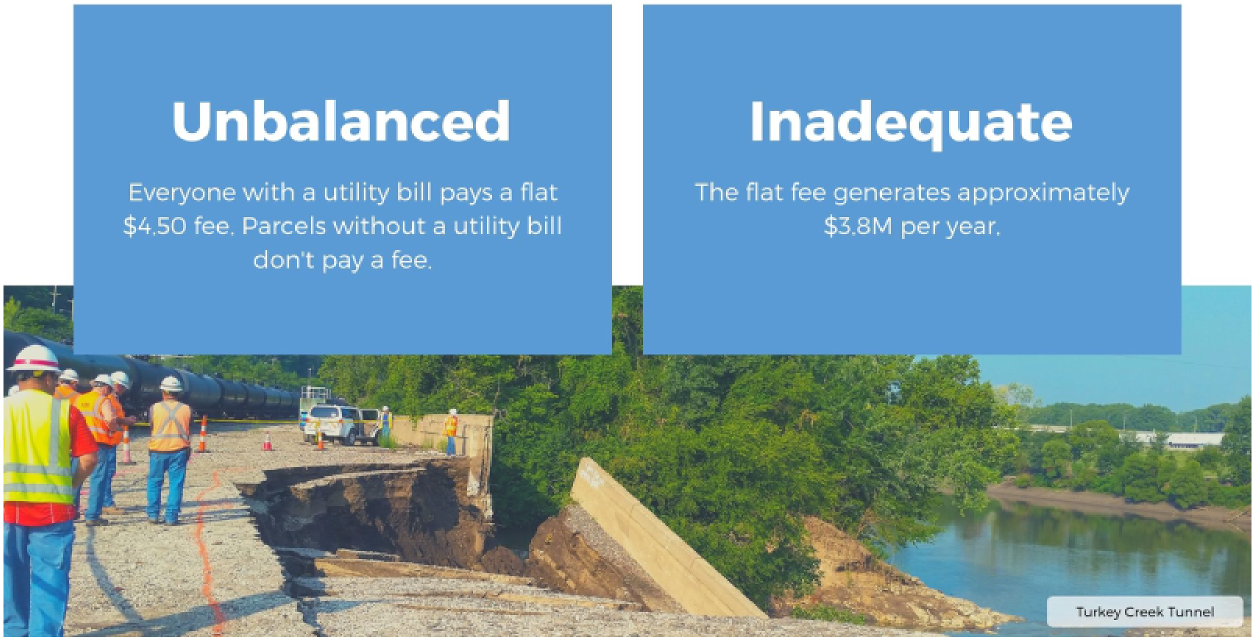
There's obviously a history in this community of flooding in several locations. Staff recognizes that all these discussions conclude with some very difficult decisions because those decisions affect people's lives. For decades our society has kicked the can down the road and it's absolutely true that we now are faced with the difficult challenge of updating that infrastructure. In fact, the last—about 50 years ago the nation spent about 4% of the gross domestic product and today it's estimated about 1.4% gross domestic product, so a significant difference.

The community has made investments, really important investments, it's going to require a larger sustained commitment to catch up and meet expectations. Staff is working hard and diligently to present responsible solutions. I believe the people in this room recognize the fact the infrastructure investment has a direct positive impact on the health and welfare of this community. There's all kinds of research to support that.

As we move through this presentation tonight, I'm sure we will be thinking about what we want this community to look like and feel like in the next 5 years, 10 years, and even 50 years.

It starts with a commitment to infrastructure, infrastructure that provides essential services and, therefore, we believe it is important to adopt a new rate and structure on June 27th and make that commitment.

We'll start with the presentation.



The history of this Stormwater Fund, it is an Enterprise Fund. It was stood-up by the UG in 2009. It is an Enterprise Fund just like water, wastewater, and electric. It is paid for by user fees. There are no taxes involved. The current rate structure is the flat fee and so everybody pays the same whether it's a resident or a commercial business, so therefore, it is unfair and inequitable. The level of the fee is also inadequate. It is only generating about $3.8M annually. That is not meeting the needs, not even close. The next step for our community obviously is to adopt a structure in fee that generates revenues that are adequate and palatable to as many as possible.

	2020*	2021	2022	2023	2024	2025	2026	2027
Net Revenue Requirements	$4,679,400	$7,457,400	$9,501,200	$10,562,500	$11,292,100	$11,944,800	$12,606,800	$13,033,300
Rate per 500 sf	$0.45	$0.71	$0.96	$1.06	$1.13	$1.19	$1.25	$1.28

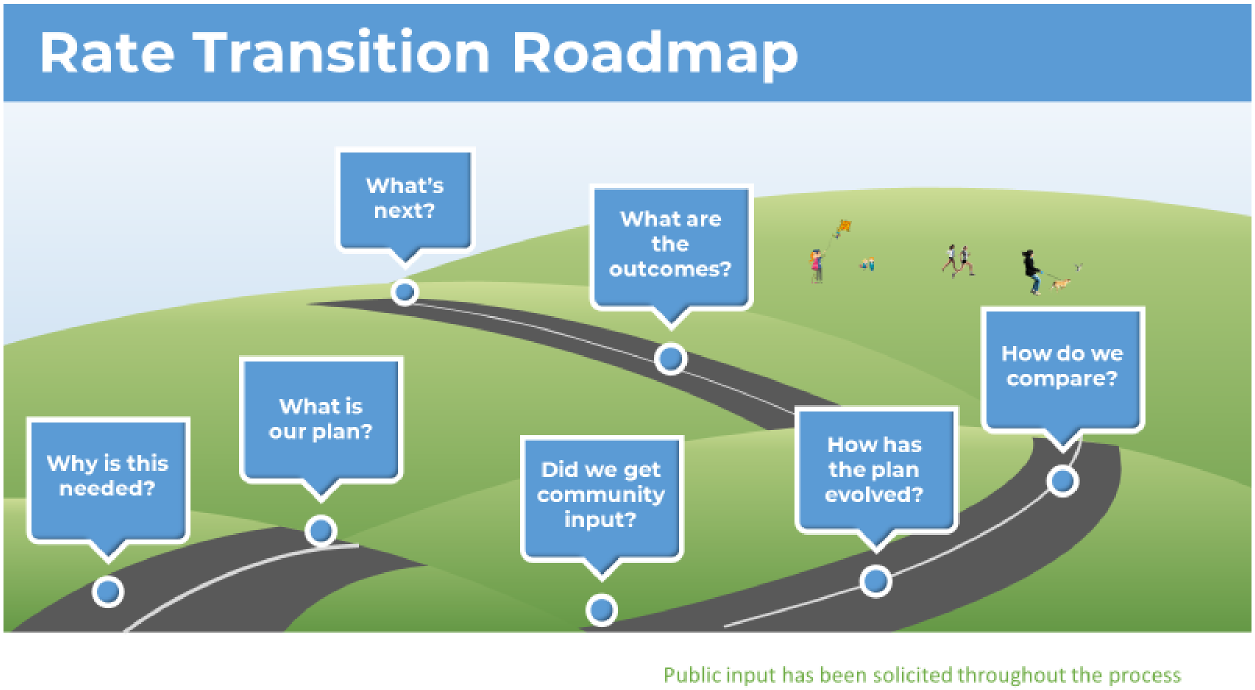
*Proposed rates effective June 1, 2020

As a result of the public engagement that Mr. Reno will highlight a little later, staff is proposing a hard surface rate structure, an impermeable surface rate structure. The recommendation is to begin charging customers $0.45 per 500 sq. ft. of hard surface per month starting on June 1, 2020. It will increase to $0.71 per 500 sq. ft. per month on January 1, 2021 and increase every year after. It is important to note that this proposal also charges the UG, BPU, and non-profit organizations. We will discuss the details of the plan a little more in detail later. We believe we're going to present a responsible plan tonight.

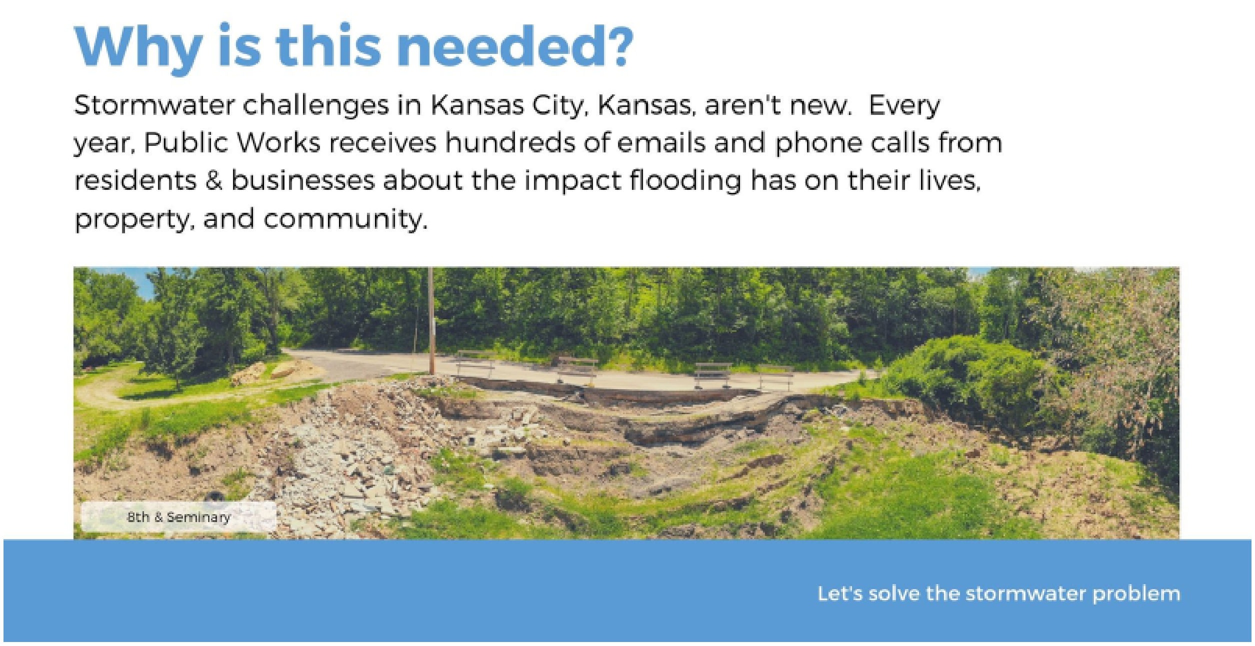
Attribute	Lenexa	Shawnee	Topeka	Lawrence	KCMO	UG
Fee per 500 sf of hard surface	$1.65	$1.08	$1.05	$0.92	$0.50	$0.45
Partially funded by taxes	YES	YES	NO	NO	YES	NO

June 2020 Rate Comparison

You may recall, in previous discussions our benchmark group included a few more cities than this, but we've narrowed it down to cities that are most like KCK in a number of different ways. In both groups in any case, this structure, this rate that's being proposed is the lowest in that group in year one. With the exception of KCMO, it is also the lowest in year two. You might remember that KCMO, the important difference is that their rate only pays for operation and maintenance. It does not pay for Capital and, of course, we don't know what other cities will do to adjust their rates in the future, but we believe we will still be in the lower end of that spectrum for the foreseeable future.



The remainder of this presentation is laid out on this roadmap to talk about why we're here, what does the plan look like, what does the community engagement look like, how did the plan evolve as a result of the community engagement, how we compare against others, the outcomes and then what's next.



Why are we here? You might remember our community is made up of nearly 50 basins. That's because we are bordered by two major rivers. This proposal only targets eight basins, the most problematic eight basins. If we were to attack all of the issues and all of the basins we would be in the neighborhood of $140M. We are not proposing that. We are only focused on the eight basins and we started out at $58M back in November and that was in five years—on a five-year plan. Now we're only targeting $30M over seven years, so we've reduced it and extended the period.

I'm going to hand it over to Sara and she will talk a little bit about the plan.

Sara White, Public Works Project Manager, said as Jeff said, we have a lot of water in our community being surrounded by two rivers. Water is a valuable resource, but it also presents a multitude of challenges for our community. Our stormwater program is not only made up of the operations and maintenance of over 335 miles of storm sewer system, but it also includes environmental compliance, reducing pollutants into our waterways and protecting our current waterways.

Also, flood control projects, it's evident in just the past couple of months the magnitude and force that water has and what it can cause damage to in whole communities. Our Stormwater Program handles the new stormwater system enhancements through our CIP Projects.

Why is stormwater programs so important to our community. Stormwater is something that—until it's raining you don't really see the problem, so a lot of the stuff has been pushed aside out of sight, out of mind.

We have two major projects right now that are going on that were emergencies to fix due to the high rain events that have happened over the past couple of years. One being the Turkey Creek wingwall and the second one being along Turkey Creek as well shown in this picture here at 8th & Seminary which was a road collapse that happened a few months ago because of the rain events.

Just in the past three years, so from 2016 to June 2019 it has been a very extremely wet past couple of years. We've had over 7,400 work orders just concerning our storm system and stormwater complaints, flooding complaints. That's a lot of issues that have been going on.

I'm going to run through some of the things that you guys probably see when you're out and about, what your constituents call in about, what we go out and meet with people about, and these are just some of the common problems that currently we do not have funding to take care of all these problems. Water in intersection.

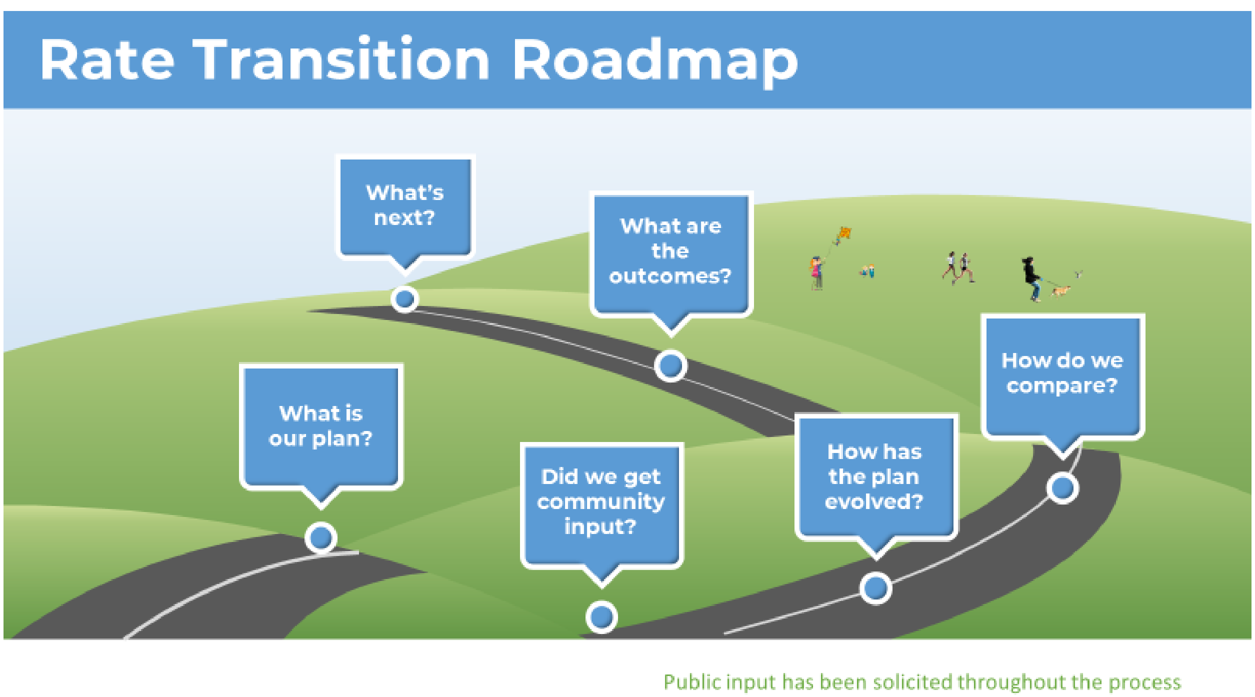
Major road failures due to large rain events washing out the road, making the road collapse.

Sinkholes.

Here’s another example of a road issue.

Our current system needs maintenance and we’ve deferred maintenance due to what our funding ability is right now. This would be—we’re in a reactive approach to our maintenance and we want to move to a proactive approach.

We also have large emergencies that come up that impact our residents and our businesses from their daily lives. (Someone was inaudible). **Ms. White** said this is Clinton Avenue & Southwest Blvd. just north of Southwest Blvd. by the Quick Trip there at 31st & Roanoke, the Southwest Blvd. area.



Objectives

Fair

To provide balanced & equitable cost recovery.

Effective

To adequately fund the Stormwater Program's needs.

What's important in a rate structure?

Going in a little bit more detail about what our plan—what we're proposing. As we've mentioned, our objectives of looking at a different rate structures is a fair, equitable stormwater fee as well as effectively getting the money that we need for our Stormwater Program and our future stormwater needs.

Transition to the Hard Surface Rate

An impervious area or hard surface rate is a system where properties pay based on the size of their contribution to stormwater runoff.

Use the Stormwater Master Plan

Based on community input, the Stormwater Master plan is our guidebook for meeting the city's more than $140M in needs.

Sustainable Solutions

With a long-term, sustainable funding plan, we can approach maintenance, improvements, and flood reduction in an efficient, systematic manner.

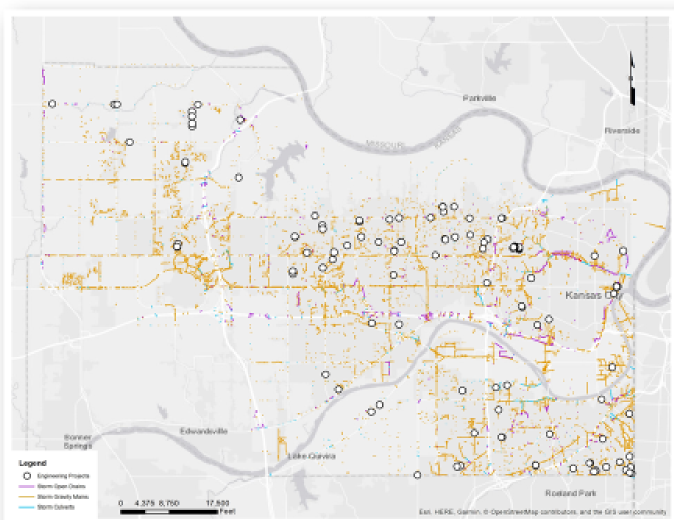
Long-term, sustainable behavior

In 2017 the Unified Government partnered with Black & Veatch to do a Stormwater Rate Transition Study. The first thing that we looked at is moving from a flat fee to a hard surface rate. What is hard surface? Hard surface or often we call it impervious surface is anything that doesn't allow water to soak in. When rain or perception falls it hits that hard surface and runs off so that includes your roofs, your driveways, your patios, your parking lots.

In our community in Kansas City, Kansas 34% or a third of the impervious area is made up of residential properties and two-thirds of it is non-residential properties. With hard surface rates, the more hard surface you have, the more you pay and concurrently we're also doing the Stormwater Master Plan. We needed to know what our problems are, what our needs are and put a dollar amount to that and as Jeff said, we came up with 80 problems in 50 watersheds and we prioritize those down to the top needs and these are high priority areas, 40 of those in eight watersheds. Those are the ones that we all know of; Argentine, Armourdale, Jersey Creek that have massive flooding issues.

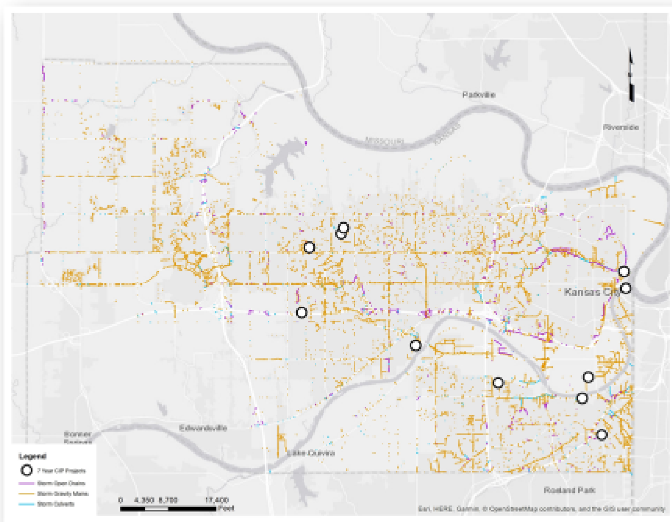
We also wanted to look at how to have a sustainable stormwater utility to not only handle some of the major flooding concerns, but also to handle our current system, maintaining and operating our current system.

Major Repairs Needed



This is a map that illustrates some of the major repairs that are needed on our system. As you can see, this covers our full service area. With this additional—with this rate transition we would be able to fund these major repairs that are needed in the next seven years.

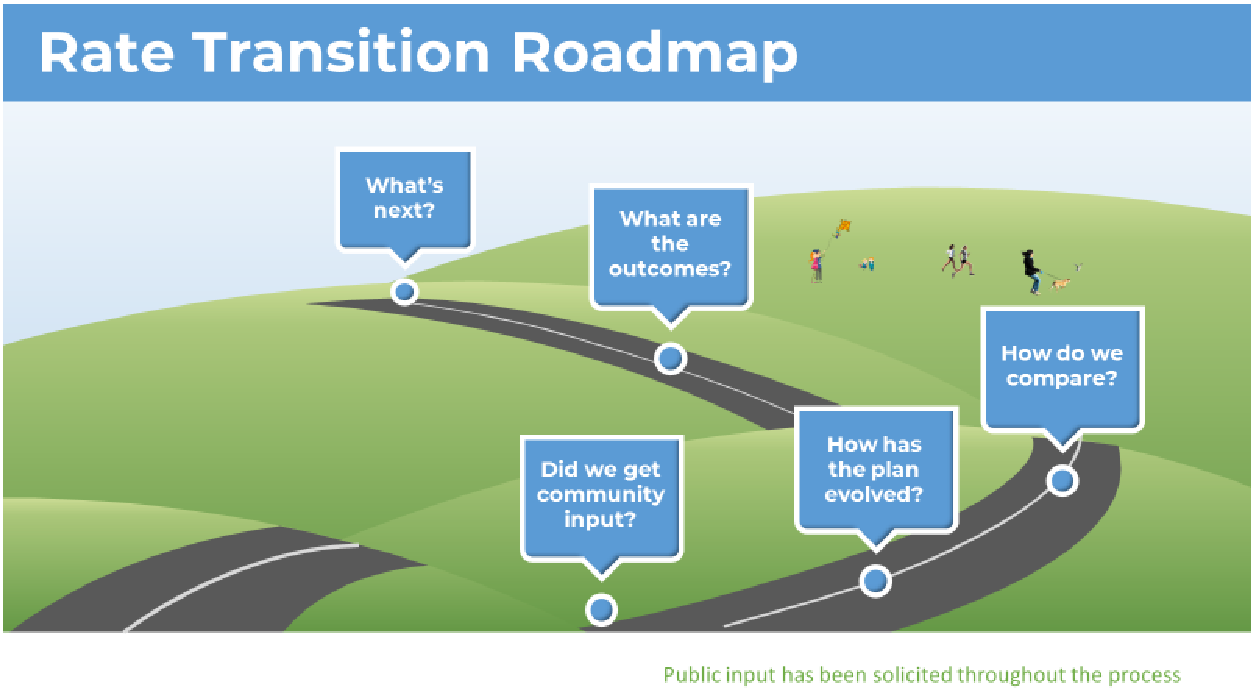
Proposed Stormwater Projects



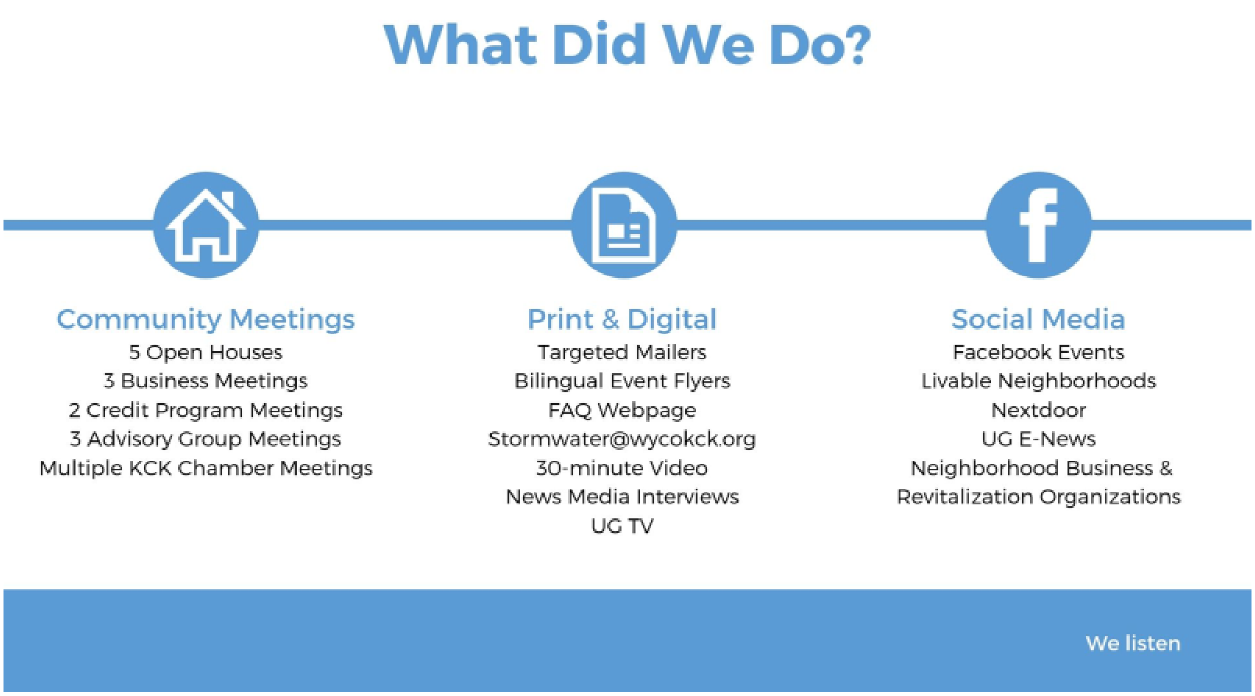
This one shows where our proposed stormwater projects are. These include the ones that we've listed from our Master Plan as well as the Kansas City Levees Project which will raise the levees along the Kansas and Missouri River in Argentine, Armourdale and the Central Industrial District.

Mayor Alvey asked could you clarify the difference between major repairs and proposed stormwater projects. **Ms. White** said the major repairs are repairs needed on our current system so these are not able to be done in-house because large specs are needed and so it's highlighted here as a major repair. (Someone was inaudible). **Ms. White** said no, these are—there are 122. These are separate than the projects that were listed in the Master Plan. These are currently collapsed pipes, pipes that need lines because they will fail in the future, those kinds of things. There are 122 major repairs needed in our system.

These are the proposed stormwater projects coming from the Master Plan and these are more of a watershed based approach where you would not just do—fix a little section of pipe, you're going to look at the whole system. I will pass this off to Dave to talk about our community engagement.



Dave Reno, Public Works Community Engagement Officer, said we knew this proposal worked from an engineering perspective and we knew it worked from a legal perspective. We also knew it worked from a best practice perspective, but what we didn't know, and most importantly, is whether or not this proposal was going to work for our residents, for our businesses, for our non-profits. We didn't have their input, we didn't have their feedback, and we needed it, so what did we do to get it.

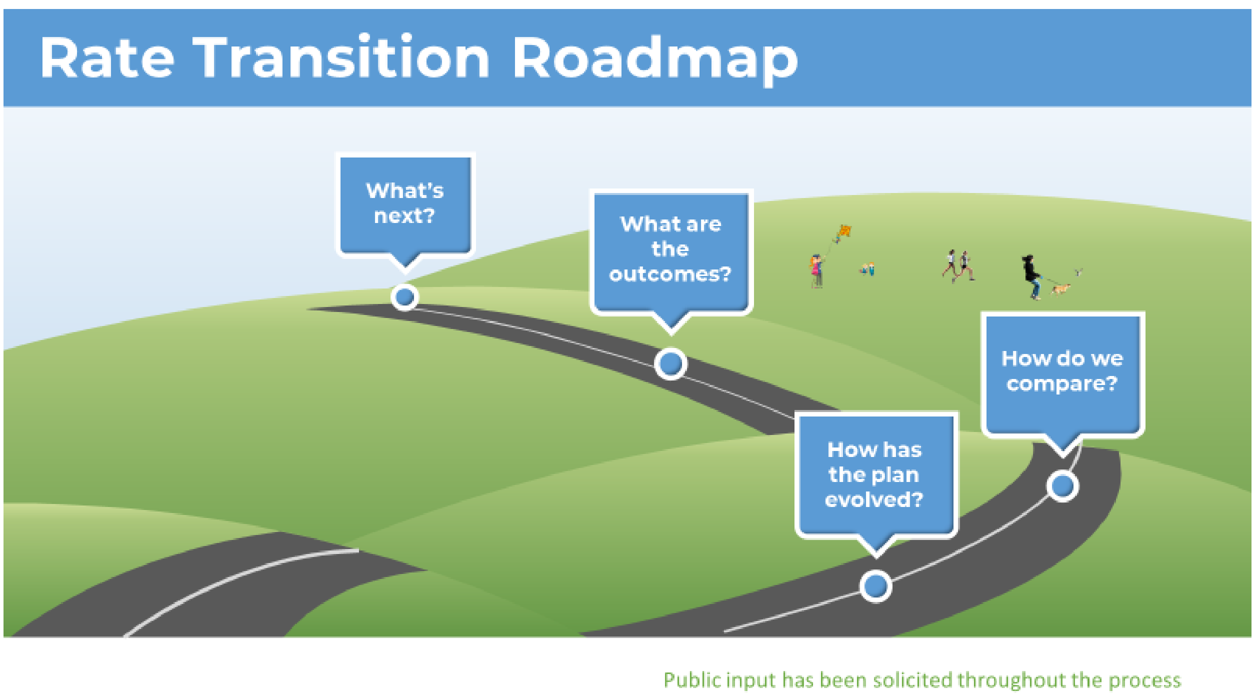


Beginning in about December 2018 we started holding open houses, business breakfast's, we held multiple meetings with the KCK Chamber up to as recently as last week and we even formed a Citizen's Advisory group. They have written a letter kind of outlining their feelings on this program and it's available in your packet tonight.

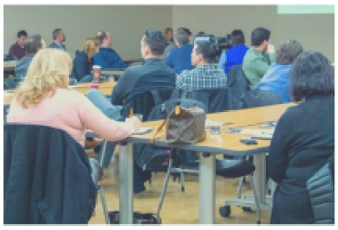
What about the folks who couldn't make it to our open houses or didn't interact with the Chamber? For those people we created an FAQ Webpage where they could go to learn about what we were proposing and we established a dedicated email address where they could reach out directly to a person, either myself or Sara and ask their questions or make sure their feedback was included and it did have an impact in what we were doing.

We also published some information regularly in our E-News, we shared updates with Livable Neighborhoods and we reached out to our Neighborhood Business & Revitalization Organizations.

What about folks who didn't have access to the internet? For those folks we produced a 30 minute long video walk through of our proposal and we included contact information at the end of that and we ran that on UG TV for a number of months so that they also had an opportunity to let us know how they felt about this. We also left printed materials with our local libraries and provided multiple interviews with local news media. In the end our community did provide us with feedback and they did make sure that we heard them and we did and we incorporated that into the plan.



Now we're going to talk about how that plan changed based on the feedback that we received.



Original Plan
$5.90 per 2,420 sf of hard surface.

Credit Program
Accelerated the fee reduction program.

Adjustments
Projects reduced from $58M to $30M.

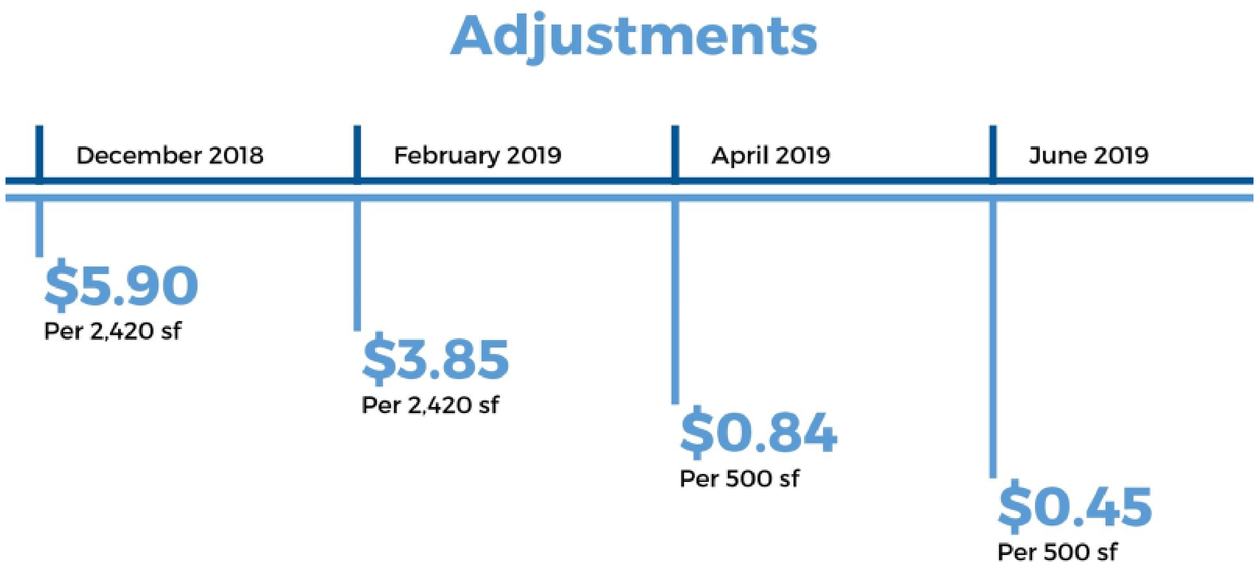
Residents, businesses, non-profits, and educational institutions told us what works

Ms. White said our original plan was a rate of $5.90 per 2,420 sq. ft. of hard surface. Through the various community engagements that we did, and we got feedback from those, the one thing that we heard was that most everyone, both residential and non-residential, understood why we would be moving to an impervious or a hard surface rate structure. However, the comments that we did get from the non-residential was that this was too much too fast.

The other comment that we got was that we had discussed—or we talked about having a Credit Program. We were planning to do that in Phase 2. They wanted to see what that would look like and so we moved that up to Phase 1.

They also commented that they wanted to see these rates dropped so we made some adjustments. The big one being reducing our Capital Improvement Projects from $58M to $30M.

Quickly, I'll touch on the Credit Program. We had a committee that worked up a draft of what our Credit Program would look like. What it is, it is a way to reduce your monthly fee by implementing some form of a best management practice that would keep stormwater on your property would help infiltrate it back into the ground. The different credit types we came up with would be a quantity, a quality, a direct discharge, and a landscaping credit. How this would work is that you would make an environmental improvement by putting in some form of best management practice and you would get a reduction in your bill.



The big part of this was the adjustments that we made to our rates. Our first proposed rate was $5.90 per 2,420 sq. ft. This was a tiered approach for the residential. From the comments of too high too fast, we moved that. We cut our program from $58M to $30M which dropped that rate down to $3.85 as well as we changed it from a 5-year plan to a 7-year plan so we stretched out those needs in able to reduce that rate.

In April we had more community engagement throughout that time and some of the comments were that people thought the tiered approached for residential was not equitable, it wasn't fair, so we went to a straight rate per hard surface area. That changed the rate to $0.84 per 500 sq. ft. and if you're a little confused of how that compares to what we first proposed, $5.90 per 2,420 sq. ft. is equivalent to $1.22 per 500 sq. ft. We went from $1.22 to $0.84 and then with the 2018 audit information, staff worked with the CFO to finetune the financial plan so we were able to drop that rate to $0.45 per 500 sq. ft.

Rate Transition Roadmap

Public input has been solicited throughout the process

How do we compare and how does this impact your bill. What does the bills look like from this?

Residential

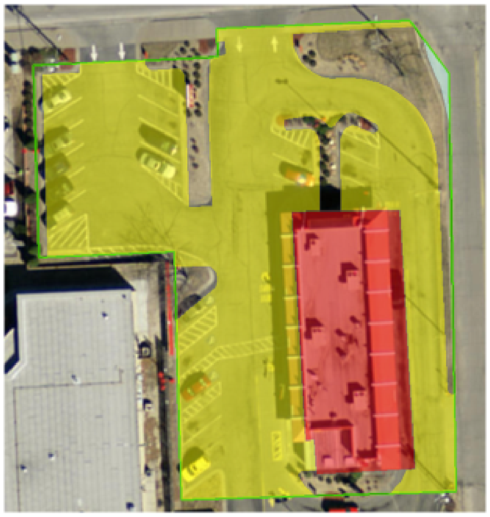
Community	Monthly Charge
Lenexa	$9.08*
Shawnee	$6.00*
Lawrence	$5.46
Topeka	$4.75
UG	$4.50*
KCMO	$2.42

*Minimum amount a residential property will pay.

I'm just going to go through some examples of different classes of properties and what their bill would look like compared to our study group. This is with the $0.45 per 500 sq. ft. Residential properties, this would be—the one we have here is 2,420 sq. ft. We did—the policy said we would have a minimum rate of $4.50 and that's currently what people are paying so we kept that minimum so that puts the UG second to the lowest in our study group.

Fast-Food Drive-Through Restaurant

Community	Monthly Charge
Lenexa	$85.45
Shawnee	$55.93
Topeka	$54.38
Lawrence	$47.65
KCMO	$25.90
UG	$23.31



For a fast-food drive-through restaurant; McDonald's or Taco Bell, for example, we're looking at and this one is just over 25,000 sq. ft. and then we showed what this location would be in these different communities in our study group. As you can see, KCK is the lowest of this group.

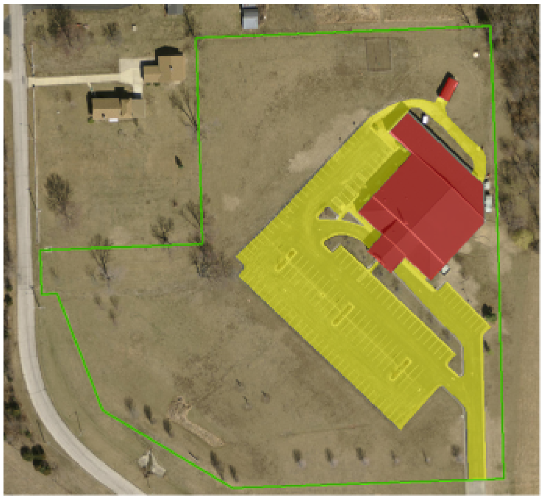
Commercial/Retail Store

Community	Monthly Charge
Lenexa	$320.78
Shawnee	$209.96
Topeka	$204.13
Lawrence	$178.86
KCMO	$97.21
UG	$87.48

Minimum size commercial/retail store such as Aldi's or Dollar General, this comes in at 97,000 sq. ft. of hard surface area. Once again KCK is the lowest of the study group.

Non-Profit

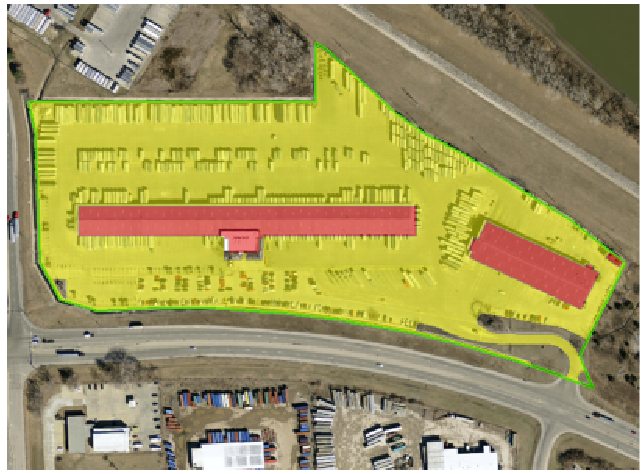
Community	Monthly Charge
Lenexa	$313.37
Shawnee	$205.11
Topeka	$199.42
Lawrence	$174.73
KCMO	$94.96
UG	$85.46



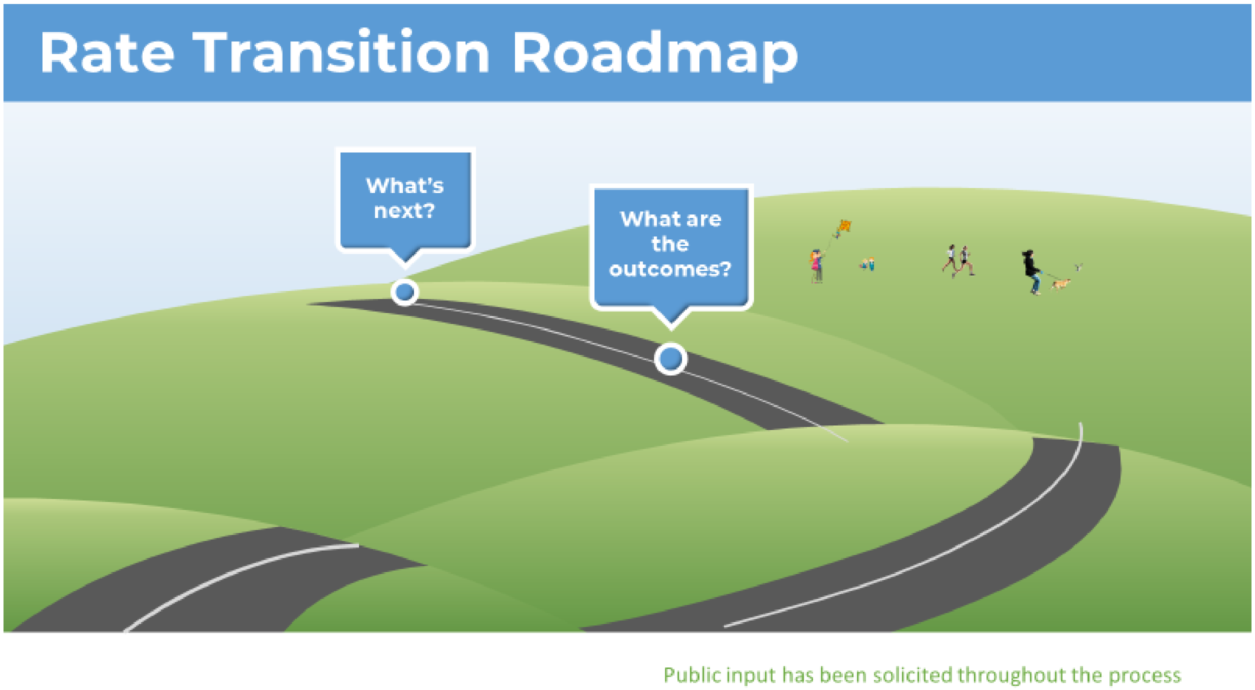
Our non-profits that we looked at, schools, churches, other non-profit organizations; this one hard surface is approximately 95,000 sq. ft. It's also the lowest in the study group in KCK.

Industrial/Commercial Distribution

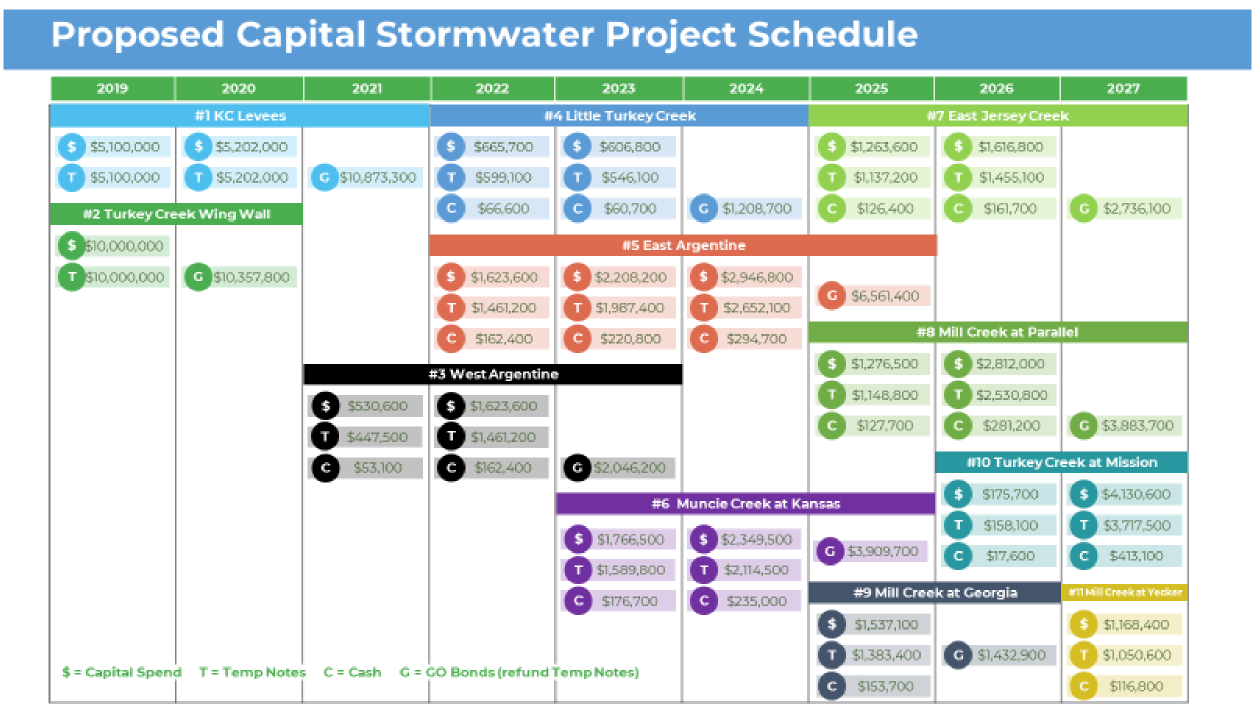
Community	Monthly Charge
Lenexa	$3,200.51
Shawnee	$2,094.88
Topeka	$2,036.69
Lawrence	$1,784.52
KCMO	$969.85
UG	$872.87



This is a large industrial/commercial distribution facility. Examples of that would be Amazon, Fed Ex, UPS. This one is at 970,000 sq. ft., but once again, you can see that with our rate KCK would be the lowest in that group.



I will pass this off to Anna to talk about what our plan gives us.

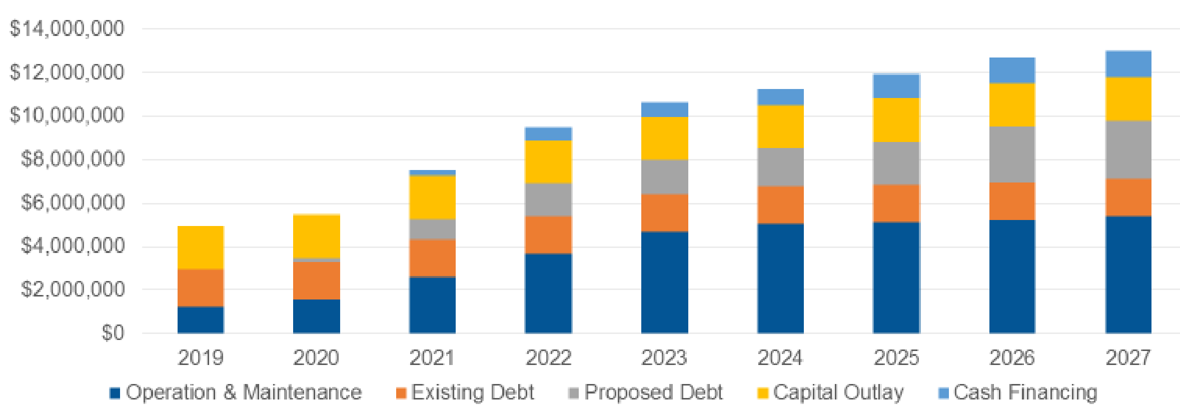


Anna White, Economist, Project Manager for Black & Veatch said one of the objectives of the plan is to adequately fund the Capital needs, the program needs and this consists of both the Capital needs as well as the Operating needs. A portion of the Capital costs are based on the Capital projects that are planned over the next eight years, so there's a total of 11 projects that are anticipated to fall within that eight year study period. Eight of these projects are from the Master Plan and will address the projects that are in those eight priority watersheds. The cost for these projects fall through in the period of 2021-2027 and makeup the majority of that $30M CIP number.

The other three projects were identified outside of the Master Plan and these include the Kansas City Levees project that you've heard about, the Turkey Creek Wingwall as well as a project in west Argentine. The financing for these projects assumes that temp notes will be issued during the design and the construction period of the project and then once the project is complete, a General Obligation Bond would be issued to redeem the temp notes. You can see here for each project we kind of laid out how the costs fall in terms of design and construction, when temp notes would be issued, and then when a GO Bond would be issued to redeem the temp notes. You can see how the projects lay out over that study period.

Historically projects have been 100% debt financed; however, beginning in 2021 the financing plan assumes that 10% of the cost will be cash financed and 90% will be debt financed so this will help keep the total debt service requirements to one-third of the total annual revenue requirements for the stormwater utility.

Proposed Total Revenue Requirements & Rates



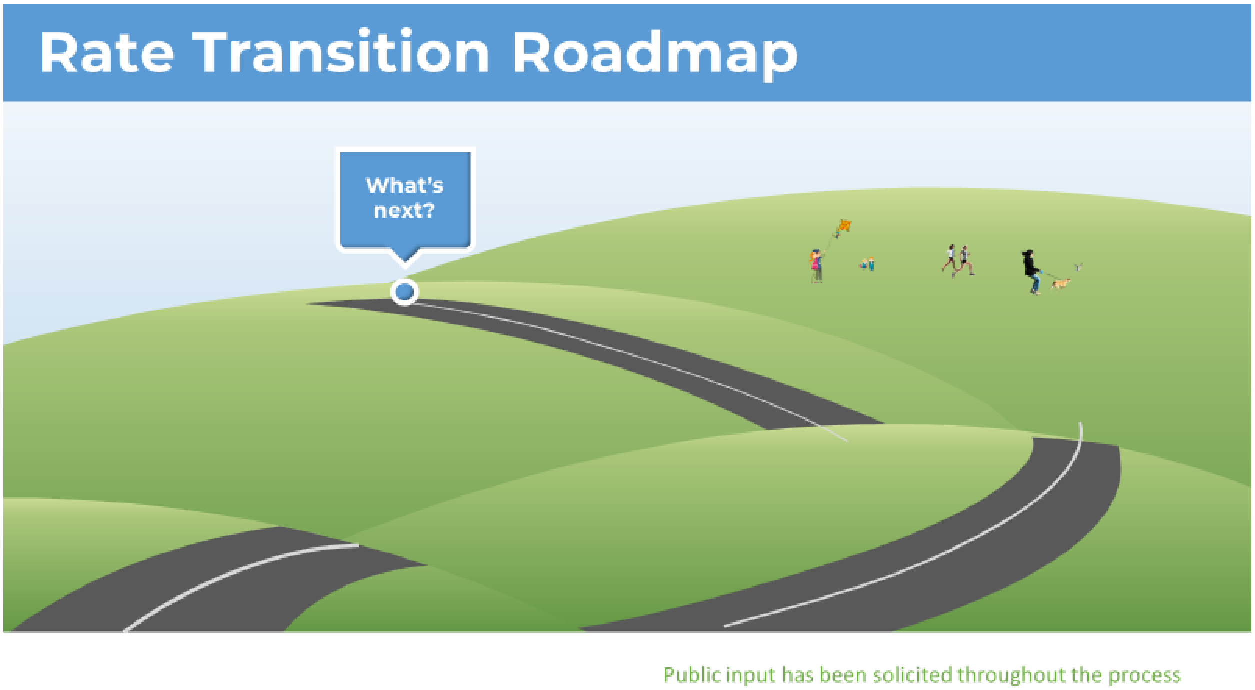
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Rate per 500 sf	N/A	$0.45	$0.71	$0.96	$1.06	$1.13	$1.19	$1.25	$1.28

When we look at the annual cash needs for the stormwater utility, we need to consider the following costs. The first is Operation & Maintenance expense and this is reflected by the dark blue portion of each of those bars there for each year. In addition to the Stormwater Operating Budget projected O&M also includes two other items. One is phasing in additional funding for the Capital Maintenance Improvement Program, the CMIP, by $250K per year from 2021-2024 so this will help the utility move from operating and reactive mode to a proactive mode. Second is phasing in of stormwater costs that were identified that are currently being funded from the Wastewater fee phasing those in to be recovered from the Stormwater fee. This is about $2M that we're phasing in over three years from 2021-2023. If you look at the projection of the Operating costs you can see that it grows from 2019 up to about 2024 as we're phasing in these additional costs and then at that point it starts to level out.

The next two items are Debt Service. The first is Existing Debt Service on existing GO Bonds that were issued to fund past Capital Projects. This is shown in orange on the bars and then we have Proposed Debt Service for the major Capital Projects that are planned throughout the study period and this is shown in gray.

Shown in yellow on the chart is the Capital Outlay. This is for cash financing of major maintenance projects and last, we have the proposed 10% cash financing of future major Capital Projects that I mentioned and this is shown in light blue on the chart. The stormwater fee is then determined by taking these annual cash requirements for the utility dividing it by our total number of units and that's how we get to the unit charge that's shown there at the bottom of the graph.

Mr. Fisher said it's important to note that the first two projects in this year and next were the Wingwall and the Levees. That's about $20M and if there's not a rate adjustment, a transition that comes out of this, that $20M will hit the General Fund and it will be challenging I'm guessing. I just wanted to note that.



What's next?

JUNE 2019
- Adoption of rate structure.
- No change to what people currently pay.

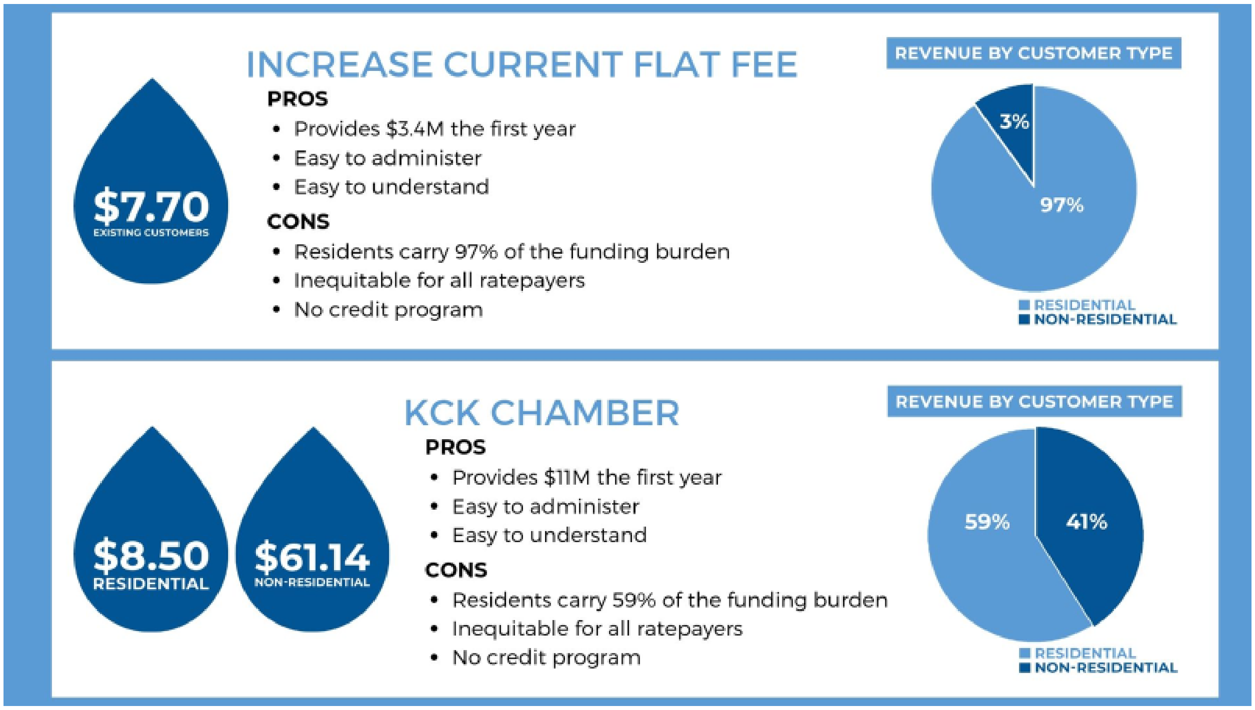
JUNE 1, 2020
- $0.45 rate begins.
- 92% of residential will not be impacted.
- 42% of non-residential will not be impacted.

JANUARY 1, 2021
- $0.71 rate begins.
- 69% of residential will not be impacted
- 34% of non-residential will not be impacted.

JANUARY 1, 2022
- $0.96 rate begins.
- 32% of residential will not be impacted.
- 29% of non-residential will not be impacted.

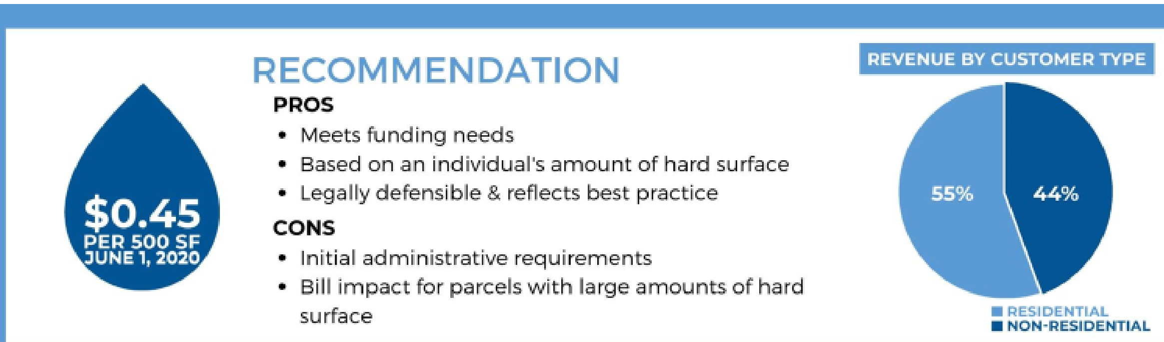
Mr. Fisher said now, Next, it's about decisions really. It's those difficult decisions, it's those imperfect decisions, it's decisions that are going to affect somebody or some portion of the population in a negative way. Real quick, the proposal again, there is no change in '19, it wouldn't start until June of 2020 and then again January of 2021 and every year after. It's definitely worth noting that 92% of the residences in 2020 are not affected, 42% of non-residences are not affected.

In 2021 a significant portion not impacted and again in 2022 a good portion not impacted. In fact, there's a small portion that are not impacted for the seven years.



The last slide is the recommendation, but I'm going to go through these two alternatives for you before we get there. The upper half of this slide would happen if we kept the current structure, the flat fee. Year one it would be $7.70 and then there's increases for the seven years. You can see from the pie chart there's a great imbalance between residential and non-residential. It does meet the needs of the 7-Year Plan if we went that direction. It is easy to administer and understand; however, it does create a burden on those residences, 97% will carry the burden and there's obviously inequity built into that.

The lower half of the slide is—the Commission could choose to go with this. This is the KCK Chamber proposed sort of a hybrid structure. I worked with them last week to develop this. It is a hybrid because it does charge residents one rate and non-residents another rate. These rates can't really be compared. This KCK Chamber is trying to hit $11M a year target. That would mean it would start year one hitting $11M and through the seven years, every year hitting $11M. They have done some work since we last met and that was really around breaking up that non-residential into five tiers and so much like our original proposal with residents there would be five tiers and the lowest tier would be sort of the small business and would pay less than the larger businesses. We could go that direction, that is possible, though pros and cons to that would be that it would meet the revenue needs, it would produce monies, dollars earlier, faster. It would be easy administer and understand; however, 59% of the burden would be on residents. There is some inequity and the residential component of that rate, sort of the base rate of that model, is somewhat arbitrary. I know we will spend a little more time on that so I'm going to jump to the recommendation which is the hard surface method.



	2019	2020	2021	2022	2023	2024	2025	2026	2027
Rate per 500 sf	N/A	$0.45	$0.71	$0.96	$1.06	$1.13	$1.19	$1.25	$1.28
% of residential not impacted	N/A	92%	69%	32%	32%	13%	13%	13%	13%

We start in June of 2020 and increase again January 1, 2021 and then every year after. The pie chart, you can see that it is more balanced than the other two. It will meet funding needs for that 7-Year Plan. It is based on individual amounts of hard surface, is legally defensible and best practice. The cons would be that there are more administrative requirements to this versus the other two. The bill impacts would be larger for the larger properties with a lot of impervious surface and you can see again in the table a large portion of the population not impacted for the first two or three years and a small portion that won't be impacted at all for seven years.

Staff has always stated that the rate structure was the most important objective. The hard surface method is widely considered best practice, not necessarily industry practice. There are a fair amount of cities that do use a flat fee or a hybrid. The hard surface method, especially when all properties are individually calculated, is the most fair, equitable, and defensible method. The second most important objective in this initiative is, whatever we choose, that it generates enough revenues.

Staff recommends this option, staff recommends adopting seven years of rates so that this plan has the right support and that we recommend again that a method and a rate be adopted on June 27th. We'll entertain any questions.

Mayor Alvey said thank you staff, excellent, very thorough and you're seeking direction through this workshop as to how to move forward. Is that correct? **Mr. Bach** said yes, we are. We spent a lot of time on this as Mr. Fisher indicated. It was started back in '97 trying to work through this process, developed it, came out with the program and then we've had it in the community for the last six months. We are at a point now where we do have projects we need to move forward on. As you noted, we have a couple of major stormwater projects moving forward now that we can either determine to fund through this program or we can pay for through the General Fund if we decide not to go in any direction like this, but then we will have more projects down the road.

This is our recommendation and we would seek feedback, but we would really like to put ourselves in a position to move forward with an adoption in the near future.

Mayor Alvey said first of all based upon what I've heard in the past when it was first presented several years ago, my opinion is that the impermeable surface rate is the fair, I think, wise way to move on this. In some way we have to incorporate into whatever policy we enact, whatever structure we enact, I think we do have to—I would suggest we need to stick with the impermeable surface rate. To what degree, that's up for discussion I guess, but again those who yield more stormwater runoff have to take more responsibility. They're more obligated I think to fund how we handle that stormwater.

I want to go back to the communication piece. I understand that there were targeted mailers sent and you know the word targeted I think is key there. I've had several people, especially manufacturer's, commercial establishment owners, complain that they were not aware of this moving forward because they did not receive a mailer. They may have heard about it from other people. In fact, one district in the Central Industrial District said they were not aware of it at all until late in the process. I understand that the purpose of this was to elicit feedback to put into our discussion and our planning and so we achieved that, but I would suggest that another piece of communication here needs to be to let the entire community know that this is in process. I think that doesn't look good, doesn't sound good to people when they are going to be affected in very significant ways about something moving forward. We did obviously get the feedback we needed and I would say probably fairly representative especially I think because of the engagement of the Chamber, but still there were those who might have wanted to be a part of this and had not been informed about it and so were not able to participate. It's one of those things where how do you know to get engaged if you don't know that there's something to be engaged with. That's just a general comment.

When we look at—I have a concern as well, projects reduced from $58M to $30M. Again, we're trying to do this in a way that we can fund it and not overburden, but when you showed the comparisons of what other communities pay and businesses in other communities pay, and residents pay and other places; we're at the lowest end with KCMO which also funds in other ways and doesn't fund Capital projects. I'm not an advocate for greater taxes, but at the same time—or fees, but I am an advocate for taking care of our infrastructure and doing the projects we need to take care of. At the same time, we have to be sensitive to the burden this will place on institutions and residents, but it seems to me we need to continue to make the case or really dig into and we need to be made aware of what are absolutely vital projects that if we don't take care of them, will only get worse.

I'll go back to, for instance, the Wingwall at Turkey Creek, if we don't take care of that, it only gets worse. The pumps in Argentine, west Argentine, if we don't take care of them now the cost will triple for us. It's as simple as this, if my change oil light comes on or my oil light on my car shows that it's low and I don't take care of it, I'm getting a new engine at some point. We really have to be responsible stewards of the infrastructure and take care of it which actually might cause us to actually generate even more revenues to take care of more projects. Again, it's a balancing act.

It's interesting to me that other communities, as you said, choose not to use the impermeable surface. I'm not sure what their rationale would be. I just want to again say that I think that's fair, equitable, and even if it's not widely accepted, it does seem to me to be industry best practice.

Commissioner Townsend said great presentation, but I have a few questions for clarity and I think I would like just one more time have a one-on-one or a one-on-two or three or four, but for right here and right now if I'm understanding this, 500 sq. ft. of hard surface if a resident—I'll say a resident has that much impervious surface, for the seven years will their stormwater rate increase or not because I'm looking at this and maybe I'm looking at the wrong one. It looks applying the rate, but it doesn't look like the numbers are going up which is fine for people that have 500 ft. or less. **Mr. Fisher** said 500 sq. ft., they would see no increase over seven years. **Commissioner Townsend** said okay and I know that there was a group that you referred to so this is going to help. Now, let's say you move it up to 1,000 sq. ft. **Mr. Fisher** said still no impact. **Commissioner Townsend** said still no impact. Alright, here's the other question then—**Mr. Fisher** said not until you get to 2,000 in year 2024.

Commissioner Townsend asked who is the determinant? Who are what entity is the determinant of how much square footage of this impermeable surface does a homeowner or resident have? **Ms. White** said the impervious areas calculated using a flyover data where they capture the hard surface. We did one of those in 2018 which we will use, if we move forward with this, that data will be what is used to calculate the bills. It calculates the hard surfaces such as roofs, driveways, patios, parking lots through a radar imaging and calculates that as hard surface. We will have an appeal process so that if someone is saying that number looks high, I don't think I have that, they will be able to come in and we'll verify if there is an issue with that number.

Commissioner Townsend asked where will this information be retained. Would this be retained at the Assessor's Office or where would it be retained? **Ms. White** said this information we've had. We use it for lots of different things but it is currently in our GIS system or GSS houses that and we do that every—it gets updated about every four to six years, we need to have that information updated and so the latest one was 2018. They house all that information in our GSS. **Mr. Fisher** said I would say most in the metro do that way. **Commissioner Townsend** said for instance, if I want to know, and I will, how much impervious square footage I have on my property, who do I call to find that out? **Ms. White** said right now people have been asking through our stormwater email and we get them that information. **Commissioner Townsend** asked do they have to go online? **Mr. Fisher** said no, they can call us. They can call staff, we will be the ones they call. **Commissioner Townsend** said okay, so Public Works Department. **Mr. Fisher** said yes. **Ms. White** said but it would be something—it could be something on our UG maps that would show when you click on your address it would be something they could click on and find what their impervious area is. **Mr. Fisher** said if we can figure out how to show that online, we will. **Commissioner Townsend** said and I'm thinking that's great and I'm thinking about people who have nothing to click on also. **Mr. Fisher** said they can call staff. **Commissioner Townsend** said the number that you would give them now would be the number in terms of square footage of impervious service, that would not change unless they for some reason wanted to challenge it. **Mr. Fisher** said right, until it's updated.

Commissioner Townsend said let's say they have that, they're okay with the square footage shown, is this online also so someone could see what their projected payout increase or not would be if we adopt this for the next seven years? **Mr. Fisher** said we would definitely work on that kind of detail on the implementation phase, but certainly, if we can figure out how to make that kind of information available to the public, we would.

Commissioner McKiernan said first of all these large charts didn't come with the electronic packet. I would just ask that when we create electronic packets we put all documents and then there is also a letter that came from this Advisory Group which also was not included in the electronic packet. Let's try to get all materials in there if we could please. I would really appreciate it since I'm trying to save at least a tree a month.

Second thing, Mr. Fisher, I've said this to you before and almost feel like I need to apologize because you arrived and we went welcome, everything is broken, fix it, but don't raise our rates. So, I mean I get the enormity of the task that you and your staff are up against. I do agree with you and I do agree with the Mayor, I do believe the impervious surface square area calculation is the most equitable and defensible, but I still have some concerns about—as you and I have talked about before, about the rate increases and how fast we get there. I do believe our communication really on this was better than we've done in the past, but I also think we fell far short of what we should aspire to in terms of getting the word out and engaging more than just the usual suspects—or we need to really up our game.

One thing I would suggest is we consider using *The Citizen*, our paper newsletter because for all of our electronic communication methods I'm going to guess that only a small fraction of our residents actually see any of our electronic communications be it UG News, Facebook, Twitter or whatever. That *Citizen* newsletter goes to every household that has a valid BPU hookup and I think we're going to get better coverage if we go with that. Now, it's not as immediate and it is costly, but I do believe—again, I'm channeling my mom here, give me something I can hold in my hand and read.

I do agree that our increased rate—so you've given us several examples of how our increased rate will be comparable to, or even lower than, the rates that are currently being charged for similar sized impervious square area in other communities in the metro area. My concern always has been that while I agree, once we are there, we are lower than almost everybody else. Compared to where we are today, getting there is still a big jump and I still worry that it is a jump that can't be absorbed especially by a lot of our larger square surface area customers who have built budgets not anticipating this magnitude of increase, but will now have to absorb it. That's always been my concern and it remains my concern. Then I also, because I was looking here at your $872.87—if you can go back it's the industrial/commercial distribution facility. This $872.87 really looks comparable to what is being paid for the same impervious square area in other communities, correct, so that's what we have. It's the same equivalent square area in all these other communities would generate these different dollar values. **Mr. Fisher** said right. **Commissioner McKiernan** said and we look really great except when you stop to consider that it's wrong, it's broken, but that parcel is paying $4.50 right now so that's still a 19,000% increase in one year. So, while it looks good, once we get to where we really want to go the magnitude of the climb to get there is still very steep and I worry it's unsustainable, it's untenable to our small businesses.

Then I compound that with this, if I look on this chart, which I'm glad Commissioner Bynum showed me, it showed me that our multiplier .45 in 2020 becomes 1.28 in 2027. Is that correct? **Mr. Fisher** said yes. **Commissioner McKiernan** said so we have a really steep climb to start and then we have a continuing climb after that and I get it. It's necessary to fix everything that's broken, but what that does is it takes that 872 and it roughly triples it so at 2027 this parcel is paying $2,400 which now puts its squarely toward the top of all of our comparison cities.

I caution you not to show me just the best case scenario but show me the worse case scenario too. Okay, a really steep climb. It's almost vertical to get started and then we flatten it out but it still keeps going up. Again, I'm going to need some time to digest what this is going to do to the budgets of all of the large and small businesses because nobody has had a chance to plan proactively for this, to build their 2020, their 2021 budget to account for a 19,000% increase. It's been my concern from day one. It remains my concern even today. Maybe some of my other commissioners will convince me that it shouldn't be a concern, but I still need to digest this.

Commissioner Markley said District 6 I think is the only district that has repeatedly had stormwater show up in the top five most critical items that our residents identify in their survey every year. We usually always see infrastructure and public safety are in the top couple for every commission district. Stormwater is always in the top five for my district so it's an issue that I see repeatedly. Obviously, part of that is due to the Argentine area, but in Turner as well we have a number of issues one of which was pictured in the photograph.

Just to be clear for people who might be watching and seeing all these numbers, right now I pay $4.50 and so does Walmart and so does Dollar General and so does the largest parcel of concrete in our area pays $4.50. If you're looking at this picture, you're thinking, oh so, the same guy in Lenexa is paying $3,200 and here they're giving us $4.50. I would just submit that this parcel is more likely to be able to come up with $800 than our resident and we can't put that on their back and say resident, you should be paying the $800 a month. We have to solve this problem. Stormwater impacts people's quality of life in a way that none of the other issues that we address daily do, even a pothole is not as bad as having your front yard and basement flooded every time it rains. We can't expect to attract people to our neighborhoods and have them stay here long-term if they can't keep their house dry. We can't expect them to live here and have their basement flood every time it rains.

We have to do something to solve the infrastructure needs of our neighborhoods if we want to grow our community and put higher quality houses in our community because they're also not going to come in and get a parcel of land and build a beautiful $500K house on it when you know that it floods every time it rains. So, if we're going to increase the quality of our neighborhoods and if we're going to get people to stay here long-term, we have to solve those infrastructure problems.

I don't think doubling the rates of our residents is the way to do that. I understand Commissioner McKiernan's concern. There are some businesses that will be hard hit, there's no doubt, and there are non-profits that will be hard hit, there's no doubt, but I'm pretty sure Walmart can find $800. I'm pretty sure because they're already finding it in Lenexa, in Shawnee, in Lawrence and Topeka. They're finding that money somehow in their budget in all those other communities where they are also located so I think they can find it for us as well and I think we need them to find it if we're going to grow the type of community that they want to stay in as well.

Commissioner Walters said I'm interested in the Credit Program. I don't know if that program is flushed out yet, but I do just philosophically like the idea of trying to address the problem at its source and everything we can to incentivize property owners to take responsibility for their own runoff or detention and put minimal stress on the overall system. I think we should incentivize them to do that. Is our Credit Program such that new developments or even existing developments would see a benefit in adapting their projects to increase their sustainability, if you will. Is it robust enough to really help them do that or is it not? **Mr. Fisher** said I do feel it's in draft form and would finalize that after—in the implementation with the help of the Chamber. We've developed a draft and it's got a few different parts. Part of it is how much they do to address quality of the water and how much they do to address quantity and so I think they are eligible for up to 55% credit. Then if you are adjacent to the two major rivers and your runoff is not going through the UG system, then you would be eligible for 75%. I think this is a robust program the way it sits right now. We just have to finalize the details of it. **Commissioner Walters** said I think that sounds great because I think the last discussion we had, my recollection was, was the maximum would be a 20% reduction so the percentages that you are talking about are much more realistic in my mind than that, so thank you for that.

Mr. Bach said, Commissioner, I would add that part of your question was those that already invested. Yes, so if you've come in and we put you through—you did improvements to your property when you came in initially, that is an eligible to be part of the Credit Program. It does not have to be something that is done. If you did it and thought forward or if it was part of the requirements that we put in place, then you will get that credit.

Commissioner Kane said I guess I'm going to be the bad guy. You know when you involve the Chamber, that's great, but may I remind the Commission that some of the guys that sit on the Chamber also are the people that went to the State Chamber telling them to make prevailing wage for Wyandotte County. So, I could care less what the Chamber says. All the school districts are going to be hurting from this, the churches are going to be hurting from this, and the community. I don't even know if everybody knows what's going on, but I am not equipped, not going to vote for something that we're going so far up hill that we may slide backwards. There are senior citizens that are living day-to-day and if you go right down here at lunch time, everyday that crowd gets bigger and bigger and bigger. It's not going to get smaller if we keep taxing them with this little tax credit and well it only cost this much this year and then it's double the next year, then it's triple the next year. We're saying we're going to hold the line on taxes. You're running for election, did you hold the line on taxes, and I agree, Angela needs some help in her area, no doubt about it.

Another thing, you've got this here, show the one where you've got just the small group. I want to see the slide that shows the small group. We do this too often, we put slides up here that we can't read, not just you guys, it's everybody. Where's the farthest west end of that, those dots? **Ms. White** said 84th. **Commissioner Kane** asked 84th & what? **Ms. White** said Parallel & I-70 area.

Commissioner Kane said so we have one project in District 5, but we're asking District 5, once again who pay the most tax on houses to pay for a tax they're not going to get any use out of it and I agree that area needs help. We're already taxing District 5 a boatload of taxes. I say every single year we get the least amount of representation, we get the least amount of activity in the area, and some of those people can afford for it to go up, but Piper just passed that school bond issue and they're stretched to the max. I went down Leavenworth Road this morning where they're building the new school, KCK and the Community College. I mean you're talking about a significant amount of money that I'm not sure we can raise and we're even equipped to do it and I'm not sure the community knows what's going on. I know we reached out to a lot of people and I know we had some that reached me, but how many meetings did we have across the community in each district? **Mr. Reno** said we had one in your district out at the Kane Community Center otherwise we held them in all the other districts as well but one. **Commissioner Kane** said my district goes all the way into 72nd & Parallel and one meeting in my district isn't enough, so what we're going to do is we're going to blindfold these people, send it on their BPU bill and say sorry, it sucks to be you.

I don't even know if we need this as bad as they're saying we do other than maybe in Angela's area and a couple of other ones, so let's target them and fix those areas. At the end of seven years does it stop or does it keep going up? **Mr. Fisher** said we're only targeting 30M, we started off at 58 and the 58 is still there and there's 140M in all the basins so I don't see that—**Commissioner Kane** said I think this is a bad idea all the way around.

Commissioner Bynum said I know we need to control our stormwater. I think where I am is I feel like the presentation we've been given tonight is unlike any other presentation I've seen to date. It's dramatically different, it's better, but I agree with Commissioner Kane that we definitely need a whole lot more information given to the community in any variety of ways including *The Citizen*. I don't know that we've engaged the community yet enough and especially since everything about this strikes me as different than everything I've seen to date. I think we need more community engagement on the issue.

I also am curious, if we step back a minimum of 30 to 60 days beyond the hope for June 27th date, what does that do to potential implementation. I would be curious if we took a little bit longer, what's that do to your timeline? **Mr. Bach** said I might take that Jeff. I think—I don't know if it was clear, what we were proposing up there for 2020 was to start in June of 2020, not January. If we're pushed back, we're able to implement at that stage. Really, it's a matter of just planning for it and probably to the point that's been brought up a couple of times, it's making sure if we approve something, how much advance notice we're giving to businesses or residents as to what the change would be. In this case it's mostly—there's no impact really on 90% of the residents so really, it's looking at the businesses so they recognize what their cost would be next year when they're planning their budgets. **Commissioner Bynum** said correct. I do think though that Commissioner Kane is spot on with the concern for our non-profits and our churches. They will be hit hard. **Mr. Bach** said yes.

Commissioner Murguia said just a couple of clarity questions. There are two proposals on the table this evening for consideration. One is the staff recommendation and the second one is I think what you've referred to as the Chamber proposal. **Mr. Fisher** said three considering our current rate structure and increasing those, but yes. **Commissioner Murguia** asked if we went with the staff recommendation, then 98% of our residents would see no difference in their stormwater bill. Is that correct? **Mr. Fisher** said 92% would not be impacted in year one. **Commissioner Murguia** said so 92% of our residents would not see a change in their stormwater bill if we went with the staff recommendation, correct? **Mr. Fisher** said correct. **Commissioner Murguia** said and yet if we went with the Chamber recommendation all of our residents would see their bill double and this is just the first year, correct? **Mr. Fisher** said correct. **Commissioner Murguia** said okay, and then that's just for next year, right? **Mr. Fisher** said right. **Commissioner Murguia** said let's go back to the first proposal, the staff's recommendation. In the staff's recommendation are the 92% of residents that would not be affected, are they ever affected? **Mr. Fisher** said in year two I think it's nearly 70% would see no impact, year three it was 30 something percent would see no impact. **Commissioner Murguia** said so beyond next year our residents—more and more residents will see an impact. **Mr. Fisher** said yes.

Commissioner Philbrook said first I want to thank you for all the hard work. I know it hasn't been easy although I don't particularly agree with how its gone, you know how it was initiated and a few other things like that because I think it caused some ill will. Having said that, now that we're past that and there's actually some work being done between the Chamber you know representing business and the UG, I'm looking at that as a great improvement in communication. I am so far not ready to move this forward because of how complicated it is. I have to be able to digest this and I have to be able to explain this to people, not just the residents, but the businesses and be able to look at myself in the mirror two or three years down the line and say oh man, what did you do. I want to know what I'm doing so I understand it, so this is a first step for me as far as moving down the road to approve something. That's where I am on this.

Commissioner McKiernan said I just wanted to say that I completely agree with Commissioner Markley. We have a bonafide big problem with stormwater runoff creating hazardous as well as unpleasant conditions. I know even in my own district I have a lot of places that routinely flood every time it rains just a moderate amount. Our own Armourdale Recreation Center takes on water when it rains just a moderate amounts. I think that one of the things that we still need to really do is engage all of our citizenry and help them to embrace the magnitude of the challenge that we're all facing and for them to know that we've got this huge problem that needs to be addressed. That right now that huge runoff problem directly affects them and that to fix this huge problem it's going to take a huge investment and at that point we start to titrate out the fastest possible resolution with the least possible negative financial impact.

I get it, there are absolutely some companies who could absorb that increase with no change to their bottom line whatsoever. It would be not even a rounding err on their bottom line, but there are others where it would make a difference in terms of how well they can operate. This is one where I definitely see both sides. I see the magnitude of the very urgent problem to change the stormwater runoff so it's less of a negative impact on our citizens, but I want to try to blunt the negative economic impact as much as I can. I don't know where the happy medium is.

Commissioner Burroughs said I'm going back to page 11 for the committee's review, the commissioners review. The adjustment, you went from five years to seven and from 58M to 30M. What the justification for lowering those projects by the years and limiting the number of projects. What was the reasoning behind that? **Mr. Fisher** said that was based on feedback from the public engagement, that it was too much too fast. We packaged together $30M worth of improvements based on their highest priority and being able to fit them together in 30M. **Commissioner Burroughs** asked do we still plan on attacking those projects after the seventh year. **Mr. Fisher** said the $30M—the portfolio that we presented will be done in seven to eight years. **Commissioner Burroughs** said but we still have projects that need to be addressed I guess is my question. **Mr. Fisher** said yes. **Commissioner Burroughs** said so we did that because of input from the community, not because we need to address these projects. I mean this is what I'm trying to get to. If these projects and we're mandated to do this and we're in such need to do this, why would we hold back and limit what we are responsible for implementing just to get a public buy-in on these projects and then after year seven we've got them. That's my concern. If we're going to be transparent about the projects, let's put it all on the table because I truly believe when it comes to the health and welfare of the people in this community, they're going to be supportive of those initiatives. It's about building the trust in what we need to do and that would just be my comment and I appreciate the five to seven year question and the answer you gave in reference to having that input.

I also believe that we have other issues besides just the infrastructure. We have drainage ditches and waterways in our community that have filled with silt, are filled with debris and have grown over and clogged the tubes in our roadways. Some of the issues we face today is because of lack of maintenance on our part to address those concerns. We've been derelict in our responsibilities to some extent that these waterways and drainage ditches have filled up and caused road and infrastructure problems that we have to continue to address. Is that going to be addressed in this infrastructure? **Mr. Fisher** said yes. Part of the proposal is increase in operations and maintenance dollars so we can address those more daily routine things in a more proactive manner. That has been a part of the big problem with this fund. It is not generating enough revenues to attack the operations and maintenance in a proactive manner. **Commissioner Burroughs** asked if we were to include a ceiling amount of money, hypothetically, a half million dollars every year for the first five to seven years to start cleaning out those waterways and cleaning out those drainage ditches, that might be a show of goodwill to the citizens of this community that these things can now be addressed. **Mr. Fisher** said yes.

Commissioner Johnson said I've been over here doodling trying to figure out how much it would cost my church. It was brought up that churches would be affected and it looks like I'm looking at an additional $7 to $25 or $26 over that seven year period of time which sounds like a small dollar amount but that's on top of everything else that's there. I think I would err on the side of caution in terms of how we roll this out to the community. I'm always a proponent of measuring more than once, two or three times if necessary, and then cutting to make sure our community is brought up to speed. Questions are asked, I think it is very astute to be able to acknowledge the fact that a lot of people are not really aware of how this is going to impact them over the coming years. We've already got issues about transparency when we look at our utility bills and what ties to what on the bill so I think a measure of just patience would be our best move overall.

Mayor Alvey said I would again just suggest that perhaps the oil light came on a long time ago and we ignored it and so now here we are trying to replace an engine. Frankly, it's not just about stormwater. It's about curbs, it's about sidewalks, it's about all the infrastructure that we depend upon. I'm going to echo Commissioner Markley that at some point we have to invest in our community and we have to make the case that investment in our community is worth it if we're going to grow and continue to attract and improve the quality of life to attract residents and maintain residents. You hear too often people say—there was a letter in the *Star* this morning complaining about the state of 38th Street, complaining that all the money goes out to the Piper area which we know is not true. This is where we are. We have to take this issue on. It's not just about stormwater, it's really about all our infrastructure.

Federal Legislative Program

Mr. Bach said the next item on the agenda is regarding our 2019 Federal Legislative issues. At the end of last year, we did adopt some legislative issues but as we move forward this year and have gone under contract with a lobbyist at the federal level, we got into more detail on this about how we could impact change at the federal level and have built a new legislative program. Our intent is to present this tonight. I believe you all should have received it Monday with your packet, but we are going to go through it in a little more detail this evening and then we would like to adopt it at the end of this month so if there are changes, we could make those, but we would like to adopt it on the 27th. Then we have a formal program that we will be working with for a direction we have.

To present this tonight we have the Mayor's Chief of Staff Maureen Mahoney and Mike Taylor who does our Public Relations and Legislative Affairs.

Mayor Alvey said before we start I just want to say Thorn Run Partners as you know is who we have employed for this piece of our strategy moving forward. There was the announcement today that the US Department of agriculture has selected Kansas City as the site for a research facility, a very important thing. There are different sites in the Kansas City region that they are looking at but have selected Kansas City among all the cities in the country, but as soon as that was announced Jim Davenport of Thorn Run sent us information to let us know that please be aware that there is significant opposition to this move to Kansas City in Washington. Letting us know that immediately was very helpful and I've already asked him to let us know what we need to do in terms of lobbying—working with our delegation and others to make sure it does come to Kansas City. Whether it lands in Kansas City, Kansas or not, but certainly get it to the region.

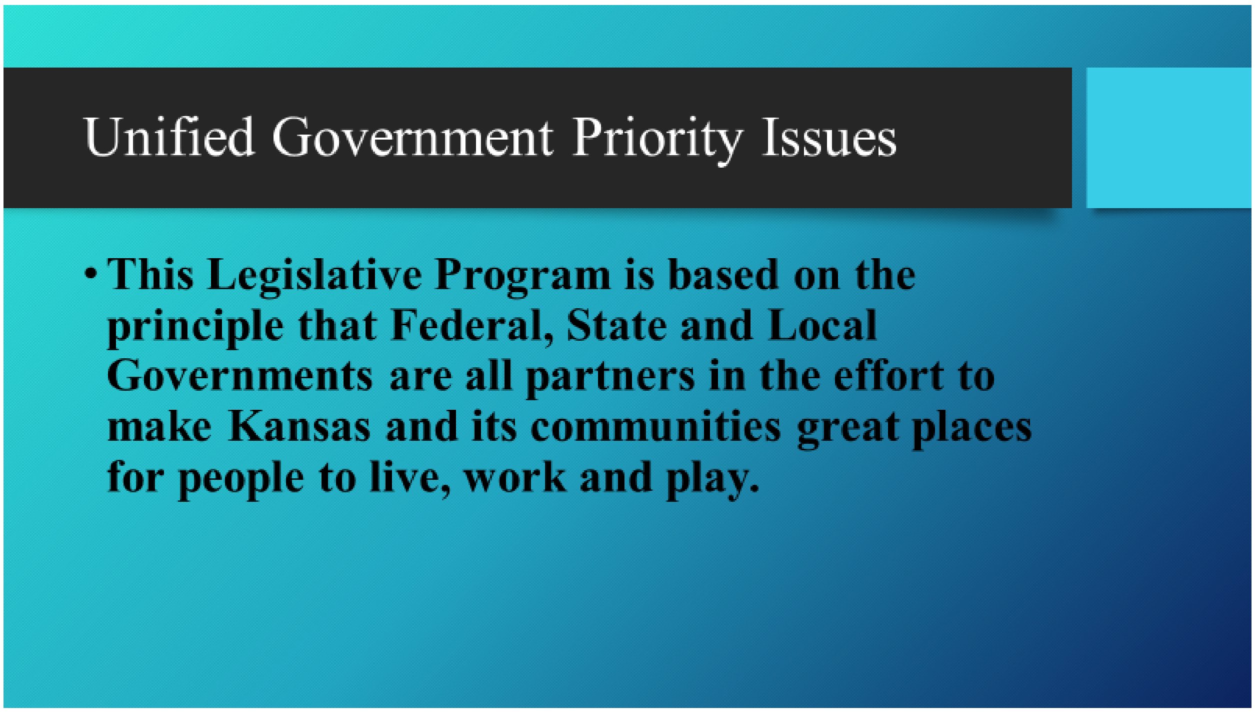
Mike Taylor, Public Relations Director, said I was going to make that announcement as well so I appreciate you mentioning that and that by the way was very much a bipartisan effort with the Missouri and the Kansas delegations. I'll also mention in terms of federal successes that we've had recently, the Turner Diagonal funding from the BUILD Grant has won $13.8M. The naming of the Quindaro site as Commemorative Site and then there was also over $400M toward the levees in the area so we have had some successes on the federal landscape.

Quickly I'm going to lay out a couple of issues that we will face on the federal level. As you all know there is a Presidential Election coming up and we also have a major Congressional Election. The only thing that I will point out about that is with those kind of elections going on it tends to affect the way legislative policy gets done whether that's the state level or federal level so I would say don't look for any earthshaking major legislation to come in the next 1.5 years. Funding will still come through, but don't look for any earthshaking kind of legislation.

The Congressional Election is one of the biggest ones we've seen for a while. Senator Pat Roberts has announced his retirement and so that will be a very spirited race to replace him. I think it gives us an opportunity to look at the candidates that are running and as a local government have the opportunity to question them and say where do you stand on local government issues and community issues.

Funding Decisions, that's a large part of what our legislative program deals with and what we look to the federal government for and the Regulatory Environment is another situation that is changing constantly with the current administration. They are looking to diminish regulations in many cases. That could change if there is a different administration, but those tend to have a major impact on local government as well.

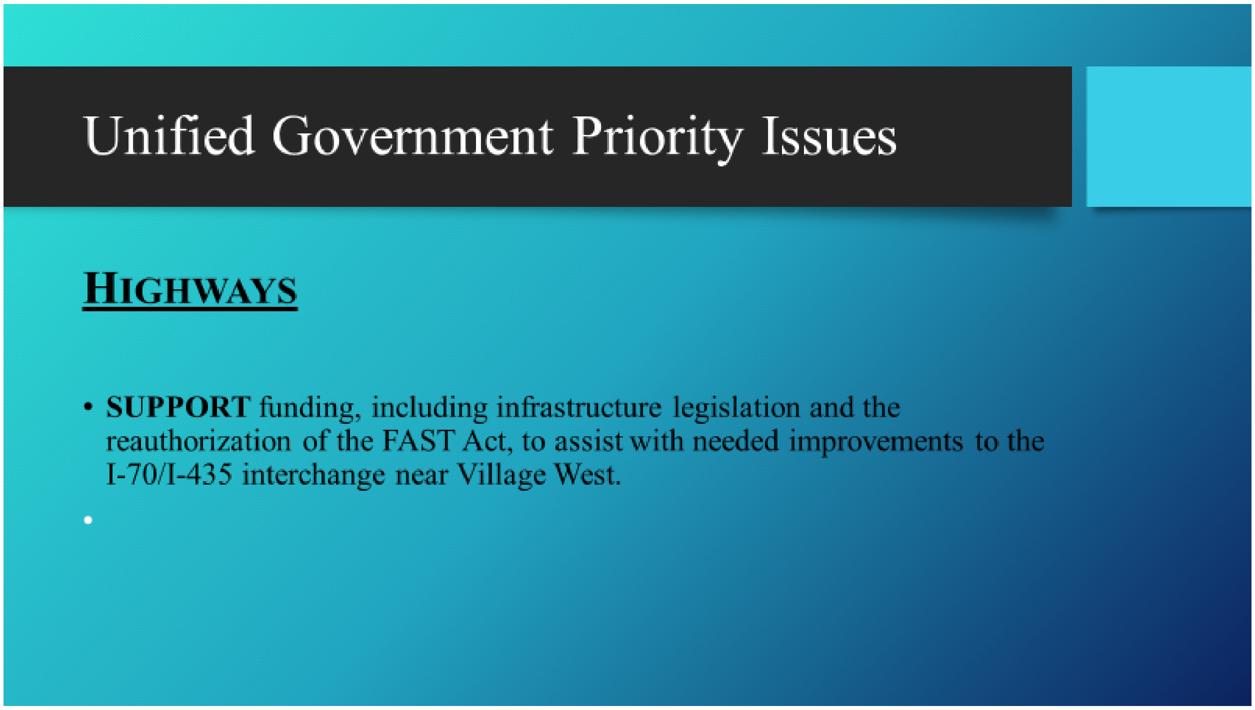
Maureen Mahoney, Chief of Staff in Mayor's Office, said and the Mayor has mentioned Jim Davenport. He has a great relationships with the federal agencies, so as we move forward that's where so much of our funding is coming from so it's a great advantage for us to have him in the mix. **Mr. Taylor** said I do think that's one thing that Thorn Run Partners and Jim Davenport will help us with is improving those connections with the regulatory agencies that we have to deal with so often.



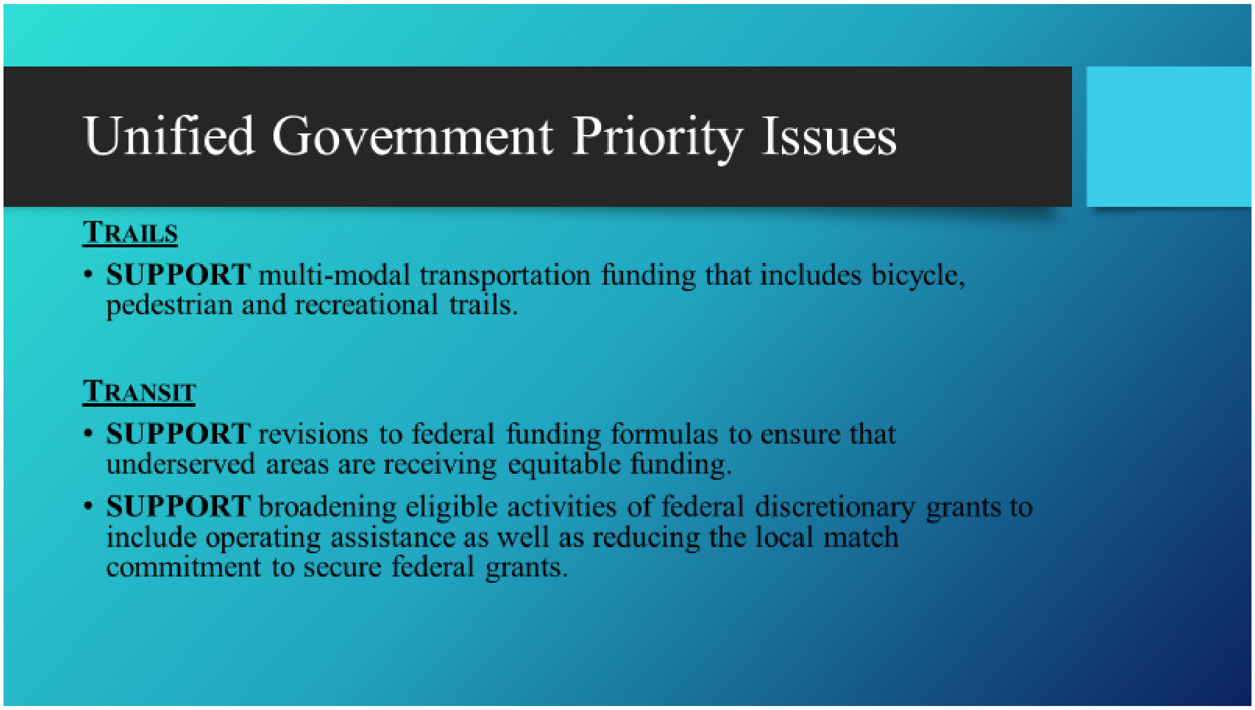
Mr. Taylor said I wanted to say program—this is kind of the preamble. It's based on the principal that Federal, State and Local Governments are all partners in the effort to make Kansas and its communities great places for people to live, work and play. That's the same preamble that is in our State Legislative Program. I point that out because we really do depend on those partnerships.

A quick rundown, we look at transportation issues and this is in order of the printed program that you have. Transit and trails are issues, rail and right of way, combined sewer overflows of course is a big issue, the levee projects, waters of the United States which has to deal with pollution and water quality, flood insurance which particularly this summer has become a big issue and it’s up for renewal.

The Health Department has asked me to put in support for a piece of legislation actually called the Momma Act and it's an acronym but it deals with infant mortality and reduction of infant death. Opioid Addiction is of course a major issue for cities all over the country and we are actively engaged in that. Public Safety, Tax and Finance and then a host of city and county services that are too detailed to go into.



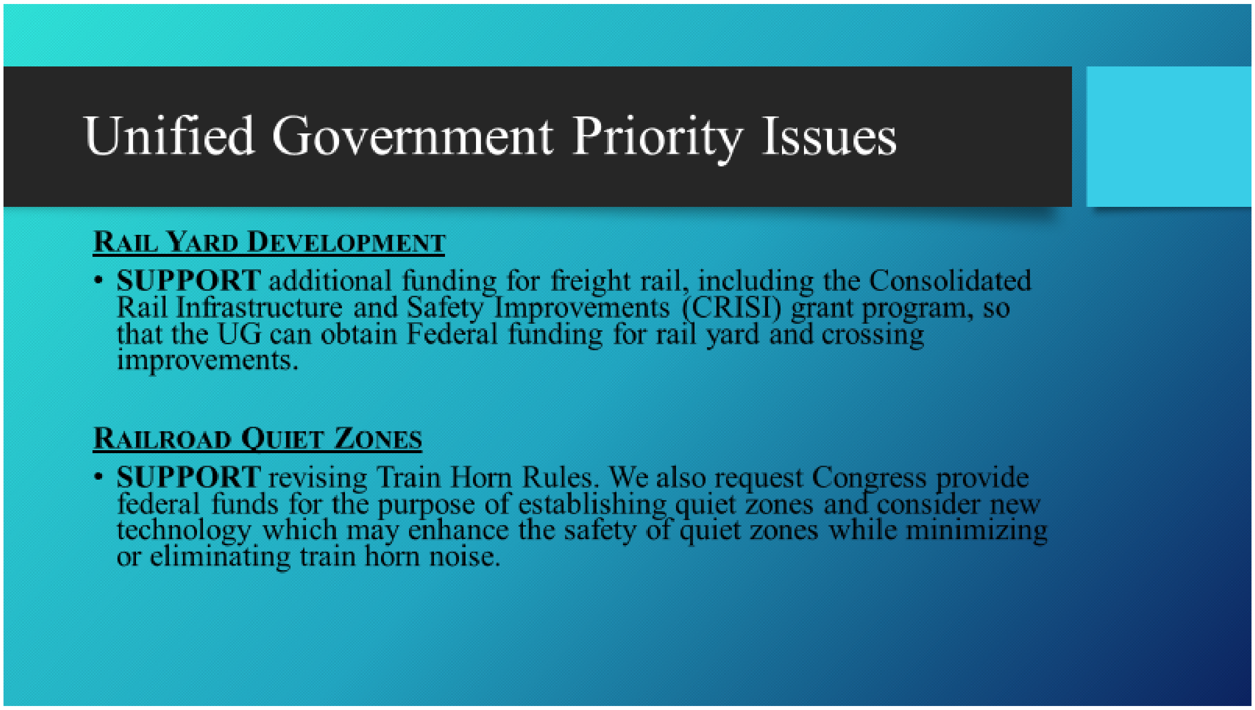
In terms of Highways probably the biggest issue right now still pending out there is the I-70/435 Interchange near Village West. That's been on our list for a while along with Turner Diagonal. We got the funding for Turner Diagonal, so now we're going to continue pushing for improvements. That actually involves a couple of interchanges out there. It's I-70/435, it's also State Avenue and, again, if you are out that way from a Sporting KC game, you know the kind of traffic issues that are caused out there that we really need to try to improve. We will be working to push for those kind of monies. Again, there has been constant talk about an Infrastructure Program in D.C. We will see exactly where that goes.



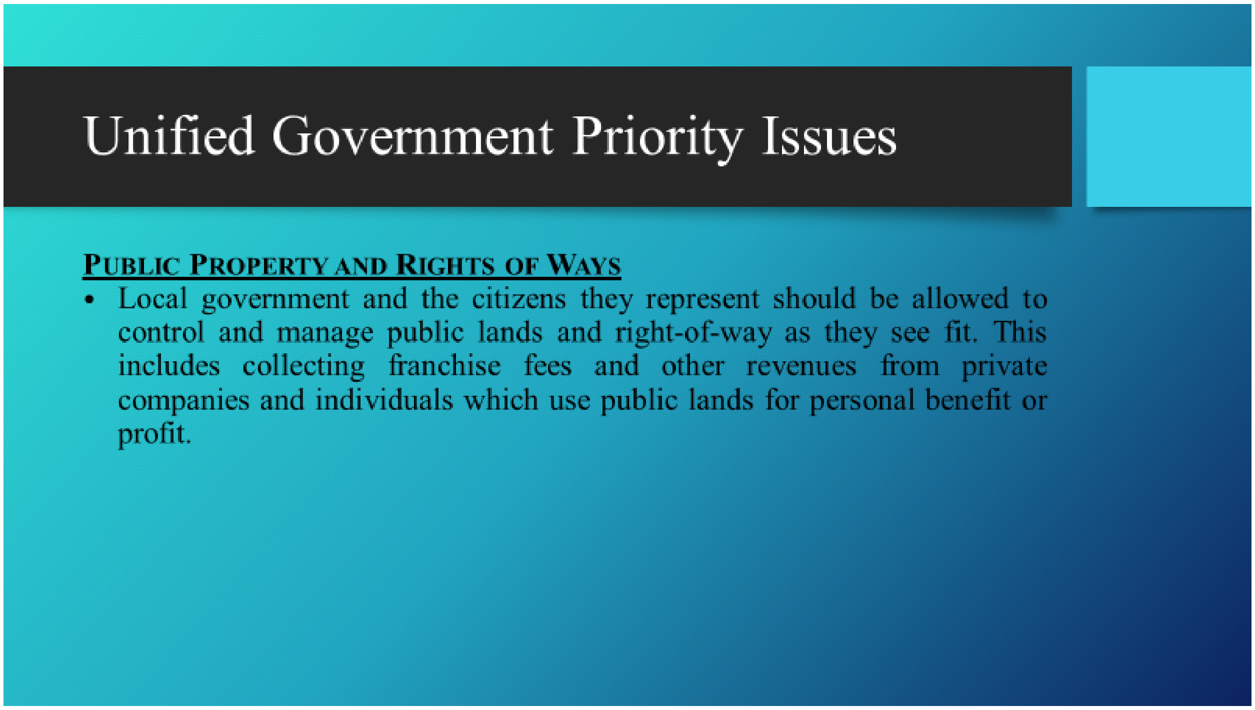
Trails, we're making a point and anything we ask for in terms of infrastructure funding to also please consider that multi-modal and allow funding for things that include bicycle, pedestrian and recreational trails as a piece of any kind of a highway project or infrastructure project that we might do.

Transit, Justus has asked us to put in for transit. A couple of things and one is an issue that we're seeing revisions to how federal funding formulas are done to ensure that underserved areas receive equitable funding. Part of the problem is the way some of that federal funding works is Johnson County based on population which has more population than us but far fewer transit riders gets more federal funding for transit than we do. We would like to see a change in that formula to actually send those dollars where the most riders are so that's what that issue is about.

Also, giving a little more flexibility in the way that transit funding works in terms of the match commitment and being able to have a little more discretion to use it for operation. Most of the federal dollars we've gotten in the past for transit deal with Capital meaning we can buy a new bus. Operating is a big issue and we would like to see more flexibility there.

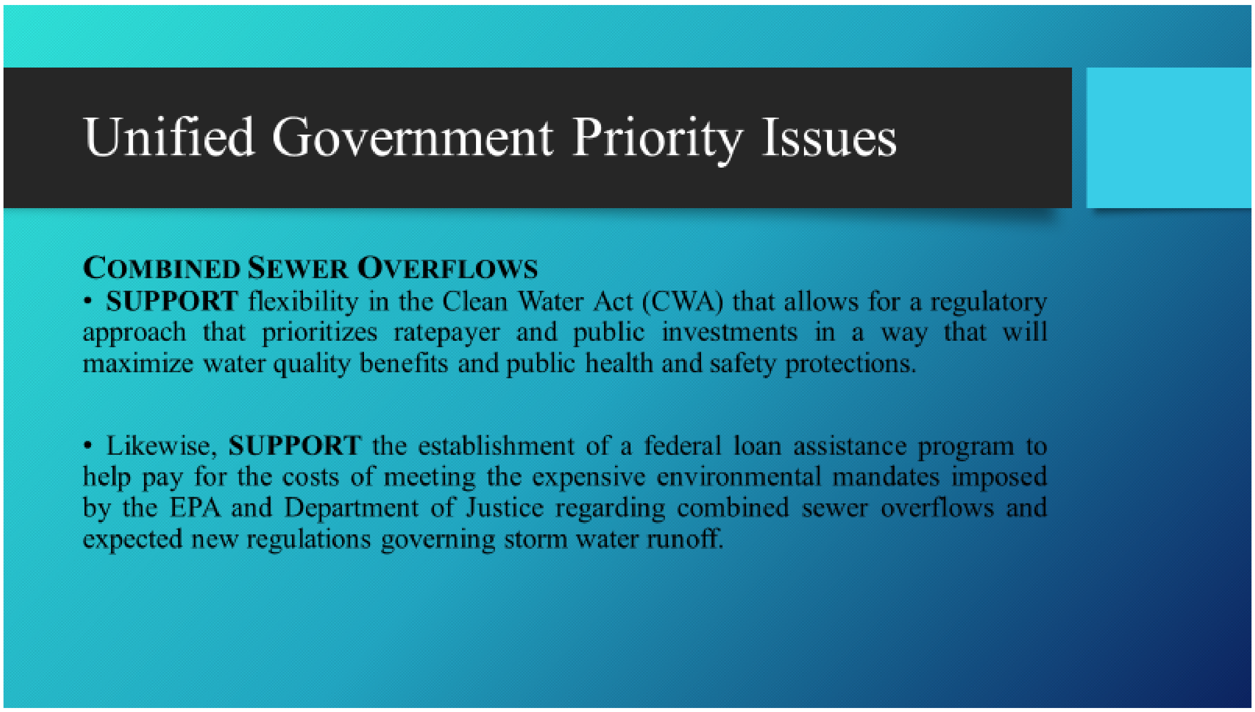


Rail Yard Development. Obviously, the rail yards are a major part of our community and so there are funds out there that we want to keep an eye on to see if we can't get some of those. Another issue I know Commissioner Walters has worked on for a couple of years and talked about is the Quiet Zones and changing rail crossings so we've put that in there again and continue to talk to our delegation about that.



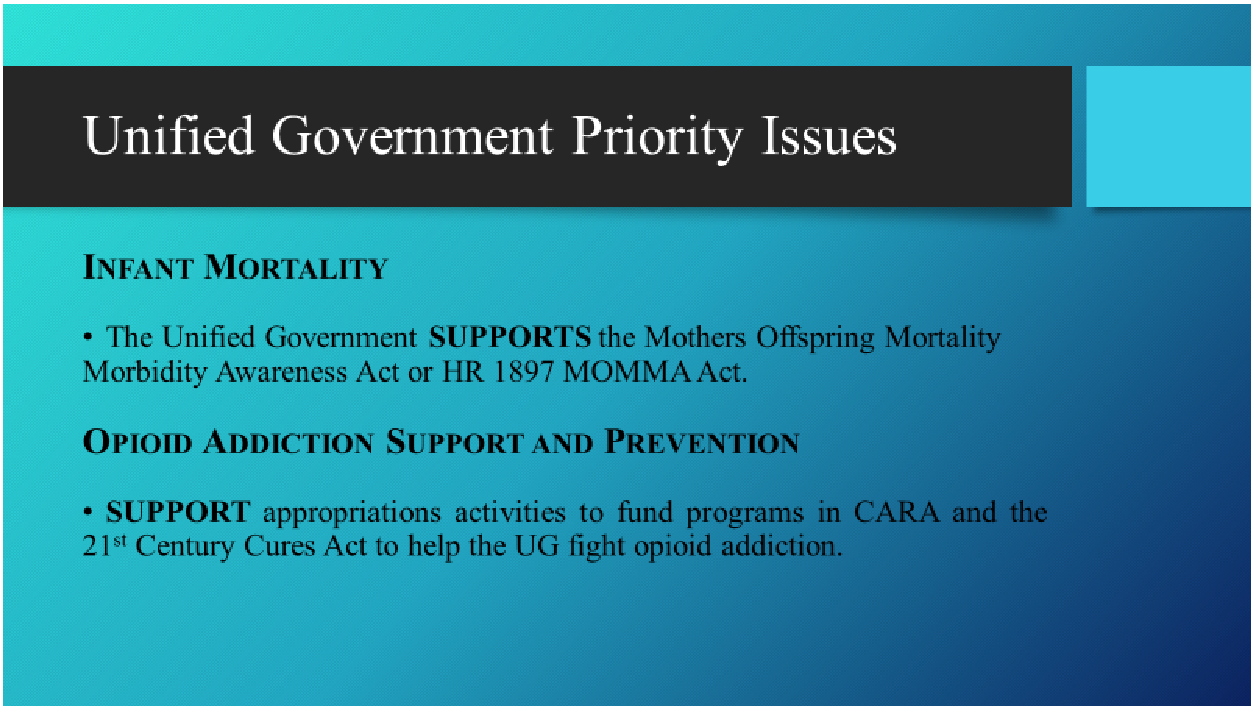
This issue is one that is very similar language that is in our State Program and it talks about public property and right-of-way's. The ability for us to manage our public right-of-way's and we have seen at the federal level as well as the state level on a number of occasions where private companies have wanted to limit the ability for us to manage what goes on our right-of-way's. The big fight right now with that is as the launch of 5G technology comes and those wireless providers wanting to get into our right-of-way's. We fought this battle in the state legislator. The FCC has come down with some rules and we want to make it clear that we believe we should be able to control the public lands that are ours, those right-of-way areas. **Ms. Mahoney** said whoever wins that contest wins it all because when 5G rolls in we are like many urban areas where we have—we don't know the number but maybe a third of our citizens don't have internet at home, but once 5G comes in everybody has it because it's accessible on everyone's phone so it will change everything. We just need to make sure that—we will be maintaining these as our municipality so we need to make sure that we get those fees to allow us to continue that.

Commissioner Philbrook said you're basically referring to using the poles to put antenna's, all that kind of stuff on. We get to charge for that. **Mr. Taylor** said yes. We feel like we should be able to collect fees for using our publicly owned land that we are stewards of to put in those private assets that you're making a profit on. There's also an issue with the esthetics. We fought that at the state level too with the bill. We want to make sure that those 5G small nodes they're called, that they're able to install every 1,500 ft. have some kind of an esthetic value and that we have some control over what those poles or those devices look like. That they can't just put up anything and make it all ugly. That's really the bottom line on that issue.

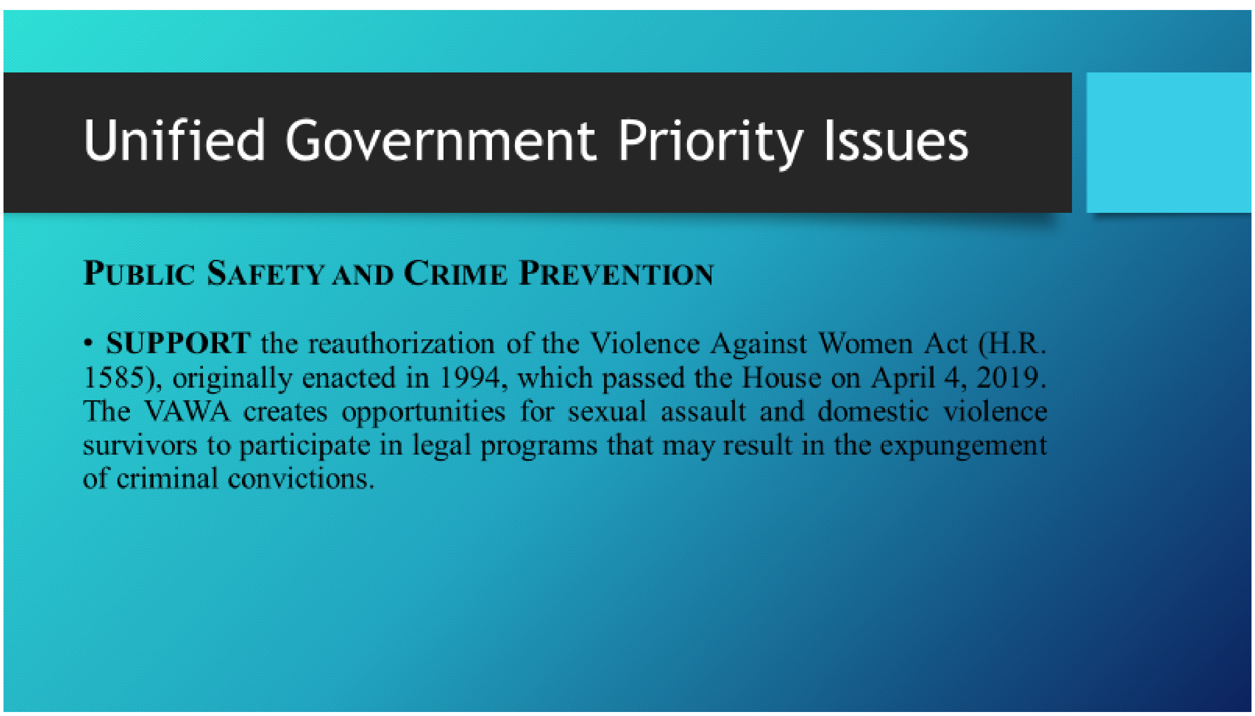


Combined Sewer Overflows; you've all heard about this issue for a number of years. We're still in the process of working through that. The page in your actual printed program is much lengthier than this and it deals with some issues that we've discussed with the Department of Justice and the EPA. The biggest issue here is yes, we want to make sure that the water is clean, but we also have to do it in a way that's affordable. You just came through a discussion on the stormwater and this tends to deal with wastewater, but again, it's what kind of a burden would that put on us as a government and our citizens. What can they afford and how quickly can we get it done so it's a major issue that we're working with our delegation.

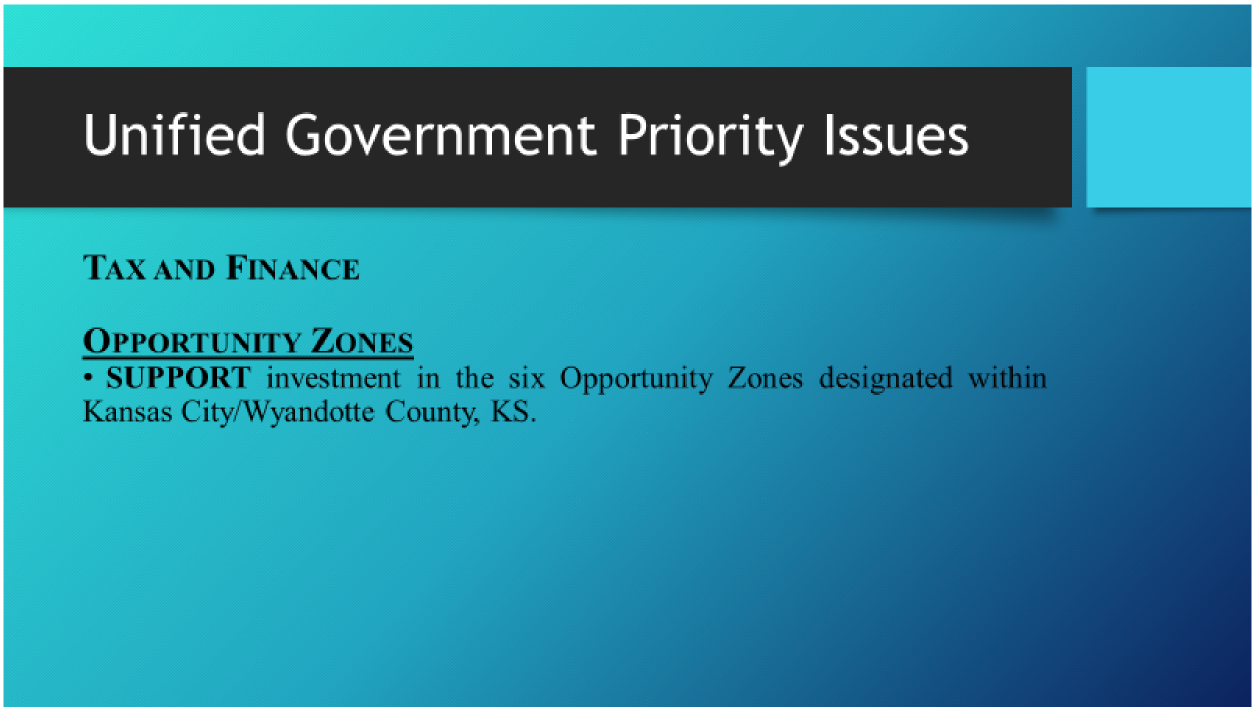
The Levee's of course are an ongoing issue and, again, that deals with water in the community. We did get major funding through the Corps recently to help all the levees in the area. We want to make sure we get the flexibility and the ability to use those monies in the way we need to and to protect the community because those levees failing or not being there would be devastating to a number of areas of our community.



There's the Infant Mortality issue. Opioid Addiction is another one that we're watching. In fact, we are engaged in a national lawsuit against Opioid manufacturer's and this one is a fight that will take a while, but we wanted everyone to know that it is something that's affecting our community and we want our delegation to be aware.



Public Safety and Crime Prevention; a good chunk of funding for our Police Department and Fire Department and other public safety comes from federal dollars. We want to be cognizant of that and make sure that legislation that has helped bring in that funding continues.



The Opportunity Zones which came about through the federal tax changes in 2017. We're still sort of waiting to see but we had approved through the State—it's been a very cumbersome process but the State approved six Opportunity Zones for KCK/Wyandotte County and we're kind of waiting to see what the US Treasury sits down as rules. What this basically is, being blunt, it's a tax shelter for rich people, but it can benefit local communities so if there are investors who are cashing in on a project, they've been successful, they're going to have to pay a lot of capital gains. If they take that money and invest it into a fund, then that money goes to an Opportunity Zone in an urban community they can afford the tax liability for that and in the process, it helps that community maybe fund some improvements. That's the gist of the program. We're still waiting to see those dollars come. **Ms. Mahoney** said we've been waiting for the Department of the Treasury to issue their final rule, so no one really knows yet how it's going to work, so stay tuned.

Mr. Taylor said the final thing really is a number, two or three pages if you look toward the end of your program of funding for City and County services. That's everything from Public Safety to Homeland Security to CDBG funding, Health funding, Transportation funding, Housing & Urban Development. What we've really done here is kind of put a long list of a number of those programs that we're always looking to, to see if we can get some federal funding from those and to make sure in the Appropriation Bills that are coming, that those funds don't get cut. We have seen over and over with a number of those programs they are always proposals or attempts to cut Community Development Block Grants for example. Luckily, that's not happened although we're getting far less than we use to, but we've managed to be able to keep those programs because they're very popular.

That's kind of the list and at this point and it's been a long session, any questions other discussion?

Commissioner Kane said this question is for Doug. On the Turner Diagonal, that's federal money so that will be Davis-Bacon? Response was inaudible. **Commissioner Kane** asked did anybody else say anything about the rest of the project. **Mr. Bach** said sorry, what was the question? **Commissioner Kane** said after we get done building that, the rest of the surrounding area, is that going to be Davis-Bacon or have they said anything? **Mr. Bach** said it will not be Davis-Bacon. Of course, we can't require. We can't require it to be on. What the developer has committed to us on that project, and you can ask him the question tonight and he can commit to it, is that on the all the groundwork or dirt work around there, they said they would do prevailing wage or union labor in that. For all the dirt work, did not commit to it for all the buildings, but he said he would do it for the dirt work. The intersections, obviously, will be Davis-Bacon because that will be contracted by KTA or KDOT with this federal funding package.

Commissioner Markley said I'm sort of joking, but not really. We should lobby for CDBG dollars to be actually spendable because it doesn't do us much good to get the funding when it's such a pain in the butt to spend. **Mayor Alvey** said there's a thought.

Commissioner Bynum said the Opportunity Zones; so, we're waiting on the Treasury Department for the final set of guidelines, but isn't the clock ticking now? **Ms. Mahoney** said yes, it is because it was triggered when the budget began I think a year ago January so everybody is expecting that they will extend that timeline because otherwise it will end by the end of this year in December. Since nobody even knows yet what those are—we'll just have to wait and see, but everyone expects them to extend the timeline.

Mr. Taylor said another issue that's happening with that is in communities anticipating this, and some of the reading I've done nationally, a number of cities are getting in the hunt to compete for these investment dollars. Some cities have actually adopted local incentives that would go along with any money that's invested in one of the federal Opportunity Zones. It's going to be very competitive and I think the key is, and hopefully, this is where you know our partners in D.C., Thorn Run can help us keep tabs on how do we attract those dollars, how do we get the attention of those investors to come to KCK and not some other city somewhere else.

Commissioner Walters said I might make a comment. The intersection at Village West Parkway & State Avenue, we haven't really talked about that recently. In fact, the last meeting I recall having about that was with Mayor Holland and I haven't had an opportunity to talk to you about it. I do not support that project, but I understand that it sort of has a life its own. I believe when I had the meeting with Mayor Holland his reaction was well it's not as terrible as I thought it would be. I don't think that's a project that's going to significantly prove economic development in Wyandotte County. I understand that 20 nights—I don't know how many soccer games there are, 20 nights a year we have some congestion but Sporting seems to be dealing with that. I don't know that we're going to get a big attendance increase if we do that intersection. I just raise that as an issue. I've never been a supporter of that great change intersection proposal and like I said, I haven't even heard talk about it for the last three years, but I would be glad to talk to you about it at some point in the future. **Mr. Bach** said it is one where we could probably come back. You're right, it has been a number of years ago when we went through and spent quite a bit of time working through that and it's a class of the intersection. I know in our conversations with KDOT they came back and gave us different fears on as traffic continues through there, the weave function is inadequate for that. It continues to function, you're right, so the 40 some days of Sporting or the days where we have the races, we manage through that, but we can come back and as we look at our Public Works projects and kind of dust off some of that material that was done around that intersection. I always played over what was going on at the State. There were a lot of different proposals that were worked.

Commissioner Philbrook said as I understand it, it's not really high on the priority list right now with KDOT. I mean I know it's there, but I don't think it's high up on their list from my information recently was. Yes, you know, but they have plenty of other things in the works that they want to work on more than that intersection. I'm not saying they wouldn't move it forward at some time, but from what I understand it's not high on the list.

Mr. Taylor said there is a lot more detail on page 1 and 2 of the program about the three projects. I kind of put them into one umbrella but I-435 & 70, 435 State/Village West Parkway and I-435 & Parallel. If you look at it, they're all sort of right there together and it would make sense in the engineering to do, although they're considered separate projects, but there's a lot more detail there if you want's been studied on those projects.

Mayor Alvey said before we adjourn to our Commission meeting at 7:00, just to note, our schedule for Budget: Thursday, June 27 at 5:00 p.m. is the Administrator's Budget Presentation in the Commissioner Chambers. Monday, July 8 immediately following the Neighborhood/Community Development and Economic Development & Finance meeting, a budget workshop to set the maximum mill levy. Thursday, July 11th at 5:00 p.m. a budget workshop. Monday, July 15th at 5:00 p.m. budget workshop, and Thursday, July 18th at 5:00 p.m. budget workshop. The final hearing Thursday, July 25th, final budget public hearing in the Commission Chambers, and we would vote on the budget. Just as a reminder.

MAYOR ALVEY ADJOURNED

THE MEETING AT 6:37 p.m.

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Bridgette D. Cobbins
Unified Government Clerk

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