STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, MAY 9, 2019**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, May 9, 2019, with nine members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District (arrived at 6:18 p.m.); Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; and Alvey, Mayor/CEO, presiding. Murguia, Commissioner Third District; and Philbrook, Commissioner Eighth District, were absent. The following officials were also in attendance: Doug Bach, County Administrator; Misty Brown, Deputy Chief Counsel; Bridgette Cobbins, Unified Government Clerk; Melissa Sieben, Alan Howze, and Emerick Cross, Assistant County Administrators; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Jeff Fisher, Executive Director of Public Works; Jeremy Rogers, Director of Parks & Recreation; and Officer Doleshal, Sergeant-at-Arms.

MAYOR ALVEY called the meeting to order.

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

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, May 9, 2019, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building, regarding Capital Maintenance Improvement Projects (CMIP).

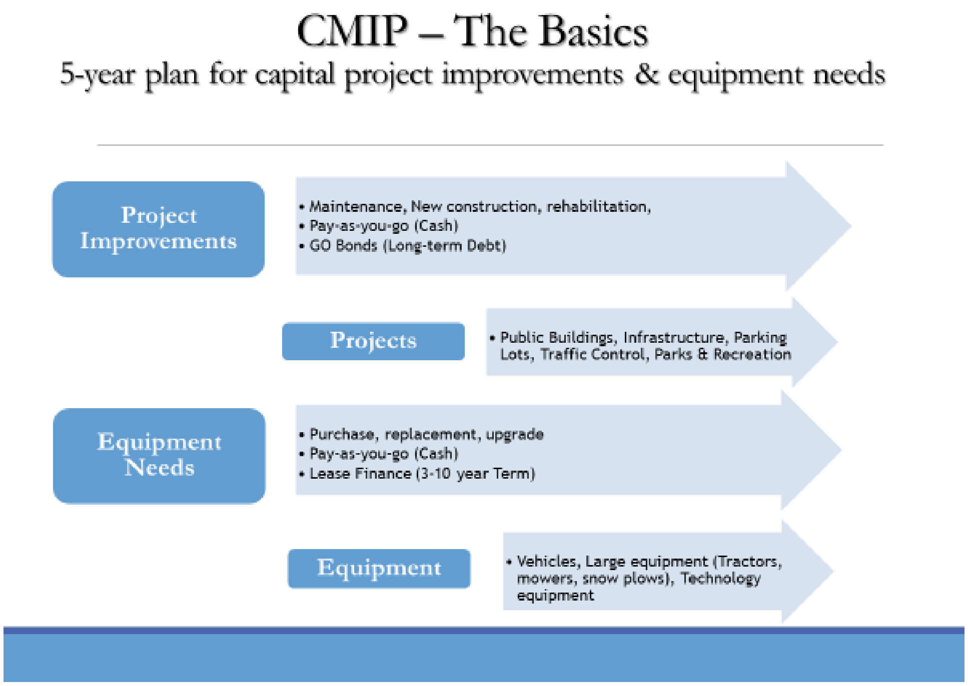
CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and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

2020-2024 Capital Maintenance Improvement Program

PRESENTED BY FINANCE ON MAY 9, 2019

Doug Bach, County Administrator, said it's that time of year where we kickoff the budget process officially, so I know everybody is really excited about it. Tonight, is the Capital Projects side so we're going to walk through this, we're going to walk through kind of the process we have, hit the big projects that are coming out this year and next. We had a little bit of snafu in sending out. We sent the full list of what's in the proposed Capital Project list. If you got your hard copy of the budget, you've got it. Apparently, it didn't go out electronic, so that's going out now. It's not our intention to go through the listing of everything tonight anyway. We're going to go through what's in our PowerPoint and walk through the projects and then you will have the next two weeks to go through the list and we will walk back through that in two weeks any projects you want to talk about in the out-years and how that lays out from there.

Debbie Jonscher, Deputy Chief Financial Officer, said we're doing a joint presentation tonight between the Finance Department and the Public Works Department. I'm going to go through some basic information related to the CMIP and also talk about our debt projections for the Debt Projects and then I will turn it over to Public Works and they can talk about what projects they're working on.

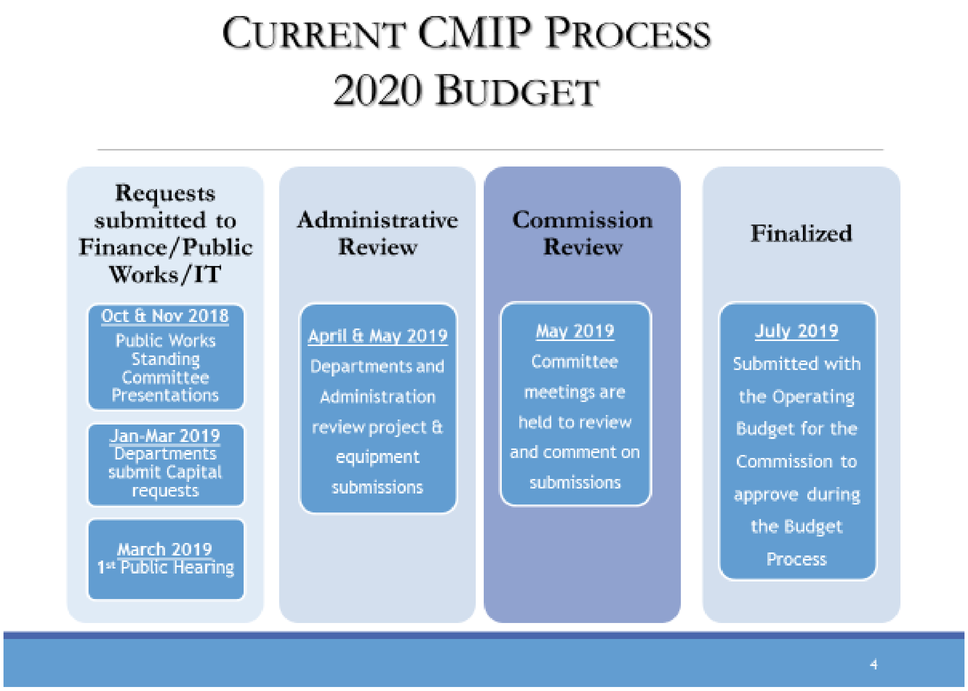


Just some preliminary information on CMIP. When we talk about the Capital Improvements, we're talking about both Capital Projects and Capital Equipment. Projects can be maintenance, new construction, rehabilitation, and we pay for those either with cash on hand or long-term financing which is usually General Obligation Bonds.

Projects could be any improvements to buildings, infrastructure, it could be streets and sidewalks or curb improvements, parking lots, traffic control and any Parks & Rec improvements.

Equipment needs are the purchase, replacement or upgrade of any equipment. We also either purchase those with cash or we usually do a lease—if it's long-term financing, it could be leased finance either 3 to 10 year terms. That would include all of our fleet vehicles, large equipment such as tractors, mowers, dump trucks, or any technology improvements.

I do want to note that even though I've mentioned equipment here, our plan tonight is to only go through the projects, the Capital Projects, both the cash and the debt.



This just shows our current CMIP process for the 2020 Budget. Requests are submitted to the departments. We have been working on projects and have had several meetings in the past. Public Works usually comes to the Standing Committee in the fall and presents their ongoing projects as well as future projects. We've also had departments submit their information to us to amend the CMIP 5-Year Plan. We've had one public hearing back in March.

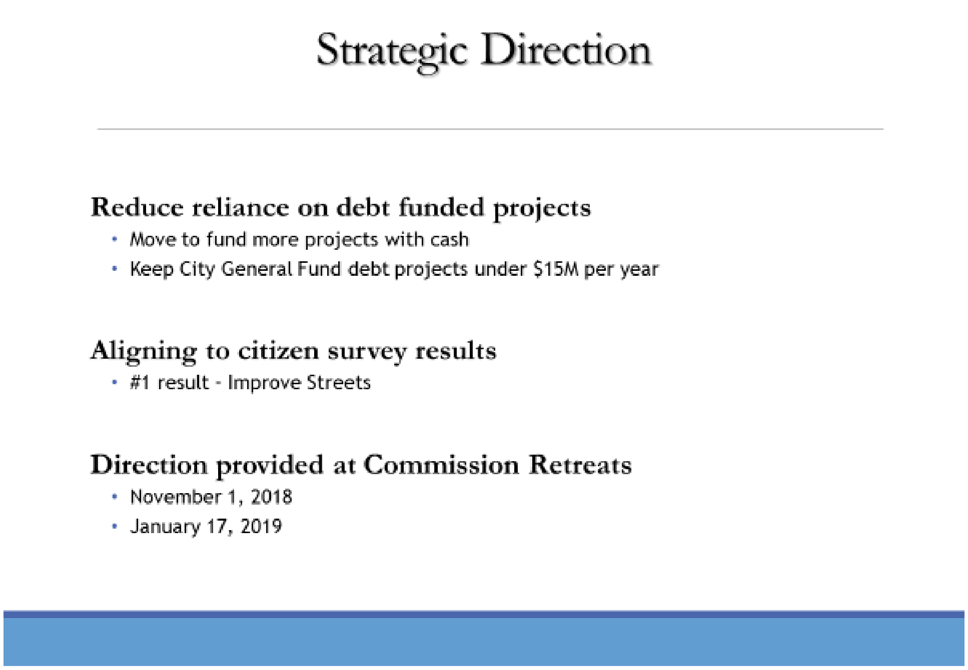
For the last month we've been working with the County Administrator's Office on reviewing all of the projects that have been submitted and now we're at the Commission review portion of the process where we're presenting the information to you to review and comment on any of the information that's provided.

The final step of that will be when the Capital Budget is approved along with the Operating Budget in July.

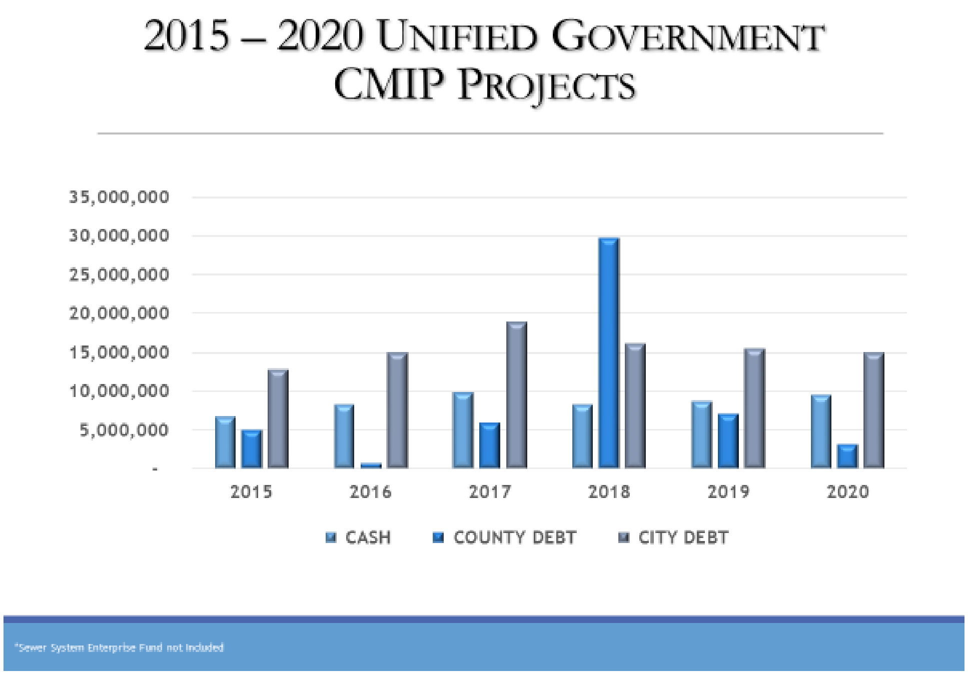
We do want to note that we do have a couple of changes that we're looking to put into place. One, in the past, normally you have approved all the Capital Projects with the budget and then in the fall we would come back with additional authorization on all of the debt projects. This year we're changing that process. Our intent is to include all the project descriptions in the budget document this year so that when you approve the budget in July, you will also be authorizing all of the debt projects. It will all be in one process instead of having to separate processes in one document.

The other change I wanted to note that for the 2021 Budget we are actually looking at starting the CMIP process a lot earlier. As soon as we approve the budget in July, in August we're going to start working on the next CMIP process so that we can have more time. We want more time to be able to review the projects and do more thorough look at what's being done.

Commissioner Bynum asked does that mean that presentation to the Standing Committee will come sooner than October and November. **Ms. Jonscher** said no. I don't think the plan is to change that, at least not at this point. We're just looking to start working on the requests for the next years' budget session. **Mr. Bach** said more from a management perspective. We know our projects that are out there and getting them all lined up and just having them all firm as we move along. Just as this is has become more smooth having it out in May rather than working it in the July timeframe. We will tweak things, but we know the projects in advance.

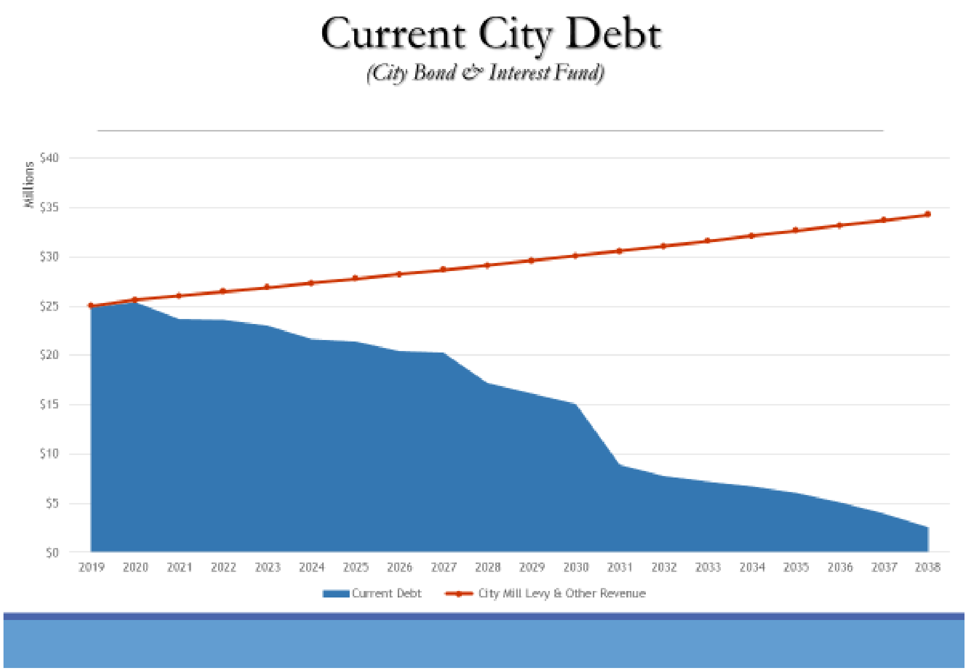


Ms. Jonscher said I want to talk a little bit about the strategic direction that we're applying in the budget. There have been two Commission Retreats held within the past year. One was in November 2018 and one in January 2019. Some of the emphasis has been to reduce the reliance on debt funded projects so as we review those we're looking to try to fund more projects with cash as well as keeping our City debt funded projects under $15M per year. We're also aligning the budget to the Citizen Survey results and the number one result of the last survey was to improve streets so we've incorporated some of that into the CMIP.

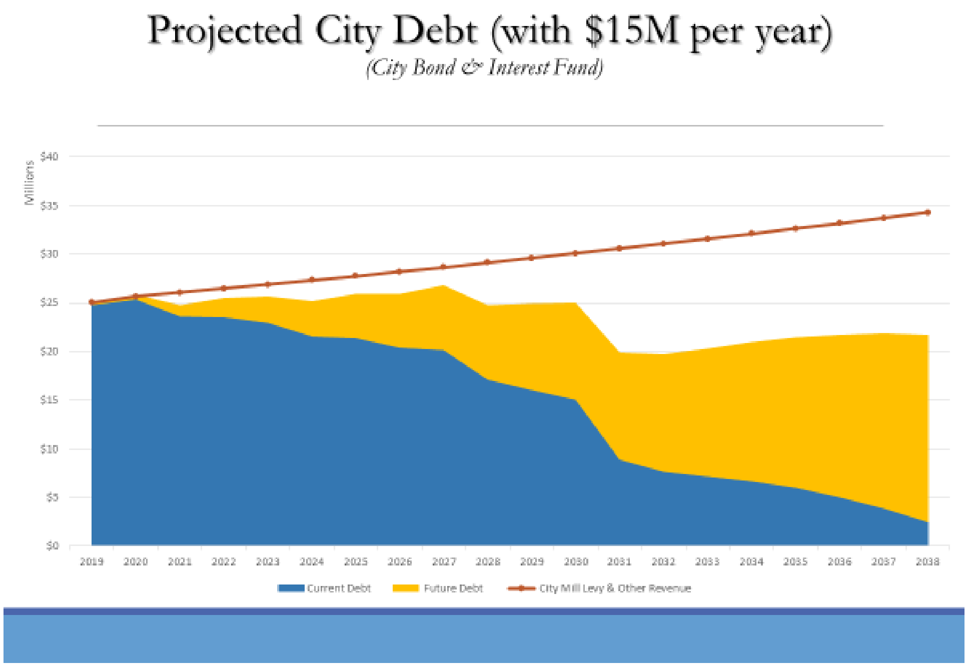


This graph shows CMIP Projects over the last five years or six years, 2015-2020. The light blue line represents the cash funded projects, the dark blue in the middle represents County debt and then the gray represents the City debt. If you look back in 2015, we funded cash projects at about $6.7M and we were funding City debt at $12.7M. Over the next several years we stayed pretty much within the 12-15M on debt with the exception of 2017 and we were at 18.8 and then in 2018 we were just a little over 16M. For 2020 we're proposing a total of 14.9M on City Debt Projects.

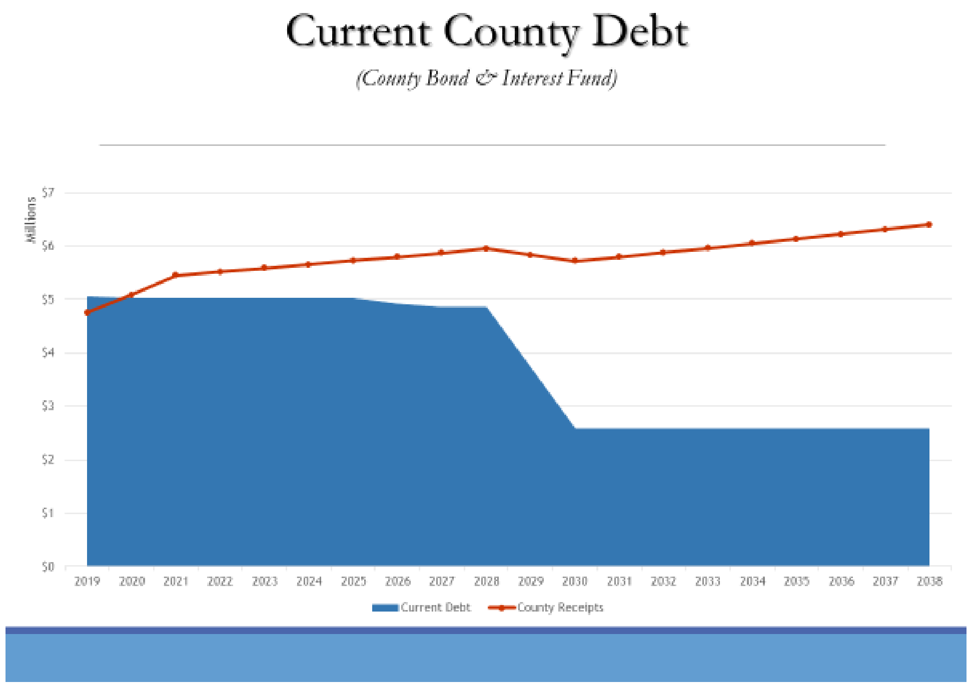
The one large one here on the County side in 2018 we funded the Juvenile Center as well as some Courthouse and Jail Improvements.



The next couple of graphs look at the Debt Funds and the projections that we have. This graph shows the current debt service payments for the City Bond & Interest Fund. For 2019—the red line represents the property tax revenue for the fund and the projections that we have. Currently what we built in is a 3% growth for 2020 and then we've done just 1.9% for growth into the future years, so that's what the red line here represents, that growth going out. This includes all debt issued up through 2019 so that will include this year's debt.

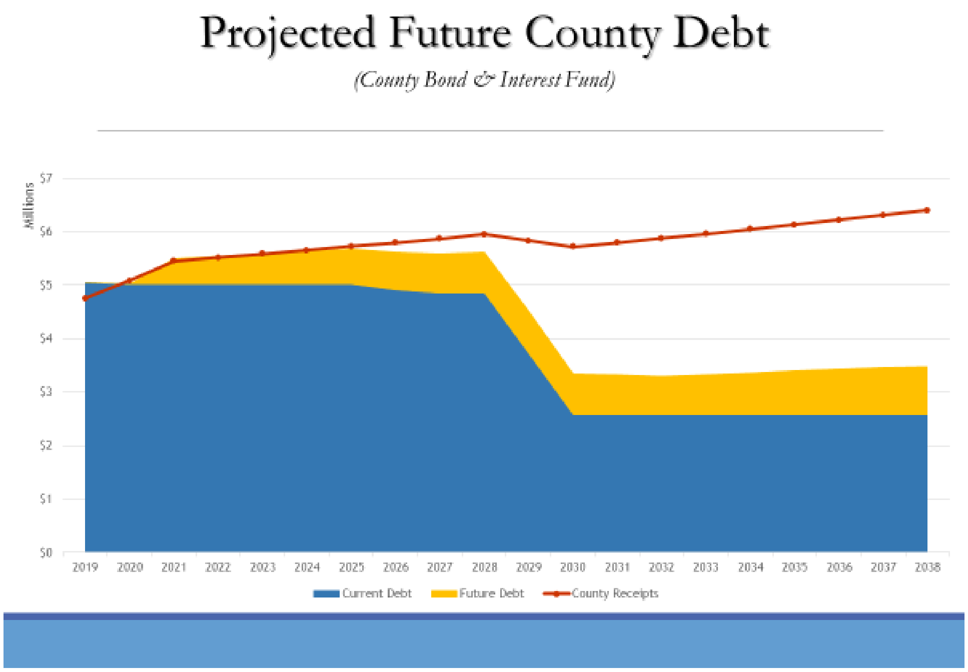


This shows the projected future debt continuing on keeping that issuing new debt of $15M per year. The yellow represents all of the new debt and as you can see in 2020—for 2019 and 2020 we've got that number at $15M and so we've projected out the future years. As you can see, there's just a slight gap here in our debt service payments with our growth, so if our growth improves more than the 1.9% per year, then we would have a larger gap here. If it stays a lot more flat, then we could see that running fairly close to what the mill is bringing in.



This is the County Debt Bond & Interest Fund. Same projections that we had on the City side, we're projecting 3% for 2020 and then 1.9% going out into all the future years. You will notice here in 2019 our revenue is below the total here, but we believe that with fund balance we won't have any problems making those payments. One of the assumptions that we did when we did the Juvenile Center debt, the idea was that we were going to transfer savings from the County General Fund, the savings from the farmouts inmate housing to pay for the debt, so we've got those transfers built in there. Over the past two years we've transferred savings of about $2.5M and we have $1M budgeted for 2019, so we believe that fund balance will take care of this gap here. For 2020 we budgeted a transfer of $1.2M and then in the outer years we've budgeted $1.5M of the transfer. This right here when you see the revenue drop here, some of the debt is PBC debt on the radio system projects of which BPU reimburses us a portion of that debt. This debt pays off between '28 and '30 and so that's why you see the drop in the debt payment—in the revenue collection.

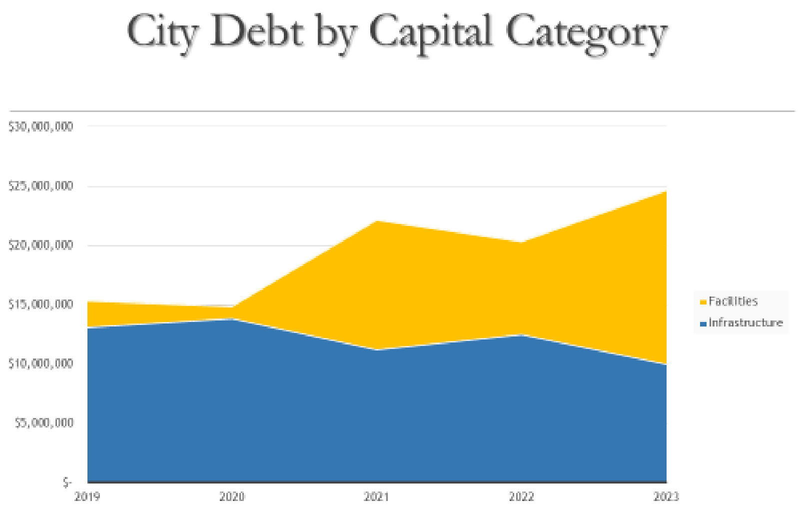
Commissioner Johnson asked what is the assumption on the City mill levy and these numbers. Is it assuming that it's going up or is it staying flat? **Ms. Jonscher** said the mill rate is staying flat. **Commissioner Johnson** said I just wanted to make sure. **Ms. Jonscher** said the same assumption on the County.



For projected Future County Debt, we've built in—there are three items in the 2019 Budget and there is one item in the 2020 Budget that we have included here in the projected future debt. We have an increase on the Juvenile Center, the Courthouse Roof Replacement and then there's a project for the Health Department Improvements as well in 2020 we have the Courthouse Fire Alarm System. We have not issued any of the additional money on the projects in 2019 yet. We were holding off for them to spend down the bond proceeds we had already issued on those projects and then we will issue them as we get closer to the end of the project.

You can see here that for the next several years when we issue that debt we will be riding right along with our projections. As I said, that includes the transferred savings from the County General Fund, so if our projections on growth are less than what we projected or if we are not able to transfer that savings, then our revenues would probably not meet our debt service requirements.

Mr. Bach said I think it's real critical in just going back over, she said that's a transfer. Remember, when we went into this project it was looked at from savings we would make back off jail operations so this whole debt structure is relying upon that. If we don't hit it, then we have to come up with other revenue sources to cover it.



Mr. Bach said the next chart up here really indicates the work that we have to do coming up because you can see as we've built the proposed budgets that are before you for '19 and '20, we have a debt structure for our infrastructure and facilities that stays below that $15M mark. The problem I have in trying to do facilities going forward is that I can't build new facilities and continue to do the infrastructure and not have any additional money. That's where you see the line bump-up in '21, '22, and '23, so as we've gone through and worked with the departments to structure in adding—really the difference you don't see a big change in the infrastructure line. We're trying to—Jeff would like to increase that. I've pretty much left him flat or going down in regard to that and trying to see where we can do more areas of cash and other areas to come up with that, but then to layer in a City project that comes in with a facility and put in a $5M project, that's puts me $5M over.

Looking at, I will say after tonight because we're not focusing on the 2021 and beyond right now, but it's starting to look at those as you look at the out-years as we come in two weeks from now, we either have to look at a solution to say we're going to come up with revenues or different revenue sources or not do the facility projects or push them out in a different way.

Commissioner Bynum said I heard you say as we watch the facilities debt rise, projected rise, if you have an additional $5M project, then that adds this $5M to debt so what you're showing us here are projects that aren't already planned for or are? **Mr. Bach** said these are projects we have not committed to. These are projects that start out in year '21. In going through the sheets when we look at our 5-Year CMIP Plan, for projects in 2021 I have a little over $22.1M worth of debt in order to do all those projects.

Commissioner Bynum said so these are listed on our CMIP. **Mr. Bach** said they are listed on the sheet, but we haven't committed to any of them yet. I'm just showing you this is how we have to do them so somewhere I've got to give to either cutdown on infrastructure, not do the facilities, come up with revenue from some other source that we don't have identified today or increase the amount we're putting to debt. As Debbie just went through, she showed us that we stay flat, no increase to our level of revenue and they've got fairly conservative numbers on that. Say we stayed right at that 17 mills that we take out of debt every year, it's going to be worth more every year and it could bump, but it's not projected to bump this much, but it will move up some. It's a matter of not an immediate issue, I don't need it for a decision to adopt our 2020 Budget, but we have to look ahead to it and say is that really what our plan is for '21, '22, '23 and what direction do we want to go with it. That's what she said about starting Capital early. We've got a pretty good picture about what needs to be done and we can plan these out and we can take the time to plan for them, so this isn't a decision that has to be made. I mean if I put the CMIP in as it is in today, then it just shows we have to come up with a new solution before next year or accept that we're going to have more debt, so just highlight this point that the budget as it's presented or the CMIP as it's presented, will fit within the perimeters you set for the 2020 Budget. It does not fit within our funding perimeters for '21 and beyond and we will have to do some work on that.

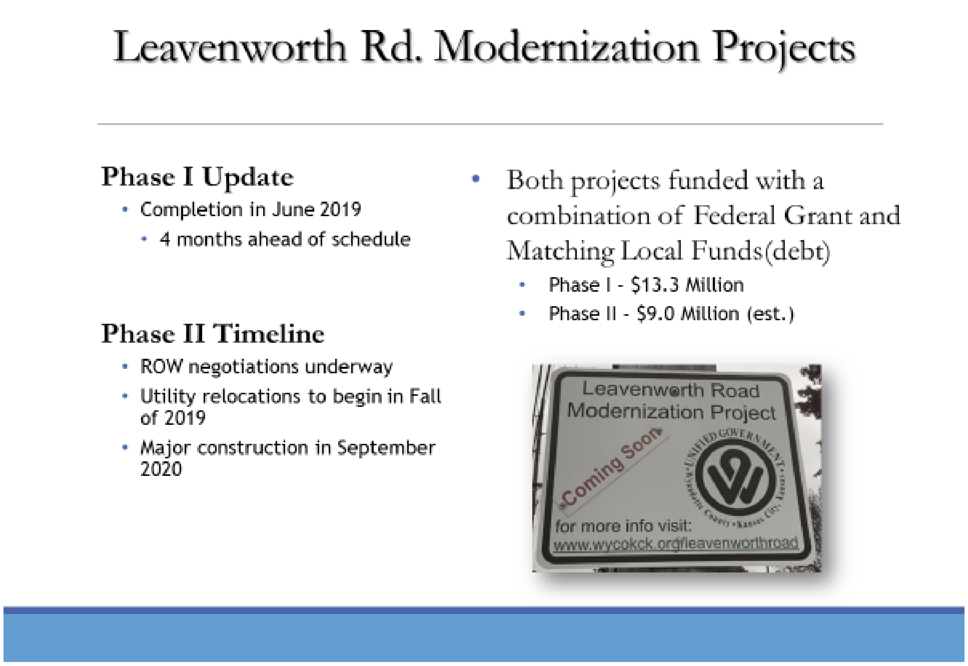
Ms. Jonscher said I'm going to turn this over to Public Works for their portion.

2020-2024 Capital Maintenance Improvement Program

PRESENTED BY PUBLIC WORKS ON MAY 9, 2019

On-Going Projects

Jeff Fisher, Executive Director of Public Works, said let's take some time to highlight on-going projects much of which you have seen before, then we will hit on new projects and spend a little time on Street Preservation and then an unfunded list of projects like you've seen before. Jeremy Rogers is here to speak to the three or four Parks & Rec slides.



Again, these are on-going projects. These are the more significant ones, these are primarily ones that trends in multiple year because of the nature of the work, the scope, the complexity. Leavenworth Road, we've seen this several times. A great project adding walkability, wider driving lanes, bike. It's been a really solid project. This first phase is like three miles long, a big project. That one finishes up in June this year, so it's time to celebrate that project.

Phase II, Utility Relocations, will start this fall, major construction next year and then finish that up in 2021. That one is about a mile long total, about $22M of projects. The County Engineer and Dave Clark, Project Manager, has done a fine job of managing this project I think.

Wastewater Projects

Kaw Point BioSolids
- Current Project Est. $70.5M
- Possible revenue sources for the future.
- Progressive Design/Build team selection Summer 2019

Wolcott Treatment Plant Expansion
- Project Est. $45.5M
- Under CMAR contract
- Earthwork to begin in Summer 2019
- PS Elimination and Interceptor work to begin in early 2020

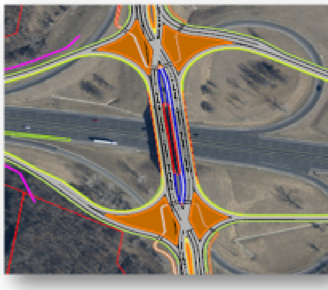
Wastewater Projects, I know we've reported recently to Standing Committee on the BioSolids. Wolcott, that is out off of Wolcott Road just west of 435. That project will adjust long-term needs out in the west and also lighten the burden on Plant 20. It's about a $45M project. That is a Construction Manager at Risk project. You might recall, that is where the UG hires the architect for the engineering firm directly and then also hires the construction management partner and the three of them work together early on in the design process through the end of the project and it's working very well. That work begins 2020 with completion in 2022. Actually, we're moving dirt on that this summer.

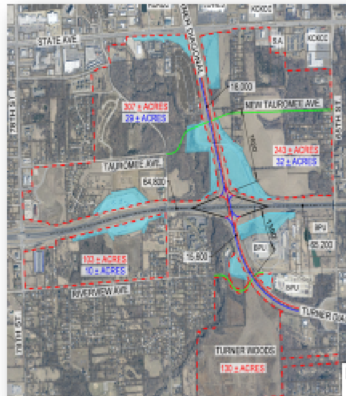
Kaw Point, that based project is for the UG, it's near $30M. If the KCMO component is viable and we add that, it gets up to a little bit over $70M. We are actively working with KCMO. Those negotiations, those discussions are going well at this point. We believe we will be able to determine a go or no go late this summer or early fall on that with the KCMO component. Nevertheless, the UG is proceeding. We will have a design-build partner here in the next 30 to 60 days and then you might recall that if we partner with KCMO and take on their solids, there's a high potential it would create biogas and new revenues from that and would help us manage rates long-term, so it's a pretty exciting opportunity. We will complete that project in 2023. Kirk Winters and his team are doing a great job of managing these.

Interstate 70 and Turner Diag. Interchange Reconstruction

Total Project Cost - $30.5M

- Federal - $14M
- State and Local - $7.5M each
- Development - $1.5M





I-70 and Turner, this is an example of sometimes you just have to keep applying for those federal dollars and eventually it works out. The UG, KDOT, KTA applied several times and last year we were awarded $13.8M from the federal government through the BUILD Grant. The Mayor was engaged with Secretary Chau last year at a meeting, then Senator Moran engaged as well, so that's a great project. The County Engineer is actively working with KDOT and KTA to select an owners rep. That owner rep will be onboard very soon and then shortly after select a design-build partner. Construction will begin early in 2020 and finish in late 2020. That obviously is a smaller footprint interchange than what we currently have. It's going to open up a lot of area for large development.

Memorial Hall and Justice Complex A/C Project

New state-of-the-art chillers

Memorial Hall Cost $3M

New cooling towers

Justice Complex Cost $880,000

The Memorial Hall and Jail Justice Center Complex, John Kelly actually gave me a tour of the Memorial Hall HVAC system last week. It's very impressive. It's amazing how they fit this new system into that building, state-of-the-art. The UG has invested heavily in the Memorial Hall the last decade. It's something to be very proud of and definitely market it at a higher level now. John's crew also has a project at the jail, the HVAC project. That's ongoing and that will be a state-of-the-art system as well with lots of controls to address a number of issues at that facility. John and his crew is doing a nice job on the 90 facilities that they have to manage.

New Fire Station Hutton & Leavenworth Rd

Total Project Cost Est. $4.7M

The Fire Station, John Kelly and his group is also responsible for delivering this and is working very closely with the Fire Department. It is also a CMAR Project, Construction Manager at Risk. Dirt is moving for the pad now. Heavy construction to begin in June and completion in early 2020.

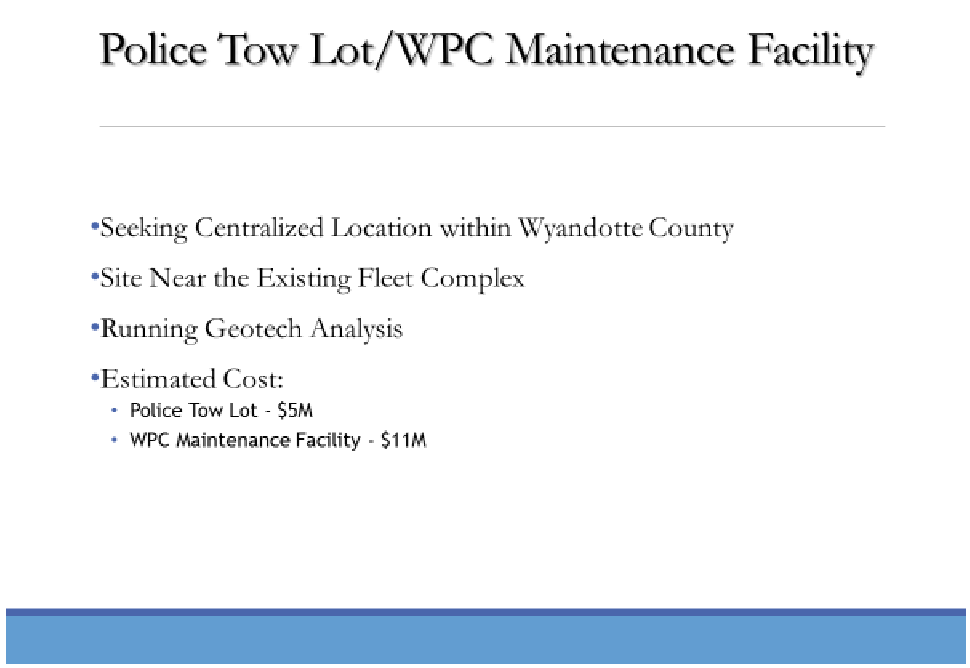
Juvenile Center Complex

Total Project Cost Est. $28M

The Justice Center Complex, another Building & Logistics project that's going very well. It is the first Construction Manager at Risk project for the UG. We expect this one to be complete in the spring of 2020. It also will be accompanied after that with some green infrastructure in the area to manage stormwater runoff around the 8th Street area with more to come on that.

Commissioner Bynum said the drawing of the Justice Center Complex, from what direction am I looking at that? **Mr. Fisher** said that is Ann. **Commissioner Bynum** said that is Ann Avenue, okay.

Mr. Fisher said lastly, of course, we have a new parking lot behind Memorial Hall as a result of that project. I think we're missing a project.



I will report on the Police Tow Lot and Water Pollution Control Maintenance Facility. Right now, those two projects are—we've identified a site around the Fleet Center. We believe those two projects can coexist and get some economy of scale from that. We're doing some GO tech analysis on that site and should know in June whether or not it's going to be a viable site. At that time, if it is, then we will have a construction schedule for that and that's the Police Tow Lot and Water Pollution Control Maintenance Facility.

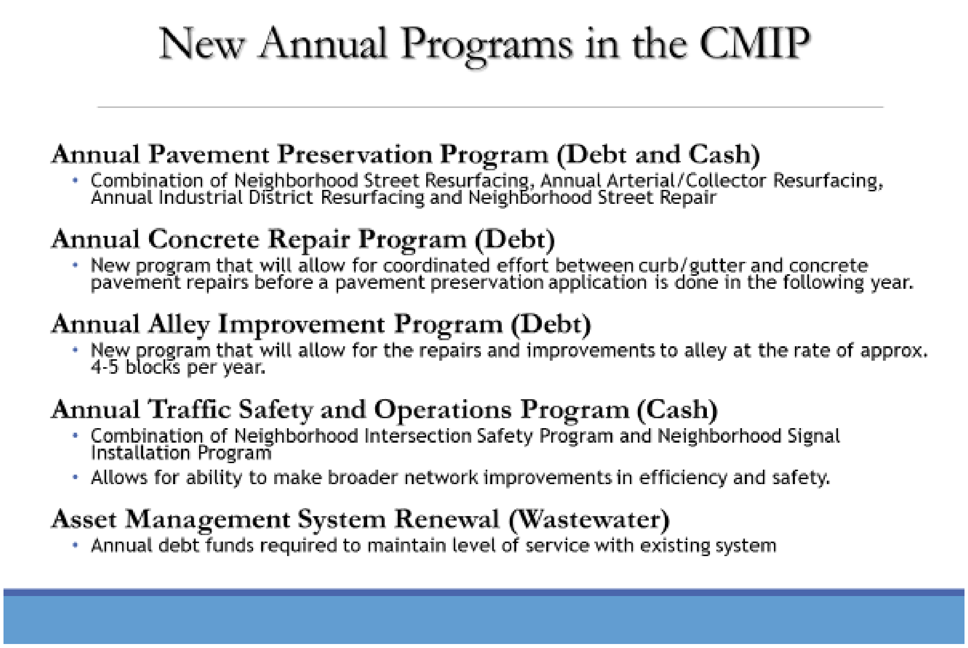
New to the CMIP

Public Works CMIP Structure

- Capital Projects
- Maintenance activities
- Legal mandates (ADA, and EPA)
- Grants, Economic Development, or Special Assessment Funds
- Citizen and Community Involvement

We've seen this before. The CMIP is structured such that it includes Capital, you know the big projects I just went through. Major maintenance activities like Street Preservation, federal mandates like American Disabilities, Environmental Protection Agency, some have grants like

Turner, some support economic development like Turner and special assessment funds which I don't think there are any in this portfolio. Then many of these projects include citizen and community engagement.



I won't spend a lot of time on these. We're going to talk a little bit more about Preservation. You might recall we added a Concrete Program last year. We are replacing curbs through contract and through an in-house crew, a new crew. We did a couple of alleys last year and we intend to try to do that every year, hopefully, three or four a year. Staff is working on some improvements around Traffic Operations, some strategies around that would afford us some improvements there. Then, we mentioned Asset Management a few times before that continues to evolve. I believe that will be foundational for future investment.

New Projects in the CMIP

Kansas City Levee Betterment – Estimated $10.2 Million

- In correlation with 450 M Projection from the Federal Government

6th St. Improvements, Ann Ave. to Central Ave. - $650,000 in 2020

7th St./US-69 and Central Ave. Reconstruction - $3,000,000 in 2021

110th St. and Riverview Ave. Intersection Improvements -$750,000 in 2022

- Partnership with Edwardsville to make improvements to the intersections at Riverview Avenue and Village West Parkway, along 110th Street

Armourdale Sewer Separations

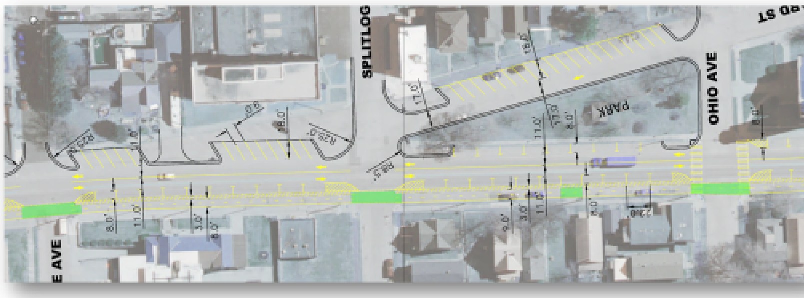
- General location of "western Armourdale", S. 12 to to S. 14th Streets
  - Phase I - $1,500,000 in 2023
  - Phase II - $2,650,000 in 2024
- Efforts to reduce localized flooding and CSO volume

A few new projects. We have talked very recently about the Kansas City levees. We know last year the federal government allocated $450M to Argentine, Armourdale and CID and it has to be spent and completed within five years, so we're moving fairly fast with the Corps of Engineers. We have a couple of pump stations that are impacted. We have utility impacts and property acquisition. After reimbursement we estimate a $10.2M local match.

I have a slide for 6th Street and 7th Street right after this. 110th Street & Riverview, that is a partnership with Edwardsville to improve the corridor between Riverview and the race track. That will be a good project, that's in 2022.

Armourdale Sewer Separations, that is a sewer separation to improve localized flooding and reduce CSO volume between 12th St. and 14th St.

6th Street Improvements, Ann Ave. to Central Ave.



- $650,000 in 2020
- Improve parking
- Decrease lane width
- Addition of bikeways

6th Street, this is sort of that Better Block concept. This is to make better use of the right-of-way and paved area for the community and walkability. It's primarily striping but does include some hard infrastructure improvements.

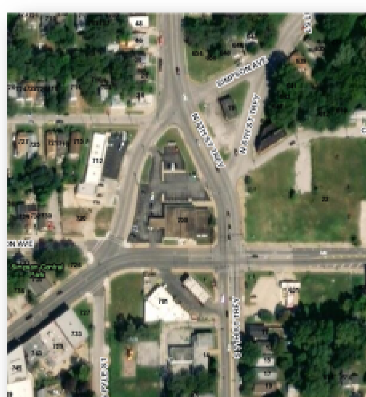
7th St./US-69 and Central Ave. Reconstruction

$3.0 M in 2021

- $2.0M Local
- $1.0M Grant

CCLIP Grant from KDOT for Geometric Improvements

- Improve turning movements and corner radii
- Improve Signals
- Lane and roadway configuration changes



7th Street, Central Avenue, we received a $1M grant, $2M local, geometric improvements. If anybody has driven through this in the a.m. to p.m. peak hours, it can be kind of tough so improving turning movements and radii signalized improvements and then lane and roadway configuration changes.

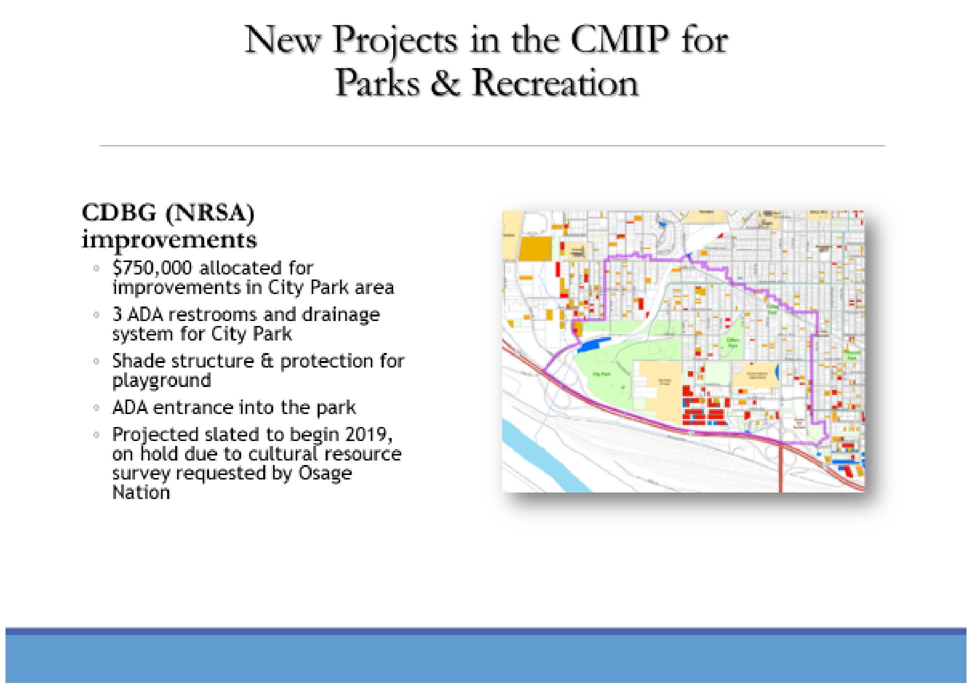
Jeremy Rogers, Director of Parks & Recreation, said here are some of the projects that we're working on in Parks & Rec. Providence Medical Amphitheatre parking lot needs redone and it's a pretty large total. It's $480K, so we're requesting $240M beginning in 2020.

Restroom replacement, as you guys know I have spoken before this group many times. We are trying to rehab all the restrooms in Wyandotte County. We have 44. By the end of this year we will still need to do 37 of those restrooms so that's an ongoing issue.

Last year the West shop out at Wyandotte County Lake where we housed many equipment, tools and whatnot, it burnt down so we have to replace that and that's going to be about $175K. We are going to start constructing that later this year in the fall.

Mayor Alvey said I'm sure you covered this before, on the prefab units, do they have the same longevity or are they actually cheaper to—because you can more easily replace them? **Mr. Rogers** said they're much easier to replace and to maintain. It's a very simple concept. It's a concrete building, it slaps down on top of the existing. We do have to do some modifications, but for the most part we can do that in-house, so it's a very simple concept, very cut and dry.

Mr. Rogers said we have to replace the HVAC units at Eisenhower and Parkwood. Both of those buildings we're limping by on those, so those need replaced sooner than later.



The CDBG funds have been allocated to the City Park area. We have about $750K this year to spend and I'm also told that we will have that equal amount next year and then going forth three years out.

Commissioner Bynum asked are there water fountains at City Park. **Mr. Rogers** said no, there are not. **Commissioner Bynum** asked can we use CDBG money to put water fountains in at City Park? **Mr. Rogers** said we do have access to water, so we can attach water to the restroom facility and we're proposing to put in three new restrooms there. **Commissioner Bynum** asked with water fountains. **Mr. Rogers** said yes.

Commissioner Kane said you get $750K twice for City Park only? **Mr. Rogers** said correct. The next $750K that we get next year will go towards Reagan Park as well as Clifton Park.

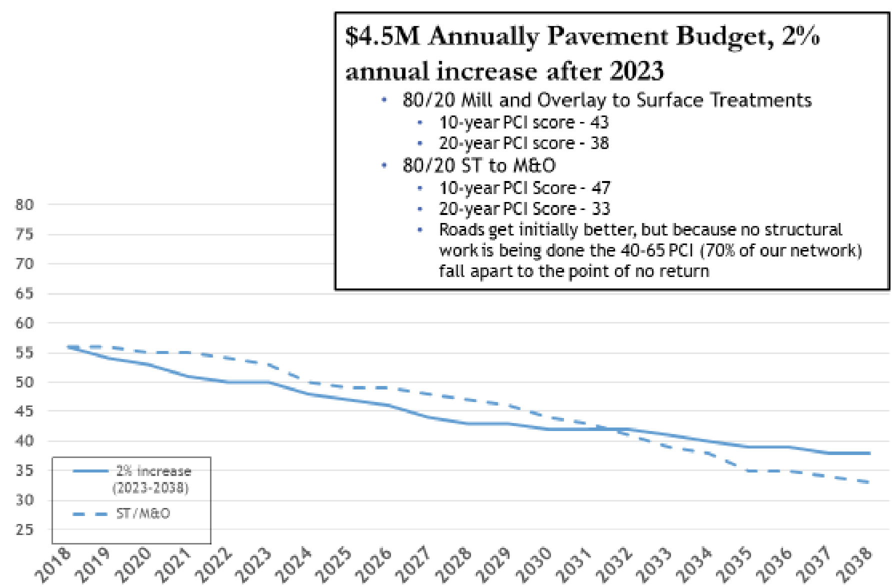
Mr. Rogers said some of those renovations that we will do, as I mentioned, the restrooms, a shade structure and protection for the playground. The current playground is in right field of field #3 and so it can be pretty dangerous so we have to add some protection there. The entire entrance into the ballfield area needs completely redone. It's collapsed, drains have collapsed, so we will redo that entrance, clean that up and then also shore up so when it rains field 3 ends up down in the drain and we have to scoop it back up and put it on the field. These improvements will take care of that issue. Right now, that project is currently on hold. We are required to do land survey by the Osage Indian Tribe. They are requiring us to do some land surveys there.

Commissioner Johnson said I'm going back a slide to the restrooms, these prefabs, and this is probably not the right time to ask it, but I will have forgotten when the right time comes. I've got one over at Heathwood Park I think already, so I appreciate you all putting that in over there. What I'm hearing is that they're not always open when people are there. Is there a process that has to happen when persons are using the park that they can get access to these restrooms so they can use them when they are there? **Mr. Rogers** said we open our restrooms somewhere in the middle of April, April 15th. This year it got warm in March and then it got cold again, so we don't open our restrooms to the public for freezing purposes. Unfortunately, we do keep all our restrooms closed. **Commissioner Johnson** said so it depends on the weather conditions. **Mr. Rogers** said right. **Commissioner Johnson** said once it warms up, do these remain unlocked? **Mr. Rogers** said yes. **Commissioner Johnson** asked 24/7? **Mr. Rogers** said yes.

Commissioner Johnson said thank you for the CDBG monies to City Park. My constituency appreciates it and I'm looking forward to the improvements.

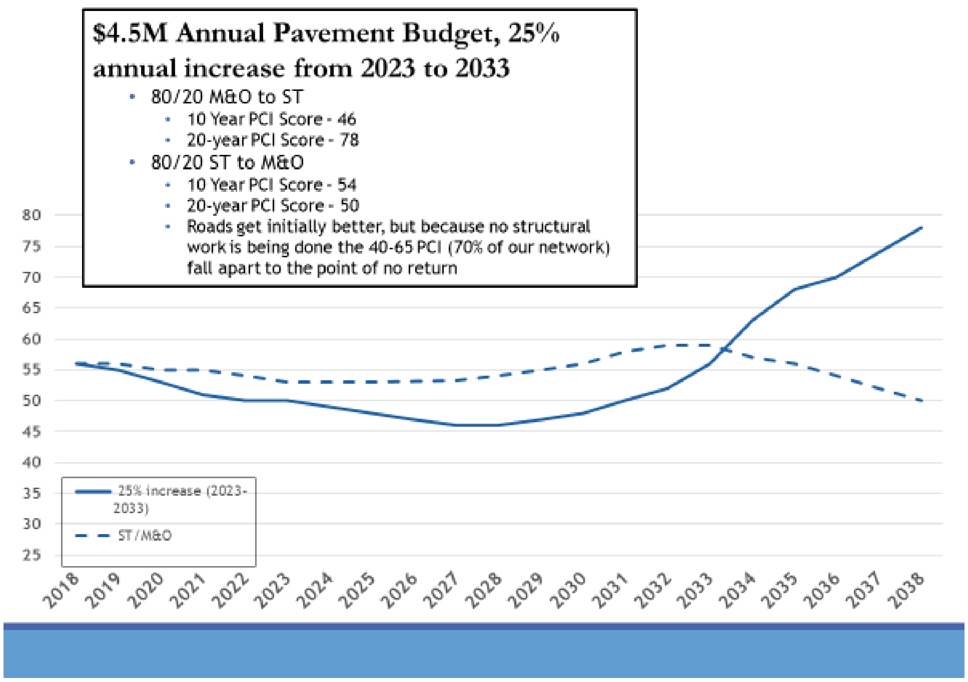
Shortfall in
Street Preservation Funding

Mr. Fisher said as Debbie mentioned earlier, the citizens in the last two surveys identified street maintenance as the highest priority and so I want to spend a little more time on that.



I made a few presentations last year at Standing Committee so a few of you might remember these. Really the next two slides are just trying to attempt to make a point that staffs ability to move the needle on the average PCI, the average Pavement Condition Index of 56 for KCK is largely dependent on the funding we have.

This slide shows the effect of a simple 2% increase annually and that it does not move the needle.



This slide, a little bit more commitment, 25% a year for 10 years and if we're going to move the needle, it's going to have to be something to this affect, but we will still need to use everything we have. It will be the overlays, it will be the surface treatments, it will be rebuilds and I will talk a little bit more about rebuilds a little later. In order to bend that curve, we're going to need a bigger commitment and use everything we've got to improve this system.

Advancements in Street Preservation

- Data Driven Decisions – Asset Management
- Coordinating "Street Maintenance" with "Street Preservation"
- Incorporation of surface treatments
- Reducing Contract Mobilization Costs
- Inclusion of Curb and Gutter Replacement
- Rebuild Streets
- Specification Updates
- In-House Street Maintenance
  - Equipment
  - Training/Techniques
  - Expanding Capabilities
  - Restructuring
  - Concrete Crew

Some things we have already done, advancements in street preservation here at the UG in the last couple of years. I'm not going to go through all of this. We've talked some about these things. One thing to note is this year we want to use that data that we've discussed in the past to help street maintenance work in advance of street preservation. Use the data and use Lucity, our maintenance management system, do work out there in the system in advance of the overlays and surface treatments and try to be more effective with the dollars.

Commissioner Johnson said I know I'm being more vocal than I usually am. Remind me and those that are watching, the overlays that you need on Quindaro and on Metropolitan, was it last year? **Mr. Fisher** said it was last year, right. **Commissioner Johnson** asked have you done any data on them in terms of how they're holding up and how the wear and tear on that is being handled right now. **Mr. Fisher** said yes. **Commissioner Johnson** asked is that part of this right here? **Mr. Fisher** said yes, that's the microsurfacing. That's the thing we had not used in the past and we plan to use that more in the future. We use those types of applications along with the overlays and we would like to do some rebuilds and I'll show you an example of a rebuild. With the street maintenance, that's the Street Division out there doing work in advance of that street preservation.

We're working with—staff is kind of internally working together and then working with contracts to figure out how we can control contract mobilization costs and then, again, we started last year replacing curbs through contracts and through our new crew.

Rebuild Streets, I will talk a little bit about that. Troy Shaw, the County Engineer, has been working with his team to evaluate all of our specifications, all of the engineering specifications, details, standards and largely is adopting APWA which is a regional practice that will be effective.

A couple of things in the In-House Street Maintenance. I want to increase the level of training of our Street Division. They need to be trained to do the work we need them to do, using the techniques we need them use, and be consistent with it and have standard operating procedures around that. We are working on that now and then expand their capabilities. We should be able to go out replace a couple panels of concrete in a concrete street in-house. We are going to do that very soon on one street, so we will build confidence there.

Mayor Alvey said before you go on, can we go back two slides. I'm still trying to wrap my head around—the solid blue line presumes a 2% increase in expenditures or 2% increase in projects? **Mr. Fisher** said expenditures. **Mayor Alvey** said the ST is surface treatment to—**Mr. Fisher** said surface treatment and mill and overlay. In the table above, the box above, right now if we do 80/20 mill and overlay to surface treatments, that's the affects and if we were to flip it, if we have more cash available to do more surface treatments, that would be the affect there. It's just showing that in either case, we're not going to have much of an impact at the current levels with a 2% increase. **Mayor Alvey** said, again, so a road is going to initially be better but because no structural work is being done the 40-65 PCI fall apart to the point of no return. Should we go back to gravel roads? **Mr. Fisher** said the next slide kind of does that too. We can have an initial impact with the surface treatments, but over time the rebuilds will start to add up. **Mayor Alvey** said so most of these are old township roads, right? **Mr. Fisher** said not necessarily. We have some in the residential areas, industrial areas. **Mayor Alvey** said, again, because where I am I don't know if Douglas—there's no subsurface there and it's completely destroyed. It might as well be gravel. **Mr. Fisher** said eventually in the lack of road you have to take it down to subgrade and treat the subgrade and rebuild it.

Alan Howze, Assistant County Administrator, said one quick point here, the funding source matters here as well in terms of cash versus bonding in terms of the types of treatments that Public Works can do on these streets. Jeff, I don't know if you want to mention that. **Mr. Fisher** said yes. Surface treatments are—it wouldn't be good practice to have a 20-year bond for surface treatments that only lasts 10 to 15 years, so we're limited on that. We could use 10-year bonds, but then they cost a little more, so it's a balancing act. Finance and Public Works have been working through those different scenarios but having more cash on-hand allows us to do those surface treatments that extend the life of the roads. If we capture those newer roads that are in relatively good shape and treat them early, we can buy more years out of them, extend the life with the fewest amount of dollars. **Mayor Alvey** said what you're suggesting is if you're going to go down to the subsurface, you're really going to bond those. **Mr. Fisher** said yes. **Mayor Alvey** said use much more Capital Improvement. The surface treatment is just simply pay-as-you-go or temporary notes. **Mr. Fisher** said just cash.

Kathleen VonAchen, Chief Financial Officer, said you can bond 10-year notes or General Fund bonds, but if you're doing a $5M project and you only pay for it over 10 years instead of 20, then the annual debt service is basically double even though the interest rate will be lower is what he is saying there.

Road Reconstruction Required

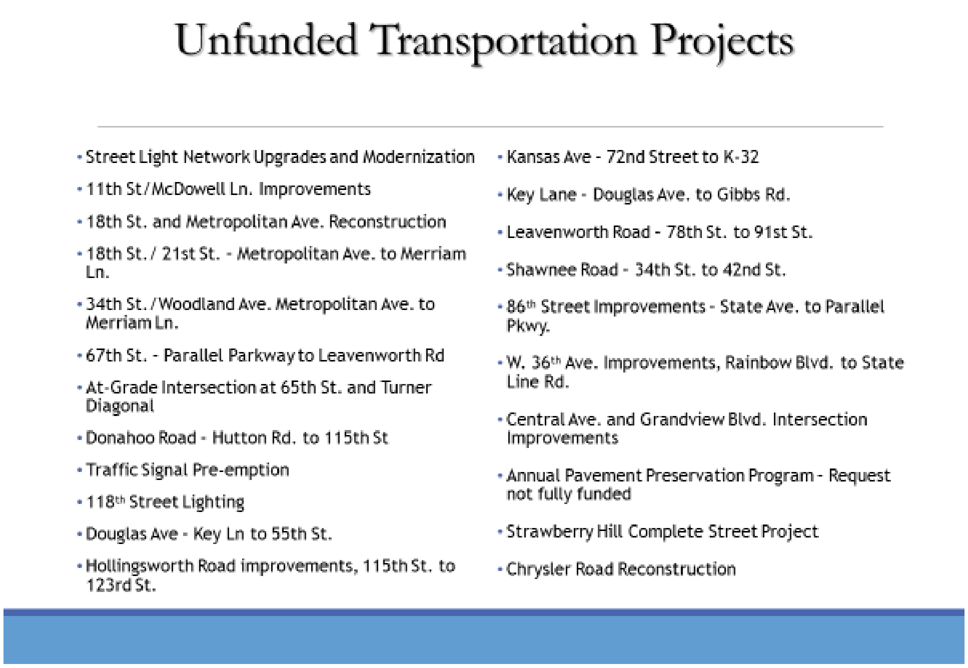
275 of 2,400 lane miles need reconstruction

Mr. Fisher said rebuilds, I'll give you an example. This is a street right now in KCK that came through as a complaint here recently. There are a number of issues here, but this is a road that really just needs to be rebuilt. Between the curbs and between the grass line, take the concrete and asphalt out, treat the subgrade, rebuild it. There is some stormwater drainage issues here too. Of the 2,400 lane miles that the UG, KCK has, about 275 are in this condition, are in failed—that need to be rebuild.

Commissioner Bynum said when you say reconstruction, you mean down to the—**Mr. Fisher** said yes. **Commissioner Bynum** said rebuild. **Mr. Fisher** said this isn't the Merriam to the Leavenworth's where you're adding capacity and walkability, this is just taking the road back down to subgrade and bringing it back up.

Commissioner Burroughs asked is there a consideration given to light traffic roads versus the heavy industrial based roads that we have throughout our community? I know we're an industrial community, but those roads take a lot more infrastructure investment; however, some of our neighborhood roads that have just very little heavy equipment opportunities to go down, except maybe our fire trucks and garbage trucks or Waste Management trucks, those roads can be maintained at a lower rate for a longer period of time with just mill and overlay, right? **Mr. Fisher** said absolutely, yes. This is an industrial example.

Commissioner Burroughs asked is there a priority as to how you stated your projections this evening. Are we looking at all of our heavy traffic roads for industrial use or are we looking at a combination of the two or is there a way to pull out the neighborhood aspect so that the majority of our citizens don't have to encounter these opticals as they come in and out of their home versus taking a tremendous amount of our budget money and doing the heavy construction work? **Mr. Fisher** said we definitely have to be strategic. The Standing Committee did give direction on the issue of level of service earlier this year or last year. Right now, our PCI is 56. Our average PCI is 56. The Standing Committee gave us direction that our residential target should be 60 and our collector 65 and arterial 7, so we will operate from that and prioritize based on that year to year.



Mr. Fisher said this is a list you've seen in the past. I don't know that there has been a lot of movement on this. We've added just to continue a conversation. Annual Street Preservation in here as underfunded. Chrysler Road is actually the road we just saw.

Commissioner Kane said I was going to wait, but I can tell you, first of all I think it's very important, Mayor, that you know that Jeff, Troy, Dave, Rob and Doug have attended us at some of these neighborhood meetings and I really appreciate it. It cuts down the confusion between the neighborhood groups and the commissioners and they've done a great job, so I want to point that out first.

I don't see Leavenworth Road as a whole because as you get out further, it's a highway now and we're getting ready to build a school on it. I think we really need to take a tough look at that, but when you look at Donahoo & Hutton, the traffic there is unbelievable. At Donahoo & Hutton Road this morning it took me about eight minutes to get down the hill because there was so much traffic, so it's time we might want to look at a street light.

I noticed where you guys at Hollingworth Road you say you should fix it from 115th St. to 123rd St. At that neighborhood meeting the other day they wanted it fixed all the way to 7 Highway and I agree. We have so much traffic out there now that was not expected and the growth is tremendous that I think we need to start to fund some of these projects just to move around about where we're at and move around safely. When you go past 123rd St. as you're going to 7 Highway, that's one of the narrowest of streets we have out there and the traffic has probably tripled. I think we need to start funding these things and we need to start taking a look, and I think Commissioner Burroughs said it best, this would be a good one where we would do it and wouldn't have to worry about it for a while. We just got the trucks off of Donahoo here recently which is a big win. Lynn Melton really helped on that, but we have to start looking at this stuff and saying when are we going to fix it. **Mayor Alvey** said I agree and I think there are, again, there are streets all across the county. I look in Turner and I know that we've been waiting decades for improvements to some key roads.

Commissioner Markley said six of these on this list are in my district, so it is a proportionate number and maybe a half or a tiny piece of another one are in my district. I've always been an advocate of picking them off one at a time, but no one has ever been interested in backing that.

Mayor Alvey said it seems to me that what we're really talking about is if we're going to be staying with the $15M limit on bonding projects, we're going to continue to have a lot of unfunded projects. I do think there is a way in which we have—it seems like we've always been behind the growth and tried to catch-up with our infrastructure and sometimes we bring infrastructure and it generates the growth. I think we've always played catch-up. When I drive Metropolitan in the morning, there are no curbs, there are no sidewalks and there are kids walking up the street to go to school and you don't see them until you're on top of them. That's just one example and there are these kinds of projects all across the city. When we say we are committed to the $15M limit on our bonding and we generate a whole lot more revenues or we borrow a lot more money which again then starts pushing up how much the mill levy is going to our debt service. These are tradeoffs, the choices, we're having to make.

Commissioner Bynum said, Commissioner Kane, on the Hutton & Donahoo example, I'm asking you; are you suggesting signalized? **Commissioner Kane** said that would be start because what you have now, this morning, I'm coming down the hill and all the traffic from the east was coming in. Very few people were coming from the south, but every morning before school, every afternoon after school and then at 5:00 I've been stuck, Doug you have been too, you've been stuck on the ramp coming down the hill and you turn left to go out there. You know we need to signalized that and make it more vehicle friendly. **Commissioner Bynum** said it seems to me that would be a fairly easy first thing to do. I'm not an engineer but—**Commissioner Kane** said I'll tell you what they did years ago, they took old refurbished stuff laying in the BPU barnyard and put up the stop light at Leavenworth Road & Hutton. They've got a big born yard. I think Mr. Alvey would know about that, so maybe we go dig up some bones Douglas. **Mayor Alvey** said no, they cleared all that stuff out.

Commissioner Bynum said some of this, is it sitting on the 5-Year CMIP but perhaps no funding identified? If you don't know, you can tell me later. **Mr. Bach** said just to clarify the difference, when I showed you the one chart I'm showing you everything that's put on that page to be funded, but we still have some bloops on it that we don't have enough funding to cover it. This is not in it. **Commissioner Bynum** said okay. **Mr. Bach** said if we were to structure all of these into it, we would be up to 25-30M a year trying to fund all these projects.

Commissioner Bynum said the last comment that may or may not be a conversation for here, but possibly a conversation for Public Works Standing Committee, and that is, for example, Metropolitan as you speak of with the kids walking kind of in the road and I think every time we talk to the community they tell us a story of where sidewalks are needed because young people are walking in the street. Is there a temporary solution to that by using some of the Better Block techniques? It's just a question and it doesn't have to be answered tonight, but I wonder if there are some safety things we could do that might create a walking lane along a Metropolitan or some other area that's not a sidewalk but it's painted with reflective paint, etc. Just a thought. **Mayor Alvey** said I don't know. It seems to me that you can't put people on the same surface as a vehicle even if it's painted. **Commissioner Bynum** said they are there now. I mean that's where they are. Anyway, just a conversation for another time. **Mr. Fisher** said I don't know about Metropolitan, but there's no room on Metropolitan for that.

Mr. Fisher said to all those points, staff would like to from a holistic asset management approach, engage the Commission, Planning Commission this fall about maybe designing a system with a set of criteria and selecting projects through that system that are weighted based on safety, ROI and things that come up. I think that's the direction we would like to go this fall.

Mr. Rogers said let's talk about Unfunded Park Projects now. As you know, this Commission voted—adopted the Master Plan in 2017 and that Master Plan said there was $63M worth of projects that needed to be completed and this is just a list of some of those projects. It's not all of them. Obviously, the restrooms, our playground infrastructure, we replace as we go year by year, but it's not enough to catch-up just like with the streets. Wyandotte County Park needs a walking trail. Individuals walk on the road now and that can be very dangerous. Septic replacements within the restrooms were built in the 60's and 70's so that system is outdated and we have a lot of springs pop-up.

We need lights throughout our entire park system. Waterway Park, Jersey Creek, just to name a couple of ours heavier used trails, there are no lights so that's a huge issue. All of our athletic fields, we maintain them, but we don't improve them.

Obviously, we have seven community centers, none of them with the exception of Joe Amayo Argentine Community Center, have received any kind of renovations, major renovations. Tennis Courts, tennis is making a big push again throughout our community. We do have in our system, but the ones east of 635 need repaired.

Picnic Shelters, obviously, a new park in west Wyandotte County there's nothing really out there. Leo Alvey parking, that becomes an issue. We have hundreds of people at Leo Alvey every weekend playing soccer and when an individual got injured the first responders couldn't get through because there are so many cars just parked everywhere, so we need to create some kind of systematic parking at Leo Alvey.

Entrance, whenever you enter into a park you need to know you're in a park. We have three different park signs throughout our parks systems depending on when that park was built and we need to make it look nice. Our parks need to be inviting and need to be welcoming and we need to get more people in our parks.

Commissioner Kane said well here we are again. Is this my fifteenth budget? In 15 budgets I've been saying we need a park out west and yet we're going to spend, and I think it's great because that's where I hung out as a kid, City Park $1.5M at City Park and that's fantastic. Last year we didn't even put money set-aside for the small park that's going to be next to the fire station, so we need to do that, but Douglas, Harmon, Wyandotte and Eisenhower all have multi-use things. I think it's time for you and I to sit down and talk to the Piper School District as they build the new property to see if we could put a small park inside their property and coexist like we do with the community centers. You know they got at Eisenhower the waterpark, you've got the futsal court at Harmon, and the same thing, they've got a futsal court at Wyandotte High School so there is no reason why we couldn't cohabitate with the Piper School District. My wife goes to Eisenhower every Wednesday night to do the ceramics.

They've got the property, maybe we supply the equipment, and we share the cost of keeping it up and running. It is something that we haven't thought about, but that is a complaint every single week just like the fire station was. I think it's time we do something, I think it's time we set money aside right now for that park, the small park that's going to be next to the fire station. I don't want to have the fire station built and nothing but grass there and I think poor planning on our part—when that fire station is done we should have everything in place to compliment that very expensive output that we're putting out there.

Commissioner Bynum said I will agree with you. The plan was to include a park space with the fire station, correct, and we did also talk briefly with the previous superintendent about including something at the school location. It would be nice to see something move forward for District 5. Is there any room near the Kane Center? That's a very active place. **Commissioner Kane** said north of the Kane Center there is an individual that owns some property that would hookup to the parking lot that would be extremely handy. He used to be a BPU Board Member and he clashed with the superintendent, but there is some acreage over there that could be purchased and it's just perfect. **Commissioner Bynum** said that is a highly used center. **Commissioner Kane** said yes and this summer it will be used every day from 7:30 in the morning to 5:30 at night and it is used constantly for Little Pee Wee basketball players during basketball season. The school uses it every day during their lunch period. I know Ann put out something that's there's only 4% use, but that building is used nonstop. All it needs now is a great big sign on the outside instead of no sign on the outside except a little bitty one. That's my next thing.

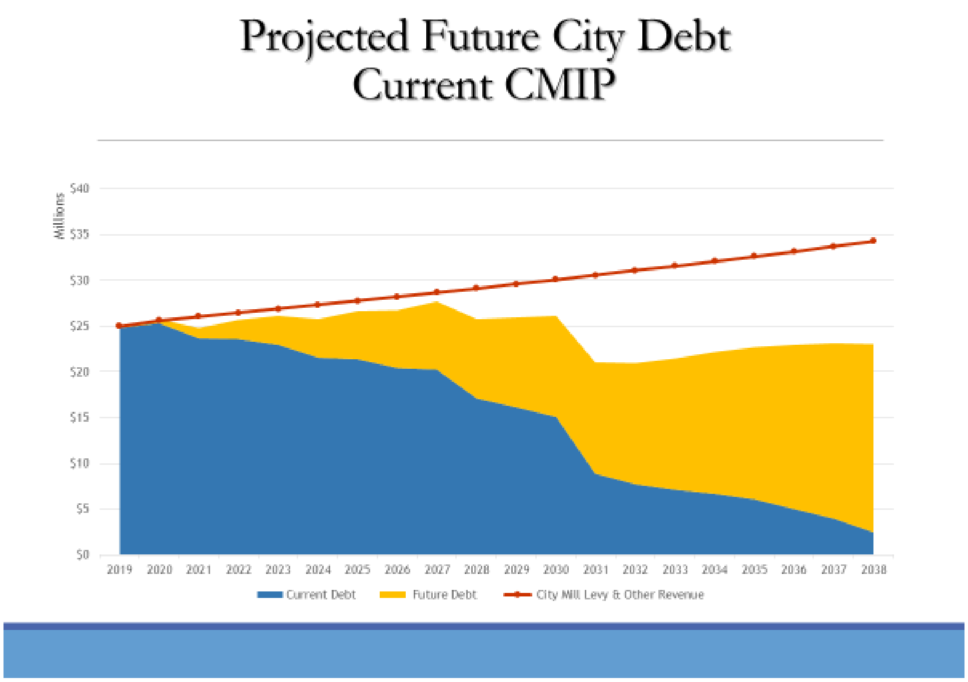
Other Unfunded Projects

- Carwash Improvements
- Police Department Headquarter Elevators
- CSI Lab
- Maintenance Facility KS Ave
- Strawberry Hill Revitalization Program

Mr. Fisher said there are a few other unfunded projects that are important. Carwash, there is a carwash at the Fleet Center that doesn't operate as well as it should, so the fleet is either not getting washed as often or we're paying others to wash it. The Police Department Headquarter Elevators, CSI Lab, Maintenance Facility is underfunded.

Strawberry Hill Revitalization Program; that is born out of a need for street lights and evolve into—we did a couple of examples of what you can do to not only improve street lights but walkability and parking and that kind of thing so there is a proposal in there that's unfunded.

That wraps-up our portion.



Ms. Jonscher said this last slide we wanted to put in—this is a similar graph to the one you saw earlier on the City Debt side; however, we put in the additional projects that we have out in years ‘21 through ‘24. The graph previously showed $15M in additional projects. This graph shows the CMIP as it’s currently in the document so in 2021 there’s 22M, in 2022 there’s 20M and in 2023 it’s 24M, so we done another graph just to show the impact. You don’t notice a whole lot in here but the gap does get slightly smaller out in these years starting in 2022.

Mr. Bach said I thought that was important to show. It shows that if our revenue continues to have some increase each year, we could fund it under that type of debt structure, but it clearly starts to issue more than 15 a year on an average in order to make that happen. I just wanted to show you how that does work as you go to start to look at all the projects in the out-years.

I know we have a couple other things to hit, but why don’t we talk about the project sheets first Debbie so you can explain just as they’re looking through those over the next couple of weeks. If anybody needs a copy of those, Emerick has a copy of those for the debt and cash. We can get them in front of you, but let’s talk about what’s in them so you can see changes or whatever without going through page by page. Just kind of an overview of what’s in that package.

Ms. Jonscher said you have Debt Projects and the Cash Capital Projects. On the Debt section I guess maybe I'll just note page 3, list the total on the city debt which we've been referring to. You can see that 2019 is 15.3M and 2020 is 14.9M and then we've got the projects in the outer years that I just talked about related to this graph. It also lists all of the Debt Projects related to the Other, the Sewer Systems, Stormwater, as well as the Public Building Commission projects that we talked about. Then, the last page of that is grants. Each one of these on these projects there is a column for new projects. If there is anything new that was not previously in the CMIP as well as there is a column the MSF means multiple source funding so if there is a project that has two sources of funding possibly debt, maybe there is a grant related to it or something, that box should be checked. As well, it's got the department priorities and the rankings for the projects.

Same information on the Cash projects. This one has a total by fund as well as a department total within each fund.

Mr. Bach said we just wanted to do that quick run through with you so you know what you have as you're looking through these. The emphasis tonight was to go through and highlight the projects that are out there for 2020 and that's what Jeff and Jeremy went through and spent most of their time on, what's coming on in those years. Then as you look ahead to '21, '22, '23, '24 input that you're going as we start to build these schedules for future years and recognizing there's a lot of different projects that are out there that make it hard but trying to add facilities in and stay under 15M is—well, it's not possible in noting the additional infrastructure demands. Those are things we want to think of. As I said, we don't necessarily have to make changes to anything in '21 and beyond at this point though we are sitting a road plan, framework, for what we plan to do in future years. We need to think about whether that's feasible to do what's up here on the chart and fund what's here or alternate other things in here or take them off and say no, we're staying at 15M and make sure it stays clear that way.

Capital Project Status

- Information requested at Economic Development/Finance meeting on April 1, 2019
- Balances on prior year on-going projects
- Packet includes:
  - Projects on-going prior to 2018
  - Projects started in 2018

Mr. Bach said Economic Development & Finance requested a listing of past projects that have been funded up in prior years. What we've done is gone through and pulled out all the projects that are still underway that were funded prior to 2018 so meaning they've taken us more than 12 months to get through. You will see that's a listing of about 20 projects that are on that list. Probably about five or six are in either Water Pollution Control or Stormwater. Another five of them are different types of technology projects so as you go through the memo that's provided for you we tried to do an explanation of what has caused the project to be drawn out over that timeframe. Many of them were planned to do that. Like the last one on the list shows Waterlines at Wyandotte County Lake starting in 2013. That's the first year it was funded, but then we added funding to it each going along so it's been an outstanding project going on over years but it's not like we haven't done whatever funding we get for each year Parks and Public Works staff get that project work done. Some of them take a little bit more time to go through and we try to explain them. Some of them require land acquisition, items like that.

Commissioner Kane said just a request. I'm old. Even my bifocals are having trying reading that. Could we next time make it bigger for us old folks. You younger folks can do what you want, but us old folks needs it a little bit bigger. **Mr. Bach** said we do have an electronic copy that has been sent to you as well. We can have staff print it out in larger copies, but it has gone to all of you electronically.

Commissioner Bynum said when you say with greater than 25% of the budget remaining, do you mean remaining to be paid for? **Mr. Bach** said yes. Well, remaining—**Commissioner Bynum** said remaining unpaid. **Mr. Bach** said unpaid, right. It's funded, it's in the project, we just haven't moved forward with that piece of it.

Commissioner Walters asked how does the numbers that we approve in the CMIP relate to the debt numbers that you presented for a project that didn't happen. For example, let's say we had $1M for a project in 2017, it didn't happen. Is that $1M in your 2017 debt number? **Ms. Jonscher** said the numbers that we showed were bonded projects. That was the debt service on bonded projects so if we never bonded the projects, then no, it would not be in that number.

Commissioner Walters asked when we approve a project how do we know whether it gets bonded or not. **Ms. Jonscher** said we issue it as temp notes. **Commissioner Walters** asked how do we know whether a project is issued as a temp note or not issued or ignored altogether. **Ms. Jonscher** said it would be listed in the—when we do the project authorization for the bond and when we bring the sale resolution when we bond that project we bring a list of projects. I don't know that we compare that to what was budgeted. I think last year we did get some information on—we reconciled what was in our sale resolution and what we actually bonded. **Commissioner Walters** said so the Commissioner would go through that and compare it to the CMIP that we approved and see where the discrepancies were. **Ms. Jonscher** said or we could put on there which projects were not funded because we approve a whole list of them in the sale resolution, but if we determine that we don't want to fund a project if it gets put on hold for some reason, we can chose to pull that out.

Commissioner Walters said I guess that's my question because when the Commission approves a project I expect it to be done. I think the public, when they listen and pay attention and they see that we approve a project, I think they have every expectation that it would be done. Then I hear when we decide not to fund a project, it doesn't get funded. It seems like there's a disconnect there to me. **Ms. Jonscher** said one way you might see it if it's in the—if we funded a project for 2019, if you approved it in the budget last year and this year the department came to us and said we're not doing that project, we don't want to issue the notes, in the Amended you would probably see on your debt spreadsheet you should see the project with an original amount and then for the amended amount you would see zero if they pulled the project out of the CMIP. If it was prior to that, if we actually funded temporary notes, did the design work and then determined that we weren't going to fund the project, you probably wouldn't see that on the spreadsheet. **Commissioner Walters** said that's where I guess there's a disconnect because I didn't realize staff decided whether to fund the project. I thought that was the Commission that did that. I think maybe we could review our processes a little bit to receive that communication.

Ms. VonAchen said when she says we're going to fund the project, what she means is issue the bonds to pay back the temp note that was already spent. That's what she is referring to. We wouldn't issue bonds for projects that we hadn't spent previously. **Mr. Bach** said thank you for the clarification because the terminology I think you're using, Debbie, is probably is what has confused the Commissioner because in the way you said it, it confused me. We don't make decisions not to fund projects. The only one I can think of in recent history is like we had a large project like for City Hall Plaza many years ago and it was slated at 8 or 9M and it came in at 20M so we came back to the Commission and said we don't have enough money to do this, we're not going to do it.

Funding, you're talking about the transfer between the temporary note to finish the project versus rolling it to the bonds so our typical process, Commissioner, when we come out as we'll decide we're going to go do this road project and we will start on it, and this list is a good example, we'll have issued the temp notes on these projects and how much money we need to fund every year to roll through that. They may need $500K this year and then they're going to need another $500K the next year and that's what they'll say they need to fund in that given year because that's all we can get done or that's all we can expend. Some projects by their very nature are going to take—like Wolcott, as a good example, I mean that's a $20M project but we issue that over sequencing of so many years in order to do it because we can only spend so much money in the project to fund it out all in the end. Then, when the whole thing is done we roll it all into one big bond and then that project goes out so when Kathleen's staff is looking at the long-term projections, they know we already have out temp notes so she's got that all built into what's already committed. When she says this is already committed, you're showing all the committed temp notes that are out there that those are going to turn into bonds and then assumes we're going to do another 15M in projects every year forward and that was the yellow line on top of that, if that helps clarify that.

Commissioner Walters said sorry to belabor this, but I'm looking at, for example, the tow lot which I just looked at the other day. We had 1.5M in 2016 and 3.5M in 2017. My question is, is that 5M in those calendar years or has it not been recognized anywhere yet or what? **Ms. Jonscher** said the tow lot is still in the temp note phase. There's $5M in temp notes that we've issued for that project. It has not moved to permanent bond status yet. **Commissioner Walters** said so that debt shows up in those calendar years on the graph you showed earlier? **Ms. Jonscher** said no. It will later once we go to permanent bonding. **Commissioner Walters** said it doesn't show up. **Ms. Jonscher** said it's not in there now. **Commissioner Walters** said it doesn't show up. We borrowed the money but it doesn't show up as debt yet? **Ms. Jonscher** said right. The projection is—what we do is estimate that a third of the temp notes will get bonded every year so that is included in the projection.

Mr. Bach said yes, the estimate of the future years of permanent bonds—go back to that slide Debbie where you show the—like here. That's in part of the blue, right? **Ms. Jonscher** said the projection on temp notes would be in the yellow. **Mr. Bach** said okay, that would be in the yellow. **Ms. Jonscher** said the blue is everything that's been bonded through 2019 already. They're included in the section here. **Mayor Alvey** said which will then be rolled over into long-term debt once the project is complete. **Ms. Jonscher** said that's correct. **Mr. Bach** said and what we find—I mean projects just work like that on average. If you keep issuing the same amount of anticipated debt in total projects each year, the average that it works out some years will be higher, some are lower, it will vary. One year I think you were showing you're at 11, the next year you're at 20 some by looking at it, but that's just how it floats up and down to how they finish projects each year.

Commissioner Johnson said just for clarity to get what Commissioner Walters started out with, once the project has been approved and that project goes forward, there's not generally a decision not to fund a project once it's been approved by the Commission. **Mr. Bach** said right. We don't make a decision not to do it without coming back to you all and say we're not going to do it. Something has to come up to say this is the reason why we can't move forward with that project.

Commissioner Burroughs said, Debbie, if I'm reading this chart correctly, the blue portion of the chart will not shrink in 2038 with the additional bonding that goes on, it will grow in 2038. **Ms. Jonscher** said right. This breakout is just to show what's already committed and this would be future. **Commissioner Burroughs** said so you actually show us taking on more debt, long-term debt, but at the same time addressing some of the major infrastructure and some of the concerns that we have expressed here this evening. **Ms. Jonscher** said right. **Commissioner Burroughs** said the real gap that we have available for funding is the white area that is available in the out-years, so if we were to be strategic, we would want to identify those projects that have a high priority and utilize what remaining resources we have available for those projects. Your graph from '29 to '30, that doesn't include deferred maintenance on any of these projects does it? **Ms. Jonscher** said no. This would just be the initial project funding.

Commissioner Walters said if I could just make another observation, I guess I look at it a little bit differently than Commission Burroughs. I don't think we should have a goal of trying to borrow as much money as we possibly can to stay under the red line. At least in our recent strategic conferences, there was some thought about actually trying to reduce the debt. Unless we just give up on that goal, I think we should be trying to look at ways to reduce the debt because it's becoming a bigger and bigger percentage of the taxes that our residents have to pay. As we lower the mill levy overall that mill levy does not lower, so we're paying a bigger and bigger percentage of our taxes just to payoff interest which has some downside.

Mayor Alvey said at the same time as we heard we have many, many unfunded projects in other capital improvement needs, especially street infrastructure, that unless we have the revenues either through taxation or bonded, we won't be able to accomplish. So, again, that's our trade-off.

Commissioner Kane said the next time we talk about this police lot, I want to see the numbers where it says when we start making our money back. Five million dollars is a lot of money and I want to know how long it would take when we think we would break-even and we would start making money.

Mr. Bach said one thing too, I'm just clarifying and, Kathleen, correct me if I'm wrong. Any of the money we haven't expended we do have that invested so there's a positive and a negative. Our temp notes—on that temp note it's probably three-quarters of a percent in interest or do we go up to a percent and a half this year, but it's pretty low. Before I know we were less than a penny so we're able to invest even in our conservative rates and stay fairly equal. It's not like we're negative outside—we are spending some money on it because we've had to do a lot of—and that's what we're doing now is doing some site boring and testing on sites that we're looking at potentially buying to put it on. I understand what you're saying, it's how many years after you get it in play before you start to bring it back. One of the committee's we had that reported to you. Maybe it was the other committee. I know we had that analysis brought forward. Kathleen, do you remember? **Ms. VonAchen** said yes. I think it was in the fall we had a representative from CBC make a presentation on a proforma that he and I worked on together and we had that information and we're happy to provide it again. We are planning to do an update on the police tow lot in the coming month or two to our committee. We're making progress. It's been difficult to find a solid real estate location for it given the unique nature of the project.

To follow-up on what Doug was talking about, he was correct that previously temp notes used to be in the three-quarters of a percent range, but unfortunately, last year when the fed increased the rate, the fed rate so quickly, the temp note rate went up too, but fortunately our interest earnings on our investments also went up correspondingly. Any amounts that we issue in temp notes that are sitting in our bank account not being spent are also earning that same level of interest which is around 2%.

Mr. Bach said, Mayor, that concludes our presentation if there are no additional questions. We would plan to come back in a couple of weeks and we have some information to share on some of the new procedures that Jeff's team is working on and then if there are questions on the outstanding projects or discussion on that, we can do that as well.

Commissioner Bynum said with regard to scheduling, I mean I know we're moving into budget time, but that document with that schedule has not been produced yet. So, if we look at this again in two weeks, it would be at a 5:00 Special Session before our May 30 meeting, correct? **Mr. Bach** said we have this scheduled on the 22nd. I believe we've had this on the calendar for a while and all the budget workshops are scheduled as well. **Commissioner Bynum** said so those should all be on our calendars. **Mr. Bach** said they should be. **Commissioner Bynum** said the 22nd—**Mr. Bach** said whatever—**Commissioner Bynum** said whatever the Thursday is. **Mr. Bach** said Thursday at 5:00 Special Session, the 23rd.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:26 p.m.

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Bridgette D. Cobbins
Unified Government Clerk

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