STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, JANUARY 30, 2020**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, January 30, 2020, with eleven members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Ramirez, 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 Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Emerick Cross, Melissa Sieben, Alan Howze, Gordon Criswell, Assistant County Administrators; Kathleen VonAchen, Chief Financial Officer; Reginald Lindsey, Budget Director; and Officer Jay Doleshal, Sergeant-at-Arms.

MAYOR ALVEY called the meeting to order.

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

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, January 30, 2020, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building for a Priority Based Budgeting workshop.

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

Mayor Alvey said tonight we have a Priority Based Budgeting workshop. Just as a reminder, this is more of a retreat activity. This is not being broadcast. There are going to be long segments when we are in small groups which can't be broadcast anyway, so this is really a workshop for kind of a board retreat exercise. I will turn this over to Administrator Bach.

Doug Bach, County Administrator, said we are glad to get back before you on this issue. This is one of those where last time we came to it we sat down and spent a lot of time working through the goals and the definitions to those. So, from a staff perspective, we took it from this time and went back and then looked at all the different program areas we had. I think we identified to you all that they fall into different quadrants of one, two, three and four and you have some worksheets like that that were just given to you. As we did that, it gives us the opportunity, and staff spent a lot of time saying okay based on those definitions that are tied back to this, how do these fit the priorities.

Again, as the Mayor said, this is not a decision-making final where we're going with stuff tonight. This is time for us to kind of—we'll talk through a few different points of how priority based budgeting works again, but then it will put us in an exercise where we can go through and your opportunity to probably humanize where we are with this because one thing is we go through and we put the data, we plug it in, we run it through the systems of how it fits back to the definitions, but it doesn't necessary in the end come back to it and say well no, but that's still a priority for me. That's the opportunity for us to take this and kind of dissect it a little bit tonight and see how that breaks out.

That's how our program is set up. We've spent a lot of time on this getting it ready so it's in a position for you to come through and break it out again. I'm going to turn this over to Molly Saunders with Shockey who is here this evening. She is going to kind of take us through a little bit more of what we have from our agenda and then Kathleen will give a little part of her presentation and then we will jump into the full part of the exercise. We're really trying to focus about all of our time tonight on doing the exercise and coming back from the reporting because last time we did some of this Commission noted they didn't feel like they had enough time for that, so we're going to make sure that happens.

Molly Saunders, Shockey Consulting, was inaudible.

AGENDA

Welcome, Doug Bach, County Administrator

Meeting purpose & agenda, Molly Saunders, Shockey Consulting

Financial overview & PBB objectives/goals, Kathleen VonAchen, CFO

Program prioritization activity

Activity debrief & goals discussion

Next steps, Doug Bach

Adjourn

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MEETING PURPOSES

To provide an overview of the Unified Government's financial position and proposed goals

To get feedback on the approach to the 2021 budget process

10/16/2019 3

Kathleen VonAchen, Chief Financial Officer, said thank you so much for being here. It's great to see the entire Commission here. We're excited to come back for this follow-up session. We've done a lot of work over the last six months. I would like to thank Reginald Lindsey in the Budget Office and all the department heads and senior managers throughout the organization, our 40 or so departments who all were very involved.

Doing an update of the Program Inventory, updating the costings of all those programs and then rescoring, not only at the department level but then as the peer groups met, they also reviewed all those scores and then those scores were reviewed by the executive team.

Priority based budgeting is going to be a process that we're just now really embarking on this year, but it will take many, many years. This year is for our first bite. We're not going to achieve everything all in one hit so just taking a bite at a time hopefully we'll realize our shared goal.

As you know, the budget for the UG is roughly $400M and approximately, just in round dollars, there is about $100M of it that's Enterprise Funds which means it's supported by their own fees, so the rest of it is governmental funds. That's really what we're going to talk about tonight or at least in this financial overview.

What we've struggled with in the past years is that we review all of our revenues as part of the budget process and then we increase the fees based on best economic data we have. By doing that, we determine an additional revenue amount that we anticipate we'll be receiving in the budget process and that becomes the additional revenue number. Let's say out of the $300M additional revenue number of say $7M is spent, well, $7M is not very much money because we have employee compensation increases we have to factor in and then pretty soon that $7M just kind of gets eaten away because of inflation and the cost of doing business. There never seems to be really enough money to do new initiatives or to invest in our community in areas where we think it will improve the quality of life which is a high priority for us.

That $300M just kind of continues rolling along and I like to call it the base and what we need to do in order maybe to find resources elsewhere to reallocate for those higher priority areas is to look at that base and say, gee, does it make sense to continue doing all of these programs that we started 50 years ago. Maybe we can reengineer them or approach them in a different way that would be more cost-effective.

This priority based budgeting is actually the tool that we are going to be using that hopefully will assist us in making those decisions. You know, it's difficult to make these decisions because they are so subjective. By introducing priority based budgeting we bring in some data that will inform us and maybe diminish the subjectivity of these decisions. The budgetary process is a political process for sure, but the more data you have, the better.

That's my general overview of why we've introduced priority based budgeting. Three or four years ago several commissioners brought this up to Doug and it has taken us this long to get to where we're really ready to use this tool.

As I mentioned here, we have additional—this is the incremental increase in revenues and then every year we issue a General Obligation Bond. This graph is a demonstration of the needs we expect in 2021 for example. On this side is the revenue number above the base and then on this side are all the needs that we have above the base.

This is the Operating Revenue Increment. Like I told you, increases in property tax or because of assessed value improvement or sales tax receipts or transient gas tax, what have you.

Bond proceeds to pay for our Annual Capital Investment, that's our Annual Capital Investment that's debt financed, but on the other side, our Operating needs, are estimated to increase by $14M which is double the amount of revenue that we have coming in. That's the demonstration I showed you during a Long Range Financial Planning where we have a $7M delta between the amount of revenue coming in and the expenditures going out. We often through Administration, all of our efforts we—every year manage that through either holding positions open or not doing things. We often come in, and as you know, with the balanced at the end of the year with a number where the revenues and the expenditures are closer aligned to each other than what this is demonstrating. It's kind of an artificial management technique and it doesn't allow for us to really realign resources to areas that are a higher priority. It makes a conscious decision to manage our organization in a new way to make investments.

Here's the CMIP. Again, $21M, '21 the same, but then we have all these additional costs that are not funded, and they total around $50M. For example, the Parks Master Plan at $65M. Basically, the Parks Master Plan is saying that there is $5M in additional operating needs in order to bring the Parks operations to what they've termed as a benchmark, plus $40M divided by 10 years in Capital Project investments for those.

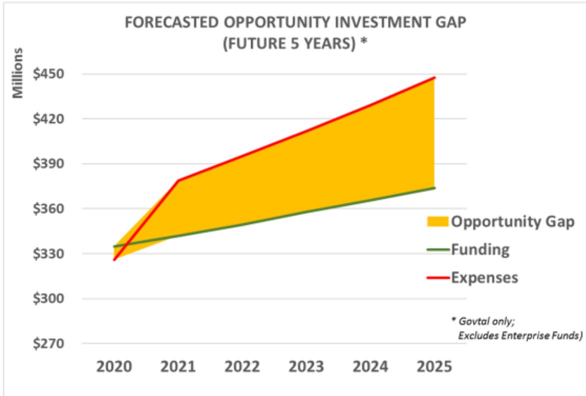
You saw that the Pavement Condition Index is a new assessment that was put together by the Public Works Department. They made that presentation about, I don't know, six months ago and what they determined is that in order to maintain our current Pavement Condition Index, our current condition, we ought to be investing $20M more per year towards street maintenance. Without doing that, our roads will continue to diminish in their effectiveness, so that's what that $20M is.

We've determined that although we do invest in the replacement of our vehicles, there are vehicles which we hold and use probably longer than we should or make economic sense and if we had $2M more per year for vehicle replacement which includes transient buses and other vehicles that are pretty expensive, we would better—we would be more prepared to provide the service and deliver service that our residents expect.

The last thing is our facilities and buildings. We have just recently received a report which we will be sharing with you as part of the budget process, but it did an assessment of the total liability of our existing facilities and it found that we have a significant backlog of deferred maintenance on our facilities. In order to bring our facilities back into standards so that our residents can benefit from their use and feel comfortable that those facilities will be an asset that we can use in the future we need to make an investment of roughly $8M a year.

These are all kind of the additional needs that we thought of and that doesn't even include all the new innovative programs that you have in mind.

Commissioner Johnson said just a point of clarification, that $50M, is that an ongoing basis going forward, not just in 2021? I'm assuming that these are things that we need on an ongoing basis; just for the clarity and for our constituency that's watching. **Ms. VonAchen** said yes, absolutely, those are ongoing needs that if—in order to better invest in our organization to provide excellent service to our residents, it makes prudent sense to increase our investment on an annual basis of $50M per year.

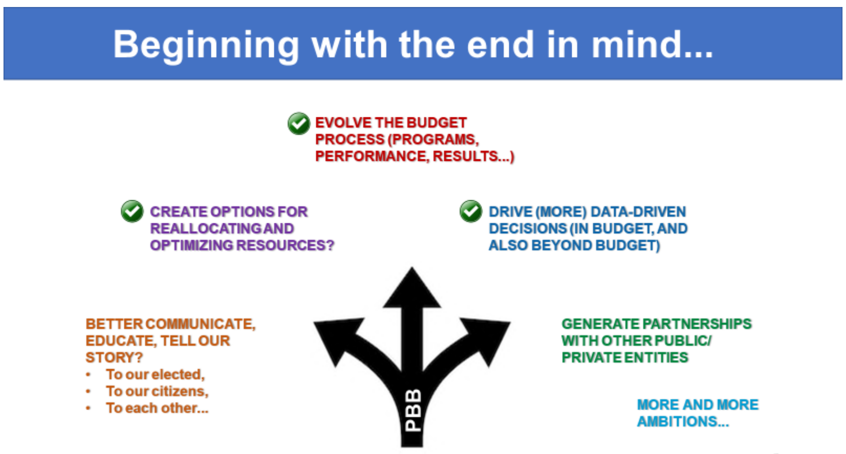


Ms. VonAchen said what does that look like going forward? We're calling this the Opportunity Investment Gap because it's an opportunity for us to start reinvesting in our community. Here's where we are now and if we were to start spending that $50M every year, but without the revenue—but revenue staying the same as we have, then it would look like this and this is that gap.

As you know, money coming in how it works. You know we have money coming in and then we pay for expenses going out. We need to keep the amount coming in equal or greater than the money going out. In order to achieve this opportunity investment, and we're going to get to it here, but we need to either increase our revenue base or reduce the cost that we're currently incurring in our basic expenditure budgets.

Just stepping back a moment away from the financial overview, I want to kind of reacquaint you with the PBB process. You know there are over 150 cities across the United States that have implemented priority based budgeting and there are a lot of lessons learned and every city is just a little bit different about how they implemented it. Many of them found themselves in this position where they have all this data and, you know, what do we do now. One of them is that we—what they've learned is that it's best to have a clear objective from the beginning. Determine what it is that we want to achieve. For example, do we want to use our priority based budgeting to better communicate to residents and educate residents and tell our story about what services we provide and so forth.

Do we just want to use it to balance our budget shortfall or do we want to create options for reallocating and optimizing our resources or do we want to do all those things.



What we thought would be best is to kind of start with the end in mind. These are the areas where as staff we think there is benefit in having priority based budgeting both for telling our story, for creating options for reallocating. Also, in addition evolve our current budget process so that it's not constantly—Aaron Wildavsky is a famous budgetary scholar and what he talks about is that—he wrote a book called The Budgeting, it's a political process and he's famous for incrementalism. That's what we're kind of doing right now. We're just taking what we did last year and adding on to it a little bit more, a little more; that's incrementalism.

Maybe we should try and think about evolving our budget process so that we're looking at each program and determining whether the program performs well and is it achieving the results that's intended.

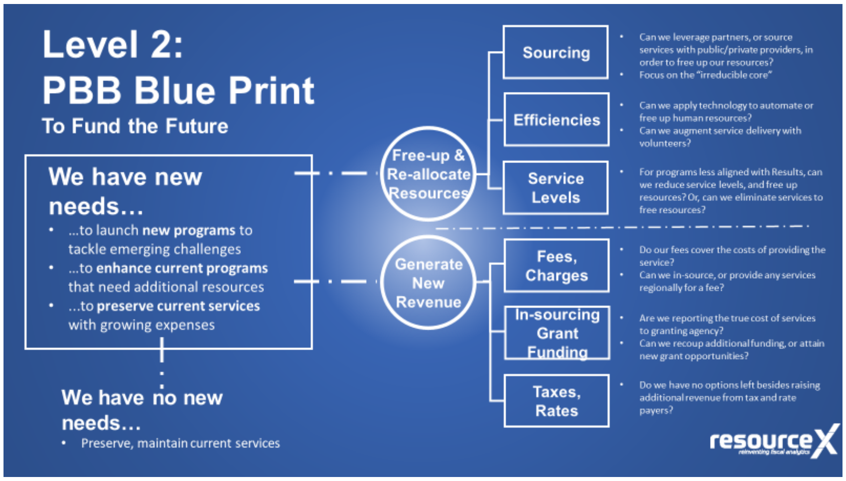
Then, adding data to our budget analysis so that we can make more informed decisions and maybe using the data beyond the budget process to other areas for performance and operations. Lastly, we have a whole pleather of non-profits organizations in Wyandotte who are very engaged in the community and engaging those people to get feedback from them is a possibility too as part of the PBB process. Of course, you know, we're going to be doing PBB for years and years; this is just the first year.

What they did figure out as part of those objectives we kind of came up with four different levels for PBB. Right now, this past year or so, we've been in this first level down here; Data Creation and Communication. Basically, we were creating the fundamental business intelligence of the programs. You know, the names, the descriptions, the costs, what kind of revenue does it collect and then applying program data to make decisions and now we're communicating it with you.

The next level is actually where we want to really focus on this coming year and that's Resource Reallocation and Maximization applying the blueprint which I'm going to talk to you about in the next slide and asking ourselves key policy questions, optimizing the money we have and reallocating it to higher priority areas. Maybe even funding new initiatives, maybe determining what is the future of every program. Those are things that we're going to be doing in the coming year.

I see us doing these other tiers in the future years. That's Fuel Resources Towards Results of Tomorrow which includes really visioning how we want to look into the future and then lastly, Leveraging all of your Community's Resources through our private/public partnerships.

These four levels, they don't necessarily have to be you do one and then you do the next. You can do them all at the same time, but taking a small bite at a time, we thought maybe it would be best to just kind of stick with this one for now and then talk about venturing into these other areas in the future.



Level 2, the key point in Level 2 is the PBB Blue Print. You know how TurboTax they ask you a question and depending on your answer it takes you to this other part and then so forth. That's what this is here. The question is, do we have new needs. I think we can all agree that we do have new needs. We want to launch new programs to tackle emerging challenges, enhance our current programs, and preserve the current service level. If we didn't have any new needs, then we could just stop right here and not do PBB altogether.

We do have new needs as that previous slide shows. We have about $50M a year in new needs, not including other new initiatives I'm sure all of you have in mind. Given that, there are only two ways to pay for those new needs. Either you increase the revenues which is these three areas—no, sorry. You either decrease the current expenditures or find additional resources through optimization of our operations or you find new revenues. You've got two choices.

On the expenditure side, starting from the top, to free-up resources or reallocate resources, we could actually explore how we're sourcing our current services. Either the UG—the whole government in general is very personnel centric and also we do procure a lot of services. So, can we leverage with other partners for some of these services. Can we enter into private/public partnerships or identify less expensive providers.

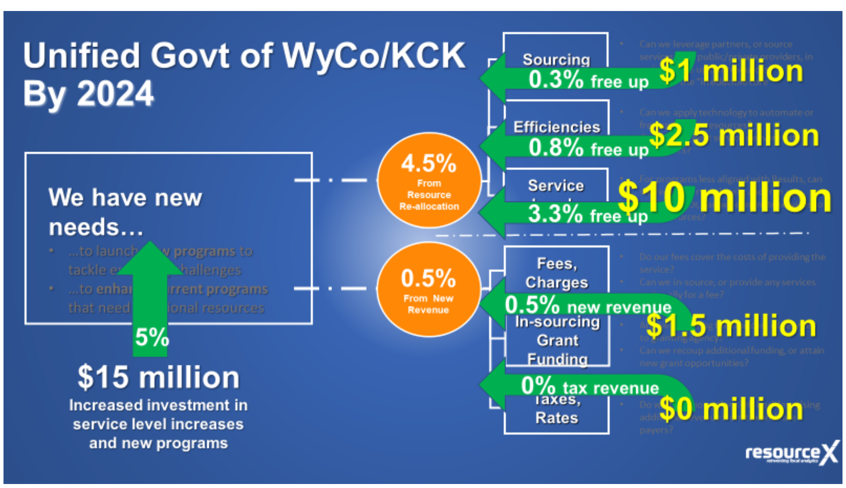
Efficiencies is an area that often is thought of that government generally doesn't work very efficiently. It is difficult to steer a very large ship, but with technology as it is now, there are great opportunities for finding efficiencies in our organization. Most of the efficiencies are related to what we've called those governance programs. The programs that we're talking about with you tonight are not governance programs. They're community programs. They are the services that are provided to our residents rather than governance programs which are functions and activities that occur within the government, like administration. We feel there are opportunities for becoming more efficient in our governance programs. That's where those efficiencies comes. I imagine there are some efficiencies that we could achieve also through—in the other community programs as well.

Service Level is the level of delivery of service and is what we're going to have you actually focus on tonight. For the programs that are less aligned with the results or our goals, can we reduce service levels or free-up resources, or can we eliminate services to free-up resources.

Down below here are the revenue side of it. The first one is charging charges for services and fees at a level that recovers the appropriate level of costs. There are many services where we charge residents for the benefit of that service and many of these programs are charging a far lesser amount than it actually costs to provide the service. So, are there opportunities for generating additional revenue by increasing that amount, not expecting 100% recovery, but some lesser amount that makes sense given that service.

The next one has to do with our reporting the true cost of services to our granting agencies, to maximize the amount of grant money we are receiving, and can we recoup additional funding or attain new grant opportunities.

The very last one, which we all hope is the last alternative, is that do we have no options left besides raising additional revenues through tax increases. That's one, of course, we would prefer to avoid.



The animation is just a little different than what I expected here. By the end of all the animation you're going to see what we have here is our expectation of the objectives we hope to achieve through priority based budgeting as the Unified Government. As I mentioned before, we have $300M roughly that we're looking at right now, not including the enterprises and we have $50M in needs. So, $50M in needs is going to be a lot to achieve and so what we are proposing, or what we have out here, is that we would like to identify $15M over the next three years. So, $15M in targeted either additional revenues through fees or through efficiencies or through service level delivery. Right off the bat, we are not and I'm including any kind of increase property tax or sales tax revenue due to increases in the rates of those tax revenues. We will generate additional revenue just because of increased assessed value or because of retail sales activity, but not a change in the rates of those.

Mayor Alvey said just to be clear, are you suggesting $15M per year or $15M over a three year period? **Ms. VonAchen** said well by the end of the third year, we hope to find $15M in reallocated resources. We're giving ourselves three years to get to $15M. **Mr. Bach** said so, that would be reoccurring. Once you hit that level you've taken $15M in expenses or some form of change so we recognize that kind of difference a year.

Commissioner Burroughs asked where did that $15M come from. **Ms. VonAchen** said we just decided 5% of $300M and we felt that it was something doable. **Commissioner Burroughs** said so that's a bar we've set for ourselves. We could actually accomplish higher than that if we would choose to do so. **Mr. Bach** said we kicked around 10%, we decided to put 5% on the chart tonight and say let's go for that. **Ms. VonAchen** said, and percent would be $30M. That seems pretty daunting. **Mayor Alvey** said but that would mean more services cut or changed. **Commissioner Burroughs** said I think if we're going to get into this exercise, if we set a bar too high and don't reach it, it could actually discourage us as to what we're doing and have a negative impact. If we could achieve our goal, especially in a first year, see that this does work and we have the buy-in of everyone and we start achieving numbers greatly, we can raise that 5% to whatever we choose to do. **Mr. VonAchen** said that's right. Maybe you will achieve the 5% in a year or two years, not three years, but you know it's our PBB, we can do what we want.

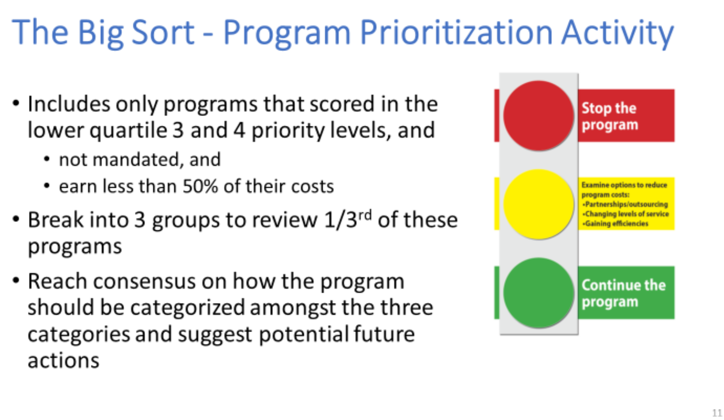
Commissioner Walters said just so I understand, the goal is within three years we will get 5% so we might go up 1.5% in the first year and another 1.5% or 2% the second year, is that right? **Ms. VonAchen** said yes, that's right.

Mayor Alvey said to be clear, I want to pick up that point, the 5% goal is not necessarily a regulator that prevents you from going higher, that if you start the process and you get to 5, it actually might be 6-6.5; we're not saying oh, forget the 5 and then we just stop at that level. The process is to show we're reaching for a goal here and we came up with a number to say what would this do for us. **Mr. Bach** said that's right on. It was let's build a goal and then we took it over here what she has just put out on the side and said okay, let's break that into these big categories of where we see this money coming from in order to reach that $15M. It's the big goal of 5% and it's not strict. We can go up above. We want to try to hit it and we do it in a reasonable timeframe, so things don't have to happen immediately and some of them, like she has, let's say we do fees or charges; that's $1.5M. Well, we just went through Park fees last year, that took us a year to go through that process. You move through each one of these, it takes awhile to move through different ones to get them where you want them to be for that output.

Kathleen, I'll just take your slide because I kind of like it. The sourcing, you know, it's where we take getting money from other partners and such like that, that we can come in and offset some of our expenditures by what we get either someone else to do that can do it cheaper, such like that. It's the kind of thing that comes back on staff where we're having to work through some of these different options.

Efficiencies, again, we take that back internal on the staff side. That's kind of our operations of our governance programs. We don't have those on the sheet of how we run Finance and Payroll; how we run those options because those aren't services we're providing to the public. That's saying our goal over these years is to cut $2.5M out of our expenses that we spend in those areas in order to run our operations.

Then you hit the biggie, and that's the $10M one to say okay, two-thirds of this goal is really targeted toward the services we're providing and we're throwing this exercise out here tonight to say okay, after we did our data analysis and we looked at the directives of the Commission, what your goals are and how you define those goals, from our staff perspective we're giving you what would rank out as the bottom 100 programs. There are others and we can get into all 300 plus programs, but I guess what we're trying to identify is, they're not the easiest ones to get to, but they're the ones that don't hit the high marks on getting your goals accomplished. If you look at them tonight and you go through and say, okay, these are areas to target to how we try to get to that $10M and I think with that, when I turn it to Molly, she is going to take us to the program, so we are ready to work tonight.



Molly Saunders, Shockey Consulting, said we are going to do what we call the Big Sort. We are going to go through and grant three groups and each group is going to get one-third of the programs that range in the third and fourth quartile. These are the ones that where (inaudible) with commissioners. We also pulled out programs that are mandated by federal (inaudible.) These programs are also the ones that recover (inaudible.) The total number of programs 300—**Ms. VonAchen** said 320 or something like that. **Ms. Saunders** said so, 320 total programs. We've got 80 tonight that are being divided. Each one will have different sets of programs and we have cards that have the name of the programs, (inaudible) programs like the mandated, what the demand of the community is (inaudible.) Also, (inaudible.) When you get to your group and we're going to number off (inaudible) and you're going to take turns one by one reading about the program, what it cost and then as a group you're going to decide where you (inaudible) programs (inaudible.) Maybe we need to do this (inaudible.)

What we want to do here—this is not a decision-making exercise. I don't want anybody to think (inaudible.) There are $20M worth of programs so if we just threw away half of them, I would be (inaudible). That is our activity. What we're going to do is break into three groups and

I want the commissioners to number off 1, 2, 3 and then you'll have Melissa, Emerick, Gordon and Alan split up among the groups.

PBB PROGRAM SCORING AS 1/30/2020
ALL COMMUNITY PROGRAMS

Prog #	User Group/Dept	Program Name	Peer Quartile	Peer Final Score	Cost	Demand	Mandate	Population Served	Recovery of Cost	Reliance on Govt/Providers	Program Description
7220	Urban Planning & Land Use	Long Range Planning	1	84.26	$ 292,017	5%-14% change	Code, Ordinance, Contract	Entire community (100%)	No fees/revenues	Sole provider, but other govtal/non-profits	Historic Preservation Inventories, minor projects like the 6th Street Complete Street Plan and Bike/Pedestrian projects funded thru the Mid America Regional Council. Serves on Mid America Regional Council Technical Forecast and other long range planning committees. Assists with other long range planning efforts in areas such as Transit, Parks and the CMIP.
47	Transit	ADA Paratransit	1	80.56	$ 4,331,673	5%-14% change	Federal or State	Some portion (25%)	Fees 1%-24% of costs	Sole provider, but other govtal/non-profits	Federally mandated complementary paratransit service for ADA certified customers
203	General Services	Stabilization, Occupation, and Revitalization (SOAR)	1	78.70	$ 781,287	No change	Federal or State	Some portion (25%)	No fees/revenues	Sole provider; no other offered	Daily assortment of tasks such as filing court papers, serving legal documents, and document retrieval. Their principal job is to deliver or "serve" legal documents to a defendant or person involved in a court case. After serving any legal documents, process servers have to deliver actual evidence that the legal papers were served.
136	Fire Department	Fire Prevention Program	1	77.78	$ 1,337,803	No change	Code, Ordinance, Contract	Entire community (100%)	No fees/revenues	Sole provider; no other offered	The Division of Fire Prevention is supervised by the Office of the Fire Marshal. The division has three functions: Fire Prevention, Fire Investigation, and Community Safety/Public Education. The Inspections Unit is responsible for enforcing state and local ordinances regarding fire codes, the storage of explosive and flammable materials, the installation and maintenance of fire extinguishing/detection systems, and the means and adequacy of exits in all places of business and assembly. The Inspections Unit is responsible for the review of new construction plans to ensure compliance with applicable codes, and inspections of schools, multi-family, commercial, industrial, and institutional occupancies. The Fire Investigations Unit is responsible for conducting fire investigations and determining the origin and cause of a fire. If a fire is determined to be intentionally set, investigators will work with local and state law enforcement and the prosecuting attorney to administer justice to those responsible.
7219	Urban Planning & Land Use	Current Planning	1	74.07	$ 796,724	1%-4% change	Federal or State	Some portion (25%)	No fees/revenues	Sole provider; no other offered	Case review for all planning and zoning submissions (commercial building permits, next requests, business license review, zoning, variances, special use permits, historic preservation review, subdivision, vacations, plan review and minor code amendments) and Development Review Committee.This function is required by various sections KSA 12-100 thru KSA 21-1300 related to communities that have adopted master plans and zoning ordinances. These are reflected in Chapter 27 of the Municipal Code. Additionally many times this is the first contact point for persons entering the development process. The zoning code is currently being rewritten to facilitate better customer service and responsiveness thru innovative zoning techniques and new streamlined procedures.
85	Economic Development	Economic Development Program	1	73.15	$ 1,169,961	5%-14% change	Code, Ordinance, Contract	Substantial portion (75%)	Fees 50%-74% of costs	Sole provider; no other offered	The Economic Development Program provides assistance to businesses that want to locate or expand in Kansas City, Kansas. The local assistance includes: Neighborhood Revitalization Property Tax Rebate, Tax Increment Financing, Industrial Revenue Bonds, Brownfields Assessment Assistance, Sales Tax Revenue Bonds, Community Improvement Districts, Economic Development Exemption, and other tools and incentives as needed.
91	Fire Department	Fire Suppression	1	73.15	$ 16,312,581	15%-24% change	Federal or State	Entire community (100%)	No fees/revenues	Sole provider; no other offered	Maintain effective firefighting force throughout the city
173	Economic Development	Land Bank	1	72.22	$ 475,019	5%-14% change	Code, Ordinance, Contract	Small portion (10%)	Fees 50%-74% of costs	Sole provider, but other govtal/non-profits	The Land Bank oversees vacant lots acquired through the county tax sales and donations. Putting delinquent tax properties back on the tax roll through various strategies that benefit the community. Through the rehab program properties with abandoned structures are rehabilitated to improve the neighborhoods and increase property values.
7160	Parks & Recreation	Parks Maintenance	1	72.22	$ 1,814,309	15%-24% change	Code, Ordinance, Contract	Significant portion (50%)	No fees/revenues	Sole provider, but other govtal/non-profits	Maintenance and upkeep of City and County Parks
170	Transit	Fixed Route Service	1	71.30	$ 721,630	1%-4% change	Best practice	Some portion (25%)	Fees 1%-24% of costs	Sole provider, but other govtal/non-profits	Service operated along a prescribed route according to a fixed schedule.
4117	Public Works	Sidewalk Repair	1	71.30	$ 363,523	5%-14% change	Best practice	Some portion (25%)	No fees/revenues	Sole provider, but other govtal/non-profits	Rehab of sidewalks and removal of trip hazards
4101	Public Works	Maintenance- Flood Pump Station Operations and Maintenance	1	70.37	$ 3,984,250	5%-14% change	Federal or State	Significant portion (50%)	Fees 75%-100% of costs	Sole provider, but other govtal/non-profits	Reliable Infrastructure- Operate and maintain flood pump stations to help minimize flooding. Offers a high level of service, affordability, and efficiency to stakeholders. Ranked 4 by previous peer group, we kept the ranking.
4105	Public Works	Maintenance- Building Maintenance, Flood and Storm Pump Stations	1	70.37	$ 582,680	1%-4% change	Federal or State	Small portion (10%)	Fees 75%-100% of costs	Sole provider, but other govtal/non-profits	Reliable Infrastructure- Maintain flood and storm pump stations buildings.
4097	Public Works	Environmental- Industrial Pre-treatment Program	1	69.44	$ 1,112,696	5%-14% change	Federal or State	Substantial portion (75%)	Fees 75%-100% of costs	Sole provider; no other offered	Reliable Infrastructure- Collection and treatment- limits what can be put down the sewers by industries which may impact the treatment plant process.
7180	Transit	Senior Paratransit	1	69.44	$ 182,701	5%-14% change	Best practice	Some portion (25%)	Fees 1%-24% of costs	Sole provider, but other govtal/non-profits	Paratransit service for those not able to use the regular transit routes due to their age.
296	Fire Department	Fire Support Service Program	1	69.44	$ 1,856,701	1%-4% change	Code, Ordinance, Contract	Some portion (25%)	No fees/revenues	Sole provider, but other govtal/non-profits	Cost associated with maintaining all Fire Department buildings, fire IT, maintain and upgrade the CAD and RMS system, coordination and maintenance of all communication services including internet, phone service, data service, radio equipment, etc... Support for necessary Fire/EMS IT services and to keep all station networked
4100	Public Works	Maintenance- Sanitary Pump Station Operations and Maintenance	1	68.52	$ 6,430,605	5%-14% change	Federal or State	Small portion (10%)	Fees 75%-100% of costs	Sole provider, but other govtal/non-profits	Reliable Infrastructure- Operate and maintain sanitary pump stations as need to meet all required regulations. Offers a high level of service, affordability, and efficiency to stakeholders. Ranked 4 by previous peer group, we kept the ranking.
4111	Public Works	Street Sweeping	1	67.59	$ 871,375	5%-14% change	Code, Ordinance, Contract	Entire community (100%)	No fees/revenues	Sole provider, but other govtal/non-profits	Mechanically removing roadway settiments, preventing them from entering the storm water system. Increased cohesion sweeping after parades, events, more frequently
4083	Public Works	Collections- Inspections	1	66.67	$ 750,747	15%-24% change	Federal or State	Small portion (10%)	Fees 75%-100% of costs	Sole provider, but other govtal/non-profits	Reliable Infrastructure- Perform inspections and condition assessments as need on existing infrastructure. Inspectors are often the first and only line of communication to stakeholders and property owners.
4084	Public Works	Collections- Sanitary Sewer Maintenance	1	66.67	$ 7,691,897	15%-24% change	Federal or State	Small portion (10%)	Fees 75%-100% of costs	Sole provider, but other govtal/non-profits	Reliable Infrastructure- Perform preventive and corrective maintenance on the sanitary sewers. Offers a high level of service, affordability, and efficiency to stakeholders. Ranked 4 by previous peer group, we kept the ranking.
7145	Parks & Recreation	Community Centers	1	66.67	$ 1,440,813	5%-14% change	Best practice	Some portion (25%)	Fees 1%-24% of costs	Sole provider, but other govtal/non-profits	Operations, Maintenance and Upkeep of Community Centers
4112	Public Works	Street Preservation Pothole/Curb Repair	1	66.67	$ 3,691,840	15%-24% change	Best practice	Entire community (100%)	No fees/revenues	Sole provider, but other govtal/non-profits	Pothole Repair, Curb Repair
118	Police Department	Police Communications	1	66.67	$ 5,151,296	No change	Best practice	Entire community (100%)	No fees/revenues	Sole provider, but other govtal/non-profits	Dispatch center; receives incoming emergency calls and dispatches appropriate/available personnel in a timely manner
319	Public Works	CMIP Engineering/Design Svcs Capital	1	66.67	$ 296,942	15%-24% change	Charter or Regulation	Substantial portion (75%)	No fees/revenues	Sole provider, but other govtal/non-profits	Program is responsible for the planning, budgeting, design, construction and monitoring of public infrastructure assets including; streets, curb and gutter, storm drainage, bridges, traffic signal, pavement marking, etc. Without this internal program, all projects would have to contracted out to an engineering firm at nearly triple the cost.

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Commissioner Burroughs said you have the sheet in front us, the projects, could you explain the final peer score was set by the department as the responsibility for offering that service? **Ms. Saunders** said there were multi levels of service (inaudible).

Reginald Lindsey, Budget Director, said there were departments that scored themselves and then there were also peer groups across the organization which consisted of like five people in each group from across the organization. **Commissioner Burroughs** said and they chose to put these items out first. They didn't recommend them, they just scored them, they didn't recommend to eliminate them. **Mr. Lindsey** said it was just a scoring process. There was no recommendation. **Commissioner Burroughs** asked what's the highest score. **Ms. VonAchen** said these scores are a composite because each of those peer groups was assigned to a strategic goal, so we have one for health, one for public safety and then the basic program attributes was all weighed, and they came up with that composite score. The number one in quartile 1 which is a handout we included in the email, the number 1 was Urban Planning Long Range Planning.

Commissioner Burroughs asked what peer rate did it get. **Ms. VonAchen** said which only cost $292K. They got a peer final score of 84. **Commissioner Burroughs** said I'm trying to find a mean point here. If we're going to look at the 3rd and 4th quartile and these are the low-hanging fruit of what we want to do, correct? **Ms. VonAchen** said that's right. **Commissioner Burroughs** said if we wanted to cut to the chase, any program that under a 25% quartile could be eliminated—**Ms. VonAchen** said that would be quartile 4. **Mr. Bach** said from strictly a data analysis perspective, that's how you would do it. **Commissioner Burroughs** said yes, so the next question I would have, could you explain the mandate, the column on mandate and the change? I see a 5% to 14% change. Just what does that mean? I want to be fair to the program.

Commissioner Johnson said let me jump on that. Can you explain all the columns? **Ms. Saunders** said let's (inaudible) the spreadsheet with columns. **Ms. VonAchen** said we would be happy to explain it. **Mr. Lindsey** said the demand is basically what we are anticipating the demand will be in the future. If the demand is no change, we mark it no change and then if we're expecting like a 5% to 14% change in the future, we mark it as a 5 to 14% change. **Mayor Alvey** said and those are all increases? **Mr. Bach** said yes. That means if—you know if you look down here, the third one down, Wyandotte Economic Development, we think they're going to keep coming. That's an area that's been growing because based on where it's been, so if we fund that program and we keep funding it, we're probably going to be putting more money into it each year.

Ms. VonAchen said there were also options to demonstrate a decrease in demand but actually I don't think anyone picked (inaudible.)

Mr. Bach said the mandate code and ordinance, that's one Molly already spoke to somewhat where we've taken out the mandate areas where we don't control them. This just shows whether—now these, you're going to see it's our code, our ordinance, our contract, but we control those versus it's not a state or federal—none of these should have the state or federal mandate. We tried to take those off the list or just best practices of operation.

Commissioner Bynum said the peer finals four column, these are ranked from highest scoring to lowest scoring, is that correct? **Ms. VonAchen** said that's right. **Commissioner Bynum** said for the 3rd and 4th quartiles.

Mr. Bach said population served, do you want to explain how that is factored Reggie. **Mr. Lindsey** said basically what that is telling is who served in the population as far as in our community, so if you had 50% of the people served, it got a score for that. If it was less than 25%, it got a score for that. **Ms. VonAchen** said it's actually based on the entire residents. So, if you have transit program for seniors, then it would be the percentage of the population of seniors relative to the entire population. **Commissioner Burroughs** said thank you for that clarification.

Commissioner Bynum asked do all of the columns cost demand mandate population, etc. roll left to the score. **Ms. VonAchen** said they do, and they actually have a lower weight than the strategic goals, the seven strategic goals, which are Public Safety and Health and such, but we provided this information here mainly because it's kind of informative about the program. Then, we have the program description here.

Commissioner McKiernan said you know this is something that we've discussed before. I'm find with this, this is great, we're going to have a good session tonight, but I think we would get more value out of this if something this thick and meaty with such a volume of information in it was presented to us ahead of time with an explanation of the data that we're looking at. If we can come pre-prepared, we can have a more productive meeting once we get here than trying to sit and digest okay what does this column mean, what's the definition of that, how does this work; because we're going to necessarily spend some of our time tonight getting into the mechanics of this which leaves less time for decision-making. I'm just going to suggest that in the future, and I get it, this is a ton of work and your working up until the last minute, but if we can provide this at all in advance, I think it would be very beneficial. **Ms. VonAchen** said we were happy to do that, but we're a little concerned that it might actually cause more confusion. This is just a beginning session and I look forward to having lots of future ones in the future. I understand absolutely Commissioner.

Ms. Saunders said (inaudible), again, we will have staff for questions and be kind of the starting point. Any other questions?

Commissioner Townsend asked will staff have a listing of our priorities if we're going to at some point maybe want to compare what's here, the data, as to whether we want to do 1, 2 or 3 and how they line up against what we said we're trying to do strategically. **Ms. Saunders** asked you mean with the goals. **Commissioner Townsend** said right. **Ms. Saunders** said I can't speak to the future process, but these had a line to the goals. This (inaudible) and after tonight staff will be able to show how we (inaudible.) **Commissioner Townsend** said I'm just saying tonight, will someone have available just the goals? **Ms. VonAchen** said we can put it up on the screen. **Commissioner Townsend** asked are we all going to be here in these groups. **Mr. Bach** said no. We'll get a copy for you, whatever room you're in.

Commissioner Johnson asked did we cover recovery of cost and reliance on government. **Ms. Saunders** said no, (inaudible.) **Ms. VonAchen** said keep in mind it does not include tax revenue. It's just fees and fines or permits or licenses. **Ms. Saunders** said the question of reliance is the UG's only provider or other providers that easily access (inaudible) that are difficult to access.

Ms. Saunders said I think we can number off.
<u>Break out groups – 5:45 p.m. to 6:30 p.m.</u>
Group 1 – Melissa Sieben
Commissioner Philbrook
Commissioner Markley
Commissioner Townsend
Commissioner Bynum

Group 2 - Gordon Criswell
Commissioner Johnson
Commissioner Kane
Commissioner Burroughs
Commissioner Ramirez

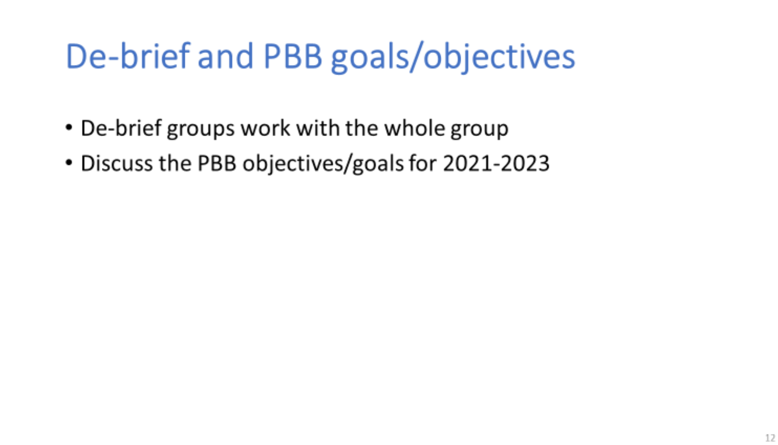
Group 3 – Emerick Cross/Alan Howze

Commissioner Walters

Commissioner McKiernan

Mayor Alvey

Ms. Saunders said Group 1 will be staying in here at this table. Group 2 will go to the backroom here and Group 3 will go to the conference room.



Ms. Saunders said it all looks like you had great conversations in your groups. I would like to debrief a little bit about what the experience is like, but first I want to go over what did the groups come up with as savings. Let's go with Group 1 first. **Commissioner Bynum** said $18K. **Ms. Saunders** said Group 2. **Commissioner Kane** said $98K. **Ms. Saunders** said how about Group 3, what was the final tally? **Commissioner Walters** said $426K. **Mayor Alvey** said we'll carry the weight here. **Commissioner Kane** said it's a good thing the camera's aren't turned on.

Ms. Saunders said in this exercise we had all of the programs that are ranked 3 and 4, so less aligned with your goals and it looks like we came up with a little less than $600K in savings. We were talking earlier about finding $10M in savings in Community Programs, $15M over 5 years. It was 10 in Service. This is what we came up with on this. Let's talk about what this whole prioritization experience like.

Commissioner Philbrook said of course complicated, but the reason that we only had $18K savings is because we threw most of ours into a cost-saving pile and decided there are a whole lot of things we could do with those to get OPM, other peoples money, look at the program, have people play well with others, cut down on the silos; things like that. **Ms. Saunders** said I think I saw the word share written on your—**Commissioner Philbrook** said yes, share.

Mayor Alvey said one of the things that occurs to me is when we were going through the programs, looking at them and saying if this were Overland Park, going through the same kind of exercise, and they were looking could we reduce this, well this would be something perhaps we could get not-for-profits to work on, there would be other partners. They have resources. So many of the programs that came forward to us were services for people who simply don't have the means to provide for themselves. I would bet that from what I have seen of the budget process over the years is, especially after the great recession, so much was cut and not restored because the resources weren't there, we're already starting from a lean position. It forces the question, if we—we'll do what we can and it's certainly a good exercise to go through and see if these are the right priorities and we're doing these well, but ultimately, we're in a different position. Twenty percent of our population lives at the poverty line or below. That's not a problem that many communities face.

Commissioner Markley said I think part of the question with those programs that I would pose though, are there non-profits that are better structured and would spend those same dollars and have a better impact because they're already set-up and their purpose is already established to handle that, whatever it is, that specific type of program. I think there are some things that probably are something that are going to end up in our lap because for whatever reason there isn't anybody else providing that service or no one else doing it, so it needs to be done for our populous. I think there are some programs that we're providing this tiny little piece of the pie while non-profits are providing the entire rest of the pie and those non-profits are probably better positioned. We would be better off giving the non-profit half of what we're spending, and they would still have the same impact that we're having because we're spending all this money trying to figure out how to do something that the government is not well-structured to do.

Commissioner Bynum said I would just like to quickly balance that a little bit by saying that if we look at that as a tactic, we want to make sure that we research that first and not just assume that there is a non-profit out there doing A, B or C but that we actually do the work to find out if that's true. **Ms. Saunders** said to find the best one.

Commissioner Burroughs said you could go to a block grant formula, you add all of those social services up and if it totals $10M over within our budget, you could set-up a 10% block grant and have those not-for-profits that want to provide those services apply for that block grant. Whoever gets the first portion of that $1M for that year provides those services and if they can't provide them, we'll know from the community input that we get from the them. We pull the next year, they don't get the grant and we found an inefficient organization. It's a good way for us to cut our costs but denying the services. We can't be all things for everybody. If somebody thinks we'll do it and it's not going to cost them anything, the organization, they'll let us do it. If an organization has a chance to get a portion of that revenue from us and provide the service—I would just recommend maybe a block grant fund of money that we can set-aside and even though we cut that from $3M and cut it down to $1M. Let them try it. It's not our fault, not that we're insensitive, just a different way of looking at how you provide those services.

Commissioner Walters said we had some categories that kind of made us scratch our heads a little bit. We couldn't imagine why these would be rated threes and fours like basic maintenance, radio upgrades, things that we think that it's pretty irresponsible not to do. There might have been a little bit of a disconnect between what we were reading off the card and what evidently the raters considered those programs to be.

Commissioner Townsend said I would have to second that. In our group maybe it was a definitional or a problem with the definition, but things I might have thought were red when I looked at them with a question mark. Once they were defined there were things that fall certainly within our goals which is why I wanted to have this in front of me and there weren't options for them, for someone else not to do them. Definitions of making sure before we do any cutting or when we're looking at possible efficiencies that we really know by definition what these services are and what other options might be available if any.

Ms. Saunders said clearly defining things and what are the alternatives, specifically that will replace this if we do some other method of providing it.

Commissioner Kane said I've got to agree with Commissioner Walters about the threes and fours and Commissioner McKiernan about I want more than 25 minutes to do this project. We had a good group, lots of discussion, we put a lot on the new commissioner. Give us the information, let us think about it for a day or two and then give us 1.5 hours so we can come back in small groups and then be in the bigger group for a longer period of time and go through what each group was looking at and say why you want to stop Christmas. I think the funny part about that—it's good to know it cost that much money and the committee loves it, but if you're new and you see how much that costs, you're like oh and then of course you want to tell your committee I don't want to do it and he didn't. That's what I mean, I want to be able to share what each group did, have time to think about it and this is going to sound funny coming from me, I wouldn't mind seeing more of this more often if we had the time because staff needs to know what's important to us. Some of it is more important to us or less important to us. Somebody said something about us paying for the walking guards for the schools. In a way, why do we pay for that, and I would like to see more.

Ms. Saunders said all of them, more programs, is that what you mean? **Commissioner Kane** said I want to see some more stuff that we're at and like we saved $98K, I want to know why they saved $426K and he said I'm going to like it and that's really going to make me look at it harder. I liked this today. I just wish that we had more time.

Commissioner McKiernan said one thing that I asked a couple of times in our group, some of the cards as I looked at that and I said is this artificially extracted from some larger hole. There were a couple of things we looked at and it's like okay that's probably 50% of somebody's job and our success in saving that money is going to be can we recombine the other services that that person does in some meaningful way. It seemed like a couple of them were artificially extracted from a bigger hole and then it's problematic or potentially problematic.

Commissioner Markley said we had the same thing where there were some sort of maintenance related activities that we were like why do we have this little piece of maintenance over here and this little piece of maintenance over here and this little pieces of maintenance over here and would we find efficiencies if we treated those as one program.

Commissioner Philbrook said there was also the questions around money coming into that program or that activity. No, the grant money and all that stuff wasn't included in this, well then that doesn't tell us anything. We need to know the whole picture. We need to know where all the monies coming from for this product or whatever we're doing, not just out of the budget in a particular way. We want the whole thing. Is it who we're getting grant money for this, are there several different grants that are key in that, are there several different departments that we're getting money out of. **Commissioner Markley** said yes, and like the Tag Unit, we didn't know—if the Tag Unit is costing us a certain amount, but it's also bringing in a certain amount, it would be useful to know. **Ms. Saunders** said you didn't know what the net was. **Commissioner Markley** said right. **Commissioner Philbrook** said so we sent out—so, the Sheriff goes out and they write these people up and if they don't get a new tag, they'll tow their cars. So, how much money are we making off tags when they have to retag. You know, that's money coming in from an activity we did, so things like that.

Commissioner Burroughs said we had one where we didn't feel we were spending the right amount of money, enough money to make an impact with the program. So, do you stop it, or do you properly fund it and it was really about landscaping. You know, take care of our trees and the flower bushes and stuff like that, but is it enough to make an impact that people take pride in looking at what we've put out there. Do we need to put more in, or do we just need to stop it. These are the decisions we have to make. If we're going to waste $100K and not have an impact in the community with flowers or trees, which I think are extremely important, but if we're going to do it, then let's do it if it's a priority. If it's not a priority, then I just soon move that money to services or something like that and we'll just be a concrete jungle.

Ms. Saunders said so you didn't have the option of let's put it in and keep doing it plus or stop. I mean that's kind of where you all were. **Someone** was inaudible. **Ms. Saunders** said that's kind of a different bucket like we only want to keep doing this if we can do it to this level and if we can't, then let's not do it at all. **Commissioner Burroughs** said through the savings those programs will percolate to the top; through the savings and efficiencies. If we wanted to add more money to that and the benefit from that would actually be a brighter community, a community that people enjoy being around that are dressing up our trails. Other issues that come before us and can be a partner with that to show a goodwill by the community that we take pride in what we have here.

Mr. Bach said I think for me there are a couple of things that come and I realize various things come into this as you guys are to it, but one thing as you go through it—you know, as we looked at the rankings and the quartiles and how they come out, there were very few things you looked at and said we shouldn't be doing that and that's a pretty big statement. It's not like, okay, there's $20M on this sheet—well, because there's always a little bit of that. We're doing a lot of stuff we shouldn't be doing, and I think that kind of demonstrates that your $550K worth of things and had that been reported out in the group, there might have been seven or eight other people that didn't agree with the four of you or the three of you that were at table too. That's a big statement right there and I realize spending more time working through other issues, but it's not that you looked at this whole list of 80 of our lower quartile programs and said it has no place, the government should not be doing that at all; only a couple of them.

I think your other point about submitting more time to it, we would love to. As the Mayor said when we started, this is a retreat type thing. This is one of those things where you could easily spend 4 or 5 hours just on this and if we pulled the other—you know if we did 320 some cards and pulled them out here, you can spend a day doing this kind of thing.

I had my management team work through a similar exercise on it and these are painful things. They came up with different levels. There are things you know they can cut with it easier because they're looking at it more from just practical side of should we do it or not, not does the community need it type of thing, it's getting into it.

We definitely could bring it back and do a much more involved exercise with all this, but it does evolve. It's not a workshop time between 5 and 7 to get into this. We would have to commit if we're going to dig into this thing and on a Saturday.

Commissioner Burroughs said you know, Doug, I wouldn't be remised to give up my personal time because I truly believe this is important. I don't believe there's a commissioner here that doesn't want to help get us back on fiscal stability. Might I suggest if we want to do a day and really drill down and get serious about this and expedite this process, our time is valuable and our weekends we're all burden through the week with stuff, but if we wanted to do a weekend, I would make myself available. We've got hotels here in our own community where we could go home in the evenings and work from whatever, you know one in the afternoon until seven at night, have dinner as a group and then hit it the next day and pound it out again and see if we can set a goal for ourselves. I agree with Mike. I really think that exercise was very beneficial but it's just the very beginning. It's not going to get easier. This gives us a starting point but I'm excited to see my friend in his suit over there this evening. I think we all should probably sit down and give more than just 45 minutes to something like this, this is very important.

Commissioner Walters said I agree with everything Tom just said. I think we as commissioners would all be really helped by doing a more in-depth analysis. I do want to say though, the premise of this, as Kathleen suggested at the start, we need to look at this. Look at these efficiencies and consider these revenue issues because there are a lot of things we need to spend money on. I think the analysis would have been exactly the same if our goal had been we need to look at all this stuff because we need to reduce the tax burden on our citizens. It's a different side of the same coin, that's why I think the process is extremely valid and I second doing more of it.

Ms. Saunders asked any further comments. There were none.

Mayor Alvey said thank you for your presentation.

MAYOR ALVEY ADJOURNED
THE MEETING AT 6:50 p.m.

Bridgette D. Cobbins
Unified Government Clerk

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