

STATE OF KANSAS                    )  
WYANDOTTE COUNTY            )) SS  
CITY OF KANSAS CITY, KS )

SPECIAL SESSION, THURSDAY, MAY 7, 2020

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, May 7, 2020, with eleven members present on line: 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 (arrived at 5:10 p.m.); 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; Gordon Criswell, Alan Howze, Melissa Sieben, Emerick Cross; Assistant County Administrator's; Terrie Garrison, Interim Director of Public Health Department; Juliann VanLiew, Manager of Planning & Operations in the Health Department; Dr. Allen Greiner, Local Health Officer; Dr. Erin Corriveau, KU Medical Center/Deputy Health Officer; Chief Michael Callahan, Fire Department; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Deasiray Bush, Management Analyst in Budget Dept.; and Alley Porter, Commission Liaison.

**MAYOR ALVEY** said before I call the meeting to order, I want to announce that due to COVID-19, we have individuals attending by way of conference call. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure that you announce yourself by name and title every time you speak so that the public participating knows who is speaking. This is critical given the number of remote participants in his current guidance from Kansas Attorney General.

**MAYOR ALVEY** called the meeting to order.

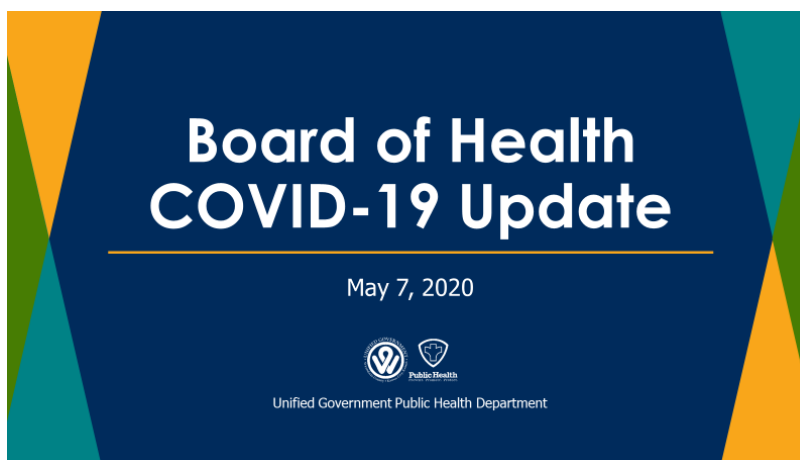
**ROLL CALL:** Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Ramirez, Kane, Markley, Alvey.

**NOTICE OF SPECIAL MEETING** of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, May 7, 2020, at 5:00 p.m. for the ReStart WyCo, Fire Station location follow-up, and the first Budget Workshop . Due to COVID-19 the public will be able to observe or listen to the meeting live on YouTube or UGTV or through ZOOM.

**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 we are having an update regarding ReStart WyCo, the continuation of the Fire Station discussion, and our first Budget Workshop. I will turn it over now to Mr. Bach.

**Doug Bach, County Administrator**, said the first thing I guess is our update with what's going on with COVID. We will start with that this evening. I will turn this over to our Interim Director of the Health Department, Terrie Garrison is all masked up there in the situation room with, I assume, a few additional people in the room, that are probably all wearing masks at this point.



**Terrie Garrison, Interim Director of the Health Department**, said welcome everyone to the continuation of the COVID-19 update.

## AGENDA

- Data update
- Stay at Home Order/Phased re-opening



Tonight, it's going to be fairly short at least on the update of the data. We will give you a little bit of a data update and spend most of this evening talking about the stay-at-home orders and then the phased reopening. That will be where we spend most of our time this evening.

## COVID-19 Update

| INDICATOR          | KANSAS | JOHNSON COUNTY | KANSAS CITY, MO | WYANDOTTE COUNTY |
|--------------------|--------|----------------|-----------------|------------------|
| Positive cases     | 5,734  | 548            | 669             | 933              |
| Deaths             | 144    | 45             | 16              | 64               |
| Rate (per 100,000) | 197.13 | 93.59          | 138.96          | 567.71           |

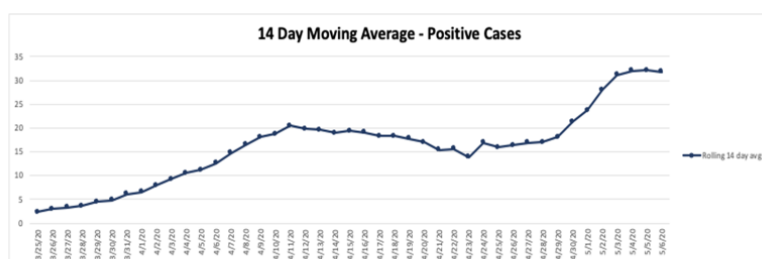


First off, the update on our data. In Wyandotte County we have 933 positive cases and that's compared to Kansas City, MO at 669, Johnson County at 548, and the State of Kansas as a whole at 5,734. The number of mortalities within Wyandotte County is at 64 compared to Kansas City, MO at 16, Johnson County at 45 and, of course, the State of Kansas as a whole at 144. Again, as we have said in the previous presentations, what we really want to look at is rate—the public health—we look at the rate per 100,000 population. Again, Wyandotte County is about four times as much as any of the other—of the state or the other two surroundings areas within our community.

Next, Juliann VanLiew will be talking about we're starting to look at the rolling averages of our cases and our mortality.

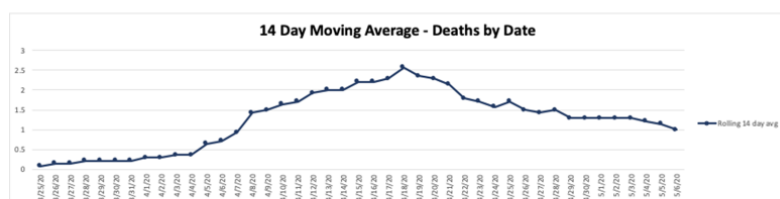
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## Rolling Averages: New Cases



**Juliann VanLiew, Manager of Planning & Operations in the Health Department,** said just a couple new data points that we haven't shared with you previously and these are becoming more important as they're part of our criteria for moving from zone to zone as we gradually reopen. Rolling averages are important because we want to make sure we're making decisions truly based on trends and not on flips that we may see. On a daily basis we'll see case numbers go up and down. There's some variability there, but we want to kind of look at those long-term trends. We're looking at 14-day rolling averages, so every data point that's on that graph represents an average number of positive cases from the previous 14 days. What's important here, you can see that in the last few days we are trending upwards. We believe that part of this is due to our continual increase in testing, so we will be paying really close attention to this as the amount of testing we're doing kind of levels off and as we kind of stabilize in terms of how many people we're testing. We will be paying close attention to this indicator in particular.

## Rolling Averages: Deaths



Our rolling averages for deaths are actually downward trending a little bit. We've kind of come out of the Riverbend incidents for the most part. We continue to see kind of a death or two a day unfortunately, but it's really come down over the last couple of weeks, so that's good news.

## Testing Update

- Walk-up testing at the UGPHD:
  - 1-5pm, Monday –Friday
  - 971 to date (32% of resulted = positive)
- Pop-up testing sites in the community
  - Vibrant Health: 5 days/week (up to 100/day)
  - Swope
  - Dates/locations on the Hub page



Lastly, before we start to talk about the ReStart WyCo stuff, just a couple of updates on testing. We continue to test at the Health Department. We now are conducting pop-up testing in the community five days a week with up to 100 tests available for each of those pop-up sites which is great. We continue to put those out on our Hub page. We also did want to note that the Walmart, both in Bonner Springs and the one out on Parallel in Piper, will be starting testing in their parking lot on the 15<sup>th</sup>, so we've been working with them to provide some guidance. We're also in continual talks with the Parks Department about doing a pop-up testing site at the George Meyn Center as well. We're trying to continue to make sure that we're reaching all parts of our community as we do this pop-up testing.

Now, over to Dr. Greiner to talk about the ReStart WyCo.

**Dr. Allen Greiner, Local Health Officer,** said I think probably everyone has seen the ReStart WyCo document and knows about the committee that came together and helped guide us in that process. I think you're aware a lot of work, time and effort went into that and there still are imperfections and things that need clarity, so we're working hard to have a business specific part of the 3-1-1 line that's setup shortly with a whole lot of frequently asked questions type documentation to help with clarity there. There will be more to come on all that.

## Stay at Home Order: ReStart WyCo

- Current Stay at Home order for Wyandotte County will be extended through **May 10, 2020**
- Transition to Red Zone: May 11, 2020
  - Provides time for us to monitor trends and ensure COVID cases are decreasing before moving to the next zone
  - At least 2 weeks in between zone changes



I believe folks are aware, midnight May 10<sup>th</sup>, so this Sunday the current stay-at-home order for Wyandotte County will expire and we go into what we're calling the red zone on the 11<sup>th</sup>. Our plan is to monitor trends in the things Juliann just showed us cases, hospitalizations, deaths and then wait at least a full incubation period, so 14-day time period before we make a full firm decision that we can make the zone change from red to yellow.

## ReStart WyCo: RED ZONE

- Slight re-opening
- Difference between "Stay at Home" and "Red Zone"
  - **Continued highest caution for vulnerable populations**
  - No change for essential businesses and nursing homes
  - Other businesses (offices/manufacturing): May open, but encourage work from home, social distancing/hygiene are key
  - Retail open, but only allow for curbside pick-up/delivery



The red zone itself, there are some differences between the stay-at-home and the red zone. Of course, we want to continue to be cautious about many things, especially cautious with our vulnerable population groups. In the faith community call that Mayor Alvey lead this morning, we highlighted the fact that we really want their help in keeping things safe among faith communities since we did have clusters a long time ago in faith settings, but if we can avoid that, that will be important. We will continue to work hard on nursing homes and other settings where there are people close together.

Essential business activity will stay the same and the ordinances and the requirements that we're expecting nursing homes to stick with will be the same as well. There will be some businesses that can open if they can do adequate social spacing and have work spaces spaced out. We'll continue to encourage working from home. Hygiene issues, there will be opportunities for retail to open and in addition to curbside pick-up, I believe, if you look closely in there, people can pick up items that they purchase or call in and purchase in-store, but we really want to continue to promote that social distancing. We also will be promoting mask use and those kinds of things as well.

I'll turn it over to Dr. Corriveau for the next couple.

## ReStart WyCo: RED ZONE

- Restaurants - no dine-in, carry out/deliver encouraged;  
Hotels asked to limit to 25% capacity
- Childcare and Education – no change
- No personal service allowed
- Churches – may operate at 10% capacity or drive-up service.
- Sports – may practice and hold games, but no fans
- Parks open, and outdoor exercise encouraged



**Dr. Erin Corriveau, KU Medical Center/Deputy Health Officer**, said a little bit more on the red zone and the difference between the red zone and where we're at right now with the stay-at-home rules. Under the red zone guidelines, as Dr. Greiner was saying, regarding restaurants; we will not allow for dine-in yet, but there's still will be allowance for carryout and delivery. Our hotels are essential businesses, but we're asking them to consider limiting their capacity to 25% if possible. No change in childcare and education guidelines. Of course, childcare is open. We're hoping that those children that are in certain daycares would cohort with the same children they're with on a daily basis. For education, we're asking that be limited to distance learning at this time. No personal services, so we're going to have to wait a little bit longer to get a haircut. Churches are allowed to operate. We're hoping they will keep it to 10% capacity. We are still allowing drive-up churches, excuse me, drive-up services, but recommending we still stay online as much

as possible. Sports can practice and even hold some games, but no fans will be allowed and, of course, outdoor activities are still encouraged.



**How do we know when it's time to change Zones?:**

- Decrease in **hospitalizations** AND **deaths** in Wyandotte County and surrounding area hospitals over a 14-day period
- AND
- The **percentage positive rate** of testing in Wyandotte County and surrounding area over a 14-day period (the maximal incubation period of COVID-19)

We will also require the following:

- Rapid diagnostic capacity to test all people with symptoms and, if possible, their close contacts
- Healthcare facilities have capacity to care for all patients, with adequate PPE
- Capacity to contact trace all new cases and close contacts




We talked about this, I believe, at our last meeting. I just want to reiterate how we're making the decisions on when it's time to change zones. We're taking into account a lot of different pieces of data but looking very carefully at hospitalizations and deaths in our community and also in the percent positive rate when we take into account our testing for the coronavirus.

We're especially looking at these in terms of their rolling averages over the last 14 days. We're also making sure that we have capacity in our healthcare facilities and making sure that we have adequate contact tracers and that we have PPE available. We realize this is really difficult to communicate to the community and I know that Mayor Alvey and others have brought up that it would be very helpful, I think, to have a goal that we as a community can come together on to achieve as the Wyandotte County as a whole. So, we're working very hard to create sort of a forward facing representation of these data that we're keeping or that we're taking into account to make this decision. That would be sort of like a gage or like a thermometer to show when we might be getting closer to changing to the next zone, so we're working hard on that and hopefully we will have something next week to talk more about and present.





That's all we have this evening for our presentation and we're all here to take questions.

**Mayor Alvey** asked, are there any questions.

**Commissioner Townsend** said this is for our health officials, anyone of them who cares to address it. First question; I took down the number that right now, Wyandotte County, we've had 933 positive cases and we continue to hear how important continued testing is. Do we at this point know how many tests have been done in Wyandotte County across all of our testing venues? I know I saw the number 971 and I thought that was from Health Department, but what about the other tests, so how many tests total have been administered? **Ms. VanLiew** said we've completed about 4,000 tests which puts us at a positivity rate of about 23% and that's across—you know, tests that we've sent to KDHE as well as the private labs in our community.

**Commissioner Townsend** said the second question, it may be for, I don't know, anybody in Administration as well as Health, it's still a challenge for our citizens who do not have access to internet and that type of thing who can't readily see our COVID Hub website. How do we continue to put out there what stage of the ReStart we're in? What methodology is there that we can use and help get out there to our citizens besides the Hub? **Ms. VanLiew** said others may want to weigh in, but I know here at the Health Department and with our Com team across the UG, we're prioritizing a number of things. One of them being the ability for any resident to call 3-1-1 to receive an update, to ask any COVID related questions, to be hooked-up with social resources, to have clinical questions answered. We have our UG small business liaison. We will be starting to receive calls directly through 3-1-1 from businesses that we're really trying to shuttle

people in that direction. They're well prepared to triage those questions. We are also working on additional mailers in coming weeks and we are just beginning working with some of our highest risk populations to start doing a series of video clips that will be short, kind of 30 seconds clips in various languages featuring all different ages to continue to try to get this messaging out. We're trying many approaches kind of at once as we. We continue to look for ideas so if people have them, please bring those forward to us.

**Mr. Bach** said additionally, our Neighborhood Resource Center, I mean, is getting out to the neighborhoods to spread the word that way as well as their press releases, hopefully, to the local media.

**Commissioner Townsend** said I really like the 3-1-1 because most people, even if they don't have internet, do have some type of phone access, so that's really basic.

**Mayor Alvey** said, Commissioner Townsend, I would say that I've noticed on the major stations and the internet, they do a pretty good job of providing some of those details, of running that script underneath there as they're introducing it. I have found that's been helpful also for people to see.

**Commissioner Philbrook** said a couple of quick questions, but I know they're complicated. When you were talking about the 14-day attentiveness for moving forward into the next round and you were talking about the rolling averages of what's going on with the decrease in hospitalization, hopefully, decrease in hospitalization and death and the percentage of the positive rate. What kind of percentages or numbers are you looking at in the change of that over the 14 days to indicate moving forward? **Dr. Greiner** said I think if we come to the conclusion that this is going to continue to be a really tough decision and that we can't put some sort of mathematical equation together that helps us decide exactly when it's okay to move forward and when we might need to hold on where we are or when we might need to backtrack. I think we will continue to put as much information out about how we're analyzing things in that process.

We want to be completely transparent, but unfortunately, I think it is hard for the general public to swallow the fact that we can't give a particular number. We certainly want stability of numbers if not declining numbers. Numbers of new cases, numbers of deaths, numbers of hospitalizations, availability of PPE, total numbers of major outbreaks that are causing significant deaths. We certainly want stability if not declines in all those things, but I think Dr. Corriveau and

I and the rest of the team here at the Health Department are kind of thinking about this like how we do medicine and sometimes when we make a diagnosis we have to really weigh a number of factors and features that we're seeing from things like x-rays, lab work, the presentation of the patient; what their physical exam is like and it really is not something that's super clear cut when you say alright, this person has Lupus, well, how did you come to that conclusion, well there's these 15 factors that got me to Lupus.

I do think we want to continue to dialogue with all of you, we will be continuing to dialogue with the community and these different task forces we have involved. Our neighboring communities, we got the research personnel at KU Med. Dr. Corriveau just got off a call with them who are doing these modeling curves and so we're engaged in all that trying to do the best we can. We do feel bad, it's a little bit of an arc and science approach, but to some extent that's medicine and that's public health. Please give us feedback as we go forward. I think the nice thing is we don't change until Monday and then we have 14 days to kind of watch things.

**Commissioner Philbrook** said, Dr. Greiner, I really do appreciate you expanding on what you were talking about because some people might get the concept that this is only a numbers game, but health care is an arc, it's a medical arc, it's not just medical science. Then the other part of this is that, as I understand, you're having to take into consideration just where these hotspots are. Where are these things coming from, not just the numbers, but where are they coming from. Is it the general public or is it a meat packing company, you know, all of those have to go into it too.

**Commissioner Kane** said, Doctor, I appreciate what you and your team are doing. The responses are excellent. I appreciate the fact that we're starting testing out west. I think that's hugely important and I appreciate that. The fact that you guys are doing that, and I think you need to know that the people appreciate it as well.

**Mayor Alvey** said I see no more hands raised. Thank you Dr. Greiner, Dr. Corriveau, Ms. Garrison. That takes us to our second item, the continuation of the fire stations update. Before we begin I just want to let everyone know that the Fairfax Industrial Association has a presentation they would like to offer in just a few moments. We're going to give them sufficient time to make that presentation, so they will have more than the standard three minutes.

**Doug Bach, County Administrator**, said as you can see, we're putting up the presentation, but before I turn this over to Chief Callahan who will provide a quick refresh on what we presented last week and to answer some of the questions which have been made of us, I wanted to set out our current situation from my position.

Several years ago, a decision was made by the governing body to build a new fire station but did not come with funding for an additional company, thus, the direction was required, reallocating a fire company from elsewhere within our city to this new location. As we recently conducted a Fire Study done by an outside firm, FACETS, to identify the potential to relocate a company, a couple of companies in the city. This direction was certainly feasible and made sense as a move to efficiency and better operational coverage for our community. Staff understands and agrees we need to operate all of our government services in the most efficient way possible and we know that by adding Station 12 we will be able to reach more addresses within four minutes.

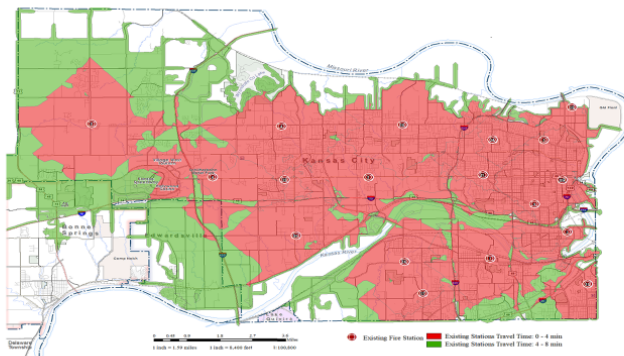
We researched and studied several options within the community and came to the conclusion that we can move Company 15 which is the slowest station in the city in terms of calls for service in the response area to the new Station 12. With this company move, we will be able to reach an additional 2,100 addresses within four minutes that we cannot today and not eliminate any addresses in Company 15 response area from a 4-minute response as Station 5 who can cover 15's response area in the 4-minute response time. By the way, Station 5 has an historic reputation for always exceeding response expectations and service.

A change in direction now not to move forward with this staffing of Station 12 will be a move to provide less efficient service in our community in a time when resources are limited and one where we know we can adjust our operations to reach more addresses in the NFPA Standard of 4-minutes or less for first responders. With that reminder, I'm going to turn this presentation over to Chief Callahan.



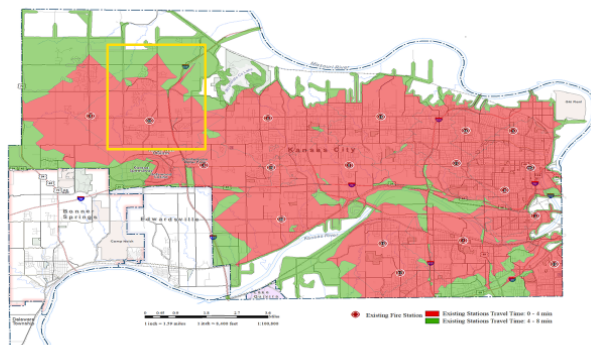
**Chief Michael Callahan, Fire Department,** said I would just like to start off by saying for purposes of this discussion, we're going to answer some questions that were brought up last week and we're going to touch on a few more items that weren't brought up last week in the sense that we're going to bring them up tonight to further animate the conversation.

CURRENT 4 AND 8 MINUTE RESPONSE



This is the current 4 and 8 minute response time in the Kansas City, Kansas for fire company's. Red means the company can get there from 0-4 minutes, green means they can get there between 4-8 minutes.

## RESPONSE MATRIX COVERAGE WITH THE NEW STATION 12 1,500+ NEW RESIDENTIAL ADDRESSES COVERED WITHIN 4 MINUTES



The area we're talking about where we built the new fire station is Station 12, it's on Hutton Road, western Wyandotte County. The new response matrix including Station 12, which you can see here, covers an additional 1,500+ new residential addresses within 4-minutes response time currently not covered within that response time.

## PUMPER 15

- It is the recommendation of KCKFD to relocate Pumper 15 (FIA) to the new Station 12 (Hutton Road)
- Pumper 15 is the least active fire company in the city
- In 2019, Pumper 15 had **286** total emergency responses in their territory
  - 18 Fire calls
  - 181 EMS calls
  - 6 Haz Mat
  - 81 cancelled / false alarm / service
- This equates to **0.78** emergency responses per day

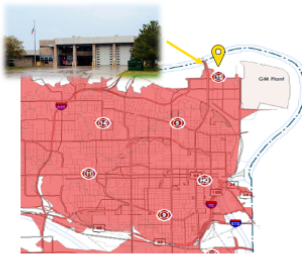
*Pumper 15's current AOR would remain protected, without any reduction of service, within the NFPA 4-minute Standard of Cover (SOC) by Pumper 5 (Quindaro Blvd)*

Talking a little bit more about Pumper 15, which is in Fairfax. We recommended based on the guidance we were given to relocate Pumper 15 to the new Station 12 on Hutton Road. Pumper 15 is the least active fire company in the city. In 2019, Pumper 15 had 286 total emergency responses in their territory, 18 fire calls, 181 EMS calls, 6 HazMat, and 81 cancelled or false alarms. That early response total equated to about three-quarters of one response per day. Pumper 15's current AOR, Area of Response, would remain protected without any reduction of service within the NFPA 4-minute Standard of Cover by Pumper 5 at 910 Quindaro Blvd. I would like to say that for the safety of our residents and our firefighters, that safety is dependent upon high-quality emergency response coverage to all parts of KCK.

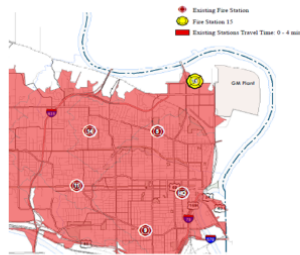
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## FAIRFAX INDUSTRIAL AREA COVERAGE - 286 RESPONSES

4 min Coverage With Station 15



4 min Coverage Without Station 15



What you're looking at here is fabricated map of the coverage with Station 15 which is at the top right corner, it shows the red 0-4 minute response area. The map on the right shows what that 4-minute red, 0-4 minute response coverage would look like if 15 was not there. On the left, Pumper 15 is there and on the right, they are not there. You can see that the coverage is almost exactly the same.

## QUESTIONS FROM APRIL 30, 2020

These are some questions from the last session that we took, and we were going to answer. Some people had questions.

## HOW QUICKLY CAN STATION 5 RESPOND?

- The mission of the KCKFD is to protect the entire city of Kansas City, Kansas, including all of the Fairfax Industrial District.
- The NFPA industry standard for analysis of fire coverage areas is a 4 minute response arrival 90% of the time for a Fire Suppression apparatus. The EMS response standard is 9:59, 90% of the time, for an EMS Transport apparatus.
- Pumper 5 can travel the 2.1 miles from Station 5 to the address of record for the GM plant within four minutes. The Department provided response data sets clearly indicating that Pumper 5, in the previous two year period (2018-2019), responded in well under 4 minutes, to every response they made to the GM Plant.
- Data shows that EMS response from Station 5 to GM was well within these guidelines

How quickly can Station 5 respond? The mission of the KCKFD is to protect the entire city of Kansas City, Kansas including all of the Fairfax Industrial District. The NFPA industry standard for analysis of fire coverage areas is a 4-minute response arrival 90% of the time for a fire suppression apparatus. The EMS response standard is 9:59, 90% of the time, for an EMS transport apparatus; that's an ambulance. Pumper 5 can travel the 2.1 miles from Station 5 to the address of record for the GM Plant within 4 minutes. The department provided response data sets clearly indicating that Pumper 5 in the previous two-year period, responded in well under 4 minutes to every response they made to the GM Plant. Now, in interest of transparency, there weren't a lot of responses to the plant. Data shows that EMS response from Station 5 to GM was well within the 9:59 guideline as well.

## 34 RAILROAD CROSSINGS IN FAIRFAX

- Pumper 15 encounters those same railroad crossings when responding west or south of the Fire Station
- There are other areas of the city where the rail industry has a much greater footprint
  - BNSF railroad, the largest freight railway in North America, has its largest freight yard in the United States in Kansas City, Kansas. There is no dedicated fire station for this massive infrastructure. That rail yard however, like the Fairfax Industrial District, is also protected within the NFPA guideline for a 4-minute response fire suppression response.
- Response districts for fire companies are predicated on static, not dynamic, geospatial algorithms
  - Responding fire companies and Dispatch Centers don't know when a train crossing will be blocked, just like they wouldn't know when a draw bridge over a river would be raised to allow boat traffic to pass, or when there is a motor vehicle accident blocking their route on an emergency response
  - Faced with these situations, Fire Companies contact Dispatch, where a decision is made to dispatch different fire companies from another route (direction) or to reroute the fire company that was initially dispatched
  - Any Fire response in Fairfax is a General Alarm, with Fire personnel automatically responding from multiple stations

There are 34 railroad crossings in Fairfax. Pumper 15 encounters those same railroad crossings when they respond to the Fairfax Industrial area anywhere west or south of their station. There are other areas of the city where the rail industry has a much greater footprint. BNSF Railroad,



the largest freight railway in North America, has its largest freight yard in the United States in Kansas City, Kansas. There is no dedicated fire station for this massive infrastructure. That railyard, however, like the Fairfax Industrial District, is also protected within the NFPA guideline for a 4-minute response for fire suppression. The response district for fire companies are predicated on static, not dynamic, geospatial algorithms. That means when a response district is set up, it's set up with all of the fire companies being parked in the fire stations. Responding fire companies and Dispatch Centers don't know when a train crossing will be blocked, just like they wouldn't know when a draw bridge over a river would be raised to allow boat traffic to pass or when there is a motor vehicle accident blocking their route on an emergency response. Faced with these situations, fire companies contact their dispatch center where a decision is made to either dispatch a different company from another route direction or to reroute the fire company that was initially dispatched. Any fire response in Fairfax is a General Alarm with fire personnel automatically responding from multiple stations simultaneously.

## RUN TIME ANALYSIS

- Kellogg's – 1.3 miles @ 35mph, response time is 2 minutes 14 seconds
- Owens Corning – 1.8 miles @ 35mph, response time is 3 minutes 05 seconds
- CertainTeed – 1.9 miles @ 35mph, response time is 3 minutes 15 seconds
- In 2018 and 2019, Pumper 5 ran four response calls to GM – within 4:00 standard
  - 2018 – 2:57 response time from dispatch to arrival across both calls
  - 2019 – 2:31 response time from dispatch to arrival across both calls
- In 2018 and 2019, EMS 5 ran 103 EMS incidents cumulatively – within 9:59 standard
  - 2018 – 5:51 average response time
  - 2019 – 6:15 average response time

A Run Time Analysis to some other structures and businesses in the Fairfax Industrial area; Kellogg's is 1.3 miles away from Station 5 on Quindaro. At 35mph, response time is about 2 minutes 14 seconds. Owens Corning is 1.8 miles away. At 35mph, Pumper 5 is there in 3 minutes and 5 seconds. CertainTeed 1.9 miles. At 35mph Pumper 5 responds in 3 minutes and 15 seconds. In 2018 and 2019 Pumper 5 ran four response calls to GM within the standard 4 minutes standard. In 2018 the average response time of those calls were 2:57. In 2019 it was 2:31. In those same two years, EMS 5 out of Quindaro ran 103 emergency medical service incidents cumulatively within 9:59 standard. In 2018 they averaged 5:51 and in 2019 they averaged 6:15.

## DIFFERENCE BETWEEN INDUSTRIAL AND RESIDENTIAL FIRE?

- A residential structure fire (the most common type of fire in KCK), involves the dispatch of 3 Pumpers, 3 Trucks (Aerials), 2 EMS Units, 1 Safety Officer, 1 Fire Investigator, and 1 Battalion Chief, a total of 24 personnel.
- An industrial fire, because of the potential for greater building size, hazardous occupancy and/or fire load, involves the dispatch of 4 Pumpers, 3 Trucks (Aerials), 2 EMS Units, 1 Safety Officer, 2 Battalion Chiefs, and 1 Assistant Chief, a total of 33 personnel.

One of the questions was what's the difference between an industrial and a residential fire. A residential structure fire, the most common type of fire in KCK, involves the dispatch of three pumpers, three trucks or aerials, two EMS units, a Safety Officer, a fire investigator and a Battalion Chief. That totals 24 personnel. An industrial fire, because of the potential for greater building size, hazardous occupancy and/or fire load, involves the dispatch of four pumpers, three trucks or aerials, two EMS units, a Safety Officer, two Battalion Chiefs, and an Assistant Chief. That's totals 33 personnel to account for the things we just discussed above.

## INDUCEMENT AGREEMENT

- UG Legal has reviewed the Inducement Agreement for the GM Plant
- No language was found that binds the UG to operate a Fire Station in Fairfax
- UG Legal reviewed the January 30, 1986 KCK Council Minutes where Resolution No. 36265 was adopted authorizing execution of the agreement wherein GM agreed to convey the land to the city to build a new fire station
- Prior to the vote, Councilmen Neath and Alvey specifically asked what the City is giving up in order to accept this. City Administrator/Finance Director Isabell responded that GM had not asked for anything in return...the incentives provided earlier (to build the Plant) are the only incentives.

I'll turn this particular slide over to the Attorney, Ken Moore.

**Ken Moore, Chief Legal Counsel**, said there were some questions raised about the different agreements between the City and General Motors in building this plant. I've looked through the 1985 Inducement Agreement. It was adopted on March 14, 1985. It was an agreement between the City of Kansas City, Kansas, Wyandotte County, the Port Authority, and General Motors to

build the General Motor's Plant. It involved \$775K in bonds and conveyed 568 acres, but there is nothing in that Inducement Agreement that would obligate the city to maintain a fire station in the Fairfax District. The agreement contemplated relocating the fire station that was currently on the property where the plant was built.

In January of 1986 there was a resolution adopted authorizing the city to accept land from General Motors for purposes of building a fire station. That station was subsequently built, but in the discussion by the City Council at the time, two Councilmen specifically asked whether the city had any obligation arising out of that agreement and it was made clear to them by the City Administrator that there was no obligation. Not only was there no obligation in the agreement, when General Motors issued a Special Warranty Deed in November of 1986 to convey that station, there were no restrictions in the deed at all which would require ongoing operations of a station.

Our review of the documents from that period of time indicate there are no legal obligation to maintain operation of a station in the Fairfax District.



Alan Howze, Assistant County Administrator, said this next slide is related to the Northeast Master Plan, the question of the fire station being included in the Northeast Master Plan. The referenced page that it appears is on page 98 and the link is there, and this is the section at the end of the Northeast Area Master Plan around implementation and that section speaks to the efforts of partner organizations to support and implement the Northeast Master Plan in this particular area. It also references, as you can see, the Fairfax District Master Plan which is a separate document and within that Fairfax District Master Plan it speaks to the desire of the Fairfax Industrial

Association to maintain a fire location in Fairfax. That is the reference within the Northeast Master Plan.

## FACETS

2016 FACETS study reviewed Fire Department operations and locations

Recommendations included:

- Addition of fire station in northwest area
- "Develop a multi-year plan to optimize fire station deployment and structural conditions...and fire station physical condition assessments." *pg. 16*
- "Consolidation of Fire Station 16 and Fire Station 17" *pg. 16*
- "Consolidation of Fire Station 5 and Fire Station 15 to a new hub station at or near existing Station 5 location." *pg. 16*

The question around FACETS; in reviewing the 2016 FACETS study, they looked at Fire Department operations and locations. FACETS spoke to a number of issues that have come up in previous presentation including the addition of fire stations in the northwest area to provide better coverage. As you've heard this evening, and there are 1,500 residential households that would receive the coverage with the Station 12, so it speaks to that. It talks about a multi-year plan to optimize fire station deployment and locations. The Chief presented that last week. It talks about consolidation of Fire Stations 16 and 17 which the Chief also presented last week. Also, it speaks to the consolidation of Fire Station 5 and Fire Station 15 to a new hub station at or near the existing Fire Station 5 location, so it was identified in FACETS as between Station 5 and 15, that moving to Station 5 location was the recommended approach. With that, I will hand it back over to the Chief.

## TIMING OF DECISION

- Following the analysis of the Fire Department on Station locations, the Administration and Fire Department briefed members of the Commission
- The contractor has a deadline to turn over the new \$5M+ fire station to KCKFD by June 17. The station construction is proceeding on time and it is likely that the station will be ready to be occupied sooner than that – driving the need for a decision on how the station will be staffed.
- Once a conclusive recommendation was made by the Administration, FIA was notified within 72 hours and invited to a discussion, which was held on April 2, 2020
- The Fire Department has held several follow-up discussions with GM and responded to a number of requests for additional information and data
- The Unified Government values the strong relationship with the Fairfax Industrial Association, and its member companies. The UG is committed to continuing to invest in and promote Fairfax as an excellent location for business.

May 7, 2020

**Chief Callahan** said some questions were raised about the timing of this decision. Following the analysis of the Fire Department on station locations, the Administration and Fire Department briefed members of the Commission. The contractor has a deadline to turn over the new \$5M+ fire station to the KCKFD by June 17<sup>th</sup>. The station construction is proceeding on time and it is likely that the station will be ready to be occupied sooner driving the need on how the station will be staffed. Once a conclusive recommendation was made by the Administration, the FIA was notified within 72 hours and invited to a discussion which was held on April 2, 2020.

The Fire Department has held several follow-up discussions with GM and responded to a number of requests for additional information and data. The Unified Government values the strong relationship with the Fairfax Industrial Association and its member companies. The UG is committed to continuing to invest in and promote Fairfax as an excellent location for business.

## IAFF LOCAL 64

- Fire Command has kept up regular communications with IAFF on a range of issues, including station staffing and locations
- Beginning in the fall of 2018, and continuing through early 2020, the Department and Local 64 met to discuss the staffing at present and new Fire Stations
- Present at the initial meeting was Chief Callahan, 1<sup>st</sup> Deputy Chief Andrade, & Deputy Chief Stroud for the Fire Department and Business Manager Bob Wing, Treasurer Pat Young, & President JJ Simma for Local 64
- Discussions encompassed the full range of staffing methods, from hiring new staffing for a company to relocating existing fire companies.

One of the points raised last week was about the Local IAFF. The fire command has kept up regular communications with IAFF on a range of issues, including station staffing and locations. Beginning in the fall of 2018 and continuing through early 2020, the department and Local 64 met to discuss the staffing at present and new fire stations. Present at the initial meeting was myself, 1<sup>st</sup> Deputy Chief Andrade, Deputy Chief Stroud, Business Manager Bob Wing, Treasurer Pat Young and President JJ Simma for Local 64. Discussions encompassed the full range of staffing methods from hiring new staffing for a company to relocating existing fire companies.

|                                                                                                 |                    |                                                               |
|-------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------|
| <b>ONGOING<br/>COST OF A<br/>NEW<br/>COMPANY</b><br><br><i>New Personnel for<br/>Station 12</i> |                    | 21 TOTAL PERSONNEL WOULD BE REQUIRED: $(4.1 \times 5) = 20.5$ |
| Base Salary Firefighter V                                                                       | \$37,488           |                                                               |
| Benefit Package                                                                                 | \$14,995           |                                                               |
| Total Per Hire                                                                                  | \$52,484           |                                                               |
| TOTAL ANNUAL (15) FIREFIGHTER V COST                                                            | \$787,267          |                                                               |
| Base Salary Driver                                                                              | \$72,267           |                                                               |
| Benefit Package                                                                                 | \$28,907           |                                                               |
| Total Per Hire                                                                                  | \$101,174          |                                                               |
| TOTAL ANNUAL (3) DRIVER COST                                                                    | \$303,523          |                                                               |
| Base Salary Captain                                                                             | \$76,854           |                                                               |
| Benefit Package                                                                                 | \$30,741           |                                                               |
| Total Per Hire                                                                                  | \$107,595          |                                                               |
| TOTAL ANNUAL (3) CAPTAIN COST                                                                   | \$322,787          |                                                               |
| <b>TOTAL ANNUAL PERSONNEL COST</b>                                                              | <b>\$1,413,579</b> |                                                               |

This is the upfront costs for a new fire company with new personnel at Station 12. What you're looking at here is the personnel cost to staff that fire company. The fire department management, and I don't want to dive too deeply in the weeds here, is 4.1, so it would take 21 people to staff the new fire station for a total cost of \$1.4M per year.

|                                                                     |                    |
|---------------------------------------------------------------------|--------------------|
| <b>COST OF A NEW COMPANY</b><br><i>New Apparatus for Station 12</i> |                    |
| New Pumper                                                          | \$610,000          |
| New EMS Unit                                                        | + \$310,000        |
| Total Apparatus Purchase (One Time)                                 | = \$920,000        |
| Annual Ongoing Personnel costs                                      | + \$1,413,579      |
| <b>TOTAL COST: Personnel &amp; Apparatus</b>                        | <b>\$2,333,579</b> |

The apparatus purchase costs are listed here. A new fire pumper is \$610,000. You can see the costs. The total apparatus costs is \$920,000. Total first year open up cost is \$2.3M.

**Mr. Bach** said, Mayor, I believe that concludes our recap of where we were last week. These are the questions from last week and we wanted to come back and respond.

**Mayor Alvey** said thank you Chief, thank you Allen. We have time—a few moments for questions for staff and for the Chief from the Commission before we go to the presentation from the Fairfax Industrial.

**Commissioner Townsend** said, Chief, could you go back to the slide where they talk about the stats that showed Pumper 5 responding within the 4-minutes into Fairfax. Can you explain how that was derived because that is the big bone of contention. We talk about Pumper 5 and that station has a remarkable reputation for decades and decades. How was it derived that 5 can actually get to Fairfax within the 4 minutes? Is that historical, what are we looking at? **Chief Callahan** said those datasets are for 2018 and 2019 and there were not a lot of responses by Pumper 5 because at that time they were not the primary response fire company into that area. In terms of response, just using basic math, and we've done this a bunch of times already, I can cover in 4 minutes at 35 mph 2.33 miles. From Pumper 5 to the address of record for GM, it's 2.1 miles, so that's how they're getting there under 4 minutes. I don't know if that answers your question or if you need something different. **Mr. Howze** said if I could add to that, the actual calls derived from the dispatch system, the fire department went back and pulled the call records and that's how those two calls, two each, in 2018 and 2019 were pulled from the dispatch system and that's where that data comes from. **Chief Callahan** said that's accurate.

**Commissioner Townsend** asked, do we know if in those two occasions that the pumper was actually coming from Station 5. **Chief Callahan** said we do not.

**Commissioner Townsend** said one other thing, and this precedes Chief Callahan, with regards to the FACETS, do we recall how that team determined, was it simply by mathematical computation that 5's pumper could get to Fairfax within 4 minutes? Was that actual data or just the mathematical computation? **Chief Callahan** said, Commissioner, I wasn't here, but my understanding is that there were mathematical computations utilized. **Mr. Howze** said I can speak to that; it was it was the mythology of the study.

**Commissioner Kane** asked, can a pumper respond three times as fast as an ambulance to General Motors. **Chief Callahan** said I don't know what you mean three times as fast, if starting from the same static location, not likely. **Commissioner Kane** said okay, I would like to hear the Fairfax's group conversation after Chris asks his question.

**Commissioner Ramirez** said I just have one question, it's for Mr. Moore. This is more of a legal lesson for me, but what's the difference between say a regular agreement and an inducement agreement? **Mr. Moore** said an inducement agreement is just a type of an agreement. In this case

it was the city's way to induce General Motors to build a new plant there. The plant they had at the time was old and not one of the best plants in their system and so they were considering possibly relocating that plant. What the city did at that time, they needed a much bigger footprint or area of land to build the plant they wanted to build for the future. So, what the city did was induce General Motors to build a new plant by issuing the \$775K in bonds to help build it and also to initially lease for 20 years the 568 acres and then give General Motors the option to purchase that land at the end of those 20 years. That was the inducement. It's called inducement agreement, but it's really just a form of an agreement.

**Commissioner Kane** said, Kenny, the reason that plant was built, and I worked there, was because of the quality of people, the least amount of absenteeism, the highest production, and they were getting ready to close. It wasn't because of how bad the plant was, it was because of how good the plant was. **Mr. Moore** said, Commissioner, you are exactly correct. That was one of the main reasons General Motors wanted to leave the plant here. When I said how bad the plant was, I was only coming on the fiscal condition. It was an old plant. The building was old. The reason General Motors was considering building a plant here was because the staff and the workers there were one of the top in the country, you're correct. **Commissioner Kane** said okay, let's move on.

**Mayor Alvey** said I'll now ask Melissa Clark from Fairfax Industrial to provide her presentation.





**Melissa Clark** said in response to last week we kind of put a presentation together as a response of why we must keep the Fairfax Fire Station. We'll go through those slides and I'm sure, Mayor Alvey, you'll have questions and answers.

## Why We Must Keep the Fairfax Fire Station

### • INTRODUCTION:

FIA and Fairfax businesses understand the UG has a very tight budget, even more so with Covid-19 and that the city is trying to find ways to fill the staffing needs at the new fire station out west.

It is our understanding the city is proposing to close the Fairfax Fire Station so that they can relocate personnel from Fairfax 15 to the new station and save money on having to hire more personnel to staff.

The main reason, from our understanding, is that Fairfax has the least amounts of call for service compared to other areas.

However, *there is much more to be considered than just looking at the number of calls as our group has discovered after much research and meetings.*



2

FIA and the Fairfax businesses understand the UG has a very tight budget, even more so with the COVID-19 and that the city is trying to find ways to fill the staffing needs at the new fire station out west. It is our understanding the city is proposing to close the Fairfax Fire Station so they can relocate personnel from Fairfax 15 to the new station and save money on having to hire more personnel to staff. The main reason, from our understanding, is that Fairfax has the least amount of calls for service compared to other areas. However, there is much more to be considered than just looking at the number of calls as our group has discovered after much research and meetings.

## Why We Must Keep the Fairfax Fire Station

### • RISK & CONSEQUENCES:

The argument based solely on the number of calls does not have merit as nobody would suggest the KCI airport do away with its fire station.

Fairfax is a M3 heavy industrial district. We have highly hazardous chemicals, volatility and environmental risks.

Fairfax houses 135 businesses, 10,000 employees and over \$5 billion in property.

The Fairfax District receives and delivers (through high pressure underground pipelines and fuel tanker trucks) nearly 100% of the supply of volatile unleaded, Diesel and jet fuel for the bi-state region.

There are more than 60 elevated petroleum tanks between Magellan, Phillips and Exxon/Mobil. There are thousands of feet of pipelines, estimated at more than 20 miles of ultra high-pressure lines (1500 psi).



3

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industrial district. We have highly hazardous chemicals, volatility and environmental risks. Fairfax houses 135 businesses, 10,000 employees and over \$5B in property. The Fairfax District receives and delivers, through high pressure underground pipelines and fuel tanker trucks nearly 100% of the supply of volatile unleaded, diesel and jet fuel for the bi-state region. There are more than 60 elevated petroleum tanks between Magellan, Phillips and Exxon/Mobil. There are thousands of feet of pipelines, estimated at more than 20 miles of ultra-high-pressure lines at 1500 psi in Fairfax.

### Why We Must Keep the Fairfax Fire Station

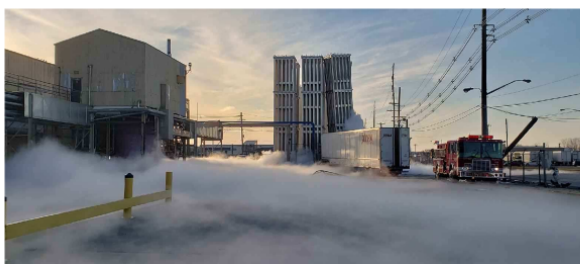
- **RISK & CONSEQUENCES:**

The 2 grain elevators are high risk due to the potential of grain dust explosion.

CertainTeed and Owens Corning Fiberglass Companies utilize a daily supply of highly volatile liquid oxygen fed by high pressure underground lines to fuel their molten glass furnaces.

On Nov 27, 2019 a truck driver had a medical emergency and crashed into the oxygen tanks at Owens Corning.

The driver probably only survived due to the quick response from Fairfax 15.



4

We also have the two grain elevators that are also high risk due to the potential of grain dust explosion. CertainTeed and Owens Corning Fiberglass Companies utilize a daily supply of highly volatile liquid oxygen fed by high pressure underground lines to fuel their molten glass furnaces.

This picture, you can see, I'm sure most of you can remember, it was all over the news the night before Thanksgiving last year a truck driver had a medical emergency and crashed into the oxygen tanks at Owens Corning which would be here. The driver probably only survived due to the quick response from Fairfax 15 which was literally just across the street. Fortunately, we also did not have a large explosion.

## Why We Must Keep the Fairfax Fire Station

### • RESPONSE TIME:

Risk goes up when response times go up.

Fire doubles every minute its freely burning.

According to the National Fire Protection Association, the Fire Department shall establish the following objective:

- First Responders – 4 minutes or less travel time for the arrival of the first arriving engine company
- Advanced Life Support – 8 minutes or less travel time
- Ambulance Transport – 9 minutes 59 seconds or less travel time



One of the fuel tanks in Fairfax on fire on June 4, 2008 after it was struck by lightning (courtesy KIMB-TV)

5

Risk goes up when response times go up. Fire doubles every minute its freely burning. According to the National Fire Protection Association, the Fire Department shall establish the following objective: First Responders – 4 minutes or less travel time for the arrival of the first arriving engine company. Advanced Life Support – 8 minutes or less travel time. Ambulance Transport – 9 minutes 59 seconds or less travel time.

I'm sure a lot of you remember, this was several years ago, but this is one of our fuel tanks that caught on fire because lightning struck it. It's just another example of what goes on down in Fairfax.

## Why We Must Keep the Fairfax Fire Station

### • RESPONSE TIME:

Based on data we requested last week and received:

2018 & 2019 Station P15- Kindleberger/Fairfax Actual Response times to 3201 Fairfax Trafficway. This station .8 miles away and within many of the railroad crossings.

- 93 responses out of 140 responses were within 4 minutes. (66% compliance)
- 47 responses out of 140 responses were greater than 4 minutes. **(34% NON COMPLIANT)**

2018 & 2019 Station 5 Quindaro Actual Response times to 3201 Fairfax Trafficway. This station is 2.1 miles away.

- 5 responses out of 102 responses were within 4 minutes. (5% compliance)
- 97 responses out of 102 responses were greater than 4 minutes. **(95% NON COMPLIANT)**

**If P15/Fairfax Fire Station is closed and all 1st responses will come from P5, based on historical response data above, how will the 4 minute response 90% of the time be achieved?**



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Response Time: Based on data we requested last week and received, this is different, and this is where there is a lot of debate and we discussed at the meeting today, we need much more clarification, but this is what we understood at this point. Chief Callahan sent over to us a few days ago a detail of all of the responses to the General Motors Plant which is 3201 Fairfax Trafficway. 2018 and 2019 Station P15, which is Kindleberger/Fairfax Station, actual response

time to the GM Plant, this station is .8 miles away. It's literally just down the road. There are no crossings between the Fairfax Fire Station and General Motors. However, as we noted, there's 34 crossings in Fairfax. Just having the Fairfax Fire Station .8 miles straight shot, with no crossings, 93 responses out of 140 responses were within 4 minutes which is 66% compliance of the total and 47 responses out of 140 responses were greater than 4 minutes. That's 34% non-compliant and that's the Fairfax station which is a minute away.

2018 and 2019 Station 5, Quindaro Actual Response times to GM, this station is 2.1 miles away, 5 responses out of 102 responses were within 4 minutes, that's 5% compliance and 97 responses out of 102 responses were greater than 4 minutes, 95% non-compliant.

If the Fairfax Fire Station is closed and all first responders will come from Quindaro 5, based on historical response data, this is the real world, what's really happening, not based on what we calculate and could be, but what has been, how will the 4 minute response 90% of the time be achieved?

## Why We Must Keep the Fairfax Fire Station

### • RESPONSE TIME:

Fairfax has 34 railroad crossings in our district which greatly increases the response times for other fire stations outside of Fairfax to get into Fairfax.

The crossing at just Quindaro Blvd alone is blocked 30% of the time during an 8 hour work day. The Union Pacific stated that it is blocked about 2-3 hours over the course of an 8 hour work day and about 7-8 hours over the course of a 24 hour period.

All of us traveling through Fairfax know that other main crossings such as the one on Fairfax Trafficway, Sunshine, Kindleberger, 10th St and Funston are also blocked for significant amounts of time throughout the day. This is one of the reasons why a fire station was built within the Fairfax District.



Fairfax has 34 railroad crossings in our district which greatly increases the response time for other fire stations outside of Fairfax to get into Fairfax. The crossing at just Quindaro Blvd. alone, which is right next to the UP offices down there, is blocked 30% of the time during an 8-hour workday. The Union Pacific stated that it is blocked about 2-3 hours over the course of an 8-hour workday and about 7-8 hours over the course of a 24-hour period.

All of us traveling through Fairfax know that other main crossings such as the one on Fairfax Trafficway, Sunshine, Kindleberger, 10<sup>th</sup> St. & Funston are also blocked for significant

amounts of time throughout the day. This is one of the reasons why a fire station was built within the Fairfax District.

## Why We Must Keep the Fairfax Fire Station

### • CONCERNS FOR FUTURE GROWTH & INVESTMENT:

The Fairfax District contributes \$18-20 million annually in property and utility tax. We are and have been for almost 70 years the backbone economic engine for Wyandotte County.

Ever since GM's plant was built, the need for a station in Fairfax has only increased, not decreased. There has been continued growth to GM's facility with their new stamping plant and paint & body shop. Additionally, Comprehensive Logistics just built an 800,000 sq ft distribution center and Plastic Omnium just recently built a manufacturing facility in Fairfax to supply the General Motors plant. This does not include the continued expansions made by other businesses in Fairfax including the Fairfax Drainage District, CertainTeed, Kellogg's, Magellan, Phillips 66, Kaw Point Industrial Park and others.

What about the future growth and investment we want to continue in Fairfax?



8

**Concerns for Future Growth and Investment:** The Fairfax District contributes \$18-20M annually in property and utility tax. We are and have been for almost 70 years the backbone economic engine for Wyandotte County. Ever since GM's plant was built, the need for a station in Fairfax has only increased, not decreased. There has been continued growth to General Motor's Plant with their new stamping plant and paint and body shop. Additionally, Comprehensive Logistics just built an 800,000 sq. ft. distribution center and Plastic Omnium just recently built a manufacturing facility in Fairfax to supply GM. This does not include the continued expansions made by other businesses in Fairfax including the Draining District, CertainTeed, Kellogg's, Magellan, Phillips 66, Kaw Point Industrial Park and others. What about the future growth and investment we want to continue in Fairfax?

## Why We Must Keep the Fairfax Fire Station

### • LEGAL MATTERS:

It is our understanding that a 1985 Inducement Agreement was made between the City of KCK and General Motors to build the Fairfax Plant. Shuttering the fire station appears to disregard one of the terms of this agreement and is a legal concern that the UG needs to consider.

Although the city has not been able to find any records on the agreement made between the city of KCK and General Motors in 1985 to build and retain a fire station for the GM Fairfax Plant to be built, FIA has discovered historical documents and city minutes showing this agreement did happen and that GM donated land to the city to have Fairfax Station 15 built.

Since FIA & GM only found out about the proposal to close our Fairfax station on April 2, 2020, GM has not had time to research their own documents on this since their headquarters in Detroit has been closed due to Covid-19. Their headquarters will not open until May 18 at the earliest.



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Legal Matters: This is interesting because it isn't the first time I've heard prior to tonight it was my understanding before we were able to dig up minutes, that the city couldn't find any records on this. Anyway, we'll go to this. It is our understanding that a 1985 Inducement Agreement was made between the city of KCK and General Motors to build a Fairfax Plant. Shuttering the fire station appears to disregard one the of the terms of this agreement and is a legal concern that the UG needs to consider.

Although the city has not been able to find the records, which now has changed, between the city of KCK and General Motors in 1985 to build and retain a fire station for the GM Fairfax Plant to be built, FIA has discovered historical documents and city minutes showing this agreement did happen and that GM donated land to the city to have Fairfax Station 15 built. Since FIA and GM only found about the proposal to close our Fairfax Station on April 2<sup>nd</sup>, GM has not had time to research their own documents on this since their headquarters in Detroit has been closed due to COVID-19. Their headquarters will not open until at least May 18<sup>th</sup> at the earliest.

### Why We Must Keep the Fairfax Fire Station

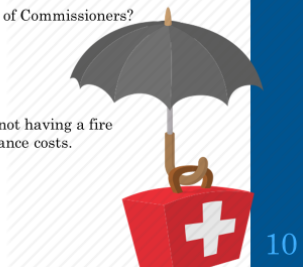
- **LEGAL MATTERS:**

Closing the Fairfax Fire Station goes directly against the Northeast Master Plan the Board of Commissioners adopted on November 29, 2018. Please refer to page 98 on the Northeast Master Plan provided on both the UG ([ugwycokck.org](http://ugwycokck.org)) and FIA ([fiakck.org](http://fiakck.org)) websites.

Does closing the Fairfax Fire Station require a vote of the Board of Commissioners?

- **INSURANCE**

FIA and Fairfax businesses have not had time to even see what not having a fire station that can meet the NFPA requirements would do to insurance costs.



Closing the Fairfax Fire Station goes directly against the Northeast Master Plan the Board of Commissioners adopted on November 29, 2018. Please refer to page 98 on the Northeast Master Plan which is available on both the UG and Fairfax websites. Does closing the Fairfax Fire Station require a vote of the Board of Commissioners? We've all been trying to figure that one out.

Insurance: FIA and Fairfax businesses have not had time to even see what not having a fire station that can meet the NFPA requirements would do to our insurance costs.

## Why We Must Keep the Fairfax Fire Station

### • FAIRFAX DESERVES BETTER!

FIA and Fairfax businesses has had very little time to respond to this initiative. Our first meeting to let us know this was being proposed was April 2, 2020 even though we have now learned the city has been looking at this for 4 years. Why were we not contacted much sooner so we could have the time needed to review, research and discuss?

Despite the short response time to react, the businesses have swiftly provided feedback all in opposition to this. In less than 2 days, FIA received more than 25% of the businesses in Fairfax respond opposing. GM, CertainTeed, Kellogg's, Owens Corning and Manna Pro are included in those opposing which together makes up more than 60% of the 10,000 people employed. We expect these numbers to grow as we continue to communicate.

Our annual Property and Utility Tax contribution of \$18-20 million annually.

Our employment base is 10,000 people. The is equivalent to the size of 3 cities in the state of Kansas. Doesn't this alone warrant a fire station?



11

Fairfax Deserves Better: FIA and Fairfax businesses has had very little time to respond to this initiative. Our first meeting to let us know this was being proposed was April 2<sup>nd</sup> even though we have now learned the city has been looking at this for four years. Why were we not contacted much sooner so we could have had the time needed to review, research and discuss?

Despite the short response time to react, the businesses have swiftly provided feedback all in opposition to this. In less than two days, FIA received more than 25% of the businesses in Fairfax responded opposing. GM, CertainTeed, Kellogg's, Owens Corning and MannaPro are included in those opposing which together makes up more than 60% of the 10,000 people employed. We expect these numbers to grow as we continue to communicate.

Our annual Property and Utility Tax contribution of \$18-20M annually. Our employment base is 10,000 people. This is equivalent to the size of three cities in the state of Kansas. Doesn't this alone warrant a fire station?

## Why We Must Keep the Fairfax Fire Station

### • FAIRFAX DESERVES BETTER!

The Fairfax Industrial Association and Fairfax businesses requests that the Unified Government goes back to their plans and figure out a different way to staff the new fire station.

We understand the city has serious budget constraints but closing our station should not be part of this consideration.

Fairfax takes care of Wyandotte County we ask for Wyandotte County to please take care of Fairfax.

*If the County Administrator and Fire Chief will not immediately remove this proposal from the budgetary plans, we ask that more time be given so that all parties can meet for discussion in person after GM has had time to research their records.*

Thank you for your time!



12



The Fairfax Industrial Association and Fairfax businesses requests that the Unified Government go back to their plans and figure out a different way to staff the new fire station. We understand the city has serious budget constraints but closing our station should not be part of this consideration. Fairfax takes care of Wyandotte County. We ask for Wyandotte County to please take care of Fairfax.

If the County Administrator and Fire Chief will not immediately remove their proposal from the budgetary plans, we ask that more time be given so that all parties can meet for discussion in person after GM has had time to research their records. Thank you all for allowing us this time.

**Mayor Alvey** said first of all, are there any questions from the Commission for Ms. Clark? I don't see any.

**Judy Timmerman, General Motors**, said one of the things that we needed to do and asked for was historical data and while Chief Callahan was able to provide the 2018 and 2019 pumper responses from Quindaro, all be it, two responses in 2018 and two responses in 2019 and one being 2:31 and the other one being an average of 2:57. We at General Motors feel very strongly that we needed to look at Quindaro's performance since that was a station that was located physically closer to us instead of the 2.1 miles away as the Quindaro is. The Kindleberger, of course, we know is .8. In actually looking at the 2018 and 2019 performance of Station 15, Kindleberger, it became very apparent that a station that's .8 miles from our location has only been able to 34% of the time—I'm sorry 66% of the time respond in less than 4 minutes. Therefore, 34% of the time has not been able to respond within the 4 minutes.

I'm not naive to think, I mean those firemen are just as qualified as the firemen in Station 5 in Quindaro, but I do not—**Ms. Cobbins** said you have one minute. **Ms. Timmerman** said I do not think it's physically possible, based on historical data, for us to take a reference point of two data points for 2018 and two for 2019 already recognizing Chief Callahan mentioned, he doesn't know where those firetrucks were when they responded. But to have a station be more than twice as far away as the Kindleberger station and yet Kindleberger can't make it 90% of the time within 4 minutes. That is the concern we have, and yes, again, GM requests time due to COVID-19 to be able to prepare and get the information that we need from headquarters which is the State of Michigan is opening May 18<sup>th</sup>. That will be the soonest.



**Brian Martin** said I work for MannaPro down in the Fairfax District and I'm kind of between the two fire companies. I think it was the Administrator who said in his talk here just a little bit ago, that the UG was notified within 72 hours of when the decision was made and that was in early April. I guess my question is, what station had been planned to be shut down from the previous 3.5-4 years or whatever that this station was being planned and being built.

Secondly, I just feel like really we're being kind of railroaded into this. A decision has been made and asking for our input, but not allowing us any time to really get together and meet face-to-face. The statement was made that the UG wants to work with Fairfax, but I'm just not—after the meeting today, I'm not feeling it too much. It's like the Administration's mind is made up and he's proceeding after this meeting tonight full speed ahead. That's really all I've got to say is—and I'm opposed to closing down the station.

**Steve Dailey** said I'm with the Fairfax Drainage District and I'm also a Vice-President of the FIA. I don't know if Mr. Moore has read the Inducement Agreement fully, but I wanted to point out that the letter by the City's Attorney that accompanied the Inducement Agreement dated the same day as the Inducement Agreement and also enacted by the city of KCK, on page 3 of the letter that summarized what the Inducement Agreement was covering, on paragraph 7 it says the fire station currently located along Fairfax Trafficway at Sunshine Road will be relocated to a site to be retained by the city just north of Helget Gas. Also, too, if you look at the actual Inducement Agreement itself, I think on page 5 there is a line item of \$500K, Item E3 – Fire Station Relocation. The Inducement Agreement did envision a fire station as part of the inducement, not just the bonds.

It's probably about my time limit, but I wanted to point that out. I think that's why General Motors needs to be given time to research and interrupt for themselves what the legality of the Inducement Agreement contains.

**John Simma, International Association of Firefighters/President of Local 64**, said I've just got a very brief statement with regard to Local 64 position regarding the closure of Station 15. Local 64 does not in any way endorse this recommendation. There were two additional studies that were done over a number of years, both by the ISO and IAFF GIS Study that both agreed that the Fairfax Fire Station should be maintained. Those two studies are very similar in nature in their recommendations. They both actually identify additional needs throughout our community none

of which should be met by the closure or the relocation of any resources. They should be new stations built to accommodate the identified gaps in coverage.

Local 64 is adamantly opposed to the closure of this fire station and we do believe that this will be a serious reduction in service.

**Brad Cashmere** said I do want to just reemphasize the fire station location based on the potential for disaster. I think if and when a disaster happens in Fairfax, every one of us on this call will wish that Station 15 was not closed if that's the direction that you go with. Again, as one who stood on our plant ground as oxygen poured out of our vaporizers after they had been struck by a semi on Kindleberger Road, I was extremely pleased to see all the firetrucks, firemen, police cars all respond quickly and get the situation under control with us.

Again, I believe it's a large mistake to close the station and I hope and pray it does not go that direction.

**Justin Simonich** said I'm a resident out in Piper. I just strongly believe that we're having a wrong discussion. The new station out here in Piper will serve my house and many more houses. In the last 30 years Piper has grown tremendously. That's the only thing that has changed in the last 30 years. Our station down in Fairfax has been there for 30 years. The need has been there for 30 years and it's going to continue to be there for 30 years. Melissa Clark brought up that she thinks Fairfax deserves better. We also believe Piper deserves better. When you talk about staffing a station out here for \$1.4M, I think that's the term, serving 2,100 more addresses—last week I listened to you talk about how—a shortfall of \$22M from COVID-19 only represented 8% of the budget of the UG and you can't tell me that you can't put a new fire station out here in Piper for less than 1% of the budget without robbing the industry of Fairfax. To me, that is ridiculous.

On another point, if we're going to use FACETS, let's not pick and choose what we're going to use for FACETS. FACETS states that every pumper in this city should have 4-men pumpers, 4 firefighters on every rig, that's not happening today. Piper is supposed to get three new fire stations. Are we seriously going to pull three fire stations every time from east to come out and cover out west? It's ridiculous. Piper is growing. We deserve better coverage, not at the cost of what's going on down east. Thank you for your time and consideration.

**Mayor Alvey** said seeing there are no hands raised, any final comments or questions from the Commission?

**Commissioner Townsend** said I want to express my appreciation for allowing such an important topic to be discussed outside of the bounds of what we normally do at a Special Session. I appreciate that. As been mentioned, we've been talking around this for a while, but I think part of the problem is that the Administrator is doing what we, the Commission, gave him instruction to do several years ago. However, I think this is the type of discussion we should have had before we made that decision. The issue is, can we take the straps off of the Administrator to find some other way to fund this. He's working within the bounds that he was given. I think we made that decision or had that discussion without really looking at all the viewpoints, particularly Fairfax's. That's a lesson learned for anything else that is going to come up in terms of future fire stations, so I would like to see the time given to Fairfax that they've asked for to allow them to find out—particularly GM, what they may have and in that time I would also ask for a discussion or would love to hear from the other commissioners concerning revisiting what we might be able to in terms of funding or staffing the new department out west.

The other question I have, and it goes back to some other points made, it's still not really clear if we're doing just from statistical examples whether or not, and this is the key issue I believe, whether or not pumpers coming from Fairfax—I'm sorry, from 5 can get into Fairfax within the 4-minute time. Please, Chief, correct me if I'm wrong, the answer to that may also depend on where exactly in Fairfax we're talking about. I understood that from the two bits of actual historical data we have that 5 did respond within 4 minutes. I'm not quite sure exactly where that location was in Fairfax, but again, I'm asking that we give more time to evaluate this and that we, as a Commission, look at taking the fetters off with the Administrator to see if we can find money to keep Fairfax there and also fund out west.

**Commissioner Bynum** said I agree with the comments that Commissioner Townsend has made, and I will tell you all that I'm appreciative of the entirety of the discussion and conversation that has been had around this topic for the duration of time that we've been trying to come up with this answer for staffing a station in Piper. I stated to some of you earlier today that it's a difficult position for me to take. I've tried to contemplate it from every angle, and I have decided I cannot

support, as a commissioner, closing the Fairfax station. So, I'm reiterating that position in this public forum. I'm not 100% sure what keeping Fairfax open does to a timeline for opening a new Piper station and having it staffed and ready to respond. I am convinced that we've got to take the time we need in order to identify how we can do that by looking at every other possible solution whether it includes additional funding resources or not while we maintain the current operation of the Fairfax station. I don't have those answers, but I definitely have suggestions for how we should continue to look.

I am also going to publicly state right now that in looking at the materials for the next component of our time together tonight, we are reminded that we lowered our city mill levy four mills over a three-year period and I won't apologize for that either because every residential and commercial taxpayer in this city still awaits actual real tax relief. I will say I'm not in favor of any mill levy increase that would be put forward for this purpose either. With that being said, Mayor, I will yield the floor.

**Commissioner Kane** said first of all, there was a question, does the Administrator have the authority to make that decision and I believe the answer is no. Also, I did not give the Administrator the task of manning that station out there without adding another truck and you can go back to the Commission meetings where I asked for a truck to be put at 6's by St. Pat's while we were building this fire station. If we go back and we listen to the Fairfax group, and I know the Chief has come up with some really good things here, boy this is the way it goes, the documentation says they can't get there when they said they can. It is a high hazard area. Each airport has a fire station on it for a reason. This place is the size of Atchison, we're going to take away a fire station from a size of a community like that. There's 10,000 people down there. Do we unprotect the 10,000 people. Remember, that for 21 years I was the one that greeted the firemen when they came to the door to pick up one of our employees and there's a timeframe in a stroke that you can't get past. Just like they said, when the truck ran into the CertainTeed stuff, people were there immediately. How do you know that fire station, that ambulance, is going to be in the station up there on Quindaro? The answer is, you don't know.

This ZOOM meeting is a terrible way to discuss such a very important thing. I actually think we should push this back. We can go down to the UAW, meet at their union hall face-to-face, nose-to-nose, toes-to-toes and feel the emotion of the people that's exposing their employees

that work there. As the guy said out west, we pay a lot of taxes and we deserve a full station out there.

Then the question comes up, have you ever heard of a fire station almost taking four years to build? I don't think so. Staff did not want to build it in the first place and now what they're doing is they're planting the Piper area against the Fairfax area and that is terrible.

**Mayor Alvey** said, Commissioner Kane, I have to say I think your points are valid, but I would say, frankly, it is inappropriate to cast aspersions on the intentions of staff that they purposely tried to delay—first of all the development of the station to staffing. I would call a point of order.

**Commissioner Kane** said you know what, I don't care what you say. They did it and that's the way it is.

**Commissioner Ramirez** said I'm new to this conversation and to this issue. I am trying my best to get up-to-date and to read everything and understand both sides and everything, but I will say that I do agree with the comments of Commissioner Townsend and Commissioner Bynum. It's clear that there is still contention on the Fairfax side, and I think the conversation needs to continue so that we elevate those contentions and their issues. Again, I yet to have a position on this since I am still going through all the information and I want to make sure I have a well-rounded understanding of the situation. Again, like I said, I agree with the comments of Commissioner Townsend and Bynum.

**Commissioner Burroughs** said I'm just curious, is Commissioner Townsend making a motion? I am in support of transparency on this (inaudible) this evening and over the last (inaudible). I'm going to say since I've been on the Commission and there is grave concerns with some information that has come forward that is alarming, but at the same time worthy of us taking the prudent measures of doing our homework to ensure whatever decisions we make are in the best interest of not only our community, but those people that are in the Fairfax Industrial District.

Mayor, if I may, I would like to make a motion at this time to postpone any further discussion until post COVID measures have been taken and we have a chance to have this discussion in public purview within the City Hall Chambers. That's my motion, Mayor.

**Mayor Alvey** said, Commissioner Burroughs, this is a Special Session and so there is no action taken. That would have had to been posted differently and provide other circumstances, but your sentiment is being relayed obviously to Administrator Bach and to Chief Callahan. **Commissioner Burroughs** said thank you, Mayor, for pointing that out. I've just been taking a number of notes and this issue has brought about a tremendous amount of response and emotion for all of those that are listening and for all of those involved in this decision. This is one that shouldn't be taken lightly, and I truly believe there are a lot of nice comments in reference to what can be done and we all just need to be at the table to get this resolved. I truly believe that we do not need to take on additional risk to our reputation as a community and disregarding our Fortune 100 and Fortune 500 companies in Fairfax as well as ignoring the needs and pleas of those in the Piper community. As a good community steward and leader in this community, I just truly believe that we have an opportunity to address this if we continue to have what I would call emotional fact-based discussions. Thank you, Mayor, for reminding me that this is a Special Session and I'll let someone else speak to the issue.

**Commissioner Markley** said obviously this is a very emotional issue for a lot of reasons and if we continue to move forward with trying to implement pieces of the FACET study, we're going to address more of those emotional issues. We're about to have a budget discussion next on this agenda this evening, so I think it's always easy to listen to an emotional discussion and think I've made a decision based on those concerns. It tends to be harder to make that decision when we see how much money those decisions costs and we realize what we have to trade off, so I would say we need to enter into discussions as part of our budget discussion about how a decision either way is going to impact our budget. That doesn't mean we put the emotion entirely aside because obviously that plays a role certainly in what's the right decision for our community, but the reality is we asked our Administrator to implement this portion and other portions of this FACET study. We didn't really give him a lot of money to do that with. He's sort of trying to make that happen on the shoestring we've allowed, so if we're going to give him a longer shoestring, I don't think Doug Bach is going to be sad if we say you've got all the money you need, do whatever it costs, but the reality is that's going to have implications elsewhere in our budget.

As always, I think our budget needs to be discussed as a packaged deal and I appreciate that this item is coming forward during the time when we're putting together our budget for the

upcoming year because whatever we decide is going to have budget implications. So, it should be discussed not in a vacuum, as we're discussing the issues that are singularly at this moment but should be discussed as part of the entire budget package, how are we going to go forward, the decisions we're going to make about our fire stations and their future.

**Commissioner McKiernan** said I think Commissioner Markley is correct in that based on the data that we were given, and this has been several years ago now, the data did suggest that we had the possibility of staffing the new station by changing the arrangement in the east. I think Commissioner Townsend is then correct, in that we went on the data we were given. We went on the report that was presented to us. We probably should have dug a little bit deeper into those data and asked more questions at that time because certainly I have, as Commissioner Burroughs was saying and Commissioner Markley, I have come up with a whole list of questions as we've talked about this, but I want to get into a little bit more detail about not only this station, but other stations as well. I do think that everything that has been said here tonight is correct. We did give our Administrator the direction based on the data, let's see if we can get this done. At this point and time, it appears the answer is we probably can't as we imagined it would be. Now we've got to be nimble, we have to be adaptable and we have to be willing to change our decisions and go new directions.

Clearly, right now, it seems to me we are not making the decision, but we're really leaning toward just finding the money to staff the new station outside of what we are currently spending on fire operations, so adding the personnel money to fire operations. I think if that's the decision that we eventually all make, that's the decision we make. I appreciate the discussion. I realize I know why we're here. Commissioner Townsend is right, we probably could have avoided being here. Now that we're here, we have to consider the very real implications of what steps we take to move forward. I do look forward to having all of my questions addressed at some point in the future.

**Commissioner Kane** said I agree with Commissioner McKiernan that we've got to figure this out, but what I would like to do, Mayor, is put this on hold until we figure it out. The fire station isn't done. We've got a big task ahead of us and I think we would be better off hitting the brakes on this and trying to figure out how to do it. I think that's a fairly simple request that we've got a

long road to hoe, maybe this is one of the first items we work on the budget, and we come up with something better than what we have. I think we need, like I said, hit the brakes and try to figure this out while we work on our budget.

**Commissioner Johnson** said first of all, when do we expect to have the new fire station completed? That's the first question and then I will go ahead and give you my statement. I don't recall having the conversation at the time we were talking about the Piper station being constructed before or during that it would result in us having to close another station. I think that was what Commissioner McKiernan was referencing, and so I may have understood it differently.

The other piece of it is that now we're in a completely different environment with regard to the budget as it relates to the COVID-19 and the impact that it will have on our budget in the immediate future and in the distant future at least for another two or three years potentially. I like the word that Commissioner McKiernan used; we're going to have to be nimble to go about addressing this particular issue.

I will say, though it may be water under the bridge, if I would have thought or known at the time that we might have to close a station and that was going to be the way that we were going to fund the building, construction and operation of another station, it might have nuanced my thought process at that particular time. However, the water is under the bridge and here we are, so I think we do need to be as thoughtful as possible understanding that we are in a completely different environment than we were at the time that we were discussing. We did not anticipate COVID-19 at the time we were discussing constructing and building and operating a new fire station in Piper which I was all for. Here we are and I think that we're all smart enough to come together in the spirit of unity to figure out what the best solution to this challenge will be. Those are my comments at this time.

**Commissioner Philbrook** said I was trying to hold my tongue because I've heard a lot of things that all of them make sense and I will tell you that I've been wrestling around with this since the beginning and my brain has still not wrapped around all the nuisances of everything that's going on with this. The realization that, yes, we have COVID which then really missed things up as far as face-to-face conversation and you almost have to have that kind of conversation when there is that much emotion involved in something.



The other thing is that with our budget we don't have a lot of extra money. We have certain amounts of money and if we decide to go forward with this, then it will be taking money from something else. That's something that we're going to have to wrestle with too because we are going to have less money coming in than we had planned on. Fortunately, we have a little bit of a buffer but how long can that buffer work and what is COVID going to bring to us in the future.

I really do appreciate all the conversation that's been going on around this, but I do believe to come to an agreement on this, at least among the commissioners and the Mayor, is we're going to have to continue this conversation in a productive, positive manner. All of us wanting to take care of the community so nobody gets unduly hurt because we made the wrong decision, so that's where I'm coming from on this.

**Mayor Alvey** said if you don't mind, I will close this with a comment because we really need to move on to our budget session. I want to thank everyone who brought their opinions, their perspectives to this discussion. This is obviously extremely important. You know, something that Commissioner Philbrook stated is that, I believe, that every person in this discussion really wants what's best for our community. Of course, what we are doing is, we're competing for resources. Every place we go, every constituent we listen to wants one of two things and often both. They want more and better services whether that is great public safety, stormwater improvements, improvements to our streets, more beautiful parks, more robust recreational programming, more bus services; we all want more and, frankly, we deserve more, but everybody also wants a lower tax burden.

That's the fundamental problem of any government and that's what we're going to be wrestling with and that I believe is the source of the emotion. No one, I believe, would say it's a good thing to close a station simply to be able to fund another one, but some people might agree that it might be necessary given limited resources. That's a discussion that we're going to have to continue to have. There are limited resources and our community has a limited ability to continue to be taxed to provide the resources necessary. If we don't generate more revenues, if we don't raise taxes and we decide to continue to do this and to staff up both stations, it is going to mean that there will be cuts to other parts of the budget and we're going to have to stand up and say, we said that we're going to cut whatever it might be. Whether it's a bus service, whether it's parks, cutting parks, whether it is cutting SOAR, whatever those things are, we're going to have to stand

up and take ownership of that because we are saying there would be more value staffing these stations in Fairfax and in Piper.

That's what we're up against. This is why it's going to be a very interesting conversation. It's really the conversation we need to continue to have. Again, I think it's been very important for everybody to come forward to share this because this is really the fundamental problem of government.

Having said that, I want to thank everyone who has attended. I don't believe this discussion is over. It has to be part of a larger budget discussion because the trajectory of these decisions are going to reach far into the future, actually, forever and ever probably. Having said that, thank you all. Now let's move on to our next topic which is our first budget workshop.

**Doug Bach, County Administrator**, said our first budget workshop is designed to really go through, kind of set the stage from where we are. As we work through this, a little bit different format as we have done most of these after the budget. Last year we made the decision we wanted to come forward and start doing workshops pre-budget presentation. With COVID out there, at first I was getting really nervous about it thinking that seemed ridiculous though as we move through this I think it probably puts us in a better position. Ms. VonAchen and her team has gone through and kind of set the stage for where we are. She has some analysis out there of what's going on in the economy in terms of revenue and it takes us to a point of looking at exactly, or not exactly, it's estimates where we feel like our shortfalls are going to be.

Most all of our shortfall is within the City Revenue Funds and those supporting sales tax units that help support the city. The city is our largest portion of our fund and as we just had the discussion of the Fire Department, it is funded from there and it's funded from other special sales tax units and then our Dedicated Sales Tax and our EMS which are both funds that are hit the hardest by the COVID action right now. It is pertinent to this conversation, so we're going to go through this and present it. I guess what you're seeing is we're setting the stage for where we're going to look to reduce segments of our budget, which will be a future discussion, but that's kind of the stage we're setting. With that, I'll turn it over to Kathleen and let you put your presentation up and begin your presentation.

**Kathleen VonAchen, Chief Financial Officer**, said tonight's presentation, there are three of them. The first is we're going to go over the Citizen & Community Stakeholder requests that we received as part and follow-up from our budget hearing. Secondly, we're going to go over the revenues and the economy as they stand currently. Then, finally, we're going to go back and give you an update on the Priority-Based Budgeting program survey that we presented on April 1<sup>st</sup> and then you took several weeks to go through and look at all of the programs and weigh-in on those. Those are the three components.

At this point we're going to—I'm going to allow Deasiray Bush to start her presentation on the Stakeholders.



**Deasiray Bush, Management Analyst in Budget Dept.**, said this evening I will report our Citizen & Community Stakeholder submissions.

Applications were Due: March 13, 2020

- Email
- Traditional Mail
- In-Person

Advertised Outlets:

- Unified Government Website
- Facebook
- Livable Neighborhoods

**2021**



**Citizen & Community Stakeholder  
Budget Input Form**

Prepared by the Budget Office

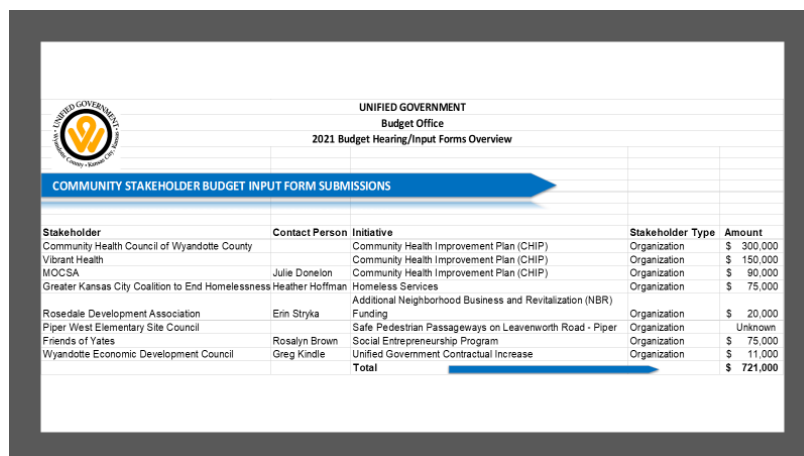
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| <p><small>PLEASE RETURN TO:</small></p> <p><small>Unified Government Budget Office<br/>Deasiray Bush<br/>101 W. 4<sup>th</sup> Street, Suite 610<br/>Kansas City, MO 64101<br/>913.573.1274</small></p> <p><small>Or by email to: <a href="mailto:dbush@unifiedgov.org">dbush@unifiedgov.org</a></small></p> <p><small>APPLICATIONS ARE DUE<br/>by Noon March 13, 2020</small></p> |
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May 7, 2020

Our Citizen & Community Stakeholder budget input forms are available for citizens and community stakeholders to provide input on budget priorities and initiatives for the adoption of the Unified Government's Revised 2020 and Proposed 2021 Budgets. Since the community stakeholders had an opportunity to comment on budget priorities and initiatives during our first public hearing meeting which was held February 13<sup>th</sup> there was also an opportunity to submit budget input forms for consideration which were due March 13<sup>th</sup> by noon to the Budget Office by email, traditional mail, or in-person. The Budget Office used various outlets to advertise budget input forms that consists of our main Unified Government website, Facebook and Livable Neighborhoods monthly newsletters and meeting.

| UNIFIED GOVERNMENT<br>Budget Office<br>2021 Budget Hearing/Input Forms Overview |                  |                      |                  |
|---------------------------------------------------------------------------------|------------------|----------------------|------------------|
| <b>CITIZEN PUBLIC HEARING</b>                                                   |                  |                      |                  |
| Organization/Citizen                                                            | Contact Name     | Initiative           | Funding Request  |
| Greater Kansas City Coalition to End Homelessness                               | Heather Hoffman  | Homeless Services    | \$ 75,000        |
| Neighborhood Business and Revitalization                                        | Erin Stryka      | Public Communication | \$ -             |
| Citizen                                                                         | Bill Hurrelbrink | Public Communication | \$ -             |
| <b>Total</b>                                                                    |                  |                      | <b>\$ 75,000</b> |

There were a total of three citizen and community stakeholders that participated in the first public hearing requesting a total of \$75K. That request came from the Greater Kansas City Coalition to End Homelessness for us to support homeless services. We also received a request from Neighborhood Business and Revitalization. They did not announce an amount. At the public hearing; however, they would like us to prioritize public communication and the same for citizen Bill Hurrelbrink. He did not announce an amount, but he would like us to prioritize public communication as well.



| UNIFIED GOVERNMENT<br>Budget Office<br>2021 Budget Hearing/Input Forms Overview |                 |                                                           |                  |                   |
|---------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------|------------------|-------------------|
| COMMUNITY STAKEHOLDER BUDGET INPUT FORM SUBMISSIONS                             |                 |                                                           |                  |                   |
| Stakeholder                                                                     | Contact Person  | Initiative                                                | Stakeholder Type | Amount            |
| Community Health Council of Wyandotte County                                    |                 | Community Health Improvement Plan (CHIP)                  | Organization     | \$ 300,000        |
| Vibrant Health                                                                  |                 | Community Health Improvement Plan (CHIP)                  | Organization     | \$ 150,000        |
| MOCSA                                                                           | Julie Donegan   | Community Health Improvement Plan (CHIP)                  | Organization     | \$ 90,000         |
| Greater Kansas City Coalition to End Homelessness                               | Heather Hoffman | Homeless Services                                         | Organization     | \$ 75,000         |
| Rosedale Development Association                                                | Erin Stryka     | Additional Neighborhood Business and Revitalization (NBR) | Organization     | \$ 20,000         |
| Piper West Elementary Site Council                                              |                 | Funding                                                   | Organization     | Unknown           |
| Friends of Yates                                                                | Rosalyn Brown   | Safe Pedestrian Passageways on Leavenworth Road - Piper   | Organization     | \$ 75,000         |
| Wyandotte Economic Development Council                                          | Greg Kindle     | Social Entrepreneurship Program                           | Organization     | \$ 11,000         |
|                                                                                 |                 | Unified Government Contractual Increase                   | Organization     | \$ 11,000         |
|                                                                                 |                 | <b>Total</b>                                              |                  | <b>\$ 721,000</b> |

There were a total of 13 citizen and community stakeholders that submitted budget input forms requesting a total of \$915K. I've broken them out by organization and citizen submissions. We received eight community stakeholders submissions. Three of the eight requests were to support our Community Health Improvement Plan in the amount of \$514K. You see the request from the Community Health Council of Wyandotte County in the amount of \$300K, Vibrant Health in the amount of \$150K, and MOCSA submitted an amount of \$90K.

Additionally, we received input forms from Greater Kansas City to End Homelessness in amount of \$75K to support homeless services. Rosedale Development Association submitted \$20K for us to provide additional funding for NBR's. Piper West Elementary Site Council did not have an amount on their application; however, they would like us to prioritize Safe Pedestrian Passageways on Leavenworth Road in the Piper area. Friends of Yates requested \$75K for us to support Social Entrepreneurship Program. Wyandotte Economic Development Council requested \$11K for us to increase our Unified Government Contractual Agreement. The total community stakeholders request is \$721K.

| UNIFIED GOVERNMENT<br>Budget Office<br>2021 Budget Hearing/Input Forms Overview |                 |                                                         |                  |                   |
|---------------------------------------------------------------------------------|-----------------|---------------------------------------------------------|------------------|-------------------|
| CITIZEN STAKEHOLDER BUDGET INPUT FORM SUBMISSIONS                               |                 |                                                         |                  |                   |
| Stakeholder                                                                     | Contact Person  | Initiative                                              | Stakeholder Type | Amount            |
| Citizen                                                                         | Molly Gotobed   | Community Health Improvement Program (CHIP) Coordinator | Citizen          | \$ 65,000         |
| Citizen                                                                         | Pete Cashen     | Rosedale Park Bathroom Upgrades                         | Citizen          | \$ 130,000        |
| Citizen                                                                         | Courtney Brooks | Rosedale Park Bathroom Upgrades                         | Citizen          | Unknown           |
| Citizen                                                                         | Scott Martens   | Rosedale Park Bathroom Upgrades                         | Citizen          | Unknown           |
| Citizen                                                                         | Robert Castillo | Safer Biking- Additional Bike Lanes                     | Citizen          | Unknown           |
|                                                                                 |                 | <b>Total</b>                                            |                  | <b>\$ 195,000</b> |

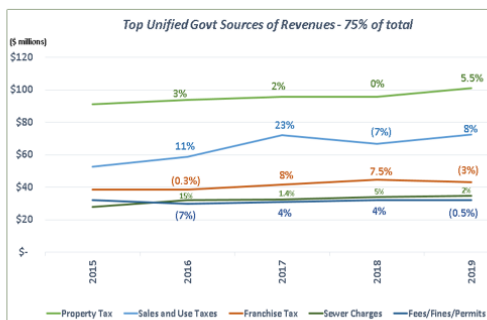
Lastly, we received five citizen stakeholders submissions. Three of the five requests was support of the Rosedale Park Bathroom Upgrades in the amount of \$130K. Those requests came from citizen Pete Cashen, Courtney Brooks and Scott Martens. We also received a request from Molly Gotobed in an amount of \$65K for us to support our CHIP Coordinator. Lastly, we received a request from Robert Castillo, no known amount; however, he would like us to support additional Bike Lanes. The total citizen's request is \$195K.

This concludes the Community and Stakeholder Budget Input Forms.



**Ms. VonAchen** said now we're going to go to the revenue side of the PowerPoint presentation. Tonight, I'm starting out with a very peaceful but familiar slide of Wyandotte County Lake because from here on out it's going to be kind of rough.

## Knowing our Base. What moves our needle?



### % of Total Revenues

- Property tax – 27%
- Sales/Use tax – 19%
- Franchise taxes – 12%
- Sewer charges – 9%
- Fees/Fines/Permits – 9%
- 6 City mill reduction between 2017-2019
- Sales Tax volatile; dropped in 2018; flattened out in 2019
- Electric PILOT increased 2017/18 due to rate increase; came in at negative growth in 2019 due to lower electric KWH; was expecting a 2% increase
- Fees/Fines/Penalties have been flat

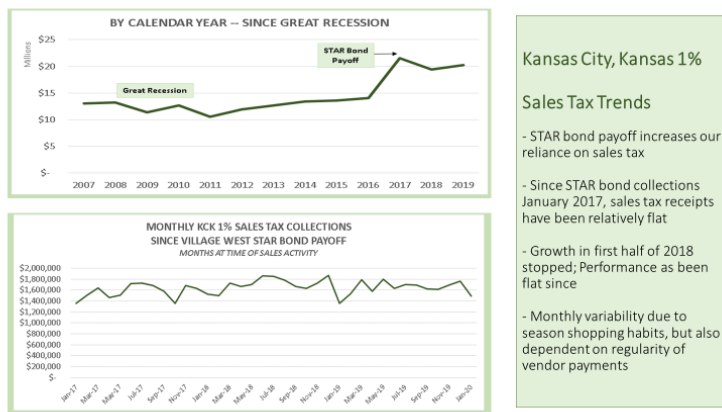
We have seen some tremendous impacts from the COVID, but before I start talking about COVID, I want to talk about where we are, knowing our base and what moves our needle in terms of our fiscal stability.

This graph here shows the top revenue sources of the entire Unified Government. The Unified Government budget is roughly \$400M in total and \$225M roughly of it is General Funds, so that's where all those tax supported programs like Fire and Police come from. This is the entire budget, and these are the top revenue sources. The very top one is Property Tax, that's the green line here and as you can see we reduced the mill in '16, '17, and '18, no, '17, '18, and '19 by two mills in each of those years. You can see that Property Tax revenue is pretty flat. It came in a little bit more healthy last year because of the increase in our value, but overall Property Tax makes up 27% of our total. The second largest is Sales Tax which makes up 19% of the total, followed by the Franchise Tax at 12%.

Much of this presentation tonight is going to focus on Sales Tax and that's because that's the one that is most impacted by COVID. We never closed the Kansas economy down for two months, so this is all new territory for us. Sales Tax is very volatile. This big spike here, that's when we paid off the STAR Bonds and had a 23% increase but then the following year we had a 7% decrease. Then it went back up to 8%, so working pretty level and not a lot of growth there, pretty flat.

The third item is the Franchise Tax which makes up 12% and Franchise Tax is usually pretty flat except when you have a rate increase. The BPU had an electric rate increase which resulted in this 8% and 7.5% increase, but overall consumption tends to vary or go down in the case of 2019. This 3% reduction was not one we anticipated. I guess what we're trying to say

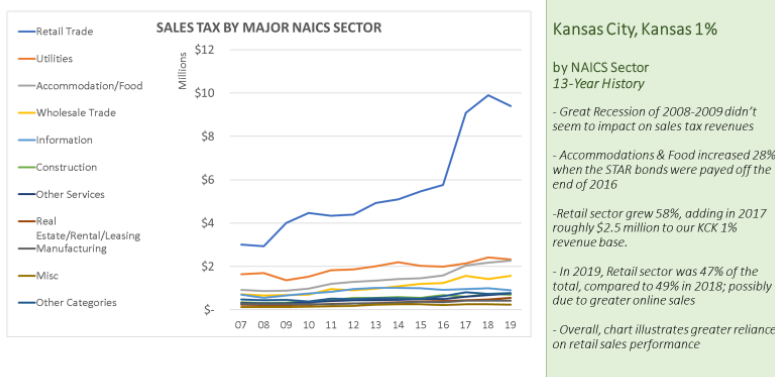
here is that the revenue base for our organization, you know, it struggles keeping up with just the ongoing cost-of-living increases that an organization of our size will have.



How did our sales tax do over the past 10 years. We kind of like to think since we're in the middle of a crisis we kind of like to refer to the last crisis we had. That's why I presented some information all the way back to 2007. Since sales tax is such a big part of our budget we were kind of focusing on that and I've narrowed it down just to the Kansas City, Kansas 1% because there's so much data. Of course, as you know, we have 2.65% as our sale tax rate across the board, but for consistency throughout we're going to be talking about the Kansas City, Kansas 1%.

As you see during the great recession it did decline and then it was very flat. It jumped up when we paid off those STAR Bonds and then it's been pretty flat ever since. Since we paid off those STAR Bonds on a monthly basis, you know, there's been some spikes and increases around Christmas. It dropped in January. It kind of goes up in the summer months but since July 2018 it's been trending flat or downward and we think that's probably because people are paying more or buying more products online, so it's that difference between the brick and mortar and the online sales that I think is impacting our revenue base in sales tax.





So, what about by sector. This is the NAICS Sector Code and you can see retail is the biggest sector that we have. In 2017 it dramatically increased because of the STAR Bond payoff. Accommodation and Food increased 28% when the STAR Bonds were paid off, but the retail sector, it grew 58% adding roughly \$2.5M to the KCK revenue base.

Over the last couple of years, the entire retail sector has dropped from 49% in 2018 to 47% which is a little troubling for us. This is all just to give you a picture where we are right now.



Now we have ventured into this very unexpected era. All I can say is with the revenue estimates we do have some data, but it's very limited. We're doing the best we can when it comes to coming up with some estimates and I will talk more about that later. In terms of these estimates, what we need to do is hope for the best, plan for the worst, but ultimately be prepared to be surprised.

## CORONAVIRUS (COVID-19) IMPACTS

### IMPACT ON UNIFIED GOVERNMENT'S SALES TAX & "3-MOS/FALL WAVE" FORECAST:

- Assumes "Shelter-in-Place" directive will continue until mid May – 2 months – *Great Shutdown*
- *Virus runs its course* by the end of *December with a potential additional month of shutdown in the Fall* (return of virus and subsequent "economic impacts" factored in)
- Unemployment, household debt (mortgage, credit cards, auto loans) expected to be a *lag on economy* thru 2020 and afterwards
- Local sales and use tax declines are expected to continue through end of 2020, with *moderate gains/re-growth in second half of 2021*
- *Return to previous spending patterns* after significant income interruptions is *not immediate* and often evolves
- *Businesses with tight profit margins* (like restaurants) and those carrying heavy debt loads (large retailers) *may not be able to recover* and eventually close permanently
- *Stimulus checks* will mostly be *spent on food, housing* (mortgage/rent) and other essentials – some of which is *not taxable*
- With infection curves flattening and economies gradually re-opening, attention has rightly turned to *the recovery*
- Our recovery baseline assumes an *eventual vaccine/treatment*, although not eminent

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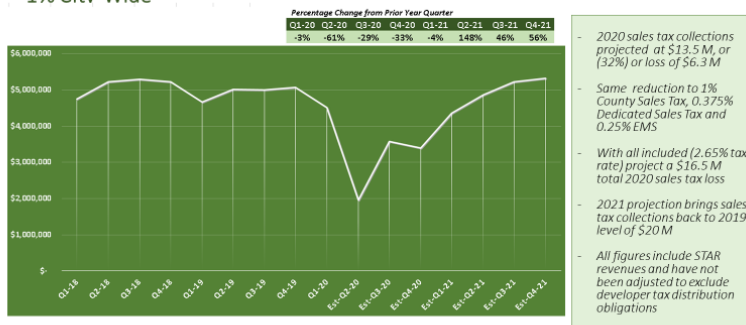
So, what is generally the impact of the COVID. We're going to talk mainly about the 3-month closure fall wave forecast. I realize we just completed a 2-month closure, but we need to plan for the worst. If there is an additional closure month that happens because of the spread of the virus and then a fall wave, then we need to be ready for that. We're assuming that the virus will run its course by the end of summer with a potential additional month in the fall. We anticipate unemployment and household debt to continue and to lag on the economy thru 2020 and thereafter.

We expect that local sales and use tax declines will continue through the end of 2020 with only modest gains through 2021 and perhaps some better growth in the latter half of '21. We're returned to a previous spending pattern after this significant income disruption by many of our residents. It's not going to be immediate and we will be evolving.

Businesses with tight profit margins like restaurants and those carrying heavy debt loads like large retailers may not be able to recover and will eventually permanently close. Those stimulus checks, they're going to be mostly spent on food and housing some of which is not taxable. With the infection curves flattening and the economy gradually reopening, our attention has rightly turned toward the recovery. Our recover baseline assumes that eventually there will be a vaccine or treatment although not eminent. Those, I feel, are all very fair assumptions as part of a baseline of our revenues.

## KANSAS CITY, KANSAS SALES TAX TRENDS

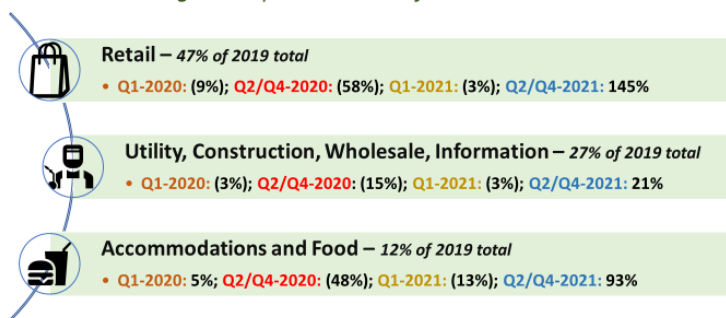
1% City-Wide



Since sales tax is the biggest one impacted, here I've shown you on a quarterly basis since the beginning of 2018 the total amount of sales tax generated by the 1% KCK tax rate and that's citywide. You can see the deep curve that happened when we shut the economy down. What we're estimating is that it's going to come back up and then perhaps in the fourth quarter there's going to be another drop due to the fall wave for potentially another closure with a gradual increase by the end of the year back to where we were and perhaps even higher.

## MAJOR INDUSTRY GROUP FORECAST

Categories represent +85% of KCK 1% Sales Tax



This Sales Tax, as I mentioned, over half of it comes from the retail group so I've included some of the industries within the retail. Here's the retail sectors quarterly projection. We actually experienced the 9% increase in the first quarter of this year compared with the quarter last year, actually a decrease, pardon me. A 9% decrease compared with the first quarter of 2019. We are anticipating through the rest of the year to experience a 58% decrease compared with last year. The first quarter of next year will be a moderate 3% decline from the low level in the first quarter

of this year and then followed by in the last three-quarters of next year 145% increase but brings it back higher than where we were in the prior year.

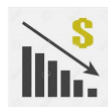
You understand, this 145% increase seems like a lot, but it's compared with this extremely low period. Here's some other sectors which make up 27%; utility, construction, wholesale, and information. These areas are not as nearly impacted retail will be. Accommodations and food; certainly, those are declining in the last three-quarters of 2020. We expect them to decline 48% compared to the prior quarters, but we hope to rebound by the end of next year.

I'm going to pass this next slide on to my Deputy CFO, Debbie Jonscher.

### DOES IT COMPARE TO THE GREAT RECESSION?

*Not yet it doesn't...*

*We've never shutdown the US/Kansas economy*



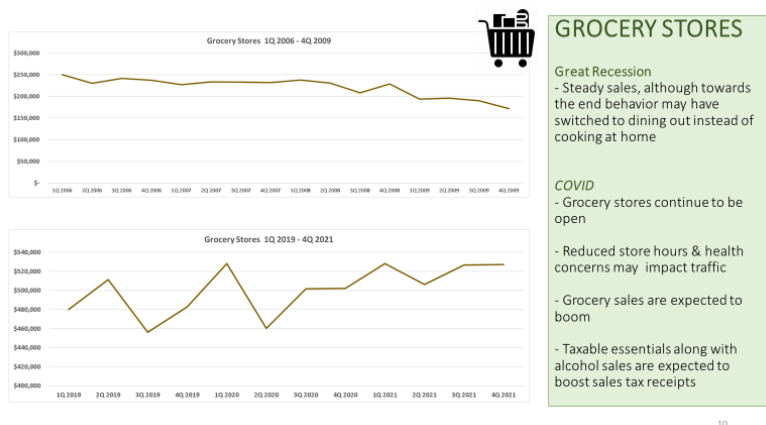
- Great Recession – December 2007 to June 2009 was 19 months
  - spurred by Housing Bubble and subsequent Subprime Mortgage Crisis
  - gradual decline in global economy to the bottom hurt consumers confidence and unemployment rates leading to a prolonged recession
- Now – sudden/immediate drop, might not create same prolonged damage to consumer confidence and unemployment

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**Debbie Jonscher, Deputy Chief Financial Officer**, said the next couple of slides that I'm going to go over are just doing some comparisons to services on how services are being affected now versus how they were back during the great recession.

First, does this compare to the great recession? No, it doesn't. Even though there were slowdowns in the sales purchases, there was never a shutdown of the US or the Kansas economy during the previous recession. The great recession lasted for 19 months. It went from December 2007 to June 2009. It was spurred by the Housing Bubble and then the subsequent mortgage crisis. There was a gradual decline in the global economy that hurt consumer confidence and unemployment rates lead to a prolonged recession.

Now during the COVID pandemic we're seeing more of a sudden or immediate drop and the hope is that this might not create the same prolonged damage to consumer confidence and unemployment.



The next couple of slides that we're going to talk about just show a couple of different sectors and what those projections are compared to the recession. This first one is on grocery stores. On these next couple slides we will have two graphs. The top graph is the recession and we're showing the period from 2006 to 2009 and then the graph at the bottom will show the impact from the COVID pandemic.

For grocery stores during the recession, as you can see, sales were pretty much steady from 2006 all the way through the 2<sup>nd</sup> quarter of 2008. There was a little bit of a dip in the 3<sup>rd</sup> quarter of 2008, but then it rebounded a little bit in 2009, but then in 2009 we did start to see a decline which we're thinking might have been a switch from people dining out as opposed to cooking at home.

During the COVID pandemic grocery stores do continue to be open. As you can see in the 1<sup>st</sup> quarter of 2020 there was a large spike and we believe that was due to businesses started shutting down and people were going to the store to stock up on supplies as the grocery stores did remain open. In the 2<sup>nd</sup> quarter we're projecting that number is going to drop significantly based on the fact that now people are somewhat stocked up, stores have reduced their hours as well as there are health concerns that could impact how often people are going back and forth to the store.

Grocery sales are expected to boom in the future, so you can see that we do have the trend going up, increasing late into the 4<sup>th</sup> quarter of 2020 and then on into 2021. At this point, I'll just note that all we can do is project this since we don't really have a whole lot of data to show what has occurred yet. We won't receive, with the two month lag in sales tax, information we won't receive at least for maybe another couple weeks what even occurred in March, so we will start getting some of that data in a little bit later this month.

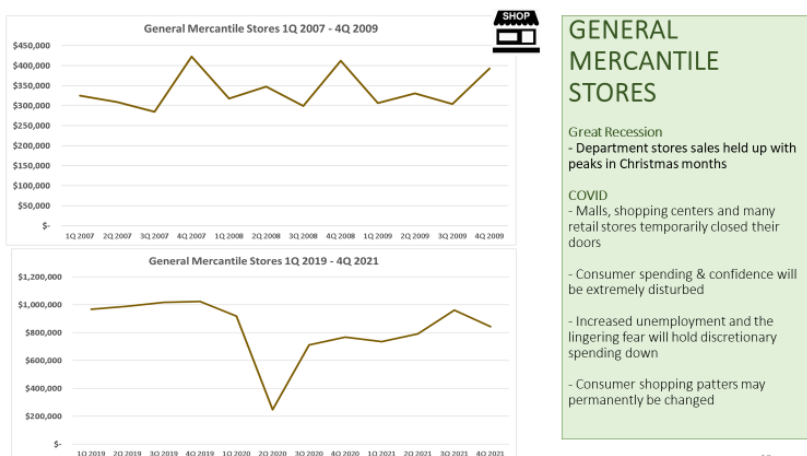


This next graph just shows restaurants and, as you can see, during the recession there was a steady decline with a dip during the 1<sup>st</sup> quarter of 2008, but then it rebounded in the 2<sup>nd</sup> quarter of 2008. I will note that the recession graph only includes restaurants whereas the graph below is going to include both restaurants and hotels.

There was an increase in 2<sup>nd</sup> quarter of 2008 but then it kind of declined over the course through 2009. During the COVID pandemic we are seeing that there was a sharp decline. It started with a little bit of a decline in the 1<sup>st</sup> quarter of 2020 and then a sharp decline in 2020 based on 2<sup>nd</sup> quarter as the stay-at-home order went into effect and businesses were either closed or operating at limited capacity.

The restaurant industry is reporting about a 65% drop, 85% drop in the hotel industry, most hotels are either shutdown or at limited capacity. We may start seeing an increase shift from—or we saw an increase shift from take-outs to groceries. Even as the stay-at-home order expires, we're expecting that dining room capacity will be limited at least for the next couple of months.

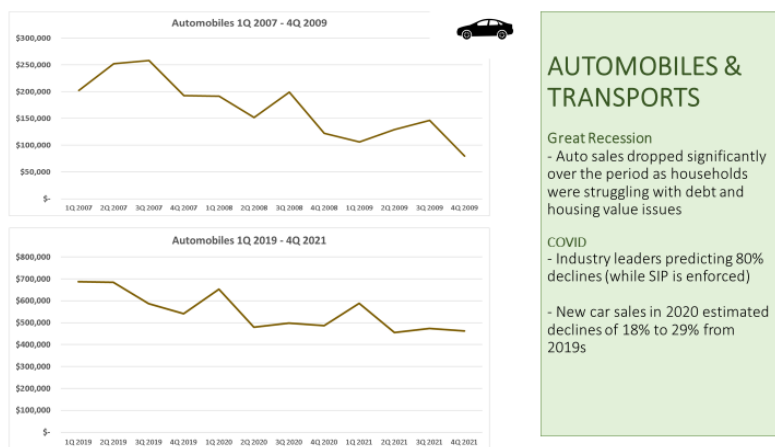
Small restaurants are really vulnerable given their tight operating margins and noting that Sporting Kansas City may not finish their 2020 season or have a season and NASCAR races may operate without an audience could deeply impact the dining receipts compared with 2019.



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The next slide is Department Stores. You will see based on the graph for the recession that there were a lot of ups and downs just noting that in that recession each year in the 4<sup>th</sup> quarter of 2007, 2008 and 2009 we did see sales pike during the holiday time. So, even as they went down in other times during the year, they did peak during the 4<sup>th</sup> quarter.

During the COVID pandemic with malls, shopping centers, and retail stores temporarily closing their doors, we are showing a steep reduction in the 2<sup>nd</sup> quarter of 2020 due to the closures and the stay-at-home order. We expect consumer spending and confidence and shopping patterns to change. Also, with increased unemployment and the lingering fear of the virus could hold discretionary spending down; however, spending on essentials will probably continue as it has, so we do show the trend going back up into the second half of 2020 and into 2021.

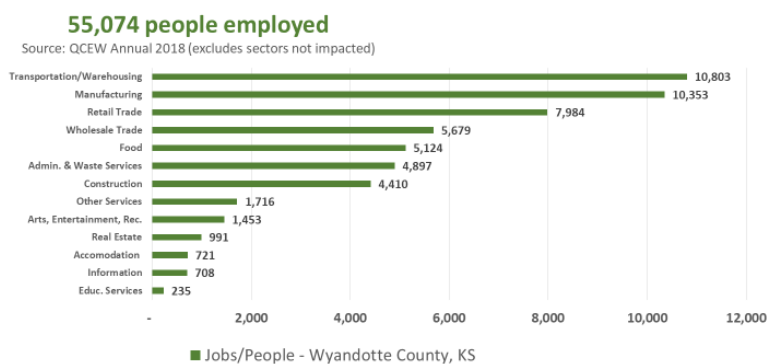


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The last comparison on individual sectors is the automobiles. We'll just note that during the recession there was a continual decline from the 3<sup>rd</sup> quarter of 2007 all the way through 2009. There were peaks throughout. There was one peak in the 3<sup>rd</sup> quarter of 2008 and third quarter of 2009. We're not sure if that has something to do with inventories in sales in the fall, but as households were struggling with debt and housing issues, the auto sales dropped significantly over that period.

During the COVID pandemic industry leaders are predicting an 80% decline and we're also seeing that new car sales for 2020 are estimated to decline about 18% to 29% from 2019. Our trend is going down from the 1<sup>st</sup> quarter. We did see a little spike in the 1<sup>st</sup> quarter of 2020, but then we do have it kind of leveling off for 2020.

## Employment in Vulnerable Industries by Sector



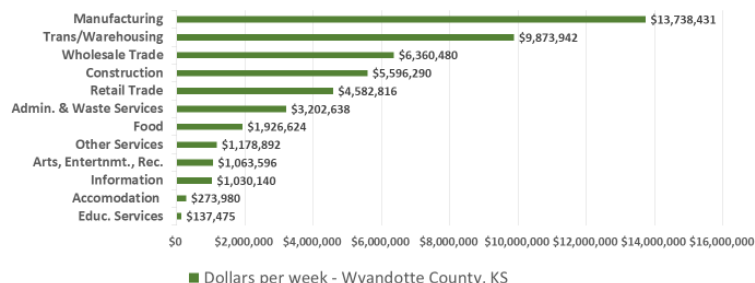
The next two graphs have to do with vulnerable industries within our community. This first one is just showing employment information, number of jobs and people employed for the different sectors within our community. I will note that this is 2018 data. The fall 2019 data was not yet available, and I'll also note that these were sectors that could be impacted by the stay-at-home order and business closures and we have excluded sectors that are not impacted by this closing. You can see the top three are warehousing, manufacturing and retail trade and we have seen closures in those areas as well as limited operations, so just a show of how that affects jobs and people in our community.



## Total Weekly Wages for Workers in Vulnerable Industries by Sector

**\$48,000,000 USD Wages per week**

Source: QCEW Annual 2018 (excludes sectors not impacted)



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The last slide is the same information for the vulnerable industries by sector. This just shows the total weekly wages for each of those industries.

**Ms. VonAchen** said part of the reason we showed you these last two graphs is because we don't have data on the recent unemployment filings that have occurred since the closure, so this is just an indication of where those layoffs might have occurred.

## WHAT DOES THE REOPENING LOOK LIKE?

- Restaurants and hotels currently closed will **need time to staff and stock up**
- Summer **travel expected to be limited**; stay-cations, lack of regional travelers
- Consumers forced to **shop online** may change habits going forward, negatively impacting brick and mortar even further
- **Auto industry incentives** expected motivate car buyers – Cash for Clunkers??
- Building – **construction not as immediately impacted** since large scale development still allowed to continue, low finance rates **may increase** infrastructure spending
- Gas Station receipts damaged by drop in demand (lack of commuters) causing **dramatic price drops** to crude oil and gas prices, **may continue into 2021** until global supplies are reduced

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**Ms. VonAchen** said what does the reopening look like? We're anticipating that restaurants and hotels currently closed will need time to staff up and to stock up. We anticipate that the summer travel is going to be limited. There is going to be a lot of stay-cations and a lack of regional travelers.

Consumers forced to shop online may actually have changed their habits going forward and that's going to negatively impact the brick and mortar even further. The auto industry may provide some incentives and that's expected so they can motivate car buyers, so actually the auto sector may increase. It's hard to know.

Building, construction not as immediately impacted since large scale development still were allowed and low financing rates may increase infrastructure spending. Gas station receipts are going to be severely damaged by the drop in demand due to the lack of commuters, but also the dramatic price drop to crude oil and gas prices. That may continue or is expected to continue into 2021 until their global supplies are reduced.

## PROPERTY TAX – ECONOMIC IMPACTS

### 2020 CONSIDERATIONS

- Assessed values were as of January 1, 2019
- 54% of the 2020 property tax payments were already collected by January 2020
- State has not allowed for deferrals of May 2020 payments
- Expecting a 9% delinquency rate on the second half of property tax payments, for avg rate of 7.6%
  - 2019 delinquency rate was 5.4%

### 2021 CONSIDERATIONS

- Assessed values were effective on January 1, 2020; already been set prior to the shutdown
- Appraiser has not experienced an unusually high level of informal appeals; although higher level of payments under protest anticipated
  - Certified values received from Appraiser June 1<sup>st</sup>
  - More discussion at 2<sup>nd</sup> Budget Workshop (Set MML)
- Experienced listings pulled in February by sellers not needing to move, waiting for April real estate data
  - Summer moving season will be true test
  - July single family residential home values will be first known impact
- Anticipate slow growth past 2021 until further information is available

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As you know, the number one revenue we do have is property tax and so we thought we should spend a few slides talking about it and the potential economic impact. In 2020 to consider is that the assessed values were already set in January 2019 and when the COVID closures began we had already collected 54% of the 2020 property tax revenue. The State hasn't allowed for any kind of deferrals of the second property tax deadline which is for May. We're expecting a little 9% delinquency rate on that second half of property tax payments so that averages out over the course of the entire year about 7.6%. Just as a comparison, in 2019 our delinquency rate was only 5.4% which was really good, so that number has been declining and I will show you that in a minute.

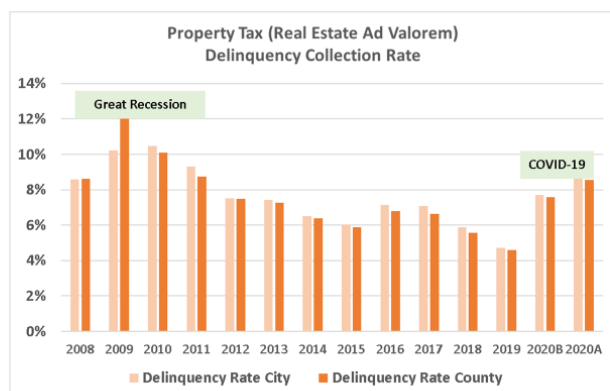
In 2021; the assessed values were effective as of January 1<sup>st</sup> of this year, so they were already set prior to the shutdown. The Appraiser has not experienced an unusually high level of informal appeals, although higher level of payments under protest are anticipated by her. The certified value is received from the Appraiser June 1<sup>st</sup> and so there will be much more discussion

May 7, 2020

about our property tax and the maximum mill levy during the second budget workshop which I think is January 23<sup>rd</sup> or 26<sup>th</sup>, around there. I don't remember what date now, sorry.

Experienced listings, those people who are realtors that are selling homes, they already knew they needed to pull their sales out of the market in February especially if they weren't planning on moving. We're just waiting for the April real estate data to come in and see what happens with the value of—market value of our residential homes. That whole summer moving season, that's going to be the real test to see if it's going to impact the value of our homes going forward. July single family residential home values will be the first known impact.

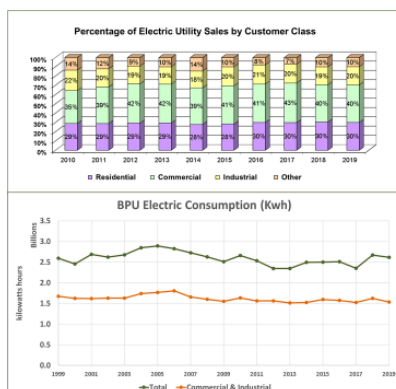
We're anticipating a slow growth past 2021 because all of these considerations has already set the 2021 assessed value level, so in 2022 is where some of this activity in the summer is going to be indicative of how the market value of our homes will be appraised in 2022.



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Just to give you some historical context; this is a graph of the property tax—the real estate ad valorem property tax delinquency collection rate. It starts from 2008 at the beginning of the great recession and during that great recession it peaks at 12%. This is the city and then the county in the orange. It peaked to 12% in 2009 and then it dropped and has been dropping progressively, buffed up a little bit in 2016 but it ended back down at very low levels, as I mentioned 5.4% last year. We are anticipating a delinquency collection rate increase and that really does diminish the amount of money we collect from our property tax when the delinquency rate goes up.

## BPU ELECTRIC & WATER PILOT



- BPU experiencing a substantial drop in electric and water utilization in March and April with large industries and businesses closed
- Data for April billing being collected
- Preliminary estimate has BPU PILOT revenues down 10% in 2020, and 2021 being flat with 2019.
- Same 2020 estimate assumptions is being preliminarily applied to UG Sewer charges for services revenue

19

Another one of our big revenue sources is the Board of Public Utilities Electric and Water PILOT. The PILOT is short for Payment in Lieu of Taxes. It's also known as a franchise tax. We get that from the Board of Public Utilities. The rates have been similar throughout the years. Right now, it's 11.9% of growth revenue from the Board of Public Utilities. Unfortunately, over the past few months the Board of Public Utilities has told us that they have experienced a substantial drop in the electric and water utilization and that's mainly from the large industries and businesses, commercial industry closures. Those two industries are this light green area and the yellow area, so those two sectors make up 60% of the total electric sales for example of the BPU. When there's a dramatic drop from the large industry and commercial sector, it really impacts the level of revenue that BPU collects.

Unfortunately, we don't really have data on April billing just yet. As we collect data we will have more information and, of course, that new information will be reflected in the revenue estimates which we will be updating on a continual basis.

By the way, down here, this graph shows the level of electric consumption, kwh. This is the total, the green one is the total and this orange one is the combination or subtotal of commercial and then industrial sector. As you can see in 2019 there was a drop, so I had been anticipating in the 2019 revenue estimate that it was going to be flat, but unfortunately, it dropped so my revenue estimate was off by about \$3M because of that. It's hard to predict.

Preliminarily what we're doing right now, the revenue estimate is that the amount of PILOT that we will be receiving for water and for electric is going to be 10% below what we collected in 2019. For 2021 I have it flat with 2019 so back up and we're using that same assumption for our own UG sewer, Charges for Services because the sewer billing is tied to water consumption.

May 7, 2020

## TRANSIENT GUEST TAX (TGT)



| Unified Government Transient Guest Forecast, 2020 - 2022 |                            |                       |                      |                            |                       |                      |
|----------------------------------------------------------|----------------------------|-----------------------|----------------------|----------------------------|-----------------------|----------------------|
| Year                                                     | ALL HOTELS                 |                       |                      | VILLAGE WEST HOTELS        |                       |                      |
|                                                          | Net Trans. Guest Revenues* | Pct. Chng. Prior Year | Pct. Chng. From 2019 | Net Trans. Guest Revenues* | Pct. Chng. Prior Year | Pct. Chng. From 2019 |
| 2019                                                     | 3,686,305                  | ---                   | ---                  | 2,282,442                  | ---                   | ---                  |
| 2020                                                     | 2,235,907                  | -39.3%                | -39.3%               | 1,403,506                  | -38.5%                | -38.5%               |
| 2021                                                     | 2,287,883                  | 2.3%                  | -37.9%               | 1,449,233                  | 3.3%                  | -36.5%               |
| 2022                                                     | 3,357,019                  | 46.7%                 | -8.9%                | 2,134,688                  | 47.3%                 | -6.5%                |

\*Transient guest revenues exclude pledged amounts to 38th & Rainbow Holiday Inn Express and Rainbow Village Home 2 Suites. Both of these projects receive 88.55% of transient guest taxes generated by these hotels.  
Note: 2020 & 2021 revenue forecast based on 2019 revenues; forecasted annual figures are from the model which assumes various adjustable occupancy rates by quarter.

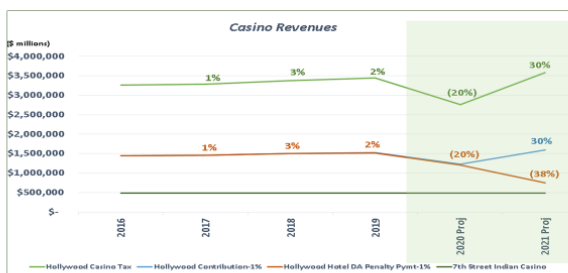
- KCK-CVB says hotel industry reporting 30%-60% drop in tax collections
- Reporting in the US, 90% of hotels in US are franchised and 70% of hotel employees were laid off or furloughed across the US
- Phased reopening expected for resorts and destination locations

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This is not a big revenue source, but we thought we should share it with you because it is dramatically impacted by the COVID and it's the Transient Guest Tax. It's the 8% tax we charge on hotel nights. We have all hotels in this table and then over here, just for your information, we've also provided the performance of the Village West hotels. In 2019 we collected \$3.7M in total of which \$2.3 was from the Village West hotels, so it's a significant portion. Unfortunately, the COVID shutdown is going to deeply impact the hotel industry. The industries themselves are saying that they expect tax collections to decline between 30% and 60%.

Reporting across the United States, they were mentioning how 90% of the hotels in the United States are franchised and 70% of those employees were laid off or furloughed across the US. Any kind of reopening is expected to be in a phase approach and so what we're anticipating is that there will be a 40% drop in our convention and tourism promotion funds revenue, but gratefully we do have a nice reserve there so we will be able to weather through that storm. I don't mean to venture into budgetary issues just yet because you'll be hearing a lot about that at the next budget workshop.

## CASINO REVENUES



- Expect total 2020 casino revenue collections to be \$5.7 million compared to \$7 million in 2019.

- Drop in 2021 hotel development agreement (DA) penalty (1% of casino revenues) assumes to be conservative the potential a hotel could be begin construction

21

The next revenue source I wanted to highlight that was impacted by the COVID is our casino revenue and as you know there are four sources of revenue we receive from the various casino's in our community. First, there is the Hollywood Casino 3% of their revenues and then there's the 1% Hollywood contribution that Hollywood Casino gives to the UG as a contribution which we did pass onto various entities as part of their development agreement. The third one for Hollywood Casino is what we call the Hotel Development Agreement penalty which constitutes 1% of their revenue and that is as detailed in the development agreement if they don't start construction on a hotel, they need to pay that 1% to the Unified Government.

As you can see, they're relatively flat. I think they increase about 1%, 3%, 2% a year. In total they amount to roughly \$6M. In 2019 it was \$5.7—no, we're expecting to collect \$5.7M in 2020 so that's the impact compared to \$7M in total during 2019. We're going to lose about \$1.3M in casino revenue is what we're anticipating.

By the way, the reason this development agreement orange line is going down so much is because when we budget in the future we only budget one-half of that 1% because there is a potential that the hotel construction would begin during the middle of that year, so we don't want to anticipate a full amount until we're closer to the end of the year.

### Poll Question:

- What % decrease do you think the UG overall revenues will decrease over the next 12 months?
- Less than 2%
- 2% to 5%
- 6% to 10%
- 10% to 25%
- I'm not sure yet



22

At this point now that you've seen how these revenues are going to be impacted or how we think they're going to be impacted, I thought it would be sort of fun to ask a poll question from all of you. When I did this, I thought I was thinking of myself sitting in the room and taking a show of hands from all of you, but I just realized that's not logistically possible on ZOOM. So, I would just like for you privately think about what percentage of decline do you expect to see in overall revenues over the next 12 months. You know, is it going to be less than 2%, between 2-5, 6-10, 10-25. Just make a mental note because the next slide will tell you the answer.

### UNIFIED GOVERNMENT - ALL FUNDS ESTIMATED REVENUE LOSS IMPACT

(as of May 7, 2020 with limited data)

|                                             | 2020 Totals*    |                         | 2021 Totals*    |                 |
|---------------------------------------------|-----------------|-------------------------|-----------------|-----------------|
|                                             | 2-mos S-I-P     | 3-mos S-I-P & Fall Wave | Best Case       | Worse Case      |
| City General Fund                           | (\$10 M)        | (\$18.0 M)              | (\$3.5 M)       | (\$10.0 M)      |
| County General Fund                         | (\$1 M)         | (\$2.6 M)               | (\$0.5 M)       | \$0             |
| Consolidated City/County Parks General Fund | \$0             | (\$0.4 M)               | \$0             | \$0             |
| <b>General Funds - subtotal</b>             | <b>(\$11 M)</b> | <b>(\$22 M)</b>         | <b>(\$4 M)</b>  | <b>(\$10 M)</b> |
| <b>Other Funds - subtotal</b>               | <b>(\$10 M)</b> | <b>(\$13 M)</b>         | <b>(\$6 M)</b>  | <b>(\$12 M)</b> |
| <b>All UG Funds - Totals</b>                | <b>(\$21 M)</b> | <b>(\$35 M)</b>         | <b>(\$10 M)</b> | <b>(\$22 M)</b> |

\* 2020 revenue loss compared to the Original Budgeted Revenue Estimates. 2021 revenue loss compared to the 2020 Original Budgeted Revenues Estimate plus 3% growth factor.



#### 2020

- 2-mos Shelter-in-Place (S-I-P) – Assumes mid-March to mid-May closure and strong economic resumption
- 3-mos S-I-P – Assume a possible additional month of closure after May due to virus community spread and consumer reluctance to resume normal retail activity

#### 2021

- Best Case – Vaccine found early in year, assumes consumers gradually resuming normal activity, a modest growth in assessed value, improved by slightly depressed retail activity, and residual collection delays due to higher unemployment
- Worst Case – Virus continues spreading with vaccine not found till June 2021, no assessed value growth, (2022), limited travel, gas prices still low, depressed retail activity in the first half of year, etc.

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We are anticipating dramatic decreases in our revenue base. The first column here is 2020, the second set of columns is 2021. What I've provided basically, a best case and a worst case. Now, you've got to understand the best case is with quotation marks around it because it's not very good. I am anticipating that we will likely be following, at least in 2020, this worst case column which is a 3-month—as I mentioned at the beginning of the presentation, I'm anticipating a 3-month closure between now and the end of 2020, as well as potentially a fall wave. I'm not being overly,

May 7, 2020

I don't think, pessimistic. It's difficult to close the economy. People want to get out and start shopping. Certainly, we're all fearful of getting the virus, but we need to move on and so we need to do the best we can, but there will be consequences to reopening the economy in my view.

In 2020, it's difficult to know, it kind of depends on when the virus or vaccine is found. The best case is that a vaccine is found early in the year and that people are generally feeling more comfortable with getting out and the consumer behavior begins to resume as it had in the past. The worst case is if a vaccine isn't found until later in 2021. All of these scenarios are not good ones I understand. I made a note here that for the entire UG—here's the breakout of the General Fund subtotal and then Other Funds and then the grand total all UG totals.

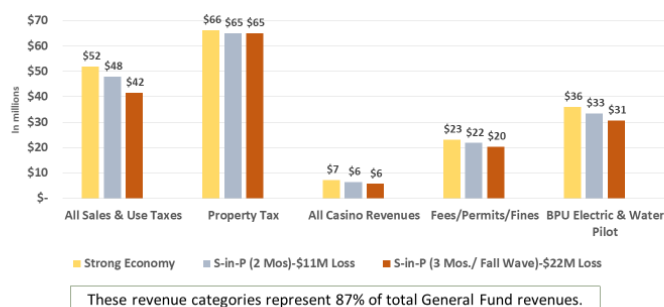
For all UG the worst case constitutes 8.8% of the total \$400M budget in 2020 and another 5% in 2021. You understand, I mean another 5 because these are cumulative drawdowns on our fund balance, so this is a significant impact to our fiscal situation.

In 2021 the best case constitutes a 5% decline on our fund balance and then a 2.5% in 2021. The biggest impact to COVID will be to the City General Fund as you can see here. We're anticipating a \$18M decrease in revenues in 2020. Of course, this is all just revenue. It does not include additional revenues from grants, from Federal, from the State, it does not include any kind of cost increases related to fighting the COVID virus. This is only revenue. In the best case scenario in 2021 we're anticipating a 3.5% decline in the City General Fund, so the City General Fund is most impacted because of its dependence on sales tax.

The County and the Consolidated City Park—City/County Park General Fund are much less impacted although there is some impact to the County General Fund because it does receive some sales tax as a result of its county sales tax number. The other funds includes Transient Guest Tax, it includes declines in sewer charges, it also includes declines in sales tax that are reflected in our Dedicated Sales Tax fund and our EMS, so that's where those declines are happening. I'm not showing you a chart with all the revenues and how much I think each one is going to be because those numbers are constantly moving, and we want to have good estimates and we can't really develop 100% estimates that we feel confident in until we have more information. These are all general estimates.



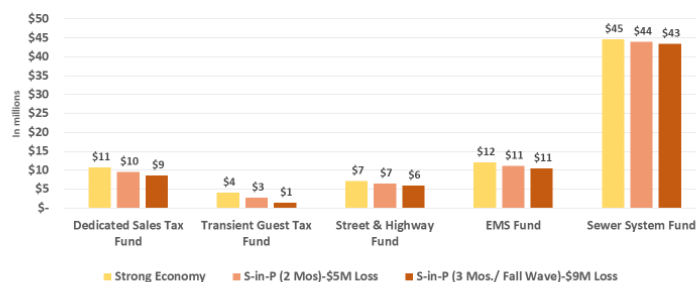
## General Fund 2020 Range by Major Revenue Category



24

Here's some charts. I think we showed these to you about six weeks ago, but now they've changed. All sales tax in the General Fund, under a strong economy, it was anticipated to be \$52M. Of course, that's all the sales tax in the three General Funds including the STAR Bond money. With the 2-months we were anticipating a 4-month decline, now we're anticipating a full \$10M decline. Property tax is only going to be off about \$1M across the three General Funds and that's because of the change in the delinquency rate. There's going to be a decline of about a million or so in Casino revenues. A decline in fees/permits/fines just from being closed. Customers aren't going to be coming through. There hasn't been Municipal Court hearings, etc. Then there is going to be roughly a \$5M decline in the net BPU of Electric & Water PILOT.

## Special Revenue & Enterprise Funds 2020 Range of Revenues by Fund Category



\* Graph displays only selected funds

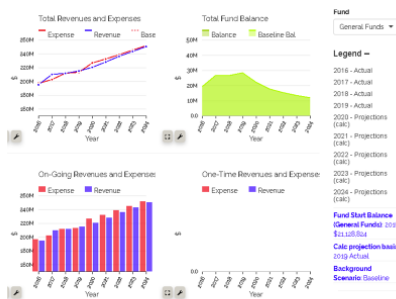
25

For some of the other Special Revenue funds, as I mentioned, Dedicated Sales Tax Fund is going to see a \$2M decline we're anticipating. Transient Guest Tax, we're anticipating roughly a \$3M decline. These are rounded figures. The Street & Highway Fund is going to see a decline, frankly, I think this is overly optimistic, because the gas tax significantly dropped and that's the source of

this revenue that we receive from the State. EMS receives sales tax, so its revenues are declining and anticipated about \$1M. The Sewer revenues are anticipated to decline about \$2M.

### General Funds *Preliminary* Fiscal Health Forecast

- New “Fiscal Health Model” from Center for Priority Based Budgeting
- Financial impact forecasting / estimating is a squirrel
  - Clearer the closer we are; Less tangible the farther away we are
  - *Expect updates every few weeks*
- State and Federal Aid?
  - Focus is on cash grant/payments from State/Fed to cushion revenue losses
  - Also, working with departments on applying for funding opportunities and reimbursable grants



At this point I am going to switch over to a Fiscal Health Forecast Model that we have been putting together, but before I do, I just want to emphasize again that the financial forecasting is sort of like a squirrel, you know, the closer—it’s clear the closer you get to the timeframe, of course, but then it’s less tangible the farther away you are. Just expect updates every few weeks and in the meantime we are focusing very much as an organization on getting any kind of State and Federal Aid that we can, especially cash grants and payments from the Fed and the State to cushion revenue losses. Of course, our departments are applying for all the funding opportunities that are available.

At this point I would like to take you to this fiscal health tool. This fiscal health tool provides a baseline. This is the General Fund as a baseline right now, how it looks assuming our current budget and the estimates of revenues that we expected prior to COVID, it’s all three funds combined as you can see. Certainly, as I mentioned, the revenue situation, I don’t know if it was so rosy, we were doing okay. Revenues are the blue, and as you see, they’re below the red line which are expenditures ever so slightly, so that gap between the two eats into our fund balances so you can see how that fund balance was anticipated to go down. I talked about that during the October long-term financial planning and that’s why we were embarking on Priority-Based Budgeting.

If I were to look at the same baseline between the City and the County, you would see that most of the gap is happening on the City side. The blue is the revenue and the red is expenditures and there’s that gap between the two. Our current expenditures to Police, to Fire, to

our Public Works officials, to Parks—well not Parks, so Police, Fire, all of those; those costs are increasing while our revenues are not keeping pace with those services. We definitely were in the process of making advancements to review all of our programs to become more efficient and to determine which programs are of lesser priority or less aligned with the strategic goals in order to fill that gap. That was really exciting for all of us and, of course, we will continue that work.

The County General Fund actually looks a little better and that's because it's less reliant on property tax—sales tax, sorry, so that's very not volatile.

I'm back to the General Fund, if we were to go—by the way, notice we're not into negative fund balance territory here. Here's that zero, see that zero right there, so if we go into the best case for COVID and the light shade is where the baseline is. This is the entire General Fund altogether. As you can see, there's that big spike, it looks like a V. As I mentioned, sales tax is the one that was most impacted, so if we switch it to the City General Fund, you can see how that V is dramatic and yet our expenditures are all the same. Of course, this assumes no changes at this point so you can see the difference.

If we were to do nothing, which of course we won't be doing nothing, but if we were to, we would hit a negative fund balance area by the end—well, definitely by 2022. This is the view under the best case for the County funds. It's able to sustain its fund balance. If we were to go back to the General Fund total, this is the worst case. The worst case, the General Fund, is an indicative position beginning at the end of this year. We definitely need, of course, to do something about that and we are, I don't mean to make a joke.

Here's the City General Fund, this is dramatic, negative fund balance of \$6.5M by the end of 2021. We have talked to you a little bit about some of the strategies that we are initially taking and, of course, as the budget process proceeds we will be sharing with you a number of many other strategies that we're currently working on. Initially, if we were to, we're on the City General Fund, but if we were to—if I deselect those, this is how bad the General Fund looks without the initiatives selected. If I select all these which are to reduce OOE, Other Operating Expenditures, down to the 2019 Actual, if we have the hiring slowdown for two years, if we reduce the General Fund Cash Capital Outlay expenditures and we move all of our equipment leases currently paid out of the City General Fund to the City Bond & Interest Fund, then we end up in this position which is still a negative fund balance at 2021 and that's for the City General Fund.

The County General Fund with all of those items selected fairs much better. It's still in a positive fund balance position through 2023 or 2024. We have a lot of work ahead of us and, of course, we're going to do everything we can to maintain our positive fund balance, but we anticipate using Reserves through the end of this fiscal year. It's very difficult to make mid-year budget revisions. Our departments are committed to helping us get to where we need to be.

With that, I would like to take any questions or maybe just proceed with Michael's presentation. **Mr. Bach** said I think we're probably right here to go if there are any questions over what you've put out now Kathleen. Michael's is on the Priority-Based Budget response information so it kind of changes tracks a little bit.

**Commissioner Johnson** said thank you for that presentation, Kathleen, and to your staff. I want to make a couple of statements and I know that it's too soon to really begin to anticipate some of the things I'm going to talk about. As we are crystalizing this budget and given the circumstances that we currently find ourselves in with regard to COVID, I have two things that I just want to kind of keep an eyeball on. As the anticipated impact that this will ultimately have on our credit rating and the anticipated impact that it might have on any of our current financial policies or strategic goals. I guess my ask is that as we begin to crystalize our budget and we can better anticipate these things, I would like to make sure that those things are being made known to us as a Commission so that we can anticipate those things that will happen as opposed to being advised about them in arrears because these things have an indirect impact upon all of our households in some form or fashion. I glad to see the snapshot by the way. This is something I've been wanting to see for a while, but it's good to see how these impact, I don't like credit ratings, but also those other factors involved in that in terms of liquidity and our debt structure.

As we get to the point where we begin to see exactly where we're going, just to say it again, if you can give us a sense how these decisions that we're making will impact those two areas, I would greatly appreciate it.

**Mr. Bach** said we will update you on that. I think the credit rating is a great point and I think they will watch how we respond. If we eat up all our fund balance right away and don't take action on it, that's going to have a pretty quick negative impact on us which is why that's not our plan at all. It's going to be a challenge as we move through this. Thank you for those comments. We will try to keep you apprised as we come probably monthly to the Finance Committee is

probably a good way to continue to that, Kathleen, just to kind of do an outlook of what we're seeing or hearing in that regard to his questions.

**Ms. VonAchen** said I am working with the County Treasurer on the development of a proper cash flow model which will be projecting the liquidity needs of the General Fund.

**Commissioner Ramirez** said thank you, Kathleen, and to your budget staff. This is not a small undertaking. We have a long road, a lot of tough decisions to make and so thank you for compiling all the information and everything so that we are better prepared to make those hard decisions. I do have a question that's pertaining to, and this is probably a good, call like a case study of a current project but you brought up the Transient Guest Tax. How would that decrease? Is that going to affect the downtown development project that is going to be happening, is there going to be any affect to it? **Ms. VonAchen** said our current Transient Guest Tax revenue base does not anticipate any additional revenue as a result of any hotel beds coming online. If we have development downtown, that would just be an addition to the current revenue base we have just so you know. Of course, those revenues wouldn't really go into effect until the outyears beyond 2021.

**Mr. Bach** said, Commissioner, if you're going for any revenue we are putting toward that project, I mean, there is no impact or that fund, the way that fund is working now, it's pretty limited to go over toward that. They don't have a hotel in their development so they're not getting a large chunk of money when they're looking at the sales tax piece, it's coming from and it really is generated off the property tax. The other good thing about our Transient Guest Tax fund is, and Kathleen made some note of this, we have a good fund balance in that account today, so it's really set that it should be able to hold through a suffering economy because we were generating far more than what was going to the CVB or there was any kind of plan expenditures in that fund. So, a negative hit on that fund for the remainder of this year and into next year. It will be able to weather through that kind of storm. It's in much better shape than any other fund we have.

**Commissioner Bynum** said I've got a question that can go in the parking lot for later if it's not pertinent right now, but we've got a variety of special funds where we hold money. Some of that is I think governed by State Statute and some of it might be imposed on ourselves and I just wonder, specifically, on that money where we have the restriction, would now be a time to look at as part

of a worst case scenario dispensation for using those funds in other ways. It's just a thought, and like I said, we don't even have to address it right this minute if you don't think it's appropriate, but just something I thought of. **Ms. VonAchen** said absolutely. We have over 40 funds. Many of those special revenue funds as I've presented to the ED&F Committee in prior years, the State Statutes are quite restrictive and so we have limited ability to access those. In the current year some of those balances could be adjusted for the 2021 year, not all of them. There are other funds which we administratively have available to access and so all of that will be looked at as a total strategy for addressing the deficit in the City General Fund definitely.

**Mr. Bach** said I will add to that, Commissioner, that for those commissioners that were here as we went through the recession they will recall that we brought forth solutions that either transferred or borrowed from all funds in order to help those that we could, anything we could touch legally during that time. Then we had a period of years after for some of those that we borrowed from to pay them back, so when you make that kind of step it helps get you through a short time period, but then you're recovery takes longer too because you also have to pay all those funds back.

**Ms. VonAchen** said I do want to note that we do not have enough fund money and resources in any of our funds to repair this entire amount, this \$40M gap. It's not there, so we're going to have to make cuts. **Mr. Bach** said good point.

**Commissioner McKiernan** said I think for everybody this certainly illustrates, and, Kathleen, thank you to you and your staff because this certainly illustrates the really tough job you have because your crystal ball, by necessity, cloudy. Then, something unexpected like this makes it even cloudier as you try to project and we're trying to project now 18, 19, 20 months down the road in terms of what we're going to get. So, I think it's important for all of us to remember that with the numbers you presented today, I was totaling up as we went along, and I think we're going to have like \$34.17 of revenue in 2021 and there's necessarily going to be some adjustments to our provision of services.

I think this is really important for everybody, not only on the Commission, but everybody in Wyandotte County and Kansas City, Kansas to remember, that I know that when households are under stress by a stressor, like COVID-19, we want the security of knowing that our city and county services are going to continue to be provided. Our city and our county are going to continue

to support us. You just have to remember that we are under the same stress that all of our individual households are under. So, it will be a big push for all of us and we're going to have to keep that in mind.

I have one other thing that I would like us to remember. Yes, we did borrow from some of our funds back in the recession and then about four years later we forgot, we seemed to, forget why we borrowed that money and then we got yelled at because the fund balance was low in those funds. I see you smiling Doug. I think you know some of the things I'm talking about. If we chose to borrow proactively from some of our own internal funds, we have to remember why we did it and not four years down the road raise a stink because that fund balance is still a little bit low because we haven't had a chance to pay it back.

Kathleen is it possible, I really like your scenario tool that's on the screen right now, is it possible that you could kind of get some scenario's together and take a screenshot and just send us, so that we could have some pictures of some of either your baseline and your best case and your worst case. I don't know that I need it broken down across City versus County versus Consolidated Parks, but just all of our General funds maybe? **Ms. VonAchen** said yes, absolutely, I'm happy to. I'll put them in some PowerPoint slides, and you can have them.

**Commissioner Burroughs** said, Kathleen, I just want to echo kudos to the presentation this evening. I know these are very difficult issues to discuss, not only the numbers, but just the ramifications from the potential challenges we have. I do have a few comments and I also have a couple of questions. I think I made a matter of record—request to make a matter of record a couple meetings back that we look at a whole quarter impact to our budget which you've included this evening, the 3-month impact. I truly believe that is a very realistic number and I sincerely appreciate the seriousness in which you have presented and approached that request.

Second of all, I do believe the impact you talked about in reference to Property Tax, Sales Tax, and other funds associated to gaming; those things that can enhance our revenue picture will be diminished. I truly do believe that. One thing we didn't take into account, we mentioned it, but we don't have a formula set-aside for it and that's the reimbursement rate from the Feds, State, and/or any grants that may come forward for reimbursement for our COVID expenditures and/or those things that are part of the, I don't want to call it the recovery package, but the federal stimulus

(inaudible) or the federal voidance coming in and that being the unemployment monies, the small business loans as well as those loans going to businesses in our community.

I believe those dollars will continue to hold us over for a period of time, but to what extent—the question I guess we have is to what extent do we believe those will impact your graph? (Inaudible) in what we see as an impact because I truly feel some of those dollars we'll waste and we as a commission—I just want to state this, we as members of the Finance Committee stand ready to assist Mr. Bach in any way that we can to make this work. Kathleen, to partner with you to make this budget process, even though it's challenging as it will be, as user-friendly as we possibly can but I would just ask do not dismiss commissioners that come forward with very opinionated ideas in reference to how we can solidify our opportunity to get through this. Our Reserves are healthy and, Kathleen, thank you for that and, commissioners, thank you for that. I know some of us have pushed to pay off some debt and those Reserves were there just for contingencies and these are an emergency contingencies.

I support utilizing our Reserves for those expenses; however, I would ask that we also reach out to the League of Kansas Municipalities to find out, if we can, what other communities are experiencing in their budgets that are kind of like ours and if we can't get it from LKM, I'm willing to stand ready to help on the State side to see where we can get a comparison of other communities our size across the nation and how they are dealing with these issues because we are not the (inaudible) in this field. I just want to stand ready to offer any assistance we as a committee can offer as well as my position on the State level to assist. I believe that we can accomplish and get out of this without too much damage (inaudible) I'll just call it a tremendous challenge.

Our Public Safety community needs to know that we support them. They are our essential workers and I do hope that we don't send a message that they will be furloughed, or any cuts will come their way. I truly believe there are other ways to address this. I commend my commissioners for their concern in reference to the budget. I'm ready to roll up my sleeves and get to work. I just don't think this is insurmountable. I look at it as a challenge, but I think we're up to it.

**Mr. Bach** asked, Kathleen, do you have any comments on the relief packages coming in from the State and Federal Government? I know a lot of that is in question right now. Of course, what



you're showing is revenues. We have a lot of increased expenditures that we are anticipating getting reimbursed for. If we don't, that will put us in a bigger deficit than we have.

**Ms. VonAchen** said the baseline assumes that the current budget as it was adopted for all scenarios, the baseline, worst case and best case, and it's just as a means of comparison. Clearly there will be variations because, of course, we're going to be making reductions and then also because we will incur additional costs to fight the virus. Many of those costs will be reimbursed back by the Federal and the State. It may not happen this year though. There's going to be delays with this reimbursement. That's why Commissioner Johnson was talking about liquidity and, you know, when is that cash coming in. This is all early stages. We're all working together on many of these questions and we certainly hope that the federal stimulus dollars will be coming our way, but unfortunately, because our population is not above 500,000, like our neighbors to the south in Johnson County. They received a substantial stimulus payment. We did not receive that.

We're hoping that the efforts of our federal lobbyist and our lobbyist at the State House—they're working very hard to carve out a portion to assist the Unified Government in getting through this. No one anticipated the entire economy was going to shut down for two months. You know the two and three month operating reserve that all of you greatly approved, it's certainly a great reserve to have to tie you over during the anticipated emergencies that occur. It certainly was not put in place to address a global pandemic. This is very challenging, but we're going to work through it, and I have been on numerous webinars with other communities over the past month, that's basically all I've been doing. I have spoken on several panels on some of these through GFOA because as you know my background having worked for a municipality that eventually did go bankrupt, I have quite a bit of experience in this area, so we're armed and ready to go. Many of these communities during these webinars, we did survey's and polls, and everyone is in the same situation. Everyone is anticipating this big VB, this is big B, there may be a W and there is also the possibility of an L scenario which L is not good. I'm not anticipating L. I'm anticipating the deep V.

I'm happy to reach out to the League and find out what other communities in our state are doing. I'm on the Kansas Board of the Kansas Government Finance Officers Association, so I talk with the other board members all the time. I'm in close contact with fiscal officers in the other cities in our state. We're on top of it. We're going to get through this, and I really do appreciate all of you wanting to roll up your sleeves and help.

**Commissioner Ramirez** said one more question. This is a question because I'm first time going through budget, but we're going to be using the Reserves, how long is it going to take for us to replenish what we've used? **Ms. VonAchen** said our Reserve policy has in place that if we are going to use Reserves, that we come up with a plan and that over the future five years, you've got five years to replenish them back to the target. But, how quickly, is entirely up to all of us and the decisions we make.

**Mr. Bach** said it does come down to, Commissioner, as we look at the reductions we do to this year's budget, where we hold the line in spending for next year. You know, when we hope to see the revenue streams go back up, but then diverting that revenue stream back into Reserves to get those built back up so in case something else comes about that we have to weather the storm through, we want to have those Reserves in place. It will be very important to do it and I think that's what we're trying to underline tonight is that in building the budget I'm going forward and building it without adding in other new expenditures. We are going through and finding places to reduce our expenses. If the Commission wants me to add in additional expenses or some other areas that we want to build to, the only way I'm going to be able to do that is by reducing high priority areas.

To Commissioners Burroughs point, I have no intention of going after the Public Safety areas salaries like that in that regard, but if we want to add major cost centers, then we will need to look at those salary categories. That's kind of the direction I'm looking for either tonight or in the next week or two from you all. If you want to call me and let me know if those are things you want to see happen, then we will have to have that discussion. I'm not anticipating building new cost centers into this years' budget. I'm finding ways to take things out of it in order to do as you said Commissioner, roll up our sleeves and get into it. That's when I'll be coming back to you with those scenarios, showing you what those are and then figure out how we live with that.

**Ms. VonAchen** said you understand, this scenario anticipates a negative fund balance of 6.5 at the end of 2021, that's after we've reduced '20 and '21 expenditures to '19, and have done a hiring slowdown, have reduced the cash capital and switched our equipment leases to the City Bond & Interest Fund. That's after all these measures. We still need to find at least \$6.5M in the City General Fund. **Mr. Bach** said so, we have a challenge.

**Mr. Bach** said if we don't have any other questions now, Mayor, we were going to review the Priority-Based Budgeting. Michael, your presentation is fairly quick to go through and the commissioners have put a lot of work in putting this together, but I also know it's past 8:00. Do you want us—**Mayor Alvey** said no, I think we need to respect the 8:00. **Mr. Bach** said this information was submitted to you, so it did go out. You have it, we can come back and walk through it at one of our future sessions.

**Mayor Alvey** said that concludes our Special Session. Thanks everyone for being here.

**MAYOR ALVEY ADJOURNED**  
**THE MEETING AT 8:04 p.m.**

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Bridgette D. Cobbins  
Unified Government Clerk

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