STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, MAY 21, 2020**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, May 21, 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; 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, Emerick Cross, Melissa Sieben, and Alan Howze, Assistant County Administrator's; Juliann VanLiew, Director of Health Department; Dr. Allen Greiner, Local Health Officer; Dr. Erin Corriveau, KU Medical Center/Deputy Health Officer; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Jeff Fisher, Executive Director of Public Works; Rob Anderson, Public Works Asset Manager; Chief Callahan, Fire Department 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 remotely. 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.

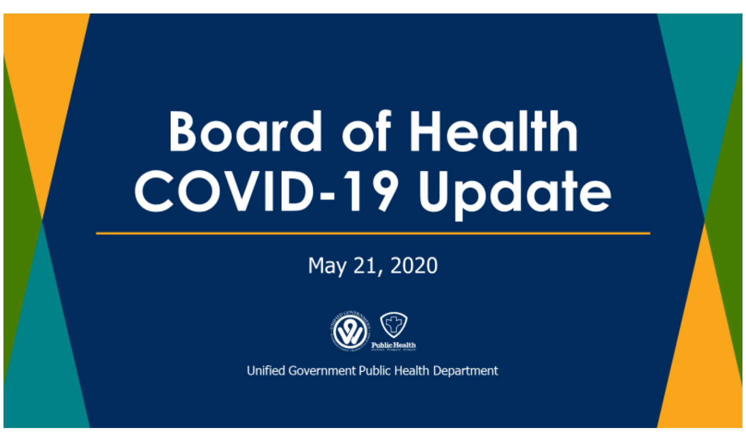
ROLL CALL: Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Alvey.

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, May 21, 2020, at 5:00 p.m. for COVID-19 update, second Budget Workshop/CMIP and Target Operation Reductions regarding Maximum Mill Levy. 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 tonight we will have a COVID-19 Update, followed by the second Budget Workshop regarding CMIP Capital Maintenance Improvement Projects, discussions on Target Operation Reductions and the Maximum Mill Levy, and finally a presentation that was provided to the Standing Committee on the SAFER Grant and that will be at the very end, no action taken on that, but just the presentation. I will now turn it over to Mr. Bach to introduce staff.

Doug Bach, County Administrator, said we're going to do a weekly update to talk about where we are in regard to our reaction activity going on in the community regarding COVID. I will recognize Juliann VanLiew in the Health Department and the other staff members to give the weekly presentation.



Juliann VanLiew, Director of the Health Department, said I'm here with Dr. Greiner and Dr. Corriveau who will be speaking with me. Tonight's presentation will be similar to last week.

AGENDA

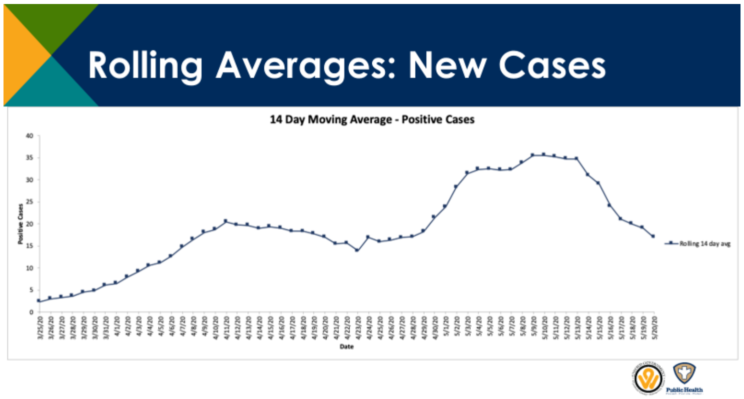
- Data update
- Ad Astra phase 2.0

We are going to give you a little bit of a data update on where we are and then they'll speak to our transition to the Ad Astra Plan, Phase 2.0 that begins tomorrow.

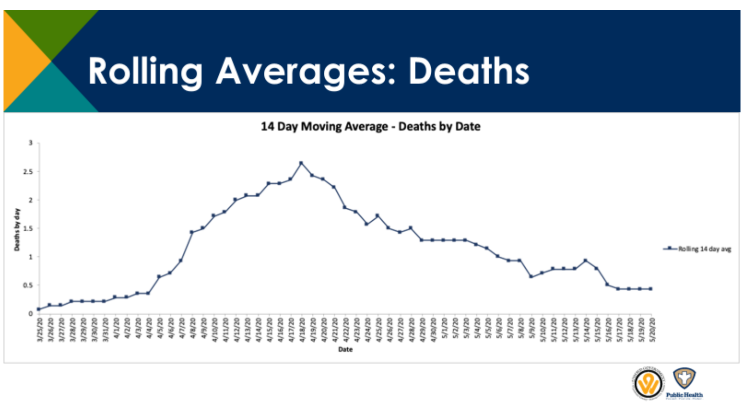
COVID-19 Update

INDICATOR	KANSAS	JOHNSON COUNTY	KANSAS CITY, MO	WYANDOTTE COUNTY
Positive cases	8,539	664	903	1,177
Deaths	178	58	22	71
Rate (per 100,000)	293.56	113.41	187.57	716.18

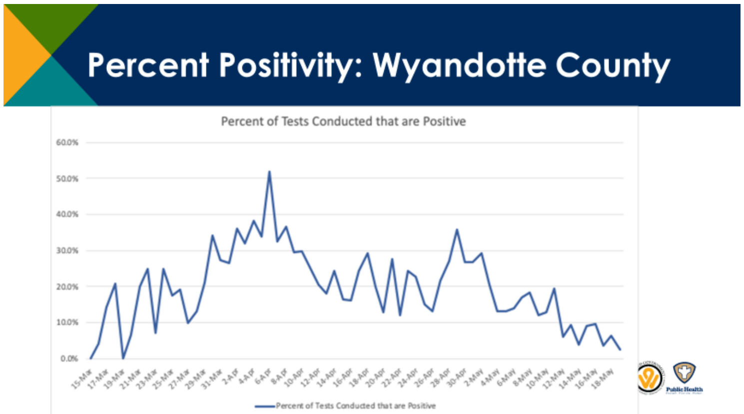
High level shot of the numbers. It's worth noting all four of the jurisdictions on this slide us, of course, Kansas City, Missouri, Johnson County and the state of Kansas have all seen decreases in their numbers and their rolling averages over the past couple of weeks. Our rate remains significantly higher, but again, we're leveling off and continue a downward trend with all of these jurisdictions.



Again, we use the metric of a 14-day rolling average so that we make sure we are looking at longer term trends and that we're not kind of taken askew by a day or two of good or bad data. We want to make sure we're following the long-term trends and if we see a spike or drop in one day that's not changing our overall course that we're moving towards so in our 14-day moving average, we're now down to about 18 new cases on average. That's down considerably from about 35 cases per day a couple of weeks ago and even down considerably from when we met last week.

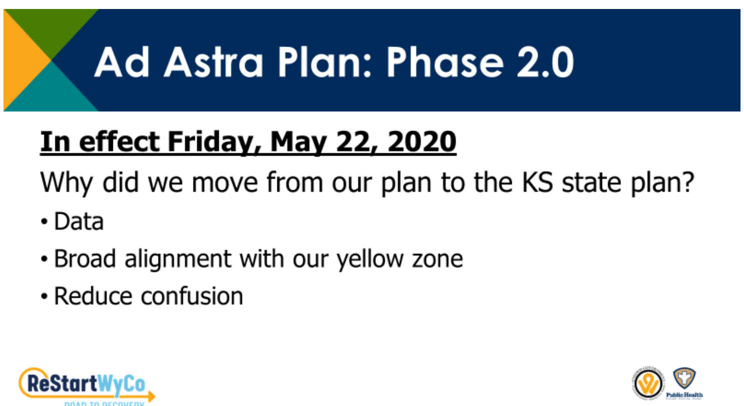


Similar situation with our rolling averages for deaths. We're down to about .5 on average deaths per day down from about 2.5 about a month ago was our peak on that.



Lastly, our percent positivity continues to decrease. This is great news. We do want to give one caveat, that there is increased testing at our hospitals who are beginning to schedule, you know, additional procedures within their facility, so they are starting to test those patients. So, that's a bit of why we're seeing a decrease in this measure, but overall it's very positive.

That's it for data tonight. I'm going to pass it off to Dr. Corriveau who's going to talk about the Ad Astra Plan.



Dr. Erin Corriveau, KU Medical Center/Deputy Health Officer, said as you all know, we are going to be suspending our red zone which we had discussed previously that we had been in. We're doing that and going to be moving into the State plan, the Ad Astra Plan Phase 2. As Juliann mentioned, the data is looking really good. Both Dr. Greiner and I feel confident that we're able to do this safely. This is going to go into effect tomorrow, Friday, May 22nd.

We feel also that we were going to be transitioning into our yellow zone and the plan was to do that this coming Monday. But with the Governor's release of this Phase 2, we figured that it would decrease confusion in our community in going ahead with that on Friday in our community as well. We are seeing that the Ad Astra Plan really is broadly aligned with what we would have gone with, with our yellow zone and so we felt confident in that, and again, just that a few days earlier we felt would really reduce confusion quite a bit in our community.

We had been getting a number of questions from businesses and folks living in Wyandotte and they felt as though it was very difficult to understand why we were going a different way in Wyandotte County, so we've decided to align. I'm going to turn it over to Dr. Greiner. He'll tell more about details on how this Ad Astra Plan is going to work.

Dr. Allen Greiner, Local Health Officer, said as many of you are aware, the state of Kansas and Governor Kelly originally had a plan that was a Phase 1, 2, 3 plan and a Phase 1.5 plan was enacted for a few short days, but I think after seeing that the numbers of high case counts in southwest Kansas and some of the rural parts of Kansas were not producing large numbers of hospitalizations, she moved to advance into Phase 2 starting tomorrow. As Dr. Corriveau described, we will be doing that as well.

With that, some slight changes were made to Phase 2 and one of those important ones is that the mass gathering limit is now set at 15 or less individuals. Previously it was going to be set at 30 individuals, but I think this change was made, so that again, caution could be the primary practice and we can continue to watch the data in that regards.

Salons and personal services will now be open for us here. They were also open in the 1.5 in the Kansas plan. They will be open for us now in Phase 2 with careful precautions and record strong recommendations around mask wearing. Hygiene fitness centers, casinos, organized sports will be open as well, again, with strong recommendations for social distancing. Casinos will actually have to have specific plans in place with the state, so the state will be directly involved in reviewing and allowing opening in those environments. I'm sure that's already going on as we speak, but it's been sort of happening aside from us here at the local Health Department.

Not allowed in this Phase 2.0 with the adjustments are fairs, festivals, parades. Swimming pools will be closed until at least June 8th. Bars and nightclubs remain closed and summer camps must be closed under this Ad Astra for Phase 2 Plan as well.

That is all I have, and I think that's all we have here at the Health Department. I think we have time for a few questions, and we're happy to entertain any of those and I'm sure you have lots of other business, so we'll move on as fast as you let us.

Commissioner Bynum said just a quick question on starting tomorrow, the sit down restaurants, if you could just clarify for me, what's allowed for dine-in with this plan? **Dr. Greiner** said it's a pretty big change for us. In the State plan, previously the restaurants were open with some limitations in other counties around Kansas. But for us, now, what's happening is dine-in is allowed. There is language in the Ad Astra Plan that talks about preventing any groupings of more than 15 people in that interior environment. So, there's some language about trying to make sure employees are not congregated in units of say in a kitchen when patrons aren't in groups larger than 15. If six foot distance cannot be maintained, now as long as six foot distancing is maintained between individual groups of diners, then there's really no restrictions on how many people could be in the space, but a space is going to probably have to be adjusted in each of our businesses that provide dine-in services so that the six foot distance can be maintained.

I don't know if the Mayor is going to talk about it, but I know he's been working with some of the zoning staff on thinking about how expansions could be put in place for outdoor expansion so that sort of more space would be available for six foot spacing could happen. That's the primary issues is maintaining this six foot spacing and then preventing any groups of more than 15 in close quarters if that makes sense.

Mayor Alvey said I would say that—Dr. Greiner, you didn't mention this, but one of the problems with a restaurant is that you would assume that someone would come in and be there for about 45 minutes to an hour, and so even with the social distancing, the reason you limit the capacity, the number, is because you're there for a long time. Whereas if you go to the grocery store, you're moving past someone who may be viral shedding and so it's a different situation. Is that accurate? **Dr. Greiner** said that's right. Definitely time spent is a big factor, so that spacing becomes more important as well as probably the indoor versus outdoor, so I'm glad to see that there's work happening to try to expand capacity of our businesses to do outdoor business.

Commissioner Johnson said, Dr. Greiner, on the clergy call this morning, we talked about churches just in general. For the public, could you kind of give us some guidance. I'm sure there are a lot of congregants that may be listening tonight or watching tonight as well as other pastors that might not have been able to make the call this morning. But could you give us some guidance as it relates to the churches going forward in this Phase 2? **Dr. Greiner** said yes, thanks Commissioner. There are specific restrictions around church and faith-based services. Going forward, other than, again, the general guidance that we want six feet of distance maintained between individuals or groupings of family members that co-reside in the same residences because we assume they've already had close contact so that idea of that spacing is still very important. There are no number limits or no percentage limit. Some of our previous plan in the ReStart WyCo had some percentage information in there, but that's now off the table and with the Ad Astra Plan, it's essentially the idea that each church will take its own responsibility to promote that social distancing. Hopefully, to promote some of the other recommendations like use of masks and limiting choir service or singing in large groups which we have seen some public health data that there may have been some outbreaks in the country with choir singing, providing a hand sanitation or other facilities for handwashing and limiting things that might get passed from individual to individual like collection plates or possibly paper handouts or other books or material. So, those things are pretty much going to be up to the individual facilities and organizations to make decisions about, but there's guidance in there to recommend how that ought to be done. **Commissioner Johnson** said thank you so much. I appreciate it.

Mayor Alvey said seeing no further questions, we'll move on to the next item which is our second Budget Workshop and Target Operation Reductions and the Maximum Mill Levy. I'll turn it over to Mr. Bach.

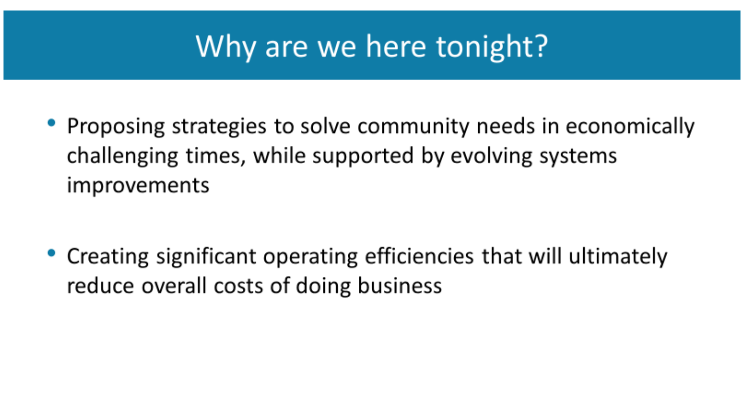
Mr. Bach, County Administrator, said tonight we are going to run this kind of structure on two different presentations. The first part is on Capital. We had not quite completely got through all our Capital presentations before. So, in the last meeting we had come forward with where we were with our debt. We threw those out as proposals, we've gone through and built really what Kathleen is coined as our COVID alternative to build in for how we will do our debt, so it structures over some of the things we're working on for operation. We have the County and the Sewer Fund still in there, but they're just included as part of it. We're not going to spend time talking because we didn't change those from last time.

Then we'll get into the cash portion of our project portion because that does have significant changes from probably where we were a month ago when we were putting things together, but this is how we're building it to go forward to be part of our Operating budget and how she's poised that. Then as we conclude the Capital portion, we're going to move over and then talk about Operating where we are financially and then get into a little bit of some of the options that we're looking at in order to allow us to meet our budget in 2020 and 2021 with the drastic reduction in revenue that we're facing because of what's happened in relation to COVID.

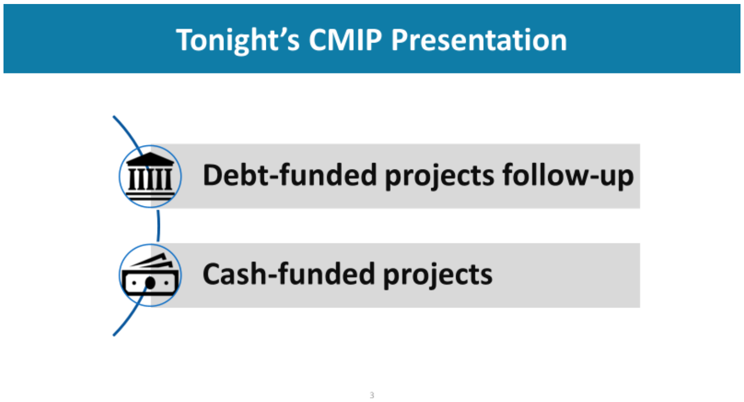
With that, I'm going to turn this over to our Chief Financial Officer, Kathleen VonAchen, and let her begin the presentation.

Mayor, I was going to say too, we had the maximum mill levy on there. I don't think we're quite to the point of having a lot of discussion about that yet, so it kind of layers into where we're at, but it's not really we're not focusing on as much tonight.

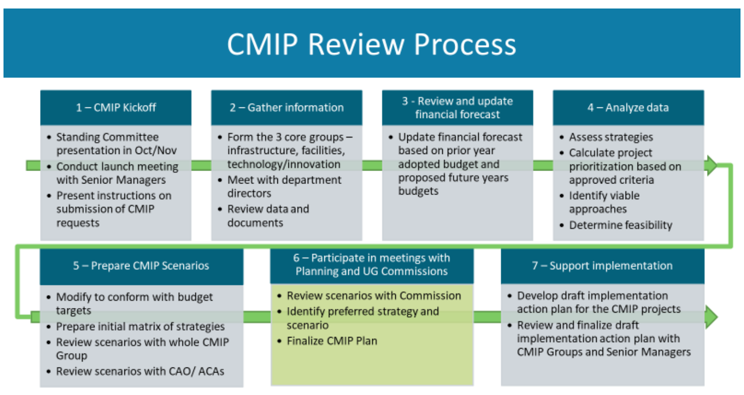
Kathleen VonAchen, Chief Financial Officer, said we're going to start off with a discussion of our Capital. As I mentioned, we're going to follow up on the Debt Funded Capital projects and then move into the Cash Funded projects. I would like to thank the CMIP Review group which was Technology or Innovation Infrastructure, Facilities, and there was a lot of department input on this. Also, a big shout out to the Budget Office and I'm going to have the first few slides and then my Deputy CFO Debbie Jonscher and Budget Manager Reginald Lindsey will be making the rest of the presentation.



First off the reason we are here tonight is to talk about Capital is because, again, we are proposing strategies to solve community needs, but tonight, it's more in economically challenging times while at the same time supporting the evolving system improvements that we're making to our Capital planning process. Finally, there are embedded in this Capital Plan we're creating significant operating efficiencies that will ultimately reduce overall cost of doing business.

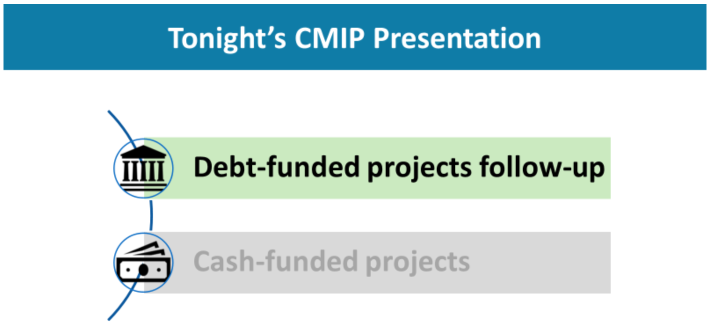


Very simple tonight, first we're going to do Debt-Funded projects and we'll follow-up on that with some changes. Then the cash funded projects which have been significantly reduced from the Adopted Budget and the request level.



This is the same slide we showed you a month ago where it demonstrates the long process we have undergone to get to Sept 6 here. It started off with a Standing Committee presentation to all of you in October. November we launched meetings with Senior Managers and were provided instructions. We formed the three Core groups which I mentioned, Infrastructure, Facilities and Technology or Innovation, met with department directors who reviewed data and documents. We also updated our financial forecast to include a prior year activity and proposed future years. We analyzed lots of strategies and data and calculated project prioritization, validated our approaches and determined the feasibility of various projects.

Then in preparing the CMIP scenarios we modified various targets and put some initial metrics together of various strategies and now we are here to review the various scenarios and identify preferred scenarios and get your feedback so we can finalize this CMIP Plan.



So, starting off with the Debt-funded projects tonight.

Summary Scenarios for Kansas City, Kansas (City) Debt-Funded Projects

	KCK Bond & Interest (B&I) Fund
Scenario #1 Meet KCK Debt Target	Meets $80 M Target ($15 M p/yr with modest 2% CPI) Reduces Adopted CMIP to target; Also includes 2-Yr Note pay-off in 2021 and 2022 for $6.7 M HR/Finance ERP Solutions, paid from City B&I Fund excess reserves of $3.3 M, $1.9 M transfer-in from County B&I Fund excess reserves, and $1.5 M transfers-in from other operating funds (mostly enterprise funds)
Scenario #2 5-Yr total of $109 M *Neighborhood Capital Investment Plan*	$29 M over the $80M Target Changes from Scenario #1: Street Preservation, Fire Station & Other Needs (investment opportunities)
COVID Alternative 5-Yr total of $87 M for 2021-2025 *Neighborhood Capital Investment Plan*	$7 M over the $80 M Target, and $22 M less than Scenario #2 Changes from Scenario #2: - Reduces the Annual Pavement Preservation Program project requests by $19 M. Beginning in 2021, finances this project with 10-Year Notes, instead of 20 years - Moved $9 M fire station in 2025 to 2026, left $1 M in 2025 for land acquisition - Adjustments to property tax revenue estimate based on new information - Adds $2.5 M in 2020 and $2.5 M in 2021 for projects previously in the cash-funded category due to COVID-19 revenue losses; these projects will be financed with shorter-terms, such as 5-yr notes

As a reminder, a month ago we provided you with the Adopted Budget, CMIP Budget, a Scenario 1, 2 and then a third scenario that had the addition of a $50M Streetlight project. We have now narrowed our consideration to somewhere between Scenario 1 and 2 and that midpoint or that's the alternative we have coined the COVID called alternative because those were impacts that we hadn't anticipated when we went through that whole process beginning last fall. So, how they're different, well, I've presented the Scenario 1 and 2 to their unchanged from what you saw a month ago and the COVID alternative is the differences are itemized here below. Scenario 2 to fund— the total five-year project costs and understand, this presentation really only talks about 2021 through 2025, that five-year period. Those costs were quantified at $109M over the entire five-year period and we sorted to be fiscally prudent we wanted to, you know, we've had this standing kind of administrative target of keeping our debt level around $15M a year plus adding some modest 2% CPI and over a five-year period that totals $80M. Scenario 2, as a reminder, was $29M over that $80M target, that's five-year target.

The COVID alternative is now totaling $87M which is $7M over the $80M target, but $22M below Scenario 2. The changes to Scenario 2 are basically, we have reduced the Annual Payment Preservation Program project request back to the Scenario 1 level at $19M but beginning in 2021 we will begin to finance the Annual Pavement Preservation program, which I have, I am now calling APPP. We are going to be financing those projects with 10-year notes instead of 20-year notes and that allows or facilitates for our Public Works Department to pursue an approach to treat road or street treatment that's called micro-surfacing. It has a shorter span life but holds many benefits which we'll talk about including a reduced interest costs. We'll be getting to that in that later presentation.

The other reduction is that in 2025 we had a fire station and traffic division facility planned in the last year of the CMIP. What we have chosen to do is, as Debbie will talk about, is we have decided to keep a million dollars in the 2025 to begin that whole land acquisition process but move the other $9M of the 10 to the 2026 timeframe because we think that's where those funds will actually be spent.

We have also made a minor adjustment to the property tax revenue estimates based on some new information. Previously, when I was doing Scenario 1 and 2, I had a delinquency rate that assumes a greater delinquency then actually took place because in fact we've already collected more than half of our property taxes at the first six months of the year or the first quarter and so the delinquency rate I reduced or blended so that really impacts a lot of the revenue streams.

Lastly, as a measure to reduce the operating impact on our General Fund and various other Special Revenue funds that are sensitive to the sales tax decline caused by the COVID closures, we have moved a variety of previously cash funded projects out of those respective funds and into the City Bond & Interest Fund. We've been working with our Bond Counsel to ensure that each of those projects are allowable to be bonded, it depends on how their useful life and whether there's any operating components. We've cleared through all of that and we've identified $2.5M both in 2020 and 2021 for projects that we plan to debt finance that we previously would have cash funded. We will be financing those small kind of projects on a much shorter term, maybe, you know, four or five years. So overall, this is a great compromise. We hope that you support it. We're happy to answer any questions. We're going to go through in detail the proposal, but it does reduce the level of debt and has a lot of benefits.

At this point, I will be passing this off to my Deputy CFO Debbie Jonscher.

Summary of Scenarios for Kansas City, Kansas (City) Debt-Funded Projects

Debt-Funded Capital Project (KCK) with 5-Yr Totals	Scenario #1	Scenario #2 Changes	Grand Totals	COVID Alternative	Variance from Grand Total
Neighborhood ADA Pedestrian Handicapped Ramps	$3.6 M		**$3.6 M**	**$3.6 M**	
57th Street Resurfacing, Kaw Dr to State Ave	$550 K		**$550 K**	**$550 K**	
Annual Concrete Repair Program	$6.7 M	$3.77 M	**$10.47 M**	**$10.47 M**	
Annual Railroad Crossing Improvement	$300 K		**$300 K**	**$300 K**	
Annual Pavement Preservation Program	$19.0 M	$15.05 M	**$34.05 M**	**$19.0 M***	**($15.05 M)**
Annual Alley Improvement Program	$1.5 M	$100 K	**$1.6 M**	**$1.6 M**	
Hutton & Leavenworth Rd Intersection Reconstruction	$7.0 M		**$7.0 M**	**$7.0 M**	
Fiber Connectivity Projects	$500 K		**$500 K**	**$500 K**	
7th St./US-69 and Central Ave. Reconstruction	$1.5 M		**$1.5 M**	**$1.5 M**	
Hutton Rd. & Donahoo Rd. Intersection Improvements	$350 K		**$350 K**	**$350 K**	
Safe Routes to Schools-NW Middle & Caruthers Elem.	$428 K		**$428 K**	**$428 K**	
110th St. & Riverview Ave. Intersection Improvements	$750 K		**$750 K**	**$750 K**	

****APPP 2021-2025 financed over 10-yrs, instead of 20-Yrs, to take advantage of preferred micro-surfacing road treatment approach.***

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Debbie Jonscher, Deputy Chief Financial Officer, said I'll be going through several slides that show the scenarios that we did show you in the past presentation and just show you the alternatives that we were talking about. This first slide just lists projects that were in the debt fund category and as you can see on the slide, we've got Scenario 1 and 2 that we had presented before and now we have added the column for the COVID alternative that Kathleen just talked about. These are a lot of the street improvement projects and, as you can see as Kathleen discussed, the one change to this spreadsheet is the reduction to the Annual pavement Preservation Program that was listed. It no longer includes the Scenario 2 amount. We will be financing the items in Scenario 1 over a shorter time period to take advantage of the micro-surfacing road treatment approach and that is the only change on this slide. So, we'll go to the next slide.

Business Case: Micro-Surfacing

- ***Improved roadway safety*** by increasing and maintaining surface friction
- ***Life extension*** of the existing pavement structure
- Sealing of the existing pavement surface ***minimizes oxidation and reduces water infiltration***
- ***Aesthetics*** improvement
- ***Environmentally friendly*** with relatively low energy consumption and reduced greenhouse gases as it is applied at ambient temperature
- ***Addresses roadway distresses,*** such as rutting, raveling, bleeding, minor cracks
- Can be applied to asphalt cement and PCC roadways. ***Suitable for many roadway types***, including residential, industrial, collector, municipal and highway roads
- Due to shorter life cycle, requires ***shorter borrowing term***
- Financing the $19 M in Annual Pavement Preservation Program projects in 2021-2025 will ***saves $2 M in interest costs***

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We're just going to present some information on micro-surfacing and I'm going to let Jeff Fisher, Director of Public Works, talk about that slide.

Jeff Fisher, Executive Director of Public Works, said as we've discussed in the past, using the surface treatments each year at an increasing level as well as it allows—it's real important, these treatments maximize the life of the pavement and extend that, so we can push off overlays and reconstructs the costs a lot more. As Kathleen mentioned, we can increase flexibility to do this by using shorter term financing with some obvious financial benefit saving $2M in interest costs.

Summary of Scenarios for
Kansas City, Kansas (City) Debt-Funded Projects *(continued)*

Debt-Funded Capital Project (KCK) *with 5-Yr totals*	Scenario #1	Scenario #2 Changes	Grand Totals	COVID Alternative	Variance from Grand Totals
Annual Emergency Bridge Repair	$1.5 M		$1.5 M	$1.5 M	
Priority Traffic Signal Replacements	$4.0 M		$4.0 M	$4.0 M	
Annual Elevator Upgrades	$1.5 M		$1.5 M	$1.5 M	
City Hall Structure Study and Stabilization	$5.0 M		$5.0 M	$5.0 M	
Annual ADA Modifications-UG Facilities	$500 K		$500 K	$500 K	
Facility/Parking Annual Maintenance/Repair	$3.5 M		$3.5 M	$3.5 M	
Fire Station (2021)	$6.9 M		$6.9 M	$6.9 M	
Fire Station (2023)	$6.3 M		$6.3 M	$6.3 M	
Fire Station/Police Traffic Division Facility (2025)	$0	$10.0 M	$10.0 M	$1.0 M	($9.0 M)
New Animal Services Facility	$4.3 M		$4.3 M	$4.3 M	
PDHQ Chiller System	$3.75 M		$3.75 M	$3.75 M	
Fairfax Industrial Area Improvements	$500 K		$500 K	$500 K	

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Ms. Jonscher said we'll continue on with some additional Debt-Funded projects that we had in the list showing the same information. We've got the COVID alternative. On this slide, the only change is to the Fire Station/Police Traffic Division Facility that was listed in 2025 that Kathleen talked about. We have taken out the $10M that was in the 2025 budget; however, we are leaving in $1M, as she said, for land acquisition with the intent that the additional expenses on construction of the facility would occur in a later year.

Large Capital Project Criteria Rankings

Rank	Year	Budget	Project Name	Composite Score
1	2020	$ 250,000	Metropolitan Ave. Bikeways	4.76
2	2020	$ 650,000	6th Street Improvements, Ann Ave. to Central Ave	4.63
3	2020	$ 4,200,000	Road Preservation 2020	4.51
4	2021	$ 100,000	Jail Repairs	4.51
5	2020	$ 1,230,000	Minnesota Ave., 6th to 7th St. Improvements	4.37
6	9999	$ 350,000	SRTS Phase F (Francis Willard and WA White/West Middle)	4.36
7	9999	$ 1,700,000	Strawberry Hill Complete Street Project	4.34
8	2024	$ 350,000	77th and Troup Storm Replacement	4.32
9	9999	$ 500,000	W. 36th Ave Improvements, Rainbow Blvd. to State Line Rd.	4.31
10	2020	$ 360,000	Safe Routes E (TA Edison)	4.31
11	2021	$ 528,000	SRTS Phase G (Northwest Middle and Caruthers Elem.)	4.30
12	9999	$ 200,000	Leo Alvey Head-In Parking	4.29
13	2020	$ 1,700,000	Lombardy Drive Sanitary Sewer Improvements	4.28
14	2020	$ 360,000	Safe Routes E (White, Edison, Prentis)	4.25
15	9999	$ 300,000	North 34th Street Box Culvert	4.22
16	9999	$ 350,000	Kansas Ave - 72nd Street to K-32	4.19
17	9999	$ 2,500,000	Central Ave. and Grandview Blvd. Intersection Improvements	4.04
18	9999	$ 4,500,000	72nd St. - Parallel Parkway to Leavenworth Rd	4.03
19	2020	$ 9,000,000	Leavenworth Rd Modernizatrion, Phase II (63rd to 78th)	4.00
20	9999	$ 350,000	Miami Ave, Goddard Intersection	3.93
21	9999	$ 300,000	18th St. and Metropolitan Ave. Reconstruction	3.93
22	2021	$50,000,000	Streetlight Modernization Project	3.88
23	9999	$ 4,500,000	67th St. - Parallel Parkway to Leavenworth Rd	3.87
24	9999	$ 5,000,000	Leavenworth Road - 78th St. to 92st St.	3.87
25	2021	$ 2,000,000	7th St/US-69 and Central Ave. Reconstruction	3.86
26	9999	$ 500,000	51st N of Cleveland RCB Replacement	3.84
27	2023	$ 1,200,000	Strong Ave. Levee Pump Station	3.78
28	9999	$ 500,000	118th Street Lighting Improvements	3.71
29	9999	$ 3,200,000	Key Lane- Douglas Ave. to Gibbs Rd.	3.64
30	9999	$ 4,000,000	86th Street Improvements - State Ave. to Parallel Pkwy	3.60
31	2024	$ 2,000,000	K-32 Quiet Zone, Phase I	3.60
32	2021	$ 2,000,000	90th and Parallel Parkway Intersection Improvements	3.59
33	9999	$11,300,000	34th St. Woodland Ave. Metropolitan Ave. to Merriam Ln.	3.58
34	2021	$ 350,000	Hutton Rd. and Donahoo Rd. Intersection Improvement	3.56
35	2020	$ 100,000	WYCO Park Road Resurfacing	3.54
36	9999	$ 1,000,000	New Park	3.51
37	9999	$ 4,000,000	Donahoo Road - Hutton Rd. to 115th St	3.33
38	9999	$ 3,200,000	Hollingsworth Road Improvements, 115th St. to 123rd St.	3.30
39	2020	$ 500,000	Holiday Drive Bridge Replacements, Phase IV	3.26
40	2020	$ 1,100,000	131st St. and Leavenworth Rd. Intersection Improvements	3.24
41	9999	$ 3,200,000	Douglas Ave - Key Ln to 55th St.	3.22
42	9999	$ 8,000,000	18th St./ 21st St. - Metropolitan Ave. to Merriam Ln.	3.20
43	2022	$ 750,000	110th St. and Riverview Ave. Intersection Improvements	3.20
44	9999	$ 5,000,000	State Ave & Village West Interchange	3.20
45	9999	$ 800,000	Wolcott Soccer Complex	3.18
46	9999	$ 3,500,000	At-Grade Intersection at 65th St. and Turner Diagonal	3.06
47	2021	$ 7,000,000	Hutton Rd. and Leavenworth Rd. Intersection Improvement	3.03
48	9999	$ 6,000,000	Relocation of Sewer Maintenance Facility	3.02
49	2020	$70,000,000	Kaw Point Biosolids Digestion	2.79
50	2020	$45,000,000	Wolcott Treatment Plant Expansion	2.73

10

http://maps.wycokck.org/CMIP.html

This next slide is the recap of the project rank criteria rankings and Rob Anderson is going to explain this slide.

Rob Anderson, Public Works Asset Manager, said so this is slide as it was earlier in the year. Considering the changes and potential changes to these projects depending on how we respond to the COVID scenarios. Obviously, this is just here for discussion and potential changes to how we prioritize projects. In the meantime, we've been making some adjustments to the process for funding it and updating individual project information as well.

Addition of Previous Cash-funded Projects to Kansas City, Kansas (City) Debt-Funded Projects *(5-Yr Note)*

Previous Cash Project now Debt-Funded Capital Project (KCK) by Department	Original Source Fund	2020	2021	Grand Totals
Neighborhood Street Repair	Special Hwy Fund	$0	$100 K	$100 K
Salt Dome Repairs	Special Hwy Fund	$60K	$0 K	$60 K
Message Boards (6)	Special Hwy Fund	$0	$85 K	$85 K
Computer Equipment	Special Hwy Fund	$0	$50 K	$50 K
Pavement Marking & Signing Program	Special Hwy Fund	$50 K	$50 K	$100 K
Pretreatment Equipment	Special Hwy Fund	$200 K	$0	$200 K
Service Body Truck	Special Hwy Fund	$0	$52 K	$52 K
Flare Truck	Special Hwy Fund	$0	$35.5 K	$35.5 K
Landscaping and Hardscaping	City General Fund	$0	$100 K	$100 K
Facilities/Parking Annual Maintenance & Repair	City General Fund	$0	$200 K	$200 K
Fleet Vehicle and Right-of-Way Vehicle	City General Fund	$0	$73 K	$73 K
SUBTOTAL – PUBLIC WORKS DEPARTMENT		**$310 K**	**$745.5 K**	**$1.056 M**

11

Ms. Jonscher said for the next several slides we're going to talk about projects that have been previously funded with cash that we are proposing to move to the debt fund and fund with a shorter term. Kathleen talked about this a little bit earlier that we would be looking at a shorter term financing, such as a 4 to 5 year note to fund out some of these projects.

The slides are listed according to department, so this first slide is the Public Works Department. We've got a list of projects and equipment that were previously funded either in the General Fund or the Special Street & Highway Fund that we are proposing to fund with that and as Kathleen did say, we've been working with our bond counsel to make sure that all of these projects qualified to be paid for under the debt section. You can see in 2020 we have a total of $310K in projects and equipment that we're looking to move and in 2021 we're looking at $745K in projects and equipment that we would need for Public Works.

Addition of Previous Cash-funded Projects to Kansas City, Kansas (City) Debt-Funded Projects *(5-Yr Note)*

Previous Cash Project now Debt-Funded Capital Project (KCK) by Department	Original Source Fund	2020	2021	Grand Totals
Patrol Vehicle Replacements (20)	City General Fund	$980 K	$980 k	**$1.960 M**
Server Infrastructure	City General Fund	$0	$100 K	**$100 K**
Police Station Maintenance & Major Facility Improvement	City General Fund	$0	$100 K	**$100 K**
Mobile Data Computers	Dedicated Sales Tax	$75 K		**$75 K**
Computer Equipment Replacement	Dedicated Sales Tax	$80 K	$60 K	**$140 K**
Network Equipment (Network Switches)	Dedicated Sales Tax	$83 K		**$83 K**
Upgrade Internet Equipment (Firewall)	Dedicated Sales Tax	$58 K		**$58 K**
In Car Network Infrastructure	Dedicated Sales Tax	$10 K		**$10 K**
SUBTOTAL – POLICE DEPARTMENT		**$1.286 M**	**$1.24 M**	**$2.526 M**

12

This next slide shows the Police Department. We have their equipment. They've got patrol vehicles and computer equipment, and these were originally funded in cash in either the City General Fund or the Dedicated Sales Tax Fund. In 2020 we're looking at $1.2M in projects and equipment and in 2021 we're looking at $1.24M for a total of $2.5M over the next two years. Projects that, as I said, were previously funded with cash that we're looking to move to a short term financing.

Addition of Previous Cash-funded Projects to Kansas City, Kansas (City) Debt-Funded Projects *(5-Yr Note)*

Previous Cash Project now Debt-Funded Capital Project (KCK) by Department	Original Source Fund	2020	2021	Grand Totals
Land Management System Upgrade (Accela)	City General Fund	$374 K	$0	$374 K
Online Permitting & Electronic Plan Review	City General Fund	$150 K	$0	$150 K
Police / Sheriff Timekeeping System (Kronos)	City General Fund	$0	$75 K	$75 K
Network Upgrade	City General Fund	$0	$75 K	$75K
Obsolete Network Switches/ Wireless Access Points	City General Fund	$100 K	$50 K	$150 K
Technology Infrastructure Migration to Cloud	City General Fund	$0	$75 K	$75 K
Skype for Business Phone Architecture/Phone Upgrade	City General Fund	$25 K	$130 K	$155 K
SUBTOTAL – KNOWLEDGE/TECHNOLOGY DEPARTMENT		**$649 K**	**$405 K**	**$1.054 M**

13

This next slide is the Chief Knowledge Technology Department. Once again, just a list of all their projects. These were all funded in the City General Fund, for 2020 $649K and 2021 $405K for these projects.

Addition of Previous Cash-funded Projects to Kansas City, Kansas (City) Debt-Funded Projects *(5-Yr Note)*

Previous Cash Project now Debt-Funded Capital Project (KCK) by Department	Original Source Fund	2020	2021	Grand Totals
Abatement Team Equipment (3rd unit)	City General Fund	$220 K	$0	$220 K
Code Enforcement Replacement Vehicle	City General Fund	$0	$24 K	$24 K
Rental Licensing New Vehicle	City General Fund	$0	$24 K	$24 K
Inspection Services Replacement Vehicle	City General Fund	$0	$24 K	$24 K
SUBTOTAL – NEIGHBORHOOD RESOURCE CENTER DEPT		**$220 K**	**$72 K**	**$292 K**
Credit Card Reader Installation (Municipal Court)	City General Fund	$0	$21 K	$21 K
SUBTOTAL – OTHER DEPARTMENTS		**$0**	**$21 K**	**$21 K**
TOTAL – PREVIOUS CASH PROJECTS SHIFTED TO CITY B&I FUND (DEBT-FUNDED)		**$2.46 M**	**$2.48 M**	**$4.94 M**

Of the 2020 $2.24 M total, $1.849 M was in City General Fund, $306 K was in the Dedicated Sales Tax Fund, and $310 K in the Special Streets and Highway (Gas Tax) Fund.

Of the $2.48 M total for 2021, $2.05 M was to the City General Fund, $60 K was in the Dedicated Sales Tax Fund, and $373 K to the Street & Highway Fund.

14

This one in the top section is the Neighborhood Resource Department with a list of equipment. We've got some Abatement Team Equipment, couple of vehicles and we've got $220K in 2020 and $72K in 2021 and there's also some other projects listed there.

We've got the Credit Card Reader Installation that was paid out of the General Fund that was a 2021 project. Looks like this is the total for—then we've got the total for cash projects that will be shifted to the City Bond & Interest, so we have a total of $2.46M in 2020 and $2.48M in 2021. Of the $2.4M total, $1.8M was in City General Fund, $306K is Dedicated Sales Tax and $310K in the Special Streets & Highway Fund. For 2021 we have $2.05M in the City General Fund, $60K was in Dedicated Sales Tax and $373K to Street & Highway Fund.

Reimbursement Resolution

- Recommend a reimbursement resolution be adopted by the Commission on May 28th
  - Since these projects are pending a funding source, allows for departments to proceed with contracts for the 2020 previous cash-funded projects
- With a reimbursement resolution, projects funded by debt can proceed prior to bond issue anticipated in August 2020
- Allows for a 60-day look back period, or would include spending since March 28th
- Any spending that occurred Jan 1st – March 27th would be paid from the originally budgeted fund of these projects

15

This next slide what we are currently recommending is that we would like to pass a reimbursement resolution to be adopted by the Commission on May 28th. The reimbursement resolution allows us to spend money on these projects that we are shifting from cash to debt and then reimburse ourselves when we do issue the short term note financing which I believe we are projecting to do in the fall. We've done this on some of the Debt-Funded projects. If we have a project that at the time we're that we're approving the budget that we don't—we haven't identified the work, we would issue a reimbursement resolution and that allows us to reimburse ourselves.

If we spend any of that money, when we get the bond proceeds—the note proceeds, we can reimburse ourselves. So, we're going to be requesting the reimbursement resolution for all of the projects to include all the projects and equipment that we are proposing to move from cash funding to debt. This would allow the departments to go ahead and proceed with their contracts as they are, but then we can reimburse ourselves with debt. This also allows if we have any of these projects that have already spent some of their money, it allows us a 60-day look back period, so as of May 28th any projects or equipment that may have been paid for since March 28th we could go ahead and reimburse ourselves when we do that note issue in the fall. Any spending that occurred between January and March 27th, would have to be paid from the originally budget fund. We can't look back for those expenses.

Commissioner Johnson said with regard to, again, I want to say thank you to you all for your hard work on this, it has been very thorough. I guess I continue to hear this term or (inaudible). **Mayor Alvey** said, Commissioner, your first part was garbled, so maybe if you if you lean a little bit in to the microphone, it will be better. **Commissioner Johnson** asked is that better. **Mayor Alvey** said yes, it is. **Commissioner Johnson** said we'll try for a third time otherwise I'll have to mute myself and just type it up. (Inaudible) to us in terms of the sources of revenue that will be utilized to service the shorter term because that will increase our debt load, our annual debt load with the shorter term. That's just my understanding of how these things work. So, can you tell me how in terms of the mechanics, how will we service that debt?

Ms. VonAchen said I can answer that Debbie. Later in the presentation we do have a longer term view of how all of these recommendations impact the fund balance of the City Bond & Interest Fund and you'll see that the fund balances relative—well, that it is good, but the repayment of the debt would come from the proceeds of the 17 mills in the City Bond & Interest Fund. Go ahead Debbie.

Summary Scenarios for (City) Debt-Funded Projects by Function (2021-2025)

Debt-Funded and Previous Cash-Funded Capital (KCK) with 5-Yr Totals	Scenario #1	Scenario #2 Changes	Grand Totals	COVID Alternative	Variance from Grand Total
Streets	$42.3 M	$18.8 M	**$61.1 M**	$46.1 M	*($15.0 M)
Bridges	$1.5 M	$0	**$1.5 M**	$1.5 M	
Traffic Engineering	$4.0 M	$0	**$4.0 M**	$4.0 M	
Facilities	$31.7 M	$10.0 M	**$41.7 M**	$32.7 M	($9.0 M)
Community Programs	$500 K	$0	**$500 K**	$500 K	
Subtotal-Debt-Funded	**$80.0 M**	**$28.7 M**	**$108.8 M**	**$84.8 M**	**($24.0 M)**
Equipment/Vehicle Replacement			**$0**	$1.3 M	
Technology			**$0**	$636 K	
Streets & Traffic			**$0**	$150 K	
Facilities			**$0**	$400 K	
Subtotal-Previous Cash-Funded	**$0**	**$0**	**$0**	**$2.5 M**	**$2.5 M**
Grand Total All Projects	**$80.3 M**	**$28.7 M**	**$108.8 M**	**$87.3 M**	**($21.5 M)**

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Ms. Jonscher said these are the Debt-Funded projects that are funded from the city debt and we've listed these by function for 2021 through 2025. So, the first section that we have, these are all city funded projects and we've got for each of those scenarios we've got the amounts that were listed in the budget as well as the COVID alternative. So, for Streets, you can see we had $46.1M under the alternative which is a variance of $15M which we explained was the Annual Street Preservation. Bridges and Traffic Engineer, there were no changes. Facilities is $32.7M and that includes the reduction of $9M for the Police & Fire facility out in 2025. Then we also have the equipment that was previously cash funded from the city. That would be funded in the city debt service fund and that total of $2.5M to the grand total of all the 75 projects would be $87.3M which Kathleen did defer to that in a previous slide, that we were $7M over the $80M target that we had for the CMIP 5-Year Plan.

Refinancing Bonds - Series 2010 & 2011A

Interest Savings Estimated and Impact to City Bond & Interest Ending Fund Balances	Outstanding Principal Being Refinanced	Estimated 10-Yr Average Annual Interest Savings	Estimated 10-Yr Total Interest Savings
2010C RZEDB	$4.78 M	$40,500	$405,000
2010D BABs	$11.415 M	$149,500	$1,495,000
2010F RZEDB	$6.40 M	$62,000	$619,000
2010G QECB	$1.042 M	$10,000	$100,000
2011A Taxable (crossover issuance)	$11.885 M	$100,500	$1,005,000
SUBTOTAL – CITY B&I FUND EST. INTEREST SAVINGS	**$35.522 M**	**$362,500**	**$3,624,000**
2010 H (paid out of City General Fund)	$5.1 M	$45,000	$450,000
TOTAL ESTIMATED INTEREST SAVINGS	**$40.622 M**	**$407,500**	**$4,074,000**

17

This slide just talks about some refinancing that we're working with our financial advisor on. We have several issues that are available we're currently funding. We've got several series from back in 2010 and 2011 that we are looking at. This slide just shows the outstanding principle for those that could be refinanced as well as the last column shows the estimated total interest savings over the 10-year period that would be remaining outstanding on the bonds. So, for each of the projects—for this, all of these with the City Bond & Interest total, the interest savings over that 10-year period would be about $3.6M.

The 2010 H is the bond series that we used to finance the construction of the parking lot at Sporting Kansas City facility on the Kansas Speedway land. I believe in a previous presentation I had mentioned that we were going to be redoing those bonds and so we do believe there's potential savings also to occur on those bonds. That would be about $450K for the total estimated interest savings for all of the refunding is currently just slightly over $4M over the 10-year period.

Ms. VonAchen said I just wanted to connect the dots here. What we're proposing here is a savings over the future years of $4M in this area and $2M on the Annual Pavement Preservation financing approach, so between the two $6M in financial savings.

Scenarios' Debt Affordability Metrics
KCK (City) Bond & Interest Fund

Scenarios	Minimum Reserve Target 5% of tax revenues	2025 Ending Fund Balance (modest)	2025 Ending Fund Balance (worst)	2025 Govtal Debt Per Capita	2025 Govtal Debt as a % of Assessed Value
Scenario #1	$1.4 M	$9.2 M	$3.8 M	$1,685	14.8%
Scenario #2	$1.4 M	$8.6 M	$3.2 M	$1,694	15.1%
COVID Alternative	**$1.4 M**	**$4.1 M**	**$2.4 M**	**$1,725**	**15.3%**

Debt Ratios of comparable entities:

Govtal Debt p/capita-$1,600

Govtal Debt as % of AV- 4%

*Govtal debt includes both City & County

Note: 2021, 2022 use of reserve of $3.3 M from City B&I Fund to pay-off 2-Yr Note of $6.7 M proposed to be issued in Fall 2020 for acquisition of Human Resources/Finance ERP System. Also includes a transfer-in of $1.9 M from County Bond & Interest Fund based on County operations portion of the total project costs based on employee count (FTE). A second transfer in is received from other Non-General funds of $1.5 M based on those funds' respective FTE counts.

Ms. Jonscher said this slide just shows the scenarios for the data portability metrics for the City Bond & Interest Fund. This is the same information we presented before; however, we've added the COVID alternative. As you can see, the minimum reserve target for the City Bond & Interest Fund is $1.4M and we listed out the modest and worst case which we presented before. On the modest case we end with a fund balance of about $4.1M and in the worst case about $2.4M.

Ms. VonAchen said if I can interject one point. The reason, even though we are issuing less debt than Scenario 2, the reason the fund balance declines or is lower is because we're financing $19M of that debt over the 5-year period with 10-year notes which means you pay the principal off faster than you would with a 20-year note and so that draws down on the fund balance, but you pay less interest and it's affordable. It's beyond the minimum reserves.

Summary Scenarios for Other Debt-Funded & Grant Projects (2021-2025)

Debt-Funded Special Revenue Capital Project with 5-Yr Totals	Adopted CMIP	Proposed Changes	Grand Totals	COVID Alternative	Variances from Grand Total
Interstate 70 and Turner Diag. Interchange Reconstruction	$3.75 M		$3.75 M	$3.75 M	
NE Patrol Station (No Funding Source)	$2.5 M		$2.5 M	$2.5 M	
Totals – Special Revenue Projects	$6.25 M	$0 M	$6.25 M	$6.25 M	$0

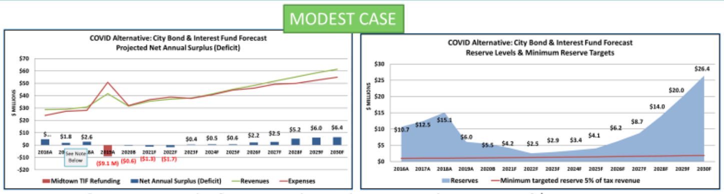
Debt-Funded Grants Capital Project with 5-Yr Totals	Adopted CMIP	Proposed Changes	Grand Totals
7th St./US-69 and Central Ave. Reconstruction	$1.0 M		$1.0 M
Safe Routes to Schools-NW Middle & Caruthers Elem.	$1.7 M		$1.7 M
New Animal Services Facility	$4.3 M		$4.3 M
Totals – Grant Projects	$7.0 M	$0	$7.0 M

Ms. Jonscher said this slide we're just showing these are some of the other debt-funded and grant projects that are currently in the CMIP. Both of these, there are no change to the Special Revenue Projects. There were two in that category, the Turner Diagonal Interchange and the Northeast Patrol Station. Currently there is no change in the funding for the COVID alternative. Below that there is a list of the grant projects that were also included that were adopted in the CMIP and there's no changes to those totals either.

COVID Alternative - City B&I Fund Debt Forecast

Neighborhood Investment Plan *for 2021-2025 &*
$15+ M annual Project Cap for 2026-2030

MODEST CASE



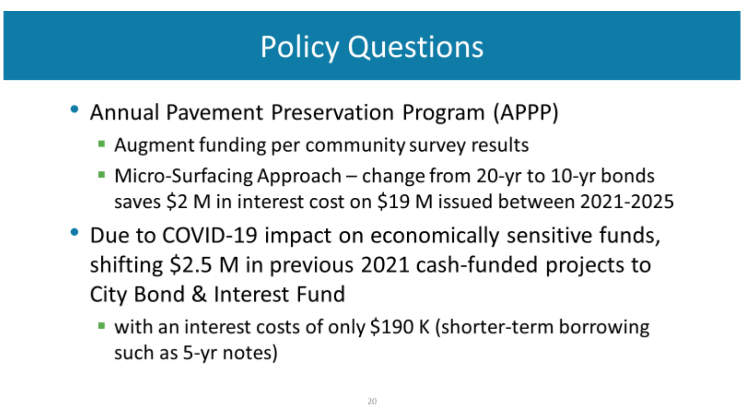
- **Use of Reserves** – in the first 2 years but ending in a surplus position of $600,000 in FY 2025, and thereafter grows to surplus of $6.4 M in 2030 if only $15+ M of new debt were issued each year beginning in 2026
- **Reserves** - above minimum reserve target of 5% of annual revenues in all years; reserves totaling to $4.1 M by FY 2025, growing to $26 M in 2030

Note: 2019 net deficit due to refinancing of the Mid-Town TIF ;
2021, 2022 use of reserve and transfers from other funds to pay-off 2-Yr Note proposed to be issued in Fall 2020 for acquisition of Human Resources/Finance ERP System

Ms. VonAchen said one thing I wanted to advance to, to answer Commissioner Johnson's question, so at the end of the day, you'll see here that this is how the fund balance over the long-term looks for the City Bond & Interest Fund with the COVID alternative. So, over here is the difference between—on the left is the difference between the revenues and the expenditures for each year. In the first few years we're drawing on fund balance somewhat. The reason for the draw in 2019 that occurred in actual was because of the refinancing of the Tax Increment Financing District at Midtown, but these others are simply because we are paying off some debt a little quicker than we would have with the Annual Payment Preservation and so that draws down somewhat, but then we net out in a surplus position annually over time. This is the fund balance, so beginning at the end of this fund. At the beginning of 2018, this fund had a fund balance of $15M and that's because the debt was for the TIF for the Midtown was getting paid out of a different fund than here. That other fund didn't have any money coming in to fund it or to support the debt service, so when we did the refinancing it refinanced all that and we used the fund balance in this bunch to pay off the negative fund balance in the Midtown TIF Fund. So, it drove down the fund balance to $6M and the recommendations we have in front of you, do drop down the fund balance to this $2.5M level, but it's—well, the reserve, we want to keep the reserve at a minimum of 5% of tax revenue, so that exceeds that throughout that whole period.

Then if we maintain our annual debt reserve at the $15M level every year, then we will be growing our fund balance and what this means is that you either have capacity to issue more than $15M or you can reduce the mill that are going to fund. We've said this many times that sometime around 2025 or 2026 there's going to be an opportunity to make that decision. So, this is a net of old debt that's getting paid off, a new debt coming on. Any questions on that?

Commissioner Johnson said no. I think that makes it clear for me to understand.



Ms. Jonscher said then we just have a couple of policy questions that we wanted to put in front of the Commission, the Annual Payment Preservation Program. There is funding in there, you know, that augments the funding per the Community Survey results. We've talked about the Micro-Surfacing approach which we are going to change the term on the bonds from 20 years to 10 years which will save us about $2M in interest costs on the $19M that would be issued between 2021 and 2025.

Also, due to the COVID-19 impact on economically sensitive funds, we're shifting $2.5M in 2021 of projects that were previously funded with cash over to the City Bond & Interest fund with an interest cost of less than $200K for the short-term borrowing if it's four to five years.

Mr. Bach said we feel like the micro-surfacing is a good alternative to continue to cover a lot of lane miles, but it is a different approach and Jeff has gone through and explained that. This will be the methodology we are planning to move forward with as we build this budget and then, of course, diverting items that we typically would be paying for in these other funds. Cash funded is not a great a great solution but it gives us an alternative. This is not sustainable for a long time. I mean, this is a temporary solution for a couple of years to get us through 2021 and hoping to build back up where our revenue streams need to be, but it allows us to still buy some items, some equipment that Debbie outlined as she went through this in the coming years without going completely without anything in order to provide the services we're working to do.

Summary Scenarios for
Wyandotte County (PBC) Debt-Funded Projects

Scenario	WyCo B&I Fund
Scenario #1 Address facility deferred maintenance needs with 5-Yr total of $8 M	Includes improvements for Courthouse, some West Annex improvements, WyCO Park Waterline Repair, and the Quiet Zone (Phase II) $2M in 2024 Adds a $1.9 M transfer out to City B&I Fund for County portion of the HR/Finance ERP 2-Yr note to be retired in 2021 and 2022
Scenario #2 No change from Scenario #1	
COVID Alternative Several adjustments	Same as Scenarios #1 and #2 with adjustments to property tax based on new information

21

Ms. Jonscher said the next couple of slides we're just going to look at the County Debt-Funded projects. This first slide shows the projects that we have in there. For our COVID alternative, there are no changes to the project, the same as Scenario 1 and 2, but there were no changes in Scenario 2, just with adjustments to the property tax based on new information.

Summary Scenarios for Wyandotte County (PBC) Debt-Funded Projects

Debt-Funded Capital Project (WyCo) with 5-Yr Totals	Scenario #1 Changes	Scenario #2 Changes	Grand Totals
Wyandotte County Lake Waterline Study & Repair	$950 K		**$950 K**
Courthouse - Plumbing/Waste Distribution/Fixture	$1.825 M		**$1.825 M**
West Annex - Parking Lot	$400 K		**$400 K**
West Annex - HVAC Controls & Instruments	$190 K		**$190 K**
Jail - HVAC - ION/Sanitize Supply Air	$100 K		**$100 K**
Courthouse - Elevator Rehab (4)	$1.25 M		**$1.25 M**
Courthouse - Masonry (Phase II)	$500 K		**$500 K**
Courthouse – Window Replacement	$800 K		**$800 K**
K-32 Quiet Zone (Phase II)	$2.0 M		**$2.0 M**
Total	**$8.015 M**	**$0**	**$8.015 M**

22

This next slide goes into a little bit more detail for the projects that are funded out of the County Debt Service. We've got a list of projects here. There is no COVID alternative column on this page. We said there really is no change to the County Debt Service, but this is a list of the projects that we currently have funded in the budget for County Debt.

Scenarios' Debt Affordability Metrics WyCo (County/PBC) Bond & Interest Fund

Scenarios	Minimum Reserve Target - 5% of revenues	2025 Ending Fund Balance (modest)	2025 Ending Fund Balance (worst)	2025 Govtal Debt Per Capita	2025 Govtal Debt as a % of Assessed Value
Scenario #1	$306 K	$1.1 M	$241 K	$1,665	14.8%
Scenario #2	$306 K	$1.1 M	*$241 K*	$1,694	15.1%
COVID Alternative	**$306 K**	**$2.4 M**	**$2.2 M**	**$1,735**	**15.4%**

Debt Ratios of comparable entities:

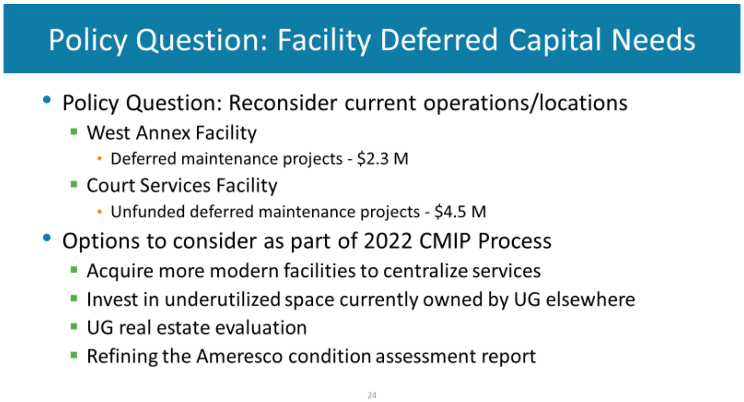
Govtal Debt p/capita-$1,600

Govtal Debt as % of AV- 4%

** Govtal debt includes both City & County*

Note: 2021, 2022 use of reserve is a transfer of $1.9 M to City B&I Fund to pay-off 2-Yr Note proposed to be issued in Fall 2020 for acquisition of Human Resources/Finance ERP System. $1.9 M is County operations portion of the total project costs based on employee count (FTE).

Same slide that we had for the City Bond & Interest Fund. This just shows the scenarios, shows the targeted fund balance, the 5% of reserves on the County General Fund side of $306K. We are showing our modest and worst case scenario with the modest ending fund balance of $2.4M and the worst ending at $2.2M. I was just going to mention that—maybe to note, this scenario does include the transfer of the $1.9M to the City Bond & Interest Fund on the 2-year note for the Finance ERP system.



Just some additional policy questions on the County side related to Facility Deferred Maintenance needs. This is to reconsider operations and locations. We've got projects for both the West Annex Facility as well as the Court Services Facility deferred maintenance that are built into the budget. Options to consider as part of the 2022 CMIP process were, do we reinvest in the facilities to look to acquire more modern facilities to centralized services, invest in underutilized space currently owned by the UG elsewhere, look at real estate evaluations and refining the Ameresco Condition Assessment Report. **Mayor Alvey** asked, what was the Ameresco Condition Report. **Ms. Jonscher** said that was the report—they came in and looked at all of our building facilities and did an assessment on the Capital Improvements that needed to be done in each of those buildings. I know we had a slide on it, but I don't think we have that slide in here in this presentation. I know we had it in a previous one that kind of listed out by facility what improvements needed to be made. **Mayor Alvey** said thank you.

Ms. VonAchen said part of their evaluation also is to look at all of the real estate the UG owns and do an evaluation of whether there's a best use or there's value in selling that property, so that's a new project that we will be undertaking collaboratively with Economic Development and the County Administrator's Office to see if there are opportunities for better use of the real estate we own.

Summary Scenarios for Sewer Debt-Funded Projects

Debt-Funded Sewer Capital Project with 5-Yr Totals	Adopted CMIP	Proposed Changes	Grand Totals
Sewer Main Extension (annual)	$7.5 M	$2.3 M	**$9.8 M**
Kaw Point Biosolids Digestion (2021)	$10.0 M	$10.0 M	**$20.0 M**
Piper Creek Interceptor	$2.0 M	($2.0 M)	**$0**
Green Infrastructure Improvements (annual)	$5.0 M		**$5.0 M**
Wolcott Expansion/Conner Creek	$5.0 M	$5.2 M	**$10.2 M**
Armourdale Sewer Separations - Phase I	$1.5 M		**$1.5 M**
Armourdale Sewer Separations - Phase II	$2.65 M		**$2.65 M**
Asset Management System Renewal (annual)	$16.0 M	$27.0 M	**$43.0 M**
Pump Stations SCDA	$0	$8.0 M	**$8.0 M**
Pump Station Improvements	$0	$14.0 M	**$14.0 M**
Overflow Combined CSO Reduction Program	$0	$7.0 M	**$7.0 M**
Total Sewer Debt-Funded Projects	**$49.65 M**	**$71.5 M**	**$121.15 M**

**Adopted CMIP total includes approved projects for years 2021-2024 plus continuing annual improvement projects for 2025*

25

Ms. Jonscher said the next few slides just show the Sewer and Stormwater projects. This one here is all of the sewer projects that are currently debt-funded in the budget for CMIP 2021 through 2025 and its listing out some of the proposed changes that were put into the budget. **Ms. VonAchen** said there weren't any changes made since the last presentation a month ago to this fund, for the stormwater.

Summary Scenarios for Stormwater Debt-Funded Projects (2021-2025)

Debt-Funded Stormwater Capital Project with 5-Yr Totals	Adopted CMIP	Grand Totals
Stream Bank Stabilization Improvements (annual)	$500 K	**$500 K**
Stormwater Enhancements (general)	$1.0 M	**$1.0 M**
North of I-70 toward Little Turkey Creek Tributary	$0	$0
Kansas River -7th Street to 12th Street	$0	$0
Kaw Valley Scenic Hwy/ West of Kansas River	$0	$0
Total Stormwater Projects (2021-2025)	**$1.5 M**	**$1.5 M**

**Adopted CMIP total includes approved projects for years 2021-2024 plus continuing annual improvement projects for 2025*

26

Ms. Jonscher said right. This slide just lists out the Stormwater projects for the CMIP and no changes here either than what was presented previously.

Tonight's CMIP Presentation

Debt-funded projects follow-up

Cash-funded projects

27

Next we're going to go on to the Cash-Funded Projects.

The Value of Cash Project

- Allows for flexibility in project management and application
- Better addresses annual maintenance activities and repair lifecycles
- Saves on debt repayment costs
- Significantly reduced 2020 and 2021 for economically-sensitive funds
  - City General Fund
  - Dedicated Sales Tax Fund
  - Special Highway Gas Tax Fund
  - Emergency Medical Services Fund

28

Just noting the value of the Cash Projects. Paying for something in cash does allow for a little bit more flexibility in project management and application. When we do debt financing on the projects a lot of the information on what is being done has to be included into the project authorization and does come before the Commission. With cash projects, there's probably a little bit more flexibility if projects change or something gets delayed, it does give them a little bit more flexibility there.

It better addresses the annual maintenance activities and repair lifecycles. It also saves on debt repayments costs and significantly reduces the 2020 and 2021 budget for economically-sensitive funds. The ones we are talking about are the City General Fund, Dedicated Sales Tax Fund, Special Highway Gas Tax Fund, and Emergency Medical Services Fund.

With that, I'm going to it over to Reginald Lindsey, Budget Manager, and he can talk about some of the Cash-Funded projects in the CMIP.

Commissioner McKiernan said this is a media report, 58 slides, got it at 4:47 tonight, so I'm trying to catchup here. To go back to slide 20, slide 20 had some questions and I apologize. I'm a little slow, sometimes I don't understand this, and you have to go through it a couple of times with me. There's two major bullets on slide 20, Policy Questions. Is the first blue bullet a question? Is that something we're supposed to give input on and if it is, do I understand the question correctly, that we're going to augment the funding and switch to a Micro-Surfacing approach? **Ms. VonAchen** said actually the question is, should we augment it above the $19M we're proposing and then are you okay with switching to our Micro-Surfacing approach and changing the length of the bonds from 20 to 10. **Commissioner McKiernan** said okay, so the question is do we augment the funding as was shown in a previous slide and do we then switch to Micro-Surfacing. **Ms. VonAchen** said I can do that slide for you.

Summary of Scenarios for Kansas City, Kansas (City) Debt-Funded Projects

Debt-Funded Capital Project (KCK) with 5-Yr Totals	Scenario #1	Scenario #2 Changes	Grand Totals	COVID Alternative	Variance from Grand Total
Neighborhood ADA Pedestrian Handicapped Ramps	$3.6 M		**$3.6 M**	**$3.6 M**	
57th Street Resurfacing, Kaw Dr to State Ave	$550 K		**$550 K**	**$550 K**	
Annual Concrete Repair Program	$6.7 M	$3.77 M	**$10.47 M**	**$10.47 M**	
Annual Railroad Crossing Improvement	$300 K		**$300 K**	**$300 K**	
Annual Pavement Preservation Program	$19.0 M	$15.05 M	**$34.05 M**	**$19.0 M***	**($15.05 M)**
Annual Alley Improvement Program	$1.5 M	$100 K	**$1.6 M**	**$1.6 M**	
Hutton & Leavenworth Rd Intersection Reconstruction	$7.0 M		**$7.0 M**	**$7.0 M**	
Fiber Connectivity Projects	$500 K		**$500 K**	**$500 K**	
7th St./US-69 and Central Ave. Reconstruction	$1.5 M		**$1.5 M**	**$1.5 M**	
Hutton Rd. & Donahoo Rd. Intersection Improvements	$350 K		**$350 K**	**$350 K**	
Safe Routes to Schools-NW Middle & Caruthers Elem.	$428 K		**$428 K**	**$428 K**	
110th St. & Riverview Ave. Intersection Improvements	$750 K		**$750 K**	**$750 K**	

APPP 2021-2025 financed over 10-yrs, instead of 20-Yrs, to take advantage of preferred micro-surfacing road treatment approach.

7

It's right here. In order to get the debt load down, we dropped this $15M out that was requested and brought it back to Scenario 1. **Commissioner McKiernan** said so on slide 20, we're kind of like playing Jeopardy here. You're phrased in the form of a question and I'm looking for what question I am being asked to answer here.

Then on slide 20, the second major blue bullet says that—is the question do we shift $2.5M from cash to Bond & Interest Fund? **Ms. VonAchen** said yes. **Commissioner McKiernan** said okay, so that is the question, do we make the shift? **Ms. VonAchen** said thank you, yes, I should have phrased it as a question. **Commissioner McKiernan** said it was confusing because the header said Question and I didn't see a question on here.

Following that same theme, flip to slide 24. What are the questions on slide 24? I've been sitting here trying to figure out the questions and I haven't been able to.

Mr. Bach said I think these are ones, Commissioner, as we look at these projects in the future, there not so much in this year as they are setting us up as we think about this in the future. I looked at the West Annex and I saw project after project coming in at $2.3M and said we need to set this out. Is this a facility that we continue to invest in or is that a facility that we maybe need to cut our losses here and sell and go and buy a new facility, something that's designed specifically from where we're at. I don't really put it—probably the way this was phrased as a Policy Question isn't the right way. This is one that is being evaluated that we would come back at and say are we good with or should we, you know, continue to go into this and repair, but the alternative for you to consider would be if we do a new building, this would be our cost and is that something we want to consider. In a year like this, it's very tough to take on something like that either way, but that's how we set that out.

Then, it's also the Court Services Facility. It's another old building. It's a building we continue to plug millions to year after year versus go after the approach of building a new building that's more of a long-term approach that you're just not every 10 years plugging several more millions into it.

Commissioner McKiernan said let me see if I understand. We are suggesting—so the question is, fundamentally, do we continue to invest in these old buildings, or do we seek other alternatives. Regardless of which one of those we pick, we're being asked to consider not funding previously considered projects in both buildings. Is that right? **Ms. VonAchen** said we do have a few investments in Scenario 1 for the West Annex. They're more immediate. We have the parking lot and then we have a little bit of HVAC improvements, but we don't have any investments in the Court House Services facility at this time. The amounts that we are recommending in this coming year or two, I can't remember exactly what years, they amount to around $600K here, but there's another $1.7 or so million embedded in this $2.3M total that is unfunded and we're kind of wondering, hum, should we be looking at actually doing these projects or should we invest in a more modern facility or pursue these other items. We're going to be looking at that in the coming 2020 CMIP process, but it would be good to get some direction from you on, you know, what direction would you take.

Commissioner McKiernan said you can help me give direction by helping me understand what I'm giving direction on, what my options are, what's the question that's being asked because if I go back to slide 22, I see we start out at $8M and we end up at $8M. I don't see any reductions there and yet when we were just on slide 24 we talked about $2.3M worth of reductions or potential reductions. I'm not drawing a line between all of these options. **Ms. VonAchen** said yes, so we appreciate you asking that question so now you have more clarity and we appreciate it. **Commissioner McKiernan** said I'm not clear yet, but I'll follow-up afterwards and I'm sure I will be by the time I actually need to make a decision. **Ms. VonAchen** said so, what we're doing, we're not pursuing the $1.7M of the 2.3 at this time. It's not included in our recommendation because we need to study it more and these are the options we'll be studying in the coming year.

Commissioner McKiernan said okay, if we could go to slide 28. The value of a cash project. Do I interrupt correctly that this slide is here just to reiterate the value of cash projects when we acknowledged that we're going to be shifting a whole bunch of cash into debt because of our revenue shortfalls? **Ms. VonAchen** said yes, we're shifting $2.5M in 2020 and $2.5M in 2021 because of the significant reduction in sales tax that occurred as a result of the COVID. There are still significant levels of cash funding occurring in a variety of areas, but it has been reduced significantly. Doing cash funding for these sorts of annual maintenance is very important, but when we get into a challenging situation like that, it's good that we have the flexibility to go to a short-term borrowing approach.

Commissioner McKiernan said I have been looking ahead here since I got the PDF and starting on slide 29 is something that looks like we used to get routinely prior to these discussions and actually if you flip all the way forward to slide 39, that looks exactly like what we used to get. But I do not recall having gotten anything that looks like that or slide 29 which actually kind of starts to give the detail of each of the projects that are considered for funding in our 5-Year Plan. Did I miss it or is that something we're going to get after we answer a few questions? **Ms. VonAchen** said no, you didn't miss anything. The prior slides are trying to condense the information because there's so much information. What you got in the prior slides on Debt-Funded Projects, is the five-year totals. Those 5-year totals, rather than you seeing every year listed, we gave you the 5-year totals in order for you to have less to look at.

Commissioner McKiernan said I will stop monopolizing. I'm going to have to stay after school and study a little bit more because even with it being boiled down, I have to tell you I'm not clear on what I'm being asked to decide on. I'll keep studying.

Commissioner Markley said like Brian, I'm finding this a little more confusing than usual, but like I often do, I'm going to try to say to you what I think the very basic concept of this presentation is and I want you to tell me if I'm right or wrong? We want to spend cash and this Commission has had a goal of spending more cash and having less debt and we set a goal of how much debt we would like to have. That's in part because we know in the future there's a hump out there where our debt is going to go higher than we want it to go, so we like to spend cash. Because of COVID-19 we have no cash in our pocket and so today we're seeing your proposal of options for what we can shift to debt because we can't afford to fund it with cash. Is that right? **Ms. VonAchen** said yeah, that's correct. In fact, all of those projects that we listed as being debt-funded would have been cut, eliminated. A lot of those projects would not have proceeded. For example, the Land Management System or the Acela Project, the online permitting; all of those would have been pushed out in 2022 or 2023. The Timekeeping Module for Police and Sheriff, the update of our network switches and technology infrastructure, replacement of vehicles for Police, everything. **Commissioner Markley** said so, an underlying question for us as commissioners is that we really have two options. We don't have the cash. There's nothing in our pocket, pockets are empty. So, the question is, do we debt finance it and push it out so that we can make payments on it because we can't fund it upfront with cash or do we just not do it because those are really the only two options available because there is no cash in our pocket. It didn't really pose in this slide, but that's really the underlying theme of this whole presentation, we don't have any cash in our pocket, are we going to debt finance it or are we not going to do it all. Those are sort of baseline options.

If we are going to debt finance it, you're presenting us an option of what out of the list of items is most easily debt financed and what that sort of schedule might look like. **Ms. VonAchen** said that's right.

Commissioner Philbrook said on the two slides that Commissioner McKiernan was talking, like for instance, on slide—page 22 when you're talking about the Wyandotte County Debt-Funded Projects, when you put in there, Courthouse, you don't mean the other Courthouse—we'll it used to be a Courthouse and we still use it, but it's the one to the north that maybe we're confusing with the regular Courthouse. So, these things on the Courthouse rehab, is this the regular Courthouse or is this the facility just to the north side, the old Federal building? **Ms. VonAchen** said the old Federal building, I think, is what you're referring to, that's the Court Services facility.

Commissioner Philbrook said exactly and so that's why I was trying to make it clear. **Ms. VonAchen** said we're not (inaudible) for anything there at this time. **Commissioner Philbrook** said flipping back and forth sometimes seeing Courthouse and Courthouse whatever, you can get these things confused, but on this we're just talking about the regular Courthouse and on the other one we're talking about the other building. We really don't have anything in there for that and it's not represented on this page at all, on 22? **Ms. VonAchen** said that's right. **Commissioner Philbrook** said I just wanted to make sure.

The other question I have is when we go into, and maybe this is a dangerous question to ask, but I'm going to ask it anyway, when we go into the concept of debt financing on a shorter term, you know, five-years, how is that going to affect us in our bond ratings and stuff coming up? Just questioning how that's going to look if we're going to get dinged on that. **Ms. VonAchen** said, no, I mean we should only be financing items that have a short useful life for only the period in which it's useful. So, it actually makes a lot of sense. It wouldn't be looked upon poorly at all by the credit rating. **Commissioner Philbrook** said, well Kathleen, that's like, you know, when you answer these questions for me, it's like computer program for dummies book. You're answering questions that I'm going to have some people asking me, does that mean we're going to have trouble with bonding later on. Is it going to affect our ratings and so on, so that's one of the reasons why I asked that and handling it this way should not be a problem. **Ms. VonAchen** said no. It would be like if you were purchasing a refrigerator and it only last for five years, you don't—or a car, you don't want to pay for it longer than the time in which—**Commissioner Philbrook** said the life of the critter. I just wanted to ask that one question about that.

Mayor Alvey said okay, you can move on.

Proposed Cash-Funded CMIP
Facilities

Row Labels	Report Title	2020 Original	2020 Amended	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Facilities		$ 1,968,000	$ 1,135,400	$ 1,255,000	$ 1,851,000	$ 1,606,000	$ 2,101,000	$ 1,526,000
110 - City - General Fund		$ 703,000	$ 90,400	$ 80,000	$ 826,000	$ 681,000	$ 826,000	$ 601,000
0020 - Police Department								
8419	Police Station Annl Maint Prog	$ 50,000	$ -	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000
8420	Pol Stn Major Facility Improvements	$ 50,000	$ 6,400	$ -	$ 50,000	$ 100,000	$ 100,000	$ 100,000
8436	Pol Headqtrs Flooring Replacement	$ 17,000	$ -	$ -	$ 20,000	$ 20,000	$ 20,000	$ 20,000
8437	Police HVAC Upgrades	$ 26,000	$ -	$ -	$ 26,000	$ 26,000	$ 26,000	$ 26,000
8443	Police HQ Gutter Replacement	$ 25,000	$ 4,000	$ -	$ -	$ -	$ -	$ -
AUTO - 2136	PDHQ Window Replacement	$ -	$ -	$ -	$ -	$ 80,000	$ 80,000	$ -
AUTO - 2145	PDHQ Brick Refacement	$ -	$ -	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000
olice Department Total		$ 168,000	$ 10,400	$ -	$ 171,000	$ 301,000	$ 301,000	$ 221,000
0030 - Fire Department								
8015	Annual FS Interior Renovation	$ 75,000	$ -	$ -	$ -	$ -	$ -	$ -
8094	Future Fire Station Land Acquistion	$ -	$ -	$ -	$ 145,000	$ -	$ 145,000	$ -
Fire Department Total		$ 75,000	$ -	$ -	$ 145,000	$ -	$ 145,000	$ -
0040 - Public Works								
7846	Landscaping	$ -	$ -	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000
7847	Hardscape	$ 50,000	$ -	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000
8199	Capital Project Reserves	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
8202	Facilities Impovements - City	$ 130,000	$ -	$ -	$ 130,000	$ -	$ -	$ -
8513	Facilities/Parking Annual Maintenance & Repair, 202	$ 200,000	$ -	$ -	$ 200,000	$ 200,000	$ 200,000	$ 200,000
- Public Works Total		$ 460,000	$ 80,000	$ 80,000	$ 510,000	$ 380,000	$ 380,000	$ 380,000

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Reginald Lindsey, Budget Manager, said I'm going to be covering Cash CMIP. What I'm going to do is review what projects were deferred and what projects were debt-funded and then also new projects. The schedule on the screen right now is a Facilities Core Group schedule and these are projects that our Facilities Core Groups manage within the organization, so these are things that Buildings & Logistics Department handle.

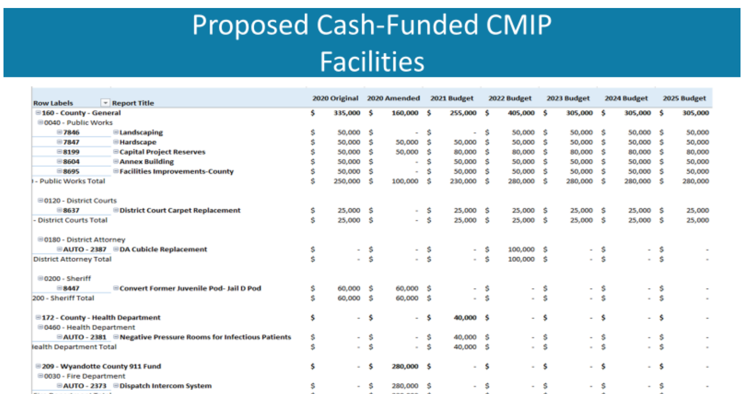
Going across the top of the page, we have the multiyear Capital Plan by year. Going down the left-side of the page we have the different projects by department and also by fund. Starting out, the first fund is the City General Fund and the first department we see is the Police Department. The Police Department, we can see the 2020 Original Police Station Annual Maintenance Program. We have $50K there. When you move over to 2020 Amended, which is for the same calendar year, which is just like our reforecast as we look to amend our budget coming up with this upcoming budget season, we can that's zero. What happened there, we deferred that cost and it's being moved to the debt fund for 2021. One of the things when we are reviewing this schedule, we can look at the 2020 Amended and then look at the 2020—you can look at the 2020 Original and then look at the 2020 Amended and if there's a blank space in the 2020 Amended and there was a dollar amount in the 2020 Original, you can see we have changed the plan.

In the next project, the Police Station Maintenance Facility Improvements, we see originally we had $50K. If you look at the 2020 Amended Budget, we've got $6,400 there. We're deferring that project. There had already been some funding spent there, so that's what that $6K is. Coming down to the next project, Police Headquarters Replacement, $17K. We're deferring that in both the 2020 Amended and the 2021 Budget. HVAC Upgrades, we have the same situation where we're deferring that. It was originally $26K in the 2020 Original Budget, so we're going to defer that cost this year and also for 2021. We had gutter replacements also for the 2020 Original

Budget and we were able to do some work there for the 2020 Amended Budget for $4K and we're going to defer the rest of the money for 2020 and then also defer the cost in 2021.

Mr. Bach said, Reggie, I don't know that you need to go line by line, but maybe section by section to kind of point out. I think it was good you clarified the Commission and they probably get the sense of what we're doing, that we're basically cleaning out all of the cash from the 2020 and 2021 budgets. I think if you go section by section, it might be a little better unless commissioners have specific questions about a line in each one as you go through it.

Mr. Lindsey said with the Fire Department, it's pretty much the same thing. They have one project there. We're deferring it. Then, we get down into Public Works. We have five projects there. All of them we're deferring costs.


Proposed Cash-Funded CMIP
Facilities

Row Labels	Report Title	2020 Original	2020 Amended	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
160 - County - General		**$ 335,000**	**$ 160,000**	**$ 255,000**	**$ 405,000**	**$ 305,000**	**$ 305,000**	**$ 305,000**
0040 - Public Works								
7846	**Landscaping**	$ 50,000	$ -	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000
7847	**Hardscape**	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
8199	**Capital Project Reserves**	$ 50,000	$ 50,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
8604	**Annex Building**	$ 50,000	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
8695	**Facilities Improvements-County**	$ 50,000	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
- Public Works Total		$ 250,000	$ 100,000	$ 230,000	$ 280,000	$ 280,000	$ 280,000	$ 280,000
0120 - District Courts								
8637	**District Court Carpet Replacement**	$ 25,000	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
- District Courts Total		$ 25,000	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
0180 - District Attorney								
AUTO - 2387	**DA Cubicle Replacement**	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ -
District Attorney Total		$ -	$ -	$ -	$ 100,000	$ -	$ -	$ -
0200 - Sheriff								
8447	**Convert Former Juvenile Pod- Jail D Pod**	$ 60,000	$ 60,000	$ -	$ -	$ -	$ -	$ -
200 - Sheriff Total		$ 60,000	$ 60,000	$ -	$ -	$ -	$ -	$ -
172 - County - Health Department		**$ -**	**$ -**	**$ 40,000**	**$ -**	**$ -**	**$ -**	**$ -**
0460 - Health Department								
AUTO - 2381	**Negative Pressure Rooms for Infectious Patients**	$ -	$ -	$ 40,000	$ -	$ -	$ -	$ -
ealth Department Total		$ -	$ -	$ 40,000	$ -	$ -	$ -	$ -
209 - Wyandotte County 911 Fund		**$ -**	**$ 280,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
0030 - Fire Department								
AUTO - 2373	**Dispatch Intercom System**	$ -	$ 280,000	$ -	$ -	$ -	$ -	$ -
Fire Department Total		$ -	$ 280,000	$ -	$ -	$ -	$ -	$ -

This slide is still Facilities and we're moving into the County General Fund. The first department there is Public Works. We can see we've got about five projects under Public Works and three of them are being deferred. Moving on District Courts, we also have carpet replacement being deferred there. When we get down to the bottom of the page, under the Wyandotte County 911 Fund, we do have a new project there. We have Dispatch Intercom Systems for our fire stations.

Mayor Alvey said if you would pause for a second, Commissioner McKiernan has a question. **Commissioner McKiernan** said I'm sorry I just put it up there to have it there. I'm not sure I need to interrupt Reggie, but my understanding is there are some questions or some policy decisions that we need to make. I just want to make sure that we're clear by the time we're done or before we get together for our next meeting, what are those questions, what are those policy decisions, and what's our timeframe. What's our deadline for making those decisions? I'll just put that out on the table for now. Sorry Reggie.

Proposed Cash-Funded CMIP
Facilities

Row Labels	Report Title	2020 Original	2020 Amended	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
212 - Dedicated Sales Tax		**$ 275,000**	**$ -**	**$ -**	**$ 275,000**	**$ 275,000**	**$ 275,000**	**$ 275,000**
0030 - Fire Department								
8015	**Annual FS Interior Renovation**	$ 200,000	$ -	$ -	$ 200,000	$ 200,000	$ 200,000	$ 200,000
8095	**Fire Stations Generator Project**	$ 75,000	$ -	$ -	$ 75,000	$ 75,000	$ 75,000	$ 75,000
- Fire Department Total		$ 275,000	$ -	$ -	$ 275,000	$ 275,000	$ 275,000	$ 275,000
221 - Special Parks and Recreation		**$ -**	**$ -**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**
0060 - Parks & Recreation								
AUTO - 2355	**Septic Replacements WYCO Park**	$ -	$ -	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Parks & Recreation Total		$ -	$ -	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
223 - Tourism & Convention		**$ 305,000**	**$ 255,000**	**$ 560,000**	**$ 25,000**	**$ 25,000**	**$ 375,000**	**$ 25,000**
0040 - Public Works								
8210	**Memorial Hall Facility Improvements**	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
8380	**Reardon Center Facility Improvement**	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ -
0 - Public Works Total		$ 125,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
0060 - Parks & Recreation								
8921	**Sunflower Hills Golf Course Bunkers**	$ 150,000	$ 150,000	$ -	$ -	$ -	$ -	$ -
8943	**Sunflower Hills Golf Course Clubhouse Study**	$ 30,000	$ 30,000	$ -	$ -	$ -	$ -	$ -
AUTO - 2359	**Davis Hall Renovations**	$ -	$ 50,000	$ 125,000	$ -	$ -	$ 350,000	$ -
Parks & Recreation Total		$ 180,000	$ 230,000	$ 125,000	$ -	$ -	$ 350,000	$ -
0680 - Historical Museum								
AUTO - 2352	**Museum Auditorium AV & Remodel**	$ -	$ -	$ 10,000	$ -	$ -	$ -	$ -
AUTO - 2353	**Museum Roof**	$ -	$ -	$ 300,000	$ -	$ -	$ -	$ -
AUTO - 2365	**Museum HVAC**	$ -	$ -	$ 100,000	$ -	$ -	$ -	$ -
Historical Museum Total		$ -	$ -	$ 410,000	$ -	$ -	$ -	$ -

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Mr. Lindsey said the schedule is still looking at Facilities. Now we're in the Dedicated Sales Tax Fund. The Fire Department, we had to defer some projects. Moving down to the next fund, there were projects that we did have to cut out in 221 and 221 is our Special Parks and Recreation Fund. In Tourism there is a change there for 223. We moved some money to Operating, so where we're seeing Reardon Center Facility Improvement, that money was taken out of the project and moved into the Operating Budget. When we get down to Parks & Rec, Special Parks Fund, we did add $50K for Davis Hall in the Amended Budget. Museum, we do have a new project for the museum where they are going to get a new roof and a new HVAC system and AV equipment.

Proposed Cash-Funded CMIP
Facilities

Row Labels	Report Title	2020 Original	2020 Amended	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
566 - Stadium		**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**
0413 - Stadium								
9239	**Stadium Facility Improvements (Star Revenues)**	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000
413 - Stadium Total		$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000

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This is our Stadium Fund which is the Enterprise Fund and it pretty much stayed static, not a whole lot of changes there or any changes at all.

Proposed Cash-Funded CMIP Infrastructure

Row Labels	Report Title	2020 Original	2020 Amended	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Infrastructure		$ 21,444,000	$ 17,457,680	$ 16,466,750	$ 21,220,000	$ 21,503,500	$ 22,603,000	$ 23,130,000
110 - City - General Fund		$ 446,000	$ 226,000	$ 446,000	$ 496,000	$ 446,000	$ 446,000	$ 400,000
0040 - Public Works								
1055	PW Asset Mgmt Sys Integrations	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ -	$ -	$ -
1065	Village W.Infrastructure Improvements	$ 70,000	$ -	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ -
1068	Concept Studies & Roadways	$ 150,000	$ -	$ 150,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
1069	Bridge and RCB Inspections	$ 176,000	$ 176,000	$ 176,000	$ 176,000	$ 176,000	$ 176,000	$ 200,000
0 - Public Works Total		$ 446,000	$ 226,000	$ 446,000	$ 496,000	$ 446,000	$ 446,000	$ 400,000
113 - Consolidated Parks-General		$ 175,000	$ -	$ 275,000	$ 440,000	$ 215,000	$ 215,000	$ 215,000
0060 - Parks & Recreation								
4022	Wyco Lake Marina Docks	$ 60,000	$ -	$ 60,000	$ -	$ -	$ -	$ -
4027	Parks Restrooms (Casino Designation)	$ 115,000	$ -	$ 115,000	$ 115,000	$ 115,000	$ 115,000	$ 115,000
AUTO - 2351	Community Center AC units	$ -	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
AUTO - 2357	Leo Alvey Parking Lot Design	$ -	$ -	$ -	$ 25,000	$ -	$ -	$ -
AUTO - 2418	WYCO Lake Rock Wall Replacement	$ -	$ -	$ -	$ 200,000	$ -	$ -	$ -
Parks & Recreation Total		$ 175,000	$ -	$ 275,000	$ 440,000	$ 215,000	$ 215,000	$ 215,000

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This particular slide starts our Infrastructure Core Group and basically this is running out of Public Works, Engineering, and Street Department. They basically look at all the infrastructure around the county to make sure that all the projects that flow through there are something that they can source and that it is prioritized right.

In the City General Fund for Public Works, there were two projects that were deferred, Village West Infrastructure Improvements and Concept Studies & Roadways. Then in Consolidated Parks, there were two projects that were deferred, Wyco Lake Marina Docks and then also the Parks Restrooms, but actually it was not deferred. We moved it over into our Tourism Fund, so it was not deferred.

Proposed Cash-Funded CMIP Infrastructure

Row Labels	Report Title	2020 Original	2020 Amended	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
212 - Dedicated Sales Tax		$ 3,450,000	$ 250,000	$ 300,000	$ 3,425,000	$ 3,425,000	$ 3,425,000	$ 3,425,000
0040 - Public Works								
1069	Bridge and RCB Inspections	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1141	Neighborhood ADA Pedestrian Handicapped Ramps,	$ 200,000	$ -	$ -	$ 200,000	$ 200,000	$ 200,000	$ 200,000
1231	Sidewalk Gap Program	$ 200,000	$ -	$ -	$ 200,000	$ 200,000	$ 200,000	$ 200,000
1291	Neigh Curb/Sidewalk Repair	$ 125,000	$ -	$ -	$ 125,000	$ 125,000	$ 125,000	$ 125,000
1306	Neighborhood Street Repair	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1308	Neigh Street Lighting Program	$ 100,000	$ -	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000
1333	Annual Pavement Preservation Program, 2021	$ 2,575,000	$ -	$ -	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000
1401	Emergency Street Repairs	$ 250,000	$ 250,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000
0 - Public Works Total		$ 3,450,000	$ 250,000	$ 300,000	$ 3,425,000	$ 3,425,000	$ 3,425,000	$ 3,425,000
0060 - Parks & Recreation								
1070	Trail Network Dev Prog	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parks & Recreation Total		$ -	$ -	$ -	$ -	$ -	$ -	$ -
220 - Special Street & Highway-City		$ 510,000	$ -	$ -	$ 450,000	$ 450,000	$ 450,000	$ 450,000
0040 - Public Works								
1306	Neighborhood Street Repair	$ 100,000	$ -	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000
1335	Annual Traffic Safety and Operations Program	$ 300,000	$ -	$ -	$ 300,000	$ 300,000	$ 300,000	$ 300,000
3304	Pavement Marking & Signing Program	$ 50,000	$ -	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000
8217	Salt Dome Repairs	$ 60,000	$ -	$ -	$ -	$ -	$ -	$ -
0 - Public Works Total		$ 510,000	$ -	$ -	$ 450,000	$ 450,000	$ 450,000	$ 450,000
221 - Special Parks and Recreation		$ 65,000	$ -	$ 65,000	$ -	$ -	$ -	$ -
0060 - Parks & Recreation								
4022	Wyco Lake Marina Docks	$ 65,000	$ -	$ 65,000	$ -	$ -	$ -	$ -
4244	Kaw Point River Front Park	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parks & Recreation Total		$ 65,000	$ -	$ 65,000	$ -	$ -	$ -	$ -

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Within the Dedicated Sales Tax and Infrastructure, there's a big number there, Annual Pavement Preservation Program. This is one of the numbers that Kathleen and Debbie touched on earlier, so $2.5M that's usually here, it is not being deferred. It has been moved over to the Debt Fund to be debt-funded. **Ms. VonAchen** said actually that project, we did fund it with cash, so that's a correction we need to make, those two right there. It's $2.575 in 2020 and $2.5M in 2021. That's a change we made last night, so it's a miss. In a little bit we're going to show you the financial status of the Dedicated Sales Tax Fund total and the Special Street & Highway Fund.

Mr. Lindsey said speaking of the Special Street & Highway Fund, it is the next section. You see Neighborhood Street Repair, that amount was moved to debt. Then, there were three projects there that were moved to debt. The Pavement Marking & Signing Program and the Salt Dome Repairs were all moved to debt. Then we get down to Special Parks & Recreation Fund. This is another portion of Wyco Lake Marina Docks. It was funded out of two funds, so we deferred that until 2021 in this fund also.

Proposed Cash-Funded CMIP
Infrastructure

Row Labels	Report Title	2020 Original	2020 Amended	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
223 - Tourism & Convention		**$ 850,000**	**$ 965,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**
0060 - Parks & Recreation								
1070	**Trail Network Dev Prog**	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
4027	**Parks Restrooms (Casino Designation)**	$ -	$ 115,000	$ -	$ -	$ -	$ -	$ -
4103	**Providence Amphitheater Parking Lot Resurface**	$ 750,000	$ 750,000	$ -	$ -	$ -	$ -	$ -
Parks & Recreation Total		$ 850,000	$ 965,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
225 - Community Development		**$ 700,000**	**$ 700,000**	**$ 650,000**	**$ 600,000**	**$ -**	**$ -**	**$ -**
0060 - Parks & Recreation								
4035	**NRSA Improvements (City Park, Clifton, Reagan)**	$ 700,000	$ 700,000	$ 650,000	$ 600,000	$ -	$ -	$ -
Parks & Recreation Total		$ 700,000	$ 700,000	$ 650,000	$ 600,000	$ -	$ -	$ -
562 - Public Levee		**$ 10,000**	**$ 28,680**	**$ 10,000**	**$ 10,000**	**$ 10,000**	**$ 10,000**	**$ 10,000**
0060 - Parks & Recreation								
4244	**Kaw Point River Front Park**	$ 10,000	$ 28,680	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Parks & Recreation Total		$ 10,000	$ 28,680	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
565 - Sunflower Hills Golf		**$ -**	**$ -**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**
0060 - Parks & Recreation								
8941	**Course Improvements**	$ -	$ -	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Parks & Recreation Total		$ -	$ -	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
701 - Environment Trust		**$ 100,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**
0040 - Public Works								
5402	**Annl Maint/Monitor-Garland**	$ 100,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
) - Public Works Total		$ 100,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
991 - Non-Debt Internal Improvement		**$ 130,000**	**$ 130,000**	**$ 130,000**	**$ 130,000**	**$ 130,000**	**$ 130,000**	**$ 130,000**
0040 - Public Works								
1220	**Fairfax Industrial Area Improvements, 2021**	$ 130,000	$ 130,000	$ 130,000	$ 130,000	$ 130,000	$ 130,000	$ 130,000

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In our Tourism Fund, what I touched on earlier as far as the Parks Restroom, this is where it moved over to, that $115K in 2020 and then we still have dollars in the NRSA, City Park, Clifton and Reagan that are in our CDBG Fund, Community Development Block Grant.

Proposed Cash-Funded CMIP
Innovation, Productivity & Other

Row Labels	Report Title	2020 Original	2020 Amended	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Innovation & Productivity		**$ 150,000**	**$ -**	**$ 700,000**	**$ 540,000**	**$ 350,000**	**$ 350,000**	**$ 200,000**
110 - City - General Fund		**$ -**	**$ -**	**$ -**	**$ 540,000**	**$ 350,000**	**$ 350,000**	**$ -**
0020 - Police Department								
02084004	**Vehicle and Body-Worn Camera Program**	$ -	$ -	$ -	$ 350,000	$ 350,000	$ 350,000	$ -
Police Department Total		$ -	$ -	$ -	$ 350,000	$ 350,000	$ 350,000	$ -
0240 - Knowledge Department								
AUTO - 2376	**E-Citation Phase II**	$ -	$ -	$ -	$ 90,000	$ -	$ -	$ -
AUTO - 2377	**Innovation Fund**	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ -
AUTO - 2378	**Enterprise Resource Planning System (ERP)**	$ -	$ -	$ -	$ -	$ -	$ -	$ -
owledge Department Total		$ -	$ -	$ -	$ 190,000	$ -	$ -	$ -
160 - County - General		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 200,000**
0470 - Appraiser								
7302	**Street Level Imagery**	$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000
170 - Appraiser Total		$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000
212 - Dedicated Sales Tax		**$ 150,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
0020 - Police Department								
02084004	**Vehicle and Body-Worn Camera Program**	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -
Police Department Total		$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -
266 - Other Special Grants		**$ -**	**$ -**	**$ 340,000**	**$ -**	**$ -**	**$ -**	**$ -**
0020 - Police Department								
02084004	**Vehicle and Body-Worn Camera Program**	$ -	$ -	$ 340,000	$ -	$ -	$ -	$ -
Police Department Total		$ -	$ -	$ 340,000	$ -	$ -	$ -	$ -

This schedule right here touches on our Innovation & Productivity projects and basically these are run out of our Knowledge Office. These projects are sourced through them to make sure that the organization has the time to them and also they were prioritized within the organization. You see the Vehicle Body Camera Program, there's a couple different lines here for it. It is a phased approach on it, so we have money in different areas. We will see that in the City General Fund it's $350K in 2022, but if we drop down, we'll see that we have grant funding on the bottom of the page that starts in 2021 in an amount of $340K and some money had moved over to the debt fund also.

Dedicated Sales Tax Fund
Financial Performance – COVID-19 Impact

	2019 Estimated Actuals	2020 Original Budget	2021 Baseline Budget	2020 COVID-19 Impact	2021 COVID-19 Impact	2020 Prelim Proposal	2021 Prelim Proposal
REVENUES							
Tax Revenue	$ 10,348,502	$ 10,865,000	$ 11,190,950	$ 9,110,784	$ 9,586,941	$9,110,784	$ 9,586,941
Intergovtal Revenues	37,700	-	40,000	40,000	40,000	40,000	40,000
Reimb/Misc Revenues	7,494	-	10,000	10,000	10,000	10,000	10,000
TOTAL REVENUES	**10,393,696**	**10,865,000**	**11,240,950**	**9,160,784**	**9,636,941**	**9,160,784**	**9,636,941**
EXPENSES							
Personnel Costs	4,812,956	4,646,684	4,853,001	4,884,139	5,009,872	4,884,139	5,009,872
Contractural Services	701,403	973,534	997,507	973,534	997,507	973,534	997,507
Commodities	282,002	232,002	236,485	232,002	236,485	232,002	236,485
Capital Outlay	2,824,700	3,725,000	3,700,000	3,725,000	3,700,000	2,825,000	2,800,000
Equipment	913,071	681,268	859,800	681,268	859,800	-	-
Leases	429,149	594,000	504,000	594,000	504,000	562,000	406,000
Other Expenses	582,400	-	-	-	-	-	-
TOTAL EXPENSES	**10,545,682**	**10,852,488**	**11,150,792**	**11,089,943**	**11,307,664**	**9,476,675**	**9,449,864**
Net Change in Fund Balance	**(151,986)**	**12,512**	**90,158**	**(1,929,159)**	**(1,670,723)**	**(315,891)**	**187,077**
ENDING FUND BALANCE (CASH-BASIS)	**$ 320,515**	**$ 333,027**	**$ 423,185**	**$ (1,608,644)**	**$ (3,279,367)**	**$ 4,624**	**$ 191,701**

Preliminary Proposal (initial actions)
- Reduced projects and equipment/vehicle acquisitions between the 2-years
- Debt financed $306K in 2020 and $60K in 2021
- What's left are lease obligations and essential projects that can't be debt financed
- May not precisely meet the 1/3rd policy between Police/Fire/Neighborhood Infrastructure

Ms. VonAchen said, Reggie, I'm happy to take this slide, these next two slides, if you don't mind. **Mr. Lindsey** said be my guest. **Ms. VonAchen** said we wanted to demonstrate to you the impact of the decline in sales tax impact of the financial performance of two—especially these two funds. These two funds have a lot of Capital projects and is very dependent on sales tax. In fact, all of the revenue aside from a little bit of Intergovernmental Revenue is coming from sales tax so this is the 3/8 cents sales tax for Public Safety in Neighborhood Infrastructure. In the original budget we are anticipating pre-COVID $2.8M in revenue this year in sales tax and if you replace that roughly 2.5% then we would have anticipated $11.2M. Because of COVID we're projecting that the revenue coming in for this year will only be $9.1 compared with the $10.8. Then in 2021 we have it slightly increasing over the 2020 lower number to $9.5M. This blue line is basically—these blue columns are the baseline.

With the Original Budget in 2020 and then the request that we received prior to COVID as well as some inflation factor for personnel to provide a baseline, so with a baseline we would have ended 2021 with a fund balance of $423K. With COVID and assuming no changes to the expenditures or some slight adjustments that occurred in the interim, we would have ended the fiscal year with that scenario at $3.2M in the deficit.

What we have in the proposals that we've presented in the previous 30 or so slides we have been able to balance this fund so that we end the fiscal in the positive, you know, just barely. What we did was, we reduced projects and equipment and vehicle acquisitions over that two year period and then we debt financed $306K in 2020 and $60K in 2021, so what's left is only the lease obligations which you see right here, the $562K and the $406K, those are the active leases. There are no new leases. We're just continuing to pay on those leases that we aren't able to get out of frankly, plus we have that equipment and we're using it, so we can't debt finance leases because they are already debt financed.

Even though this proposal, it may not at the moment—because we've been working very hard on this, it may not necessarily exactly meet the one-third policy between Police, Fire & Neighborhood, but it's probably pretty close. We're still working on that, but this is—after a lot of effort, we were able to balance this fund.

Special Street & Highway (Gas Tax) Fund
Financial Performance – COVID-19 Impact

	2019 Estimated Actuals	2020 Original Budget	2021 Baseline Budget	2020 COVID-19 Impact	2021 COVID-19 Impact	2020 Prelim Proposal	2021 Prelim Proposal
REVENUES							
Intergovtal Revenues	$ 7,214,263	$ 7,100,000	$ 7,200,000	$ 5,040,000	$ 6,250,000	$ 5,040,000	$ 6,250,000
Reimb/Misc Revenues	152,757	5,000	160,000	160,000	160,000	160,000	160,000
TOTAL REVENUES	**7,367,020**	**7,105,000**	**7,360,000**	**5,200,000**	**6,410,000**	**5,200,000**	**6,410,000**
EXPENSES							
Personnel Costs	5,652,570	5,907,542	6,181,865	5,800,907	5,881,031	5,128,544	5,208,668
Contractural Services	2,941	93,047	99,743	93,047	99,743	93,047	99,743
Commodities	432,427	470,000	877,885	870,000	877,885	870,000	877,885
Capital Outlay	50,000	510,000	745,000	510,000	745,000	250,000	250,000
Equipment	149,227	-	87,500	-	87,500	-	-
Leases	1,195,617	986,000	974,000	986,000	974,000	986,000	974,000
Other Expenses	-	25,000	25,000	25,000	25,000	25,000	25,000
TOTAL EXPENSES	**7,482,783**	**7,991,589**	**8,990,993**	**8,284,954**	**8,690,159**	**7,352,591**	**7,435,296**
Net Change in Fund Balance	**(115,763)**	**(886,589)**	**(1,630,993)**	**(3,084,954)**	**(2,280,159)**	**(2,152,591)**	**(1,025,296)**
ENDING FUND BALANCE (CASH-BASIS)	**$ 1,500,081**	**$ 613,492**	**$ (1,017,501)**	**$ (1,584,873)**	**$ (3,865,032)**	**$ (652,510)**	**$ (1,677,806)**

Preliminary Proposal (initial actions)
- Reduced 9 vacant FTE for both 2020 and 2021
- Reduced projects and equipment/vehicle acquisitions between the 2-years
- Debt financed $310K in 2020 and $373K in 2021
- What's left are lease obligations and essential projects that can't be debt financed

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If we go to the Special Street & Highway Gas Tax Fund, we have not been able to balance this fund. We're doing the best we can here because some of the existing obligations are difficult to unwind, let's say. Just to start again, the blue line is the pre-COVID and given the obligations that that we requested we would have ended up in a negative position of $1M and generally that's because there are more needs than there are resources. The main revenue in this fund is the Gas Tax. In the beginning of March or the middle of March, suddenly the gas tax or the price of gasoline dropped, I don't know, from $2.50/gallon to $1.50 and no one would have anticipated that. This revenue source significantly dropped and just reading economic reports, it's unlikely that the gas tax is going to come back—the gas prices are going to come back real soon, maybe in the middle of next year. Of course, as we get more information, more recent information, we'll be modifying our approach.

Given this scenario, we were going to be roughly $4M in the deficit meaning negative cash in this fund. In order to rectify this situation, we went in and we reduced a number of projects, equipment and vehicle acquisition, just cut them. We also debt financed $310K and $373K, that's the only amounts we could debt finance and those are only financing things that we absolutely should be doing in order to continue to maintain our roads. The remaining amounts here $250K in Capital Outlay for both years are basically items that we really need to do, but they are not something that qualifies for debt financing and that is Traffic Safety and the Reserve for our Vehicle Replacement Reserves. Then we are left with the $980K in Outstanding Lease Obligations that we can't finance.

The very last thing and most importantly, we want to thank our Public Works Director because he offered to not fill nine vacant FTEs that are currently being paid out of this fund and so that shows that reduction here from 5.8 to 5.1 and then 5.2. Even with all of these adjustments, we're still left with a negative fund balance at the end of 2021 of $1.7M. The issue with these funds is that even though they are not General Funds, they are Special Revenue Funds, the policies we all have to work under is that if there are deficit positions in Special Revenue Funds, the General Fund is expected to pick up the deficit at the end of the year. These deficits will put a drag on the fund balance of the General Fund which is also being challenged through distressed by the reduction in sales tax which we will talk about in the next presentation. Are there any questions on this point?

Commissioner Burroughs said thank you, Kathleen, I appreciate it, and this is a very thorough report and there are a lot of moving elements. The question I have, on that last slide you showed, I did see Commodities. It looked like they doubled in price. What is the justification for the budget increase on Commodities. **Ms. VonAchen** said thank you for pointing that out. During the budget development process the Public Works Department realized that the level of salt that they own currently or that they have in storage or in inventory had been diminished and so the original budget did not have that salt acquisition. Here you can see there's a $400K increase in the 2020 Budget and actually it was added in 2021 as well, the baseline, but $400K in each year for the acquisition of salt in order to address the road conditions during snowstorms in the winter months.

We’re actually reviewing that request because there may be an opportunity to perhaps buy half the salt in one year and the other half the next and kind of hope to tie us over, but we’re still looking at that.

I don’t mean to necessarily apologize, but I do want to make it clear that this is a very evolving situation and so there will be refinements as we go along and so the numbers are not 100% solid at this point.

Mayor Alvey said so we have the $625K shortfall in 2020 and $1.7 in 2021--$652K for the first year and then $1.7M so the obvious question is, where do we get those funds? I mean if we cannot debt finance and we can’t cut anything more, then it simply has to come out of other reserves, is that where you’re leading to? **Ms. VonAchen** said in the next presentation we’re going to demonstrate the shortfall in the City General Fund which is less impacted by the sales tax as well as the addition of the deficit positions in this fund and the EMS fund. Actually, these amounts, the net margin changes will be included in the presentation, so the same numbers will be shown in the next presentation, but yes, because the General Fund has to backstop these deficit positions.

Mr. Bach said, Mayor, we’re trying to get all the information out there, so you get it and then collectively you see the direction we’re going because then it’s kind of a bigger decision package. I mean you can look at individual things along the way and understand how they come into it, but then, as Kathleen said, then we kind of start to summarize them all and say here’s what needs to happen. So, it’s kind of the causing effect of here’s all these different steps that we’re going to go through like we’re laying all these out and this is where we end up in this area, these are the changes we make in this area and this is where we’re going to end up here. Then we bring it all together at the end of the next presentation of how that works out. **Mayor Alvey** said it’s very much the gathering storm in other words. **Mr. Bach** said yes it is. It doesn’t get calmer as we go along.

Ms. VonAchen said this budget process is going to be a little bit different than what you’ve seen in the past because it is evolving and there’s a lot of moving parts and they’re all very interconnected. Luckily, Sewer is not as impacted.

Proposed Cash-Funded CMIP
Sewer

Fund/Department	Division	CMIP	2020 Original	2020 Amended	2021	2022	2023	2024	2025	FY20-25	Future
560 - Sewer System											
Public Works											
	0040-049 - 049 -	6001 - System Capacity Upgrades	200,000	200,000	210,000	220,000	230,000	240,000	250,000	1,350,000	1,100,000
	0040-049 - 049 -	6115 - City-Wide CSO Management	1,025,000	1,025,000	925,000	925,000	1,018,000	1,018,000	1,018,000	5,929,000	4,100,000
	0040-049 - 049 -	6130 - Overflow Reduction CSO 19	2,000,000	2,000,000	-	-	-	-	-	2,000,000	-
	0040-049 - 049 -	6166 - Annl Emergency System Repairs	315,000	315,000	330,750	347,000	364,500	383,000	402,000	2,142,250	1,825,000
	0040-049 - 049 -	6301 - Annual Sanitary Sewer Rehab	3,030,000	3,030,000	3,100,000	3,255,000	3,417,000	3,588,000	3,760,000	20,150,000	17,300,000
	0040-049 - 049 -	6302 - Annual Treatment Plant Repairs	3,171,000	3,171,000	3,300,000	3,500,000	3,670,000	3,850,000	4,000,000	21,491,000	17,625,000
	0040-049 - 049 -	6303 - Annual Pump Station Repairs	3,100,000	3,100,000	3,255,000	3,417,000	3,588,000	3,768,000	3,950,000	21,078,000	17,900,000
	0040-049 - 049 -	6320 - Annual Stream Crossing Repairs	667,000	667,000	700,000	735,000	770,000	810,000	850,000	4,532,000	3,907,500
		Public Works Total	**13,508,000**	**13,508,000**	**11,820,750**	**12,399,000**	**13,057,500**	**13,657,000**	**14,230,000**	**78,672,250**	**63,757,500**
		560 - Sewer System Total	**13,508,000**	**13,508,000**	**11,820,750**	**12,399,000**	**13,057,500**	**13,657,000**	**14,230,000**	**78,672,250**	**63,757,500**
701 - Environment Trust											
Public Works											
	0040-049 - 049 -	5402 - Annl Maint/Monitor-Garland	100,000	150,000	150,000	150,000	150,000	150,000	150,000	900,000	600,000
		Public Works Total	**100,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**900,000**	**600,000**
		701 - Environment Trust Total	**100,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**900,000**	**600,000**
		Capital Cash Project Summary Total	**13,608,000**	**13,658,000**	**11,970,750**	**12,549,000**	**13,207,500**	**13,807,000**	**14,380,000**	**79,572,250**	**64,357,500**

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Mr. Lindsey said our current schedule reviews the Sewer Project Funds and also the Environment Trust Fund. Again, as the other schedules we've looked at, we've seen multiyear schedule. The Sewer Fund has eight different projects. They have one project falling off in 2021. It's not because we're deferring it or anything, it's just time for it to be over. It's a pretty consistent fund as far as what the projects are funding. In the Environmental Trust, there's one project there for the monitoring of Garland Park.

Proposed Cash-Funded CMIP
Stormwater

Fund/Department	Division	CMIP	2020 Original	2020 Amended	2021	2022	2023	2024	2025	FY20-25	Future
563 - Stormwater Utility											
Public Works											
	0040-042 - 042 -	5082 - Cash Resv Debt Mgmt Major Cap	-	-	250,000	250,000	250,000	250,000	250,000	1,250,000	1,000,000
	0040-042 - 042 -	5303 - Storm Sewer Repairs/Replacement	950,000	950,000	1,500,000	2,000,000	2,500,000	3,000,000	3,000,000	12,950,000	-
	0040-042 - 042 -	5305 - Stormwater Environ Compliance	400,000	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000	1,600,000
	0040-042 - 042 -	5306 - Annual Hillside Deterioration Program	-	-	100,000	100,000	100,000	100,000	100,000	500,000	-
	0040-042 - 042 -	5313 - Stormwater Prelim Eng Studies	-	-	100,000	100,000	100,000	100,000	100,000	500,000	400,000
	0040-042 - 042 -	5314 - Turkey Ck Flood Control Proj	150,000	150,000	150,000	150,000	150,000	150,000	150,000	900,000	600,000
		Public Works Total	**1,500,000**	**1,500,000**	**2,500,000**	**3,000,000**	**3,500,000**	**4,000,000**	**4,000,000**	**18,500,000**	**3,600,000**
		Capital Cash Project Summary Total	**1,500,000**	**1,500,000**	**2,500,000**	**3,000,000**	**3,500,000**	**4,000,000**	**4,000,000**	**18,500,000**	**3,600,000**

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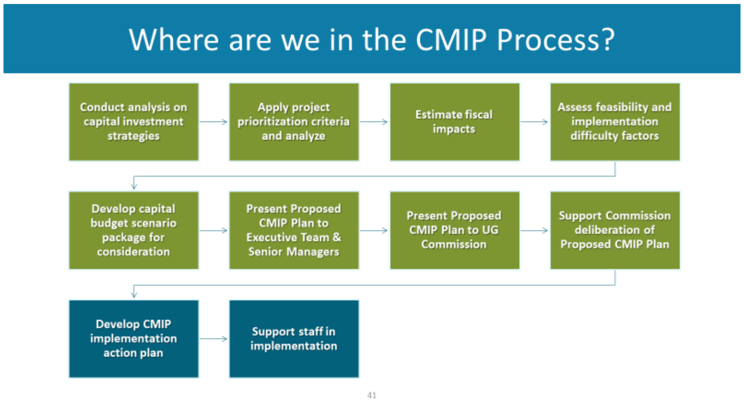
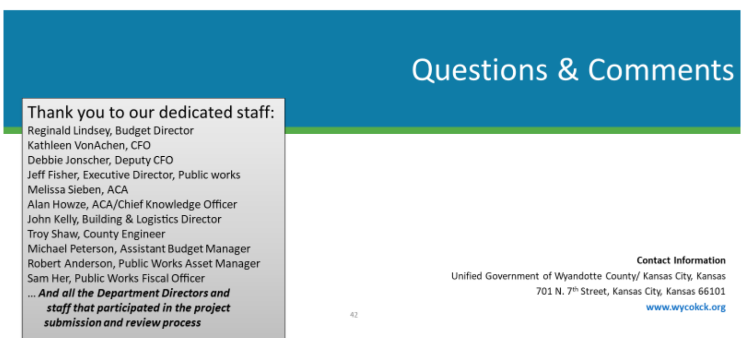
Here we're looking at the Stormwater Fund and we've got six projects here. Pretty much we do have some increases over the years, but pretty much nothing has really changed here. We didn't move any projects or anything. **Mayor Alvey** said, so Kathleen, the reason these are not impacted as severely, is because they are Enterprise Funds and they have dedicated sources of revenue, correct? **Ms. VonAchen** said that's correct. They're not as impacted because they don't collect sales tax. They are based on a service level based on that delivery of service level and then the ratepayers pay that service. The service is pretty consistent. There may be some delays in payment because people are struggling with their bills, but overall, the revenues are expected to remain pretty consistent.



Mr. Lindsey said we've gone through eight steps of our ten steps CMIP process and so tonight we're in the support commission deliberation on the proposed CMIP Plan.

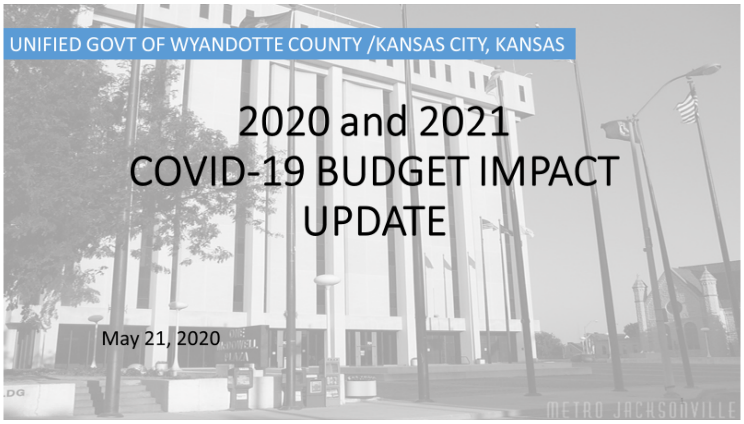


That basically wraps up our CMIP presentation. Kathleen, do you have any words that you want to express or anything else you want to cover? **Ms. VonAchen** said yes, I would like to thank Reggie, Michael, and Jeff Fisher and all of his staff, Troy Shaw, Michael Peterson, everyone, Melissa Sieben, Robert Anderson, everyone. I did want to mention that all the slides following this slide here that were provided to you are for your information to refer to and to review and they demonstrate the financial affordability of our current debt program. I don't suspect that a lot of changes will be made in the CMIP, but at some point, we probably will come back during the budget workshops later, in a few weeks, to provide you finalized sheets including the ones that you have received in the past that have each column year spelled out in detail. Of course, those will all be provided in the budget documents that we will be giving you. I'm forgetting what date that is. Reggie can tell me. Do you remember off hand? **Mr. Lindsey** said not off hand, I don't. **Ms. VonAchen** said I think it's around the second week in June.

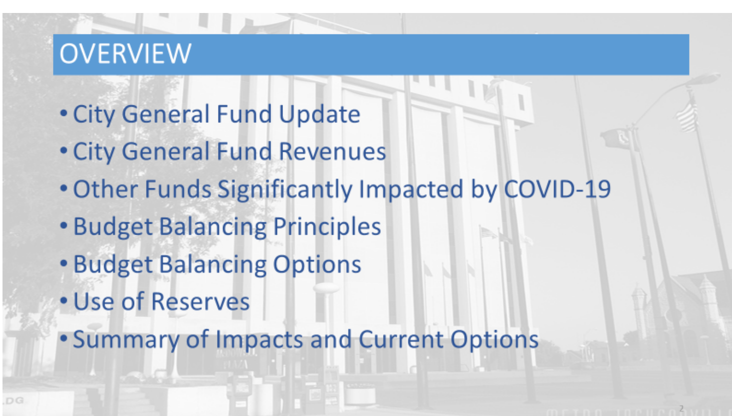
Commissioner McKiernan said I just want to kind of make sure that I can summarize this in my head. Basically, bad virus, no cash. We're going to drop some projects. You've presented some options and you're going to ask us to determine whether or not we agree with your recommendations. We're going to defer some projects and you've put forward some recommendations, we'll see if we agree and we're going to borrow for some projects that we were originally going to pay cash for. You have some recommendations; you're going to ask us if we agree. I mean, is that basically it? No cash, drop, defer or borrow. **Ms. VonAchen** said that's right and we're trying to be as transparent as possible, so I know there's a lot of detail in this report, but we felt it was important that you saw all that detail.

Mayor Alvey said following up on Commissioner McKiernan's comments, I think you would send on to us those very questions and summary that Commissioner McKiernan just provided really as a way to frame as we go back and look at this to understand so we know what we're looking for, what kind of questions we are being asked to answer so we will sharpen our ability to dig into this to find the answers, the recommendations we want to make. **Ms. VonAchen** said that's good. We'll be happy to provide a summary with some specific requests for policy questions to consider and to get feedback from you.

Ms. VonAchen said I'm now going to switch over to the other presentation. Is that okay Doug? I would like you to give an introduction.



Mr. Bach said I think it's time for us to move on. The next one, I briefly laid it out but what we've done is gone through and looked at the impact that's coming up from where COVID is on our budget when we start looking at the Operating side of the equation. We're going to walk through this to give a little bit of overview again. I know we've talked about revenues and expenses before, but this will lay out a little bit more to each one of those. This weaves in some of the impact that's coming from the Capital side back over to this side, the whole budget equation and ultimately it gets down to the point of saying okay, when we look at the revenues versus expenses. I mean this is where this is leading up, getting us down to the end of that equation to say we get the revenues versus expenses and using the adjustments we've made and then some of the additional ones that we're going to show as we walk through this piece, that's where we end up which still has a deficit piece that we will get to but I don't have all the solutions for yet but we're still working on. They will be obviously making further reductions to try to get to that point and have some discussions about that. Kathleen, are you going to walk into this now? **Ms. VonAchen** said yes.



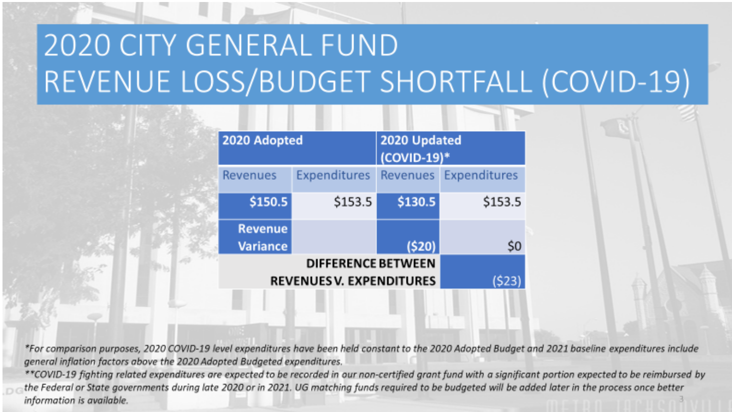
Ms. VonAchen said the remaining part of this evening we are going to focus on the four funds that are most impacted by the COVID pandemic and how they impacted the revenue. So, you know, we have roughly a $400M budget with 30 some odd funds. In order to narrow our focus to most of where our attention needs to be placed, those funds that are most significantly impacted, this presentation only talks about the City General Fund, not the County General Fund or the Parks General Fund, just the City General Fund because of how much it is dependent on sales tax.

The other funds we're going to be talking about are the Dedicated Sales Tax which I think we found a solution, but we'll go back there. The Special Street & Highway Fund and the Emergency Medical Services Enterprise Fund which is also very highly dependent on sales tax. Then we're going to talk about our principals for balancing the budget and we hope to get some feedback from you as to whether you feel that these are good principles to follow going forward for this budget season.

I do want to mention that by statute we are required to balance the budget but also to pass a budget and so given the data that we have at this time we're going to pursue that based on the knowledge and data we have. It will be an evolving situation. As additional information comes in after we've passed the budget at the end of July, we will likely be coming back to you and talking about the budget more and more throughout the fall.

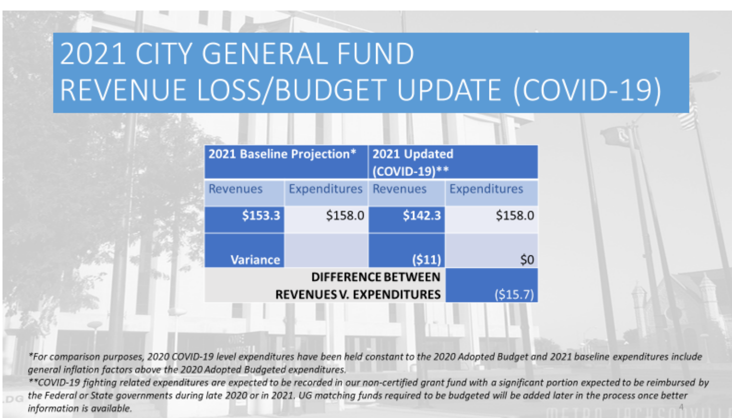
Later in this presentation we're going to provide you some options that we have preliminarily identified to help us balance the budget. It will take us there, but it won't solve the problem. We're also going to talk a little bit about the use of Reserves and then finally have a summary of the impact and current options that we've identified thus far.

The next two slides are one for 2020 and one for 2021 and it demonstrates not only the revenue loss that we're anticipating, but also the budget shortfall.



The difference is that revenue loss is just comparing what normal economic times would have generated compared with the COVID time. In 2020 we were anticipating $150.5M in revenue, but now we have revised it so now we're anticipating $130.5M, now this is just the City General Fund. So that is a $20M deficit or delta between the revenues and that's the revenue loss in just the City General Fund.

Now, if you subtract the revenue number of 130 less the amount of expenditures we anticipate having. Without making any reductions, that delta is $23M and that's because when we originally passed the budget we were anticipating on using some Reserves to balance.



For 2020 if you were in normal economic times, our revenues would have increased $153M and the baseline expenditures would have been roughly $158M. Because of COVID our revenues have now been recently revised as of yesterday. We are anticipating that sales tax will not bounce back as we had previously told you several weeks ago, that it's actually going to—it will come back a little bit, but near as much as I had anticipated. We do anticipate a lag in the economy as we go into 2021. As a result, the delta, the revenue loss between the normal projection baseline and the

COVID is $11M. The difference between the expenditure and the revenue between here and here without making any reduction is about $15.7M. There is the $23M and then the $15.7M that is a deficit position.

Unified Government of Wyandotte County/Kansas City, Kansas
City General Fund - Revenue Performance
Fiscal Years 2019 - 2021

	2019 Actuals Estimate (modifed accrual)	2020 Original Budget	2020 Amended Budget	$ Variance to Original Budget	% Change to PY Actuals Est	2021 Original Budget	$ Variance to PY Amended Budget	% Change to PY Budget
Tax Revenue	$ 122,168,914	$ 126,727,955	$ 111,021,742	$ (15,706,213)	-9.1%	$ 120,126,985	$ 9,105,243	8.2%
Property Tax	23,287,753	24,354,510	24,062,413	(292,097)	3.3%	25,527,559	1,465,146	6.1%
Delinquent Tax	967,677	896,810	899,940	3,130	-7.0%	1,129,874	229,935	25.6%
Motor Vehicle Tax	3,365,979	2,997,475	3,195,777	198,302	-5.1%	3,104,282	(91,495)	-2.9%
Sales Tax	27,193,565	27,418,750	21,754,852	(5,663,898)	-20.0%	23,930,337	2,175,485	10.0%
Use Tax	8,249,874	7,585,000	9,487,355	1,902,355	15.0%	10,056,596	569,241	6.0%
STAR - Sales & Use Tax	8,214,145	8,220,674	5,832,516	(2,388,158)	-29.0%	6,407,323	574,807	9.9%
Kansas Speedway Surplus	353,061	-	282,449	282,449	-20.0%	310,694	28,245	10.0%
Plaza At Speedway Surplus	816,903	604,750	653,522	48,772	-20.0%	1,231,988	578,466	88.5%
Sporting KC Stadium Tax/CID/TDD	1,593,881	995,750	94,279	(901,471)	-94.1%	1,322,136	1,227,857	1302.4%
BPU PILOT (Electric)	28,800,400	32,706,564	26,496,368	(6,210,196)	-8.0%	27,821,186	1,324,818	5.0%
BPU PILOT (Water)	5,316,134	5,561,393	4,890,843	(670,550)	-8.0%	5,135,386	244,542	5.0%
Other Franchise Tax	9,145,819	10,577,500	8,950,084	(1,627,416)	-2.1%	9,235,601	285,517	3.2%
Occupation Tax	2,352,614	2,290,000	2,309,560	19,560	-1.8%	2,401,942	92,382	4.0%
Other Taxes	1,363,795	1,315,000	1,192,903	(122,097)	-12.5%	1,330,348	137,445	11.5%
Casino Tax - 3%	1,147,313	1,203,779	918,880	(284,899)	-19.9%	1,181,732	262,852	28.6%
Licenses & Permits	$ 1,320,230	$ 1,389,800	$ 1,293,925	$ (95,875)	-2.0%	$ 1,319,804	$ 25,879	2.0%
Intergovernmental Revenue	$ 786,674	$ 723,000	$ 735,000	$ 12,000	-6.6%	$ 735,000	$ -	0.0%
Charges for Service	$ 11,225,019	$ 12,096,200	$ 10,259,433	$ (1,836,767)	-8.6%	$ 11,107,208	$ 847,775	8.3%
Fines Forfeits and Fees	$ 3,337,645	$ 3,035,700	$ 1,813,493	$ (1,222,207)	-45.7%	$ 3,036,671	$ 1,223,178	67.4%
Interest	$ 833,037	$ 900,000	$ 395,008	$ (504,992)	-52.6%	$ 480,729	$ 85,722	21.7%
Miscellaneous Revenue	$ 5,419,819	$ 5,650,131	$ 5,119,616	$ (530,515)	-5.5%	$ 5,501,706	$ 382,090	7.5%
Total City General Fund Revenues	$ 145,091,339	$ 150,522,786	$ 130,638,217	$ (19,884,569)	-10.0%	$ 142,308,103	$ 11,669,886	8.9%
Percentage Change (BvB; AvA)	1.9%	1.6%	[illegible]			8.9%		
Mill Rate	21.242	21.242	21.387			21.387		
Assessed Valuation (City)	$ 1,161,886,862	$ 1,227,237,384	$ 1,218,912,356			$ 1,306,623,706		
AV % Change	7.6%		4.9%			7.2%		

This slide is provided to you—I'm not going to go over it now in detail unless you would like me to, but it's provided to you just as a detail of how we got there. For example, we have all the major tax revenues in this category and then all the respective revenue sources and this is just the City General Fund. To help you navigate, this orange column is how much we actually collected in 2019. The first yellow column is what we budgeted for the current fiscal year and then the second yellow column is what we are now anticipating so that's the COVID impact.

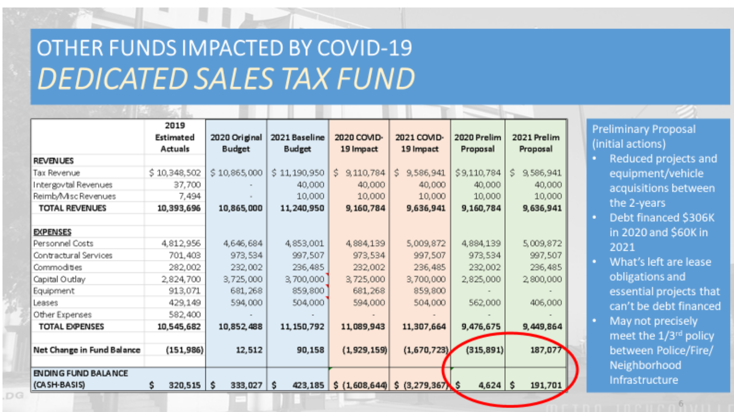
There are a couple of white columns that kind of show the variance both in dollars and then in percentage change from the actuals. Then the 2021 year, the green column, is what we are anticipating in terms of revenues in the various revenue categories and given the most recent estimates which we updated last night.

The biggest one, as you can see, is sales tax. Let's look at that sales tax. Last year we collected $27M in sales tax, not Use Tax, just sales and we anticipated that we would collect a little bit in 2020 and really 2019 came in higher than I anticipated. You might wonder why my 2020 number is so low but it's because it came in a lot better than I thought.

Unfortunately, the economy hit us dead. You know, we closed the economy for two months or more and so we are now anticipating that we will likely see a $5.6M reduction in our current year revenue estimates for just that category, sales tax. It is offset slightly by what I am anticipating is a 15% increase in Use Tax. The Use Tax is actually where the taxes are collected related to online sales. So, the brick and mortar sales are declining, and they're slightly offset by online sales. That may be pretty aggressive, it's hard to know, I really don't have a lot of data yet, but we're constantly looking at it comes in the last day of every month.

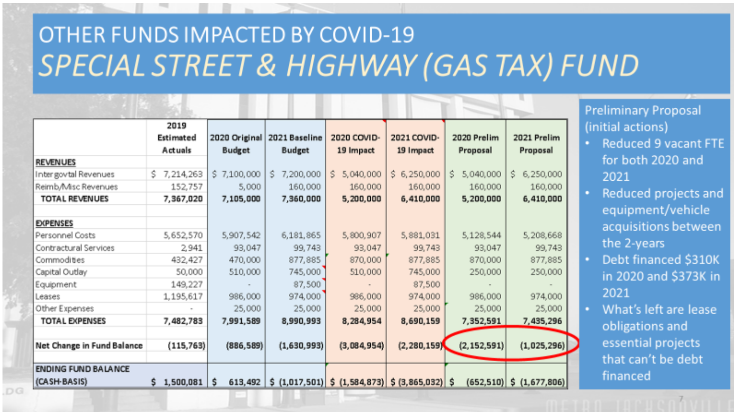
In 2019 for sales tax we have it increasing by a modest 6%, no wait (inaudible) and then sales tax we have it increasing by 10%, but that's 10% over the low number, the low COVID number. Several weeks ago, I had it increasing by 20% but we felt that was too aggressive. We do expect economic activity to pick up by at least the last half of 2021, but it's probably going to be pretty very slow in the first half of 2021.

There's a lot of other little taxes to go over here, but we have plenty of other slides to go over, so I'm hoping to answer any questions on this slide. Any questions? Okay, nope. I'm going to continue on.



	2019 Estimated Actuals	2020 Original Budget	2021 Baseline Budget	2020 COVID-19 Impact	2021 COVID-19 Impact	2020 Prelim Proposal	2021 Prelim Proposal
REVENUES							
Tax Revenue	$ 10,348,502	$ 10,865,000	$ 11,190,950	$ 9,110,784	$ 9,586,941	$9,110,784	$ 9,586,941
Intergovtal Revenues	37,700	-	40,000	40,000	40,000	40,000	40,000
Reimb/Misc Revenues	7,494	-	10,000	10,000	10,000	10,000	10,000
TOTAL REVENUES	10,393,696	10,865,000	11,240,950	9,160,784	9,636,941	9,160,784	9,636,941
EXPENSES							
Personnel Costs	4,812,956	4,646,684	4,853,001	4,884,139	5,009,872	4,884,139	5,009,872
Contractural Services	701,403	973,534	997,507	973,534	997,507	973,534	997,507
Commodities	282,002	232,002	236,485	232,002	236,485	232,002	236,485
Capital Outlay	2,824,700	3,725,000	3,700,000	3,725,000	3,700,000	2,825,000	2,800,000
Equipment	913,071	681,268	859,800	681,268	859,800	-	-
Leases	429,149	594,000	504,000	594,000	504,000	562,000	406,000
Other Expenses	582,400	-	-	-	-	-	-
TOTAL EXPENSES	10,545,682	10,852,488	11,150,792	11,089,943	11,307,664	9,476,675	9,449,864
Net Change in Fund Balance	(151,986)	12,512	90,158	(1,929,159)	(1,670,723)	(315,891)	187,077
ENDING FUND BALANCE (CASH-BASIS)	$ 320,515	$ 333,027	$ 423,185	$ (1,608,644)	$ (3,279,367)	$ 4,624	$ 191,701

You saw this very same slide in the previous presentation. This is exactly the same slide as was shown in the CMIP, so again, we reduced projects. We flat out cut, we cut projects, we cut any kind of new equipment acquisition and then what was left that we could not finance we're borrowing to do some of the other projects and then what's left, is what is in here. Reggie and I, we just mentioned that there was a miss, but this number right here in those cash sheets, this number right here includes the cash funding of the Annual Pavement Preservation Program. The amount we needed to cut was roughly this amount and that was achieved through the reduction of all these projects, the equipment and then debt financing. So, we were able to cash fund the Annual Pavement Preservation projects that are shown in these two slides here, but still it's very slim margins. We hope it will tie us through on this fund.



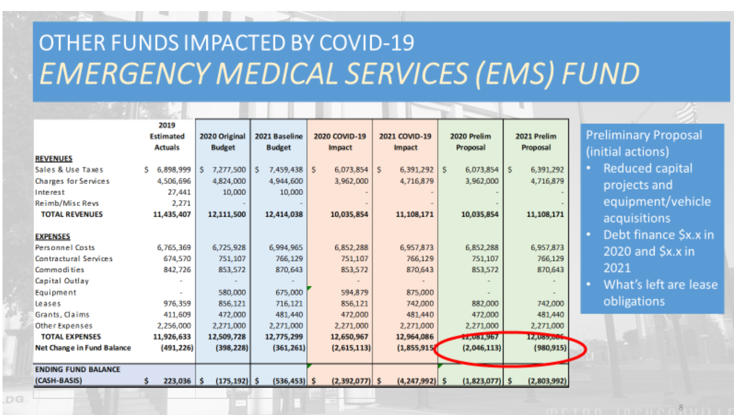
	2019 Estimated Actuals	2020 Original Budget	2021 Baseline Budget	2020 COVID-19 Impact	2021 COVID-19 Impact	2020 Prelim Proposal	2021 Prelim Proposal
REVENUES							
Intergovtal Revenues	$ 7,214,263	$ 7,100,000	$ 7,200,000	$ 5,040,000	$ 6,250,000	$ 5,040,000	$ 6,250,000
Reimb/Misc Revenues	152,757	5,000	160,000	160,000	160,000	160,000	160,000
TOTAL REVENUES	7,367,020	7,105,000	7,360,000	5,200,000	6,410,000	5,200,000	6,410,000
EXPENSES							
Personnel Costs	5,652,570	5,907,542	6,181,865	5,800,907	5,881,031	5,128,544	5,208,668
Contractural Services	2,941	93,047	99,743	93,047	99,743	93,047	99,743
Commodities	432,427	470,000	877,885	870,000	877,885	870,000	877,885
Capital Outlay	50,000	510,000	745,000	510,000	745,000	250,000	250,000
Equipment	149,227	-	87,500	-	87,500	-	-
Leases	1,195,617	986,000	974,000	986,000	974,000	986,000	974,000
Other Expenses	-	25,000	25,000	25,000	25,000	25,000	25,000
TOTAL EXPENSES	7,482,783	7,991,589	8,990,993	8,284,954	8,690,159	7,352,591	7,435,296
Net Change in Fund Balance	(115,763)	(886,589)	(1,630,993)	(3,084,954)	(2,280,159)	(2,152,591)	(1,025,296)
ENDING FUND BALANCE (CASH-BASIS)	$ 1,500,081	$ 613,492	$ (1,017,501)	$ (1,584,873)	$ (3,865,032)	$ (652,510)	$ (1,677,806)

On the next fund, as I mentioned, this is the very same slide that we showed on the Capital side and you can see that the change between revenues and expenditures for 2020 and 2021 is pretty sizeable. It's $2M in the first year and another $1M in the second. There's a $3M delta between those two years. Luckily though, there is this $1.5M that's setting in cash balances that we can't forget about and so you will see that later on. As I mentioned, this includes $400K in additional salt acquisition for both 2020 and 2021 which may be reduced slightly, but it does include the cut of a variety of projects and equipment acquisitions that were requested and then the small debt financed of these amounts. The remaining amounts in the Capital Projects line, are only the projects we can't debt finance and would cause a public safety exposure or risk to the community if we didn't continue to finance those and that has to do with the traffic safety.

Commissioner Burroughs said I had a question a ways back, I don't mean to hold this up. This is a tremendous amount of information. I did notice in 2021 the valuation was increased from property on the assessed valuation of the city was increased to 1.3308 and I apologize I'm on my phone, my computer that's watching the House action, but that's a tremendous increase in valuation. Now, nowhere in these figures is there any reimbursements being made to the city from the Feds or from the State at this time, correct? **Ms. VonAchen** said that's correct. There's a small note at the beginning of the slide that talks about that. There is no COVID State dollar reimbursement numbers in any of this because—or COVID fighting expenditures either because we are going to be placing a majority of those costs over in our Grant Fund. The Grant Fund is not a certified budget fund, so it's not part of this. Basically, we record the expected expenditure along with the revenues that supports it and then as we start to learn more about what our total COVID fighting costs are and what level of reimbursement we expect, we will be coming back to you with that because there will be a matching fund peak. Because we're so early in this process of pulling together these numbers, we felt that it was best to just provide you with kind of the baseline of our existing operation without kind of mudding the water.

Commissioner Burroughs said the question that I did have was the increase in valuation in 2021 for the entire property tax valuation, what are you basing that on after a reduction in 2020, what are you basing the valuation increase in 2021 on? **Ms. VonAchen** said the 2020 $1.2M number is actually a 5% increase and that's the final figure that was given to us certified by the UG Clerk in October. This number here is based on the preliminary evaluation by our County Assessor which on June 1st she will be supplying that information to the UG Clerk for certification. This is the preliminary number of roughly—if you remember during those presentations she said that the assessed value was going to increase by roughly 8%. Her evaluation is looking at commercial and real estate property and then if you factor in the amount assessed by the State for utilities and railroads which is a diminishing number and then you add in the personal property piece which is also a diminishing number, it kind of drops that 8% down to around 7.2 so that's what that is.

Commissioner Burroughs said I'll save my additional questions. We can move on. I'll have a chance to visit with you when we have more time in reference to some of these projections. **Ms. VonAchen** said I'm happy to get any thoughts you have on the projections whether you feel they're too rosy or too deep. Of course, we're always collecting more data on this.



	2019 Estimated Actuals	2020 Original Budget	2021 Baseline Budget	2020 COVID-19 Impact	2021 COVID-19 Impact	2020 Prelim Proposal	2021 Prelim Proposal
REVENUES							
Sales & Use Taxes	$ 6,898,999	$ 7,277,500	$ 7,459,438	$ 6,073,854	$ 6,391,292	$ 6,073,854	$ 6,391,292
Charges for Services	4,506,696	4,824,000	4,944,600	3,962,000	4,716,879	3,962,000	4,716,879
Interest	27,441	10,000	10,000	-	-	-	-
Reimb/Misc Revs	2,271	-	-	-	-	-	-
TOTAL REVENUES	11,435,407	12,111,500	12,414,038	10,035,854	11,108,171	10,035,854	11,108,171
EXPENSES							
Personnel Costs	6,765,369	6,725,928	6,994,965	6,852,288	6,957,873	6,852,288	6,957,873
Contractural Services	674,570	751,107	766,129	751,107	766,129	751,107	766,129
Commodities	842,726	853,572	870,643	853,572	870,643	853,572	870,643
Capital Outlay	-	-	-	-	-	-	-
Equipment	-	580,000	675,000	594,879	875,000	-	-
Leases	976,359	856,121	716,121	856,121	742,000	882,000	742,000
Grants, Claims	411,609	472,000	481,440	472,000	481,440	472,000	481,440
Other Expenses	2,256,000	2,271,000	2,271,000	2,271,000	2,271,000	2,271,000	2,271,000
TOTAL EXPENSES	11,926,633	12,509,728	12,775,299	12,650,967	12,964,086	12,081,967	12,089,086
Net Change in Fund Balance	(491,226)	(398,228)	(361,261)	(2,615,113)	(1,855,915)	(2,046,113)	(980,915)
ENDING FUND BALANCE (CASH-BASIS)	$ 223,036	$ (175,192)	$ (536,453)	$ (2,392,077)	$ (4,247,992)	$ (1,823,077)	$ (2,803,992)

Ms. VonAchen said now we're at the Emergency Medical Services Fund. This fund is funded by a one-quarter cent sales tax, which is shown right here, that $6.9M. It's also supported by $4.5M in Charges for Services. Prior to the formation of the EMS Fund, it was a function of the Unified

Government and was supported by property tax. There was a passage of—and actually probably Doug can talk about this better than I can, but there was passage of a sales tax measure, that one-quarter cent, in order to support that. The agreement at the time was that roughly $2.2M of the $6.9M would be given back to the Unified Government City General Fund because it was using an existing mill, so you understand that.

This is an Enterprise Fund and theoretically the Charges for Services are supposed to be in excess of the sales tax or tax level. I mean, if you net out the 2.2 against the 6.9, you'll see that basically Charges for Services only pay for about half of the total, so I question whether it should be an Enterprise Fund really, but you know, we'll see, maybe. We are working with the Fire Department to augment our revenue collection in the Charges for Services area. We have a number of ideas they have raised with us, so we're going to be working on that in the coming year or actually this summer.

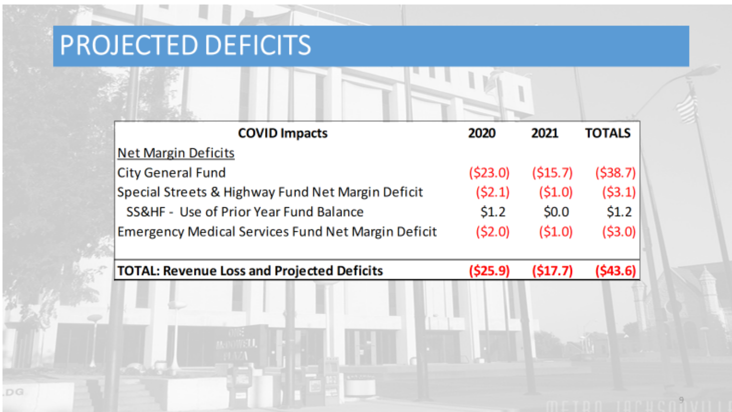
About this fund, it's already running pretty slim because it's heavy on a lot of fixed costs. You've got $6.7M in Personnel of the total and then you have another million dollars in leases. It was already running pretty slim. It ended the year with only $200K in cash. We were anticipating in the budget that actually it was going to be negative cash by 2020. In 2021 if all things remain pretty constant, it was going to be running negative about $500K. Of course, with COVID, it really impacted and then, of course, the revenue estimates are exactly the same assumptions as elsewhere at other sales tax funds. Now we are anticipating it to be ending in 2021 with a $4.2M deficit.

We have made some reductions. The Fire Department has offered up the reduction of a number of Capital Projects and Equipment Acquisition. I forgot to fill those in, sorry. There is an amount in which we debt financed for emergency services and I'm not remembering what it was offhand. I should have put that in there, sorry. Of course, it's not sitting here because it's over in the City Bond & Interest Fund. I apologize that I left those blank.

What is left is the leases basically. Here's the leases, $800K roughly in each year and then we have all the Personnel which are our paramedics and we have a deficit position of $2M and then another $1M in the second year. So, how does this all equate together?

Commissioner Kane said hang on. I've got a question. I would like to see a detailed description of how we spent this money the last five years. You've got up here Personnel costs, Contractual

Services, so I would like to see a detailed explanation of what we spent it on. **Ms. VonAchen** said sure, okay, no problem. How detailed do you want it, by account code—**Commissioner Kane** said I want it very, very detailed.



COVID Impacts	2020	2021	TOTALS
Net Margin Deficits			
City General Fund	($23.0)	($15.7)	($38.7)
Special Streets & Highway Fund Net Margin Deficit	($2.1)	($1.0)	($3.1)
SS&HF - Use of Prior Year Fund Balance	$1.2	$0.0	$1.2
Emergency Medical Services Fund Net Margin Deficit	($2.0)	($1.0)	($3.0)
TOTAL: Revenue Loss and Projected Deficits	**($25.9)**	**($17.7)**	**($43.6)**

Ms. VonAchen said combining all that information together, this is the projected deficit on the top, you know, how much money, less money, we expect to be collecting. The first line is the delta, it's the net margin deficit. If I take you back to the beginning slide, we found there was a difference of between revenues and expenditures in the City General Revenue for 2020 of $23M. For 2021 that was $15.7M. In the Special Streets & Highway, it was $2.1 in the first year and another million in the second year, but there was a fund balance left at the end of '19 of $1.5M. So, we're going to use some of that fund balance so that's a positive number there.

In the Emergency Medical Services there was a difference between revenues and expenditures in '20 of $2M and then in '21, $1M. If you add up all these, you have a negative revenue loss and projected deficit total of roughly $26M and then in 2021 it's $17.7M. The total with just these three funds of the total impact of COVID is roughly $44M. I think we can follow those numbers from the prior slides, so what are we going to do about that.

BUDGET BALANCING PRINCIPLES

- ***Continue serving the community***
- ***Live within our reduced revenue***
- ***Identify expenditures that can be deferred***
- ***Pursue other revenue and assistance***
- ***Manage use of, and replenish, reserves***
- ***Be data-driven and transparent***

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We have developed some Budget Balancing Principles and we want your input to let us know whether you agree with these. The first is that, of course, we are going to continue to serve the community in focused areas such as public health and public safety and we're going to do all we can to diminish the impact that our budget balancing principles will have on our workforce. At the end of the day we are going to focus on continuing our current core services that are most important to our residents which is public health, public safety.

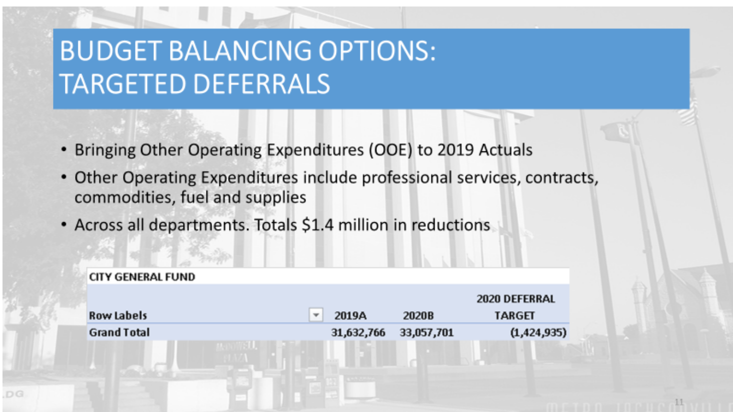
We are going to live within our reduced revenue and later on we'll talk about reserves, but for the most part we need to redefine our organization so that we are living within our means. We have in the past and we can in the future.

The third item is that we're going to identify expenditures that can be deferred. If there are things, you know, we would really love to do them now, but they can wait a couple of years, we're going to do that. We are going aggressively pursue other revenues and other grants and funding assistance where there's opportunities.

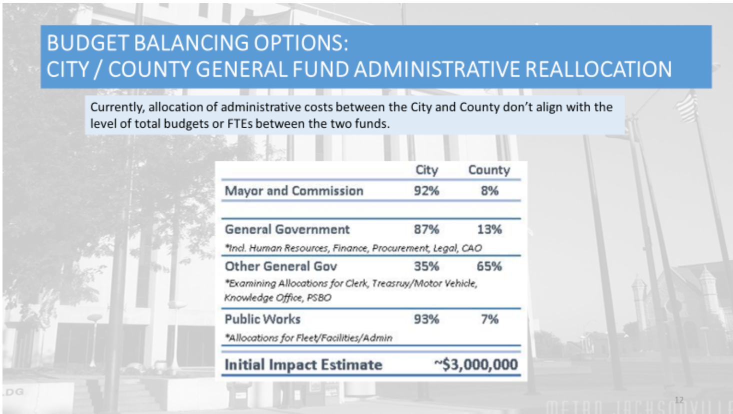
We're going to manage the use of and replenish reserves. Those reserves, certainly they're here for a time in which there is an economic downturn or budgetary uncertainty or an emergency or a one-time pandemic. The reserves are not a replenishing item. They are just there one time and once they're gone, then you have nowhere else to go.

Lastly, as I mentioned before, we're going to really approach this from a very data-driven and transparent process. So, whenever you maybe in the future, find yourself wondering, whoa, why are they giving us all this detail, it's because we want to be as transparent as possible. If we are not providing detail that you think we should, please tell us because we have all the detail and all the data.

Commissioner Markley said I think these are all correct. I don't think that any of them are wrong. I would just comment on the first bullet point, I would just be a little more specific. I think my biggest concern is our most recent survey really demonstrates very clearly that we are making progress in so many areas and so my biggest fear, I've mooting to one of my fellow commissioners earlier, my biggest fear is that we are going to backslide in these areas where we have made such incredible progress. I think bullet point one is true. We do want to continue serving the community, but I also think we need to focus on how we can spend our money in a way that doesn't cause a backslide in the progress that we've made as demonstrated by that survey.



Ms. VonAchen said we'll start off with some budget balancing options. We're calling this one the Targeted Deferrals. Initially, the first thing we did was we asked the departments to go through and look at their current year budget and tell us where they can make reductions so that we're back to what they spent last year and that's just another Operating expenditure. We're not talking personnel. It's in supplies, commodities, professional services, contracts, that sort of thing. If you do the math, they roughly equate to, just in the City General Fund, they equate to $1.4M. We are asking departments in all the other funds to do the same, but right now this presentation is pretty much just about the City General Fund, so keeping it to the City General Fund, $1.4M. Of course, there are some challenges there because some of our existing contracts have inflators, you know, the trash contract, the transit contract, so it's going to be challenging. I should point out; the departments have been very helpful, and we've achieved this already and we have the list. This is generally the target.



This slide here, budget balancing options, is City/County General Fund Administrative Reallocation and Doug is going to talk about this slide. **Mr. Bach** said this is kind of one that surprised us a little bit and it really was one we started working on last fall. We’ve had a lot of questions over the years. I would say probably a stronger push in the last year from Bonner and Edwardsville feeling like we were disproportionately charging the County a higher amount for services. I will say inherently I never thought that was the case because I would see these ratios that when we looked at them and looked at where the County was, it was never in a position to assume more to the actual expenditures, so staff started going through and breaking these out. It’s interesting that it’s coming about now when a time I guess we need to look and make sure we have these allocations all right on. It’s also helped our priority-based budgeting because we broke out everything in greater detail. We can see exactly where the expenses are going, so if you see—one of the obvious ones is on top, the Mayor and Commission. If you can look at budgets there, we disproportionately have this currently budgeted heavy for the City side versus the County.

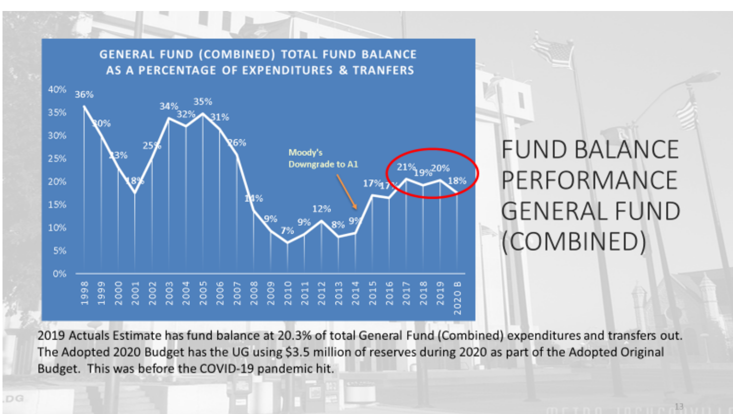
Then we started breaking out in other areas and you can’t just look at it and say well the City is generally 70 or two-thirds of the budget and the County is the other third and break it out that way because there are different areas where you spend more in one area over the other. In our General Government when you look at Human Resources, Finance, Legal, County Administration, our break out is about 87% and 13%. Again, very heavy on the City side for how we’re seeing that should be broke out.

Then in Other General Government, this one is more heavily hit on the County side and you do see that because this includes things like Motor Vehicle and Treasury, so if it’s a fund or activity that it is fully within what would formally be the County service, it stays there and that’s why you see more there. We did find some other areas like 3-1-1 and we’ve talked about that for a while that why is it completely over on the County, so we're taking movements to shift part of that funding back over on the City side.

Public Works is primarily in the City side which is probably fairly accurate for where it will wind up, but in the end when we started going through and these percentages go through a few pages and our plan is that as we produce the budget this year we will put documents in place that show just how we're dividing all the different areas, so we're very transparent about this and everyone can see, so the questions don't come back.

The initial review on it appears as though we're probably charging the City about $3M more than we should be and that's a significant enough number that it shows up when we start going through this reallocation of where we are in the budget. We want to tell you this, operationally it's just like I said, it's one where we probably didn't think we were ever there before that it was disproportionately the other way and when we dug into the detail on it, this is how it's come out as we've done the audit and I would say it's still being completed, so we don't have all our sheets done. We're going to put all the backup in place so it's very clear for everyone to see as we go through this.

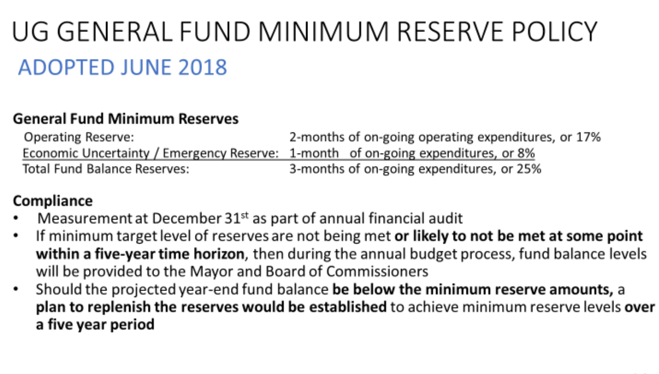
When you see this number, you know, if it was a couple hundred thousand dollars, we didn't figure it would really show up much. It looks like it's going to be a significant number that shows up as we balance our budget. Any questions on that? Okay, Kathleen.



Ms. VonAchen said now we're going to talk about the Fund Balance. We just recently have finalized draft financial statements for the Unified Government and we're going to be presenting that, the CAFR, at the last meeting in June, no, the second week in July actually is when we're going to do it. You can see a preview here. As of right now we have the Actual 2019 Estimate for the fund balance of the combined General Fund at roughly—well, you'll see on the next slide, it's roughly $42M. It constitutes 20% of the 2019 expenditures and transfers out, so you can see that. By the way, during the recession, you know, it really dropped down. You can that it really dropped, and we all were kind of struggling because there was a great use of fund balance during that time. Then that fund balance stayed low for quite a while because the great recession or the recovery took a long time.

During 2015 it really picked up and it may have been not only just the fact that the economy improved, but also management at that time was more committed to developing a positive reserve in order to help us ride through these kind of challenging times. You know you have to have that money in place just in case something happens, and we are lucky to have that in place now because we've been able to sustain that level. You can see in 2017 it was 21% of expenditures. It's just a bit in '18, but we were back up at the end of '19 at 20% of expenditures.

As you know we have a policy, and we will get there on the next slide, that you all adopted in June 2018 that established a minimum reserve of two months of Operating expenditures. Operating expenditures include transfers out. So, two months, if you divide 2 into 12, that equals to 16.7%, so rounding up its roughly 17%. We've talked about that 17% and that's where that comes from, dividing 2 into 12. You can see we're above that 17% for the last three years and that's good. It's a good thing.



On this next slide, just a reminder, the policy, the Minimum Reserve Policy, is that we have this two-month operating reserve and then we were shooting for an additional month so that we would have a total of three months. This additional month was for economic uncertainty or emergency reserve. This reserve and that reserve, it's all sitting in the same place. It's just a way of thinking about our money and where want to align it.

Remember, this policy was adopted by all of you, so it's only binding based on your direction and what you want to achieve. It's sort of aspirational, but it helps to frame your thoughts about the reserve. There is a time, like right now, where you anticipate that we're not going to be meeting the minimum target reserve or that it's not likely at some future point. Then during this budget process, which is what we're doing right now, we would examine the fund balance level and then staff would develop a proposal or plan for how we plan to replenish it in the future years. Right now, we're talking about potentially dipping into this reserve as part of our budget balancing initiative.

USE OF GENERAL FUND RESERVES

- *Increased 2019 year-end by $2.72 million*

Combined General Fund Reserves ($ millions)	Operating Reserve - 2 mos	Emergency Reserve - 1 mos	Total Reserves
2018 Ending Fund Balance - Reserves	$34.6	$5.4	**$40.0**
FY 2019 Allocation to Reserves	$0.5	$2.2	**$2.7**
% Allocation	82%	18%	**100%**
2019 Est. Ending Fund Balance - Reserves	**$35.1**	**$7.7**	**$42.7**
	% of 2019 Expenditures and Transfers-Out -->		**20.3%**
Budgetary Statement - Cash Balance (Combined GF) Total			**$28.0**

2019 Year-End Estimated Reserves at 20.3% of expenditures and transfer-out, or 2.4 months.
- Operating Reserve, or 2-months of expenditures & transfers-out (16.7%), equals $35.1 M of the total $42.71 M.
- Remaining reserve balance for "emergencies" totals $7.7 M.

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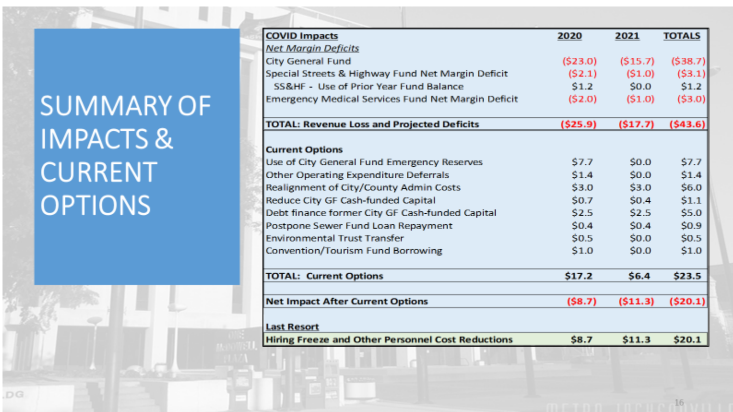
Alright, here's the good stuff. At the end of 2019 year-end the difference between revenues in our CAFR and expenditures was a positive $2.7M. What that means is that our revenues were greater than our expenses by $2.7M and so we added to our fund balance. Last year our fund balance was $40M, so at the end of this '19—I meant last year meaning 2018. At the end of 2019 it grew to $42M. The key takeaway I want to make here, and there's a little bit more information, you know you could split it up between Operating, Emergency and such, but the key point here is that there is a difference between this fund balance from our CAFR and the fund balance that you all look at when you develop your budget. When you develop the budget, because of State law, you're asked to look at the fund balance on a cash basis or a budgetary statement cash basis and that makes a lot of sense during this time.

So, just letting you know that at the end of 2019 the General Fund combined had $28M in cash. The fund balance on the CAFR was $42M and that difference is because there what they call receivables, that's monies that we were anticipating to be collected into the future that we recorded it in 2019 because the activity occurred during 2019. There's also liability that go against that, that we anticipate paying that draws that down. There's kind of this difference between the two and so when we talk about the General Fund Reserve, we're also using it from a CAFR basis, and the reason is because that's how all the other cities do it and that's how the credit rating agencies understand it.

Going forward when we talk about using the reserves and the budget, we're going to look at this $28M. The $28M in cash is what we have available to tap into our reserves. I'm happy to answer any questions.



COVID Impacts	2020	2021	TOTALS
Net Margin Deficits			
City General Fund	($23.0)	($15.7)	($38.7)
Special Streets & Highway Fund Net Margin Deficit	($2.1)	($1.0)	($3.1)
SS&HF - Use of Prior Year Fund Balance	$1.2	$0.0	$1.2
Emergency Medical Services Fund Net Margin Deficit	($2.0)	($1.0)	($3.0)
TOTAL: Revenue Loss and Projected Deficits	**($25.9)**	**($17.7)**	**($43.6)**
Current Options			
Use of City General Fund Emergency Reserves	$7.7	$0.0	$7.7
Other Operating Expenditure Deferrals	$1.4	$0.0	$1.4
Realignment of City/County Admin Costs	$3.0	$3.0	$6.0
Reduce City GF Cash-funded Capital	$0.7	$0.4	$1.1
Debt finance former City GF Cash-funded Capital	$2.5	$2.5	$5.0
Postpone Sewer Fund Loan Repayment	$0.4	$0.4	$0.9
Environmental Trust Transfer	$0.5	$0.0	$0.5
Convention/Tourism Fund Borrowing	$1.0	$0.0	$1.0
TOTAL: Current Options	**$17.2**	**$6.4**	**$23.5**
Net Impact After Current Options	**($8.7)**	**($11.3)**	**($20.1)**
Last Resort			
Hiring Freeze and Other Personnel Cost Reductions	**$8.7**	**$11.3**	**$20.1**

Here's the summary of all this information we just provided you. You remember at the beginning; we provided you just this piece here which is that revenue piece. The piece—the revenue loss or net margin deficit in the City General Fund, the Special Street & Highway Gas Tax Fund, in a little bit we're going to use the fund balance that ended in 2019 in the Street & Highway Fund and then the Emergency Medical Fund marginal deficit. If you add up all those, there's that same number that you saw at the beginning of the presentation.

Some current options that we've identified based on our analysis is that we are recommending that we use fund balance in 2020 in the amount of $7.7M. That is a healthy use of fund balance. Remember, you're subtracting from that $28M figure, so basically you're going to end up with only $20M in cash. We do have a lot of variability throughout the year on spending. So, how much cash can you use is another question that we make it into another workshop.

The other thing is, we have deferrals. You know I listed those—bringing back all the other Operating expenditures to the 2019 Actuals, that's $1.4M. The realignment of City/County

Administrative costs, that adds another $3M to the equation although the County has to pay—pick up the $3M. These are all based on the baseline budget, so we reduced $7M in cash-funded projects and $400K—not million, sorry, $700K and $400K in 2021. Then we took off the ledger for the City General Fund and decided to debt finance $2.5M in projects for both years.

The last three items, we've not talked about in the previous slides. We are proposing to postpone our annual repayment to the Sewer Fund for a loan that we took out in 2015. Right now, the outstanding balance the City General Fund has against that, the Sewer Fund, is about $1.5M and what we're suggesting is that we postpone these two years payments and resume that loan repayment in 2022 to tie us over through this time.

There is a $1., I think 2 or 3M fund balance in the Environmental Trust Fund. Those funds are—we elected amongst ourselves via ordinance to transfer resources to that fund to cover a potential liability if there's a disaster or issue with the landfill. There is an annual assessment of the liability of that landfill and the likelihood and cost of that if there is a disaster in the associated costs and we look at that every year and we book that liability in our balance sheet. It's based on an engineering study. The liability amount is only $400K and we have about $1.2 or so million in that Environmental Trust. We're basically setting aside more than we probably need so we're recommending that we pull $500K out of that fund just because it apparently is in excess of what it ought to be because it's far in excess of the liability amount.

Lastly, we would like to borrow or we're proposing to borrow $1M from the Convention/Tourism Fund which has a healthy fund balance. There are some expected future projects they were all excited about that are very focused on the development and promotion of convention and tourism. There is also the availability of another $1M in there and we are planning on entering into an interfund agreement, per se, management agreement between the Convention/Tourism Fund and the City General Fund so that the terms of that repayment will be set so that it's all very clear.

Given all these adjustments, we've identified $17.2M in current initial options that are available to us and then in 2021 $6.4M. If you subtract the $17M against $26M deficit, you'll get a delta of $8.7 and then in 2021 if you take the $6.4M that we've identified against the $17 or $18M, you'll see that you still are short $11M. This is the shortage that we are now riffling with. If you agree to all these adjustments, we still have this amount that we need to find.

As a last resort, as you can see, we have put this last line on here which is a hiring freeze for other personnel cost reductions. These are reductions that would impact just the City General Fund. Of course, we could make reductions in these other funds too to diminish the deficit. That's where we are right now. If you have ideas on some of these others that we can add to the top of this list, it would diminish this number here, but, of course, you have to keep in mind that we have a lot of state statutes that we still have to follow regardless of whether we're being threaten with insolvency. We have to keep all those in mind. We can't just take money out of funds and use resources that state statutorily we're not able to use for anything but what it's there for.

It's been pretty challenging. I'm going to have Doug talk now for a little bit.

Mr. Bach said, Mayor, if I could before you—I know there are a couple hands up for questions, I just wanted to add on to her point that there is a whole lot going in this slide and that's why there was a lot of built up probably getting to it as we get to the point of summarizing just where we can come to with each area. A couple of things I have to point out; when you come over here and start looking at '21 and then you continue on from debt finance, you know, the $2.5M in '20 and '21, that's not sustainable. We have to look at things like that if I have to correct our overall budget area and build that back in as a cash item. I can't be debt financing that away from there because that doesn't go long-term for that.

Same thing as we've got to start paying back the Sewer Fund and then we have to start paying back the Convention & Tourism Fund. There's quickly a few more million dollars that get added to our budget and this does not assume any real increases in cost of '21 and '22. There's no built-in pay increases for any of our employees. We do factor in where we have some built-in automatic step increases, but we'll get out there to '22. There's a correctional pattern when you look down at the bottom line when it notes where we are from a hiring freeze and where we're going to be from levels of where our employees have to be at. To come through this, take on what natural costs incurred and go from year to year and then have some other costs that happen in '22 going on that are going to be above these base levels. Remember, we dropped 2020 all the way back to where were—what we spent in '19, not we budgeted, what we actually spent, so we've got it down there, we're getting it down there. There are just costs of increases that happen every year that go up if you don't do anymore, so I just add that out there and we'll take your questions.

Commissioner Bynum first, Kathleen and to your whole team, it's impressive to say the least, the work that you've all done to bring us to this point. It surely represents hours and hours and hours of analyzing everything and I so appreciate the way you've brought it. My question is, I notice as we look at the special funds, unless I missed it, I did not see the Public Safety & Infrastructure Sales Tax Fund. Did I miss it or is there any possible way it's not been impacted or if so, what is its deficit? **Ms. VonAchen** said through our work with the departments we were able to cure that fund so it's now in a positive position with all of these adjustments that we made. **Commissioner Bynum** said I see, so when we say Dedicated Sales Tax, we mean Public Safety & Infrastructure. **Ms. VonAchen** said yes, that's right. **Commissioner Bynum** said okay, thank you. At that time, I think I thought we were talking about EMS and then you covered EMS later. **Ms. VonAchen** said right.

Commissioner Ramirez said thank you, Kathleen, to you and your staff and Reggie. This is not an easy thing to come to grips with and compile all this information and keep looking at the impact, so thank you for all that you're doing. The question I have, back on the April 30th Special Session you brought up the four different budgetary actions that you were going to take. Are these new current options on top of that or are those including? **Ms. VonAchen** said yeah. At the time we came up with the deferral of other Operating expenditures back in 2019. We said we were going to reduce cash projects which we gave an estimate then. We were going to reduce equipment acquisition and I'm forgetting what the fourth one was. Oh, we were going to reallocate City/County administrative costs I think. **Mr. Bach** said I think it was Reserves Kathleen. I don't think we had that reallocation on the table yet, we weren't there. **Ms. VonAchen** said okay, well anyway, those are all still here and now there's more to the list. **Commissioner Ramirez** said so this is just an expanded list from those originals. **Ms. VonAchen** said yes. Then what I presented at that meeting we were just looking at the General Fund, but now we have deficits in these other funds that add to the problem.

Commissioner Townsend said thank you, again, this tremendous effort. A couple of questions about the options on 16. The Environmental Trust Fund as well as some of these other ones mentioned, is this fund that we would have to repay later? **Mr. Bach** said I'll answer that one and my answer is no. We have made a decision to try to fund this for—it's kind of a rainy day fund to go into environmental areas. There's no requirement that makes us do that. We try to keep a decent amount of money in there in the event something happens, but I would say our way to do this would just be paying forward. We would come back to it, we deplete it, just fund it one day. Many years ago, I had about $5M in it and going through the recession we depleted quite a bit. I will say a lot of the concern of building it to $5M was in relation to the landfills that we had ownership interest in. I think we were trying to get through all that stuff. Once we realized all the monitoring that got done on that was taken care of and then there was some concern how Forest View was working as a follow-up on that one and that got through, so all those interest were gone.

We still have this environmental interest we have that having money there is important to continue to put money into it, but I don't think we need to repay it (inaudible). **Mayor Alvey** said you cut out Doug. **Ms. VonAchen** said our current liability that's a liability against this fund is $900K. I'm sorry, no it's actually $380 or 90K and it's on our government wide statement balance sheet, but the fund balance is in excess of a million, so there's quite a bit more in there than what is legally required for us to hold. **Commissioner Townsend** asked, what is the current balance and what is the legal requirement for us to hold in that account. **Ms. VonAchen** said the liability is around $400K and if I'm remembering right, the fund balance of the Environmental Trust Fund, I'm just going off the top of my head here, is about $1.2 to $1.5M, around there. I just don't remember exactly. **Commissioner Townsend** said when you say liability mentioned, about $400K, is that a minimum requirement to be kept in the fund? **Ms. VonAchen** said I would say yes, that is. It's established by an independent engineering study and it's amortized every year.

Commissioner Townsend said of the current options on that section, still at slide 19, are there any other funds in there which we would be required to repay over time? **Ms. VonAchen** said the Convention & Tourism Fund, we're going to be borrowing that one. The resources that are collected for that fund are set by ordinance, so you can change them, but state law is very restrictive about how you can use Transit Guest Tax money, but you can borrow against it, but we have to repay it.

Commissioner Johnson said I'm going to ask a slant on what Commissioner Townsend just asked. My question, as I recall, when I was somewhat a newbie, is that we had funds at that time that we were repaying and I'm wondering are there still funds that we had already borrowed from in the past that we are currently repaying on top of what is reflected in this report on page 16? **Ms. VonAchen** said the only interfund borrowing balance that remains at the moment is the $1.5M at the end of '18. No, as of the end of '19 was $1.5M between the Sewer and the City General Fund. You may remember that there was some borrowing back during the recession between the Health Benefits Internal Service Fund and the Workers Comp. Those have all been cured. Unfortunately, though there isn't any cash really available in those funds for us to seek for this problem that we're facing now. There is no more other interfund borrowing.

Commissioner Johnson said great. This is something you don't often get the chance talk these and so sometimes we just forget about them. I'm glad to know they've been repaid and we're moving forward.

Commissioner Ramirez said I have one more question and, of course, first time during budget process; for the postponement of the repayment of the loan, are there any penalties for us doing that, deferring those payments this year, next year? **Ms. VonAchen** said no, not explicitly, there's no penalty. In fact, there is actually no set agreement between the funds that quantifies the repayment terms, so no, there's no penalty. We have a commitment to ensuring that the resources of our ratepayers in the Sewer fund are used appropriately, so we of course, always want to ensure that we're repaying that amount, but no.

Mr. Bach said, Mayor, this kind of sets out where we are. There's a lot of ideas on the table, directions were going, but as you can see I have still have a long way to go to work through to figure out how to get the 8.7, 11.3 solved. I'm very concerned about the $8.7M because we only have seven months to do that, so that's a very limited timeframe. As Kathleen pointed out, we're working off the $20M in cash. We've put the 7.7 into the Reserves that we would drop it by this year and no doubt we would probably have some that impact rolling over into next year, but the bottom line is, we've got to correct our spend not only for this year which will take a heavy chunk, but then some of it carries over into the next year and then even rolling into '22 assuming we get our revenues back to the health they were at. We're going to be down quite a bit when you start to get there in '22 and '23 because we're going to have a lot of equipment that we deferred to purchase on. We debt funded some, but we're not getting it all. We've taken a lot back out of the budget, so this is a concerning position for us to be in. Our teams are working diligently to go through this and identify reductions so we can come back and build into this budget.

As we come forward, Commissioner McKiernan, you asked earlier in the meeting when we're coming forward. Really our goal tonight was to try to get everything else on the table in front of you. We haven't got to the cash part of the Capital yet, so we wanted that out there and then get through this piece of it. Really in that second week of June we're set to come back and typically we would move into some type of on-three's at that point discussing the budget, but we will probably also be coming back in that week, potentially that meeting, and saying okay, this is how we've done this stuff and do you agree with this methodology or look at different ones, you know, as far as the questions are there. We'll do that two-fold, not only from workshops, but also on on-three settings to get additional input from you as we move through this and identify the measures we have to take to balance our budget.

Commissioner McKiernan said, Mr. Bach, I think you really just answered my questions. You have presented about eight different options or suggestions for beginning to cut into the deficit and try to reduce it and we're still left with over two years, $20M of deficit. What I just understood you to say was that you will come forward with one or more proposals for how to eliminate that gap and you will present those to us either in another Special Session and/or in on-three's, is that right? So, you'll come forward and then we will react to your recommendations. **Mr. Bach** said I'm sorry, as soon as you started talking my computer shut out for me. **Commissioner McKiernan** said you have put forward several options for us to reduce our deficit. We're still left with a $20M deficit over two years. I assume you will come back with some specific suggestions or recommendations on how we can eliminate that $20M deficit and you'll present those in Special Session and in on-three's, and we will react to those rather than having to come up with something on our own. Is that correct? **Mr. Bach** said yes. I will come back with recommendations of how to balance this budget. If there's the ability to give you some options to look at, I'll put it on the table. I don't know if that will be possible, but we'll try to do it that way.

Ms. VonAchen said although I did want to mention that if there's any of these that there is a consensus that you don't agree with them, we would like to know now. Then, if you have any other ideas, please feel free to share them with us.

Mayor Alvey said I think what's going to have to happen, you know, to Commissioner McKiernan's point, we're going to have to have this presented in total, all the different funding requirements, all the different programs, everything is in competition now and we've got to try to cut $8.7M for this year alone. That's more than $1M a month, that's significant and there's not a lot of room in the budget to be going to find that money. I think what we have to do is—I understand Doug is going to do is bring kind of a set of options and I think have the Commission go over it. It can't be just the Mayor or a Commissioner coming to say I don't want to go that way and another one saying I would rather go this way, that's not going to work. It's going to have to be done in a Special Session so we can give you direction.

Commissioner McKiernan said, Kathleen, you just said if we have any of these that you presented tonight that we really have a problem with, I don't know about the others, but for myself I want to be more thoughtful than to try to make some sort of snap decision tonight. I want to sit and think about these a little bit more, but I understand that the bottom line is at the end of the day it may not matter if I like them or not. We may need to do these things anyway for the sake of balancing the budget, so I completely get that. **Mr. Bach** said that's a great point, Commissioner. There's not much I like about this at all that we're showing you tonight. Already what's on the table, it's pretty ugly when I go back into the Operating areas of what we've done to the departments. My department heads will sit here and start commenting on them, their flexibility has moved—you know, just like Kathleen offered earlier. Jeff Fisher happens to be down eight positions in the Street area, they're gone. I mean they're held up, that's his ability to get out there and react and do the work you've been wanting him to do.

I've got a lot of vacancies—we're already assuming holding all those vacancies vacant. There's a lot of people that, you know, how we mow, go through our parks, and our vacant lot areas and taking care of that work, that's already assumed to be gone from this budget because it's vacant and I'm not hiring additional people when I'm looking at other types of reductions we may have to identify.

Mayor Alvey said unfortunately this is a stark report and we can be discouraged by it if we chose, but it's really an opportunity for us to sharpen our focus on what services we have to provide. I am concerned that what we're going to see is a trend for the next couple of years, maybe going to three years, more deterioration of our public infrastructures. Obviously, a deterioration in the quality of our equipment, our building stock; it's really ultimately going to cause a deterioration in the quality of life in our neighborhoods and it's going to be felt all across the county, the city especially.

Commissioner Philbrook said I appreciate the comments from Commissioner McKiernan and Doug Bach and yourself around this, what I would call, dire straits. We were all very excited about how things were going this time last year and up until January when things started shifting. This is not going to be a pretty picture, but like it or not, the commissioners got elected to make tough decisions and we may have people that don't like us so much after we make these decisions, but we're elected to do these jobs. I know we're all determined to try to do the best for our community and I so do appreciate all the hard work that our administration and everybody else is trying to put this together for us because I know it's very complicated and that's after looking at it for almost seven years.

The last two years have probably been some of the best presentations we've had and most detailed. It's probably a good thing because then it actually allows us to get down in those weeds now a little bit better so we can look and try to decide, God knows, what's going to be cut and what we're going to keep. I really do believe that the folks that we're working for in our whole city and county need to be in touch with their commissioner because I want you people to think about what is it you're willing to give up, what is it you're willing to give up and how can we do that without causing a lot of anguish and pain and upset. All you have to do is let us know what you're thinking. That doesn't mean we can do it, but if we don't hear from you, then we don't know what you're thinking, and I don't like to assume any of that. Thanks for letting me say that.

Commissioner Johnson said I'm the kind of guy where I just want you to give it to me straight and I think you guys have done that. I think Commissioner McKiernan said it best. The decisions may have to made regardless of what we think, and I would just ask all of my colleagues just to be as flexible and as thoughtful as we can be relative to where we are right now.

The other thing I would add is to make sure that we are communicating where we are as well to our community in a way that they can, you know, absorb it and be aware of the real implications that this virus has put upon the local community beyond what we see on cable news, beyond what's going on in Topeka, that is really putting a strain on the local community. I would just implore us to make sure that we're being thoughtful about how we're communicating to our public in terms of where we are, in terms of the tough decisions that we are forced to make so they can be abreast of it all as well. We're going to get a lot of pushback and a lot of responses as Commissioner Philbrook has already laid out but that's part of the job.

Mayor Alvey said that seems to end the comments. Thank you again for the presentation. I know we've been in this now for almost three hours. We did have a request from Commissioner Kane that we would see the presentation that was on the SAFER Grant that was going to the Standing Committee on Monday. So, Doug, I will pass this over to you.

Mr. Bach said, Mayor, I think you set it up. Chief Callahan is online. He presented in front of the Standing Committee Monday evening. Chief, I will turn it over to you. I know you have a short presentation so can get to it. This is one of those that as we're plugging along through the month of May and getting it on our schedule so that the SAFER Grant Application was due this month, so knowing this and getting it assigned. The Chief, I wanted him to get it in front of you all, get the approval and we did get a unanimous of this presentation. It was previously done on-three's with all the commissioners so you all had a good feel for it so we could get this in, and I have instructed the Chief that we could get the application done for this since it's due at the end of the month.

KCKFD SAFER GRANT APPLICATION

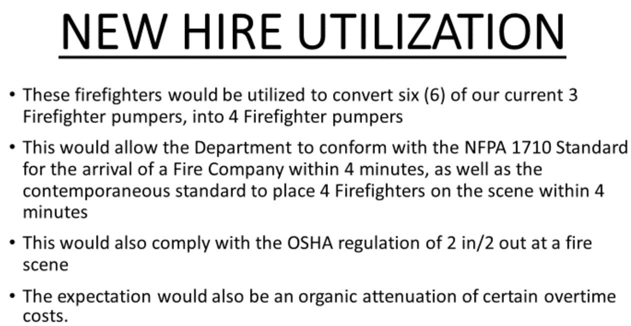
- The Department proposes hiring 18 additional Firefighters.
- Additionally, the Department has made application for the Staffing for Adequate Fire & Emergency Response (SAFER) Grant.
- Typically, the SAFER Grant, if awarded, would reduce our initial fiscal expenditures for the 18 firefighters in the first three (3) years by **75%, 75%, & 35%** respectively.
- Year 1 UG cost = $258,786.60
- Year 2 UG cost = $258,786.60
- Year 3 UG cost = $672,845.15
- **Total 3 year Initial Cost Savings = $1,863,263.50**

Chief Michael Callahan, Fire Department, said the SAFER Grant is a federal grant for staffing adequate fire emergency response. The department proposed hiring 18 additional firefighters utilizing—made during the grant application period. Typically, the SAFER Grant if it's awarded would reduce our initial expenditures for those 18 firefighters in the first three years by 75% year one, 75% year two, and 35% year three respectively. The year one cost to the UG for those 18 firefighters is $258K roughly for year's one and two and $673K for year three, saving the UG about $1.8M.

COVID-19 IMPLICATIONS

- Due to the COVID-19 Pandemic, FEMA has waived **ALL** local match requirements for SAFER Grant hires.
- This anticipates, the SAFER Grant, if awarded, would reduce our initial fiscal expenditures for the 18 firefighters in the first three (3) years by:
- Year 1 UG cost = $1,035,146.40
- Year 2 UG cost = $1,035,146.40
- Year 3 UG cost = $1,035,146.40
- **Total 3 year Initial Cost Savings = $3,105,439.20**

Because of the COVID-19 implications FEMA has waived all local match requirements for SAFER Grant hires. This anticipates the SAFER Grant, if awarded, would reduce our initial fiscal expenditures for those 18 firefighters in the first three years by $1,035M a year for a total of $3.1M over that three year period.



Those new hires would be utilized to convert six of our current three firefighter pumpers into four firefighter pumpers. It would allow the department to conform with the NFPA 1710 Standard for the arrival of a fire company within four minutes as well as the contemporaneous standard to place four firefighters on the scene within four minutes. It would also enable us to enable—**Someone** said the Kansas Senate could hardly wait to get a agree or disagree out so they could ahead—**Chief Callahan** said this would also enable us to more fully comply with the OSHA regulation of 2 in/2 out at a fire scene and there is an expectation that would also be an organic attenuation of certain overtime costs associated with this. That is the presentation.

Mr. Bach said, Mayor, this item went through Standing Committee. It was approved unanimously, and we moved forward to submit the grant application. I know it's coming forward to the full Commission next, but the applications were due on the 27th so that's where we're at.

Mayor Alvey said so this is coming to the full Commission, so we have opportunity for discussion then, correct? **Mr. Bach** said certainly.

Commissioner Kane said the problem with—and it goes to the full Commission next week, but this thing ends May 27th the day before the Commission meeting in case we want to make any other modifications to it. In fact, I believe we should make some other modifications since we're getting so much money from the feds, why wouldn't we ask for more people to get this done and then we wouldn't have to close the Fairfax plant. We would be able to man the station out at Station 12. The thing is, this is a request to get this application. Why would you only ask for a few when they are going to pay this much money to cover it? The last time we did it we asked—

I think the biggest number we ever asked for was 26, 27 and then we asked for 16 later. If we wait until next Thursday to discuss this issue, it will be after the fact.

My recommendation is to ask for at least 21 more while the feds are paying for the money and that will get all the stuff the Chief wants. Chief, wouldn't you like to have a new rig company? **Chief Callahan** said I would like to have all new everything, Commissioner, any time I can get it, but the money you're talking about is—you're right about the federal government paying the cost for this for three years. The problem is upfront money, right now money, what I would need to do what you're proposing is I would need $650K for a fire engine and I would need about $1.2M for overtime costs because it's going to take—**Commissioner Kane** said it's not equipment that you can do it with now. Come on brother. I think other commissioners need to weigh in on this. I think we need to ask for at least 20 some odd more to get this done because, Mayor, you're going to be behind the eight ball if you wait until next Friday. Like I said, the application ends next Wednesday. Now I believe they've already turned it in, and it's supposed to go to the full Commission before the Administrator does anything like that in the first place.

Mr. Bach said correct on the standpoint, but I didn't want to lose the opportunity to get this grant, so after having unanimous approval from the Standing Committee and having talked to all the commissioners in on-three's before with all support, I submitted it even though—now if the Commission deny's it on the 28th, we could pull it back. I had given the Chief that direction some time ago that once we moved through, get through the Standing Committee support, we'll be good, let's get the application in because we don't want to risk losing this grant application. **Commissioner Kane** said that's why I say we ask for more people now and if they say they're going to give you 40, and we can only figure out and take 30, then why wouldn't you take what you could get. There's no reason not to add to that number now since we're not going to have to pay for it. We might have to turndown—that we can only cover so much, but while the federal government is paying for this, I think this is a golden opportunity to go ahead and submit some more. Can we not do that Doug?

Mr. Bach said we can request more people. When I put it forth it's kind of the sustainability aspect of it. I mean when you make a plan to add additional firefighters, I would like to see us have a plan that has something to hold on to them after the three years. If it's acknowledgement that we recognize that there is going to be additional tax dollars or some other funding source that will cover them, great. I would just like for you to think about it from that perspective. I know when we—**Commissioner Kane** said we already have a sales tax—**Mr. Bach** said (inaudible) we made a decision there was some opportunity to offset some cost we thought with these coming in and that gave us the same ability to keep these people employed after three years, so I would ask you to at least look at that factor. **Commissioner Kane** said we have the sale tax, so we could put some money aside. That's why I asked for that to see where the is spent. You've got to remember that we have attrition seven to eight employees a year, so by the time this rolls around we'll be in pretty good shape. Why not have the monies because we can use the money now and then work our way into cover this up in three years. We've never had the opportunity that we have right now to go ahead and hire folks and let the feds pay for it because if we let this go, and like you said, it's a virus issue, why don't we use the money that the feds have to get this done. If we miss this opportunity, then it's going to cost a couple hundred thousand dollars that we would not have had in the past. I think this is something we really, really need to think about and say, folks, let's bite the little bit of bullet here now because—you talked about closing 15, we know we don't have enough folks to go out west and we can utilize old equipment to get all this done.

Chief Callahan said we can utilize old equipment, I wouldn't recommend it, but I still need $1.2M for ten months of overtime. Based on what Kathleen just said, I'm not sure that's coming.

Commissioner Townsend said a couple of questions Chief or Doug. On the face of just the 18 and with the numbers that you show, does that stand those numbers whether or not 15 is closed and 5 becomes the primary for Fairfax? **Chief Callahan** said the 18 people that were requested, there's a parallel track, those 18 people that we originally requested had nothing to do with 15 or Fairfax or the station on Hutton Road. That was a completely different separate track, so I don't want to conflate that issue, that was to take six of our pumpers and make them four men pumpers to make them more NFPA and OSHA compliant. That's what those 18 were requested to do. **Commissioner Townsend** said so we can look at this apart from the other issue that I just mentioned whether 15 is closed or not. **Chief Callahan** said right. The 18 is a separate issue.

Commissioner Townsend said the other question I have, and I don't see this up on my screen, let me see if I can minimize this, what were the percentages again that the federal government was going to pay of the costs in years one, two, three? **Chief Callahan** said 100%. **Commissioner Townsend** said for all three years. **Chief Callahan** said that's correct.

Commissioner Bynum said I know Commissioner Burroughs had been trying to speak, so if he's back on, I'm willing to let him go ahead of me, if you want to give him a minute. **Mayor Alvey** said from what I can tell he's off. He doesn't have his hand up so go right ahead Commissioner.

Commissioner Bynum said a couple of questions and a couple of clarifying statements I guess. I know that the SAFER Grant for 18 positions that we brought unanimously through Standing Committee was not equated with staffing a new Piper station or keeping the 15 in Fairfax open. **Chief Callahan** said that's correct. **Commissioner Bynum** said Commissioner Kane is suggesting that we double the amount that we asked for and I think I understand that part of the reason we would double it is so that for three years we would have enough that we could also staff Fairfax, excuse me, Piper. However, we if double it on Monday night, you indicated that the answer to my question of cost in year four for 18 firefighters would be $1M, so I can only assume that costs for 40 firefighters would be more than $2M, costs that we would pick up in year four, very forward. It seems to me that even if we ask for 40 right now, we've got a fire station in Piper that needs to be manned soon, sooner than we would hire 40 new firefighters through a SAFER Grant that was paid for, for three years. So, what I'm putting forward to this body and specifically to our Mayor, Administrator and the Chief, is the request and I'm completely open to expanding the number of positions we asked for in a SAFER Grant. The more immediate need is finding a way to staff a new Piper Fire Station given our current resources and I don't think that reality has changed.

The request that I'm going to make right now that we pull together a task force of people, a subcommittee of people, that includes Administration, Fire Administration, at least two members from our Firefighters Local 64 Executive Board, at least one commissioner. I've not asked Brian McKiernan if he would be that commissioner, but I think he would be the perfect commissioner and that group convene immediately to try to determine a best possible outcome for staffing a fire station in Piper without closing the fire station in Fairfax and do it with our existing resources.

With that being said, I will reiterate that if we decide that we want to ask for 40 new firefighters, I'm good with that as long as we all recognize that in year four we pay for them, but that's the request I'm making for us today.

Commissioner Burroughs said thank you Mayor. I apologize, we were called to the House floor. I'm going to rise in support of putting an amendment onto the SAFER Grant request and encourage us to give consideration to the amount of projected turnover that may happen within the Fire Department due to retirements and/or any other unforeseen circumstances that may come forward. We've already seen a savings of a little over a million dollars with the fact that the SAFER Grant will fund the 18 for three years at 100%. We will be right back again within two or three years needing a SAFER Grant for additional employees. I'm a strong supporter of public safety personnel including our Police, Sheriff, Fire Department. I believe it would be the prudent thing for us to do, is to amend this and we could request the 38, 39. If we don't need them when we choose to sit down after the task force appointed as recommended by Commissioner Bynum, I would assume that we would give strong consideration to keeping our Fire Department well-staffed and well-manned. The least we could do is support our firefighters when they are supporting us in some of the most challenging of times.

I strongly encourage us to give consideration to amending our SAFER Grant request and increase the amount of personnel to man not only the Fairfax facility to keep that manned, but the new fire station in Piper.

Mayor Alvey asked, Chief Callahan, can that grant be amended, or would it have to be a separate grant. **Chief Callahan** said no, we would have to rewrite the grant. It's written. My only, and I don't have a problem rewriting it, my only problem is looking at for the eyes of the grant reviewer. With no substantive change in the grant application informational package, they might look at as a supplemental request for 21 personnel especially since it was made between last Thursday and this Thursday, but I don't have any objection to doing it. I'm just concerned about—I don't think we're attritioning at the rate that Commissioner Kane believes we are, so in year four there might be some tough decisions that have to be made with the personnel that are brought on.

Mayor Alvey said in other words, you're saying that if we were to bring on an additional 21, then we would have to again find a way to fund those and if we don't have—if our revenue doesn't recovery, if we've not repaid all of our Reserves, then we're again scrabbling and would probably have to lay those individuals off. Is that what you're saying? **Chief Callahan** said correct. Just for everyone's edification, the number isn't 21, it's 23, so it's an additional 23.

Commissioner Burroughs said I also want to bring the attention to the amount of overtime that would be addressed by additional personnel. I think those numbers in and above themselves can be supportive of maintaining a healthy workforce. Through this COVID impact that we've had on our community, I think it would be a prudent time for us to advance additional requests due to the fact that personnel have been impacted and our overtime was impacted as well as our local budget. If we would have had additional personnel, we wouldn't have had to struggle with the amount of overtime that was paid during this crisis.

Mayor Alvey said, Chief Callahan, an additional 21, would that solve overtime problems or 23 overtime? **Chief Callahan** said no, it would not. Sending new firefighters out isn't going to forestall overtime. They still have to come to work. I wouldn't look at that—it would solve staffing the station, but it's not going to obviate additional overtime.

Mayor Alvey said I guess I'm going to suggest that—I'm not opposed to the idea of the task force. I think this is really something that has to be worked out by Commission. Of course, I'm not opposed to asking that we would submit a second SAFER Grant application in addition, but I would not want to jeopardize the one that is currently in play. I think we let one move forward as is. It's already been moved through the Standing Committee. It's going to come to the whole Commission, but in the meantime if an additional grant were to be applied for, I'm fine with that. We could always back away from that if necessary.

The larger issue of closing the Fairfax Station has not been resolved and it's got to be done in the larger context of the total budget. It's clear no one wants to close a fire station, like no one ever wants to close an elementary school. These are things that become very important to a community and it's simply a matter of how do we best serve the community that we can continue to provide the necessary fire service (inaudible), but we also have to do this in ways that we can afford. This is why I'm going to suggest that we might—Chief, if you would pursue perhaps putting together another SAFER Grant request for the 23, if that's what it is, but then we're going to have to solve for the equipment cost and any other additional cost. We're not in a position to do this tonight. I think the issue has been brought forward. We can continue to move it forward, but I'm not convince at this time that a task force is what is necessary. This is really the work of the Commission, the staff bring it to us and at this point, I'm not inclined to do that.

Commissioner Kane said a second one is fine, and I don't want to jeopardize the first one, but the second one is fine. They've already got the other one there and then we're asking to see if we can get it. That would give us time to look at our situation and see what's going on so we can get past this budget and worry about that. The Chief is going to have to pay overtime no matter what. He'll have to pay less when this thing resolves itself, but I think we're better off, if you want to apply for two, that's great. Then after we get done and we get past the budget and we won't know that until it comes back and—I don't know, Chief, you couldn't amend the first one? **Chief Callahan** said we could rewrite it and send it, but we can't amend it, it's in Washington. We hit the send button after it got approved, the Committee approved it. **Commissioner Kane** said so we would just have to send a second one. **Chief Callahan** said that's correct. **Commissioner Kane** said I would rather send one, but if we have to send two, I don't know what else to do.

Commissioner Bynum said I will certainly respect the decision that you make, but you know, and I know and so does everyone else on this meeting, that we've had numerous meetings of numerous groups of people around the closure of the Fairfax Fire Station. The reason I'm bringing forward the concept of a task force is because, number one, the last time we talked about this at full Commission, we did ask that we have more time, that we take more time and study and have more information. Secondarily, that we acknowledge that the direction given to Doug Bach to staff a new Piper station was to do it within existing resources. Third, because I think it's time to bring everybody to one table and I feel like we've been sitting at two, three and four different tables throughout this discussion. I don't personally find that it's been terribly productive. I would much prefer to have the voices that play in this discussion at one table and I truly believe Commission representation needs to be there as well. That's why I'm saying, the four groups that I identified, Administration, Fire Administration, Fire Union and Commission because among those people the expertise is there to bring forward to the rest of us some options that can actually be looked at in detail about a way to staff every fire station we have, with the existing people we have, because again, I assert no matter how many position we ask for in a SAFER Grant, we have a fire station we need to open in the next 60 days. So, that is why I am making that proposal, and again, I respect your decision and your ability to make it. I just wanted to reiterate why I'm asking for it in the first place. **Commissioner Kane** said I think that's an excellent idea.

Mayor Alvey said thank you. I'm going to close. We've gone on long enough but, again, I think this is a decision for the Commission, that's it's our responsibility to bring all those forces to play and to present those and to make a decision. That's going to have to be done within the context of a larger budget. I think we know where people are on this. I think there are those who will never accept closing the Fairfax station, that's clear. I would love not to do that. At the same time, I understand where we are financially. I also know that this is, again, very painful but as Commissioner Johnson and Commissioner Philbrook said, this is what we're hired to do, but I will continue to take that into consideration, and I would be happy to talk to you more about that Commissioner Bynum.

Having said that, I am going to bring this meeting to a close and thank you all for being here. It's been a long, long meeting.

MAYOR ALVEY ADJOURNED
THE MEETING AT 8:25 p.m.

Bridgette D. Cobbins
Unified Government Clerk

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