STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, WEDNESDAY, APRIL 1, 2020**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Wednesday, April 1, 2020, with eleven members present on line: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District (arrived at 5:47 p.m.); Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO presiding. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Gordon Criswell, Melissa Sieben, Alan Howze, Emerick Cross; Assistant County Administrator's; Rocki Mayes, Program Supervisor in County Administrator's Office, Maureen Mahoney, Chief of Staff in Mayor's Office; Alley Porter, Commission Liaison; and Officer Jay Doleshal, Sergeant-at-Arms. Molly Saunders, Shockey Consulting Services, was also present.

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

MAYOR ALVEY called the meeting to order at 5:30 p.m.

ROLL CALL by Doug Bach: Alvey, McKiernan, Bynum, Markley, Walters, Burroughs, Kane, Townsend, Ramirez, Philbrook.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Wednesday, April 1, 2020, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building, for a Priority Based Budgeting 2021 Budget Retreat. Due to COVID-19 the meeting room will not be open to the public, but the public will be able to see the meeting live in the City Hall Lobby. Access is also available livestream on YouTube or UGTV. A reminder that social distancing will be in effect in the City Hall lobby.

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're having a retreat regarding Priority Based Budgeting and the 2020-2021 Budget.

Doug Bach, County Administrator, said as we started to work on this from a retreat standpoint that we've had in place for a while and putting together details, we quickly realized that trying to breakout out of session and do a follow-up on PBB like we had done the last time we came together for a retreat, was going to be a little difficult. We've kind of gone through some programming to see how we could set out and do groups of three's, but there seemed to be some issues. We had some concerns regarding some of the Open Meeting issues since we wouldn't have any members of the public in place and also just the shear time period it takes to do that and being broke up like this. For our first meeting we decided we may refocus this a little bit.

With what's going on with the Stay-at-Home order in place, it is having an impact on revenues around the community so we thought it would be good to talk about some potential impacts. Kathleen is not going to be in the position to come out tonight and show you what's happened because we're just now getting February numbers back, so we don't have any impact of knowing what happened exactly in March. We can think about different areas and start to make adjustments or thinking about the fact that we are going to have to make adjustments through 2020 and then look at 2021.

We'll go through and spend a fair amount of time talking about that because that is first and foremost for us as we start to build our budget. We'll still look at some of our PBB and program prioritization. I don't want to just drop that. We just won't spend as much time on it. Molly Saunders is here from Shockey Consulting. She is on the line with us, so she'll take on a part of that.

That's how we're setting this up tonight to move through it, so we'll kind of inform you about where we are, get some discussion regarding that and then move on for a few other areas. With that, I'm going to turn this over to Kathleen VonAchen, our Chief Financial Officer, who is going to go through the presentation we have worked up on our revenue updates.

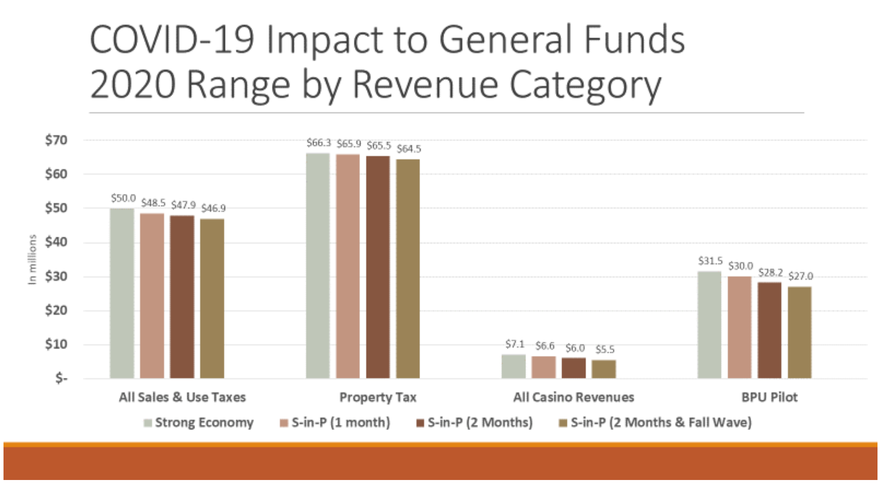
Kathleen VonAchen, Chief Financial Officer, said at some point Melissa is going to share the screen for the PowerPoint that we provided you. Just so you know my team has been working on the revenue estimates over the past week. We sat down and talked a little bit about different scenarios. Melissa, is the PowerPoint going to be on the screen? **Melissa Sieben, Assistant County Administrator,** said I will go grab it. I thought you were sharing it. I'll bring it up in just a minute. **Ms. VonAchen** said well, I can share it. **Ms. Sieben** said no, just let me do it, it's fine.

Ms. VonAchen said last Wednesday we had a budget kickoff meeting with the departments and at that time we had developed some preliminary revenue estimates, but then that was pretty much the first day or maybe a few days after the shelter-in-place order had gone in place. After talking with them we started to realize the true impact of—you know because the Legend's and all the stores had been closing little by little, so we realized that—and then we learned more since last week about how there's a potential that the shelter-in-place order or that direction is going to be perhaps expanded beyond just the one month that we had talked about.

Actually, the need for us is to actually come up with all kinds of scenarios just in case. Of course, we're not adopting the budget until—we don't have to finalize our revenue estimates until May or so, so by then we'll have a little bit more information. The biggest revenue estimate that we think we'll be impacted is Sales & Use Tax. As you know, we don't get information on actual activity until two months after it's happened. Just yesterday, we got our March distribution and that's for activity that occurred or retail activity that occurred in January, so we don't have any idea at this moment how the sales taxes are being impacted.

The funny thing is, one of the Finance Directors in Johnson County mentioned that it's sort of like putting a blindfold on and then just throwing a dart. We all came up with a methodology a couple of the Finance Director's and I talked, and what we identified is that we can look through all of our vendors as those that are remitting sales tax and they can tell us little by little what—the discern which businesses are essential or open and which ones are not. Then we can kind of make some assumptions as to the ones that are open, at what level are they actually having activity, has it diminished or what have you. We made some assumptions based on that.

We also—we're going to give you an overview of the revenue situation for just the General Fund and then also do a financial overview of the future, so you'll see that as well.



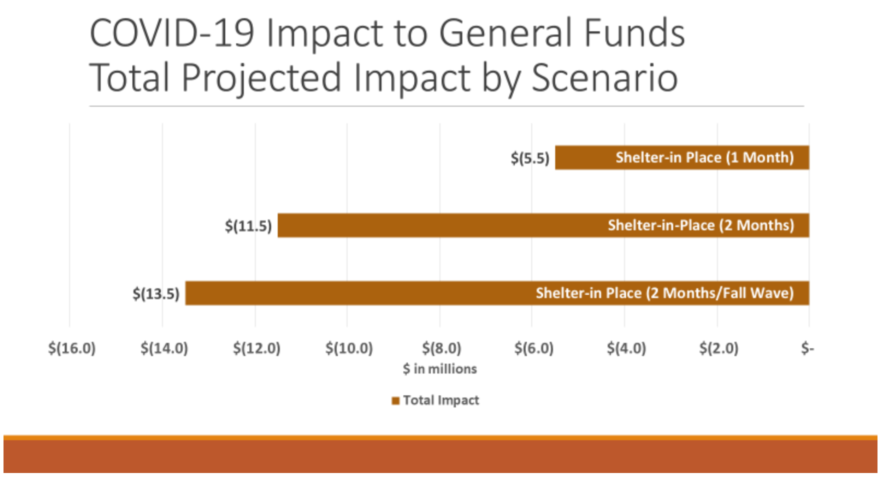
The first slide, rather than landing on one specific scenario, meaning the present, what we have done is provided a series of the three scenarios—or four actually. The first one is the strong economy as if COVID had not happened at all because we were under—we did have a very good economy until this hit. The second scenario is if the shelter-in-place was just in place for one month. The third scenario is the shelter-in-place for two months and based on, you know, because we're trying to be prudent and we certainly want to make sure that we consider all the operational impacts, we're going with that third scenario. The worst one would be if we're shelter-in-place for two months plus than there's fall waive where folks start getting sick in the latter parts, you know, in the fall in October.

Here we picked up the major revenue categories that are impacted. Since this is the General Fund we don't have in here, for example, hotel and motel taxes which would also be impacted, but that's a different fund. As you can see, on the sales tax side this is all Sales & Use Tax including the STAR Bonds. We were expecting to collect around $50M and with the one month it drops down to $48.5 and then with two months of shelter-in-place it's $48M. We're losing roughly $2M in sales tax between the strong economy and the two-month stay.

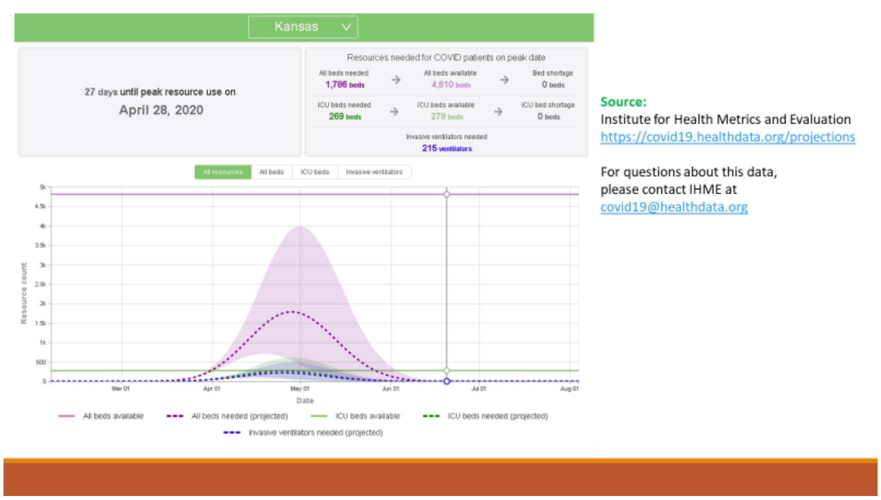
On Property Tax, it only decreases somewhat mainly because we're projecting that our delinquency rate, which was doing very well. We previously projected around 5.6%. Previously, during the financial meltdown, it had been up in the 8 or 9%. We had it at 5.6 under the strong economy, but now with all this, we're predicting it will probably be going up to around 7% in 2020 and then 6% in 2021.

Casino Revenues, we are projecting that there will be a growth rate on the base during the time casinos are open, but with their closer for two months, it diminishes the amount of revenue that they'll be bringing in.

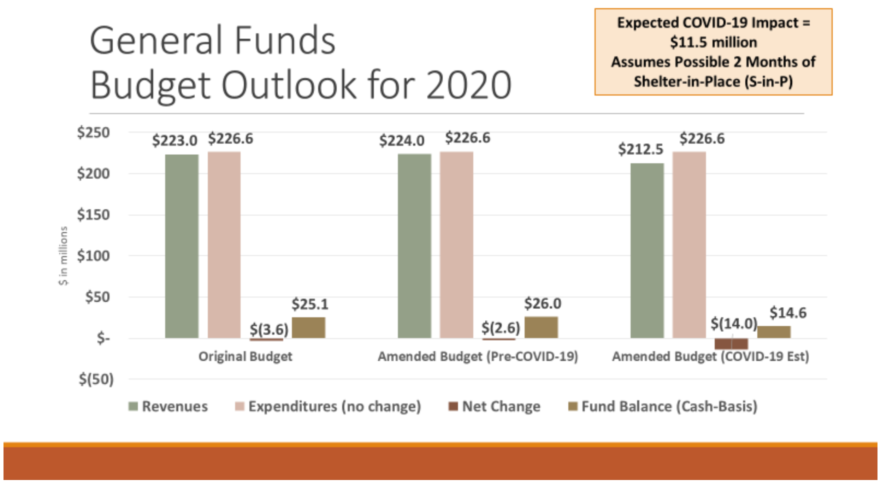
The Pilot, we are projecting that potentially there may be an impact as households have trouble paying their bills. The BPU is working with their customers on that, but it would impact the Payment-in-Lieu of Tax that comes to the UG.



The next slide actually shows the impact of the three scenarios. The one that we're expecting and that we need to budget for is where there is a \$11.5M reduction in our estimated revenues for fiscal 2020. You've got to understand, this is the current fiscal year, we've already gone through three months of that. The range of revenue impact goes from \$13.5M with the third scenario at \$5.5M, if we were just in place for one month.



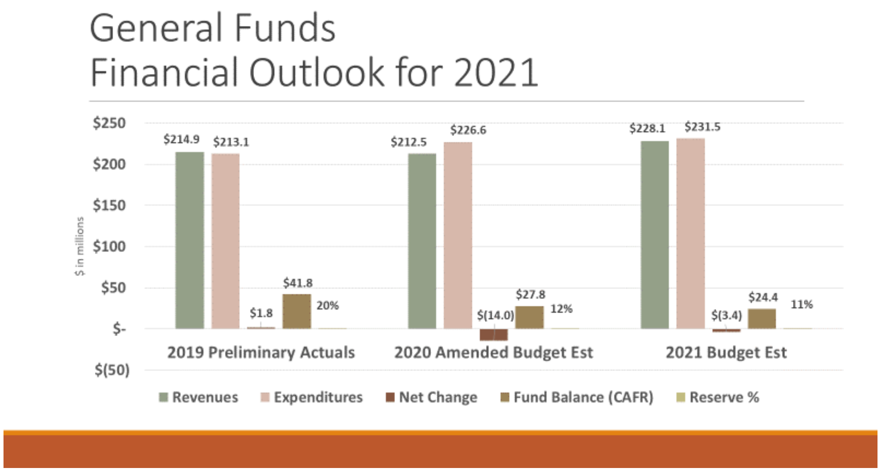
There is a website that our Health Department has also been referring to. I got it from Bill Gates on Linkedin, but it actually is the Institute of Health Metrics & Evaluation. The information if you want to go to that is provided there. What they're estimating is that our peak demand for beds, hospital beds and ICU beds, will happen around April 28th. This is why I'm recommending that we incorporate a two-month shelter-in-place situation into our revenue estimates because we predict that likely the diminished revenue will probably last through the middle of May.



So, how does that impact our financial performance or our financial situation? I just wanted to demonstrate that the budget outlook for 2020, the first series of bars is our current budget or the original budget. We expected to bring in $223M and spend $226M which meant that we were going to be budgeting—to draw down our Reserves by $3.6M leaving us with a cash-basis fund balance of $25M. Because the original budget—the revenue estimates were done in May of last year, we didn't really know how the economy was working. Had we not had a COVID incident, then we would have collected about $1M more in revenue was my projection before the COVID crisis came. Of course, just for estimating purposes, I'm leaving the expenditure side the same. That's the task or the challenge we have ahead of us.

The original budget as amended under a strong economy would have resulted in a net negative or a drawdown of the fund balance of $2.6M leaving a total for the three General Funds combined of $26M.

As I mentioned before, the COVID impact is $11.5M assuming a two-month shelter-in-place. As a result, we are now expecting a decline of $14.6—to a fund balance of $14.6M.



What we're going to show you here is how that impacts the CAFR Fund Balance and our net position in our financial statements that are a report to our creditors. The first series is what we—currently we are in the middle of completing our financial audit, so our preliminary actuals are represented for 2019 are provided there for your review. We are expecting to end the fiscal year of last year with a net position in our General Fund of 20% of expenditures. We're expecting to end the fund balance of $41.8M which represents 20% of the 2019 expenditures.

Our Reserve, as you know, we recommend that we maintain two months of Operating expenditures which is approximately 17%, so we're in good financial shape because we're in excess of our target reserve. We're very grateful to the Commission for your support in working towards that because this situation with COVID is the exact reason why we need to have a Reserve.

For 2020 given the two-month shelter-in-place, we are expecting to—if we were not to reduce any expenditures in the current fiscal year, we would end with a fund balance of only 12%. That seems pretty alarming, but you must understand that all of the municipalities in the United States are having the same problem. The credit rating agencies have all expressed that they will be factoring that in. Of course, they also expect us to take action in some form in order to diminish that impact.

In 2021, we have preliminary revenue estimates growing to $228M from the $212M figure in 2020. We expect expenditures to be roughly $231.5M. We determined that—we thought let's increase salaries and benefits all across the board by 3% and then increase above the budgeted base. Services and Supplies would all be increased by about 2%, so we did some estimating to derive that preliminary $231M number. Of course, as we enter into the budget process, we will be examining all of that both in 2020 and 2021.

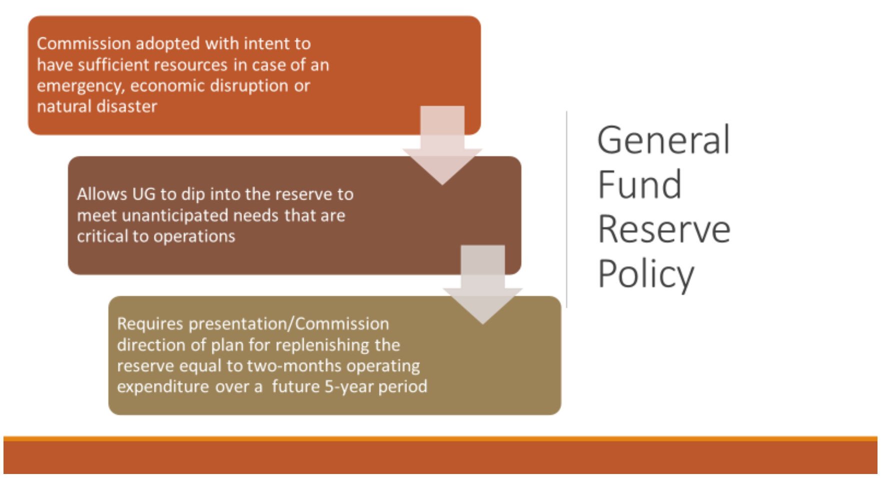
If we did nothing and did not make any reductions to diminish the impact of COVID, we're projecting that the fund balance at the end of 2021 will be 11% of expenditures.

As I mentioned before, we have less time to make reductions in the current year than you thought, so given the fact that 1/3 of the fiscal year has already been completed, the total cost reductions to achieve the $11.5M would calculate to about $1.2M per month. What that means is, every month we wait to put in place actions to diminish that cost reduction, it's just more that we have to cut in the future. Of course, we do want to diminish the operational impact on our citizens in the services we provide and so forth, but delays in implementing the—this is a one-time reallocation, so it's just more challenging if we wait.

There are a variety of options. Many of these options, you probably might remember if you were part of the 2009 great recession. One of the options is to pause the labor negotiations impacting salary increases in the future three years. Many of those negotiations are ongoing and some are near completion, so that's one thing to take a look at.

Another option is perhaps instituting a hiring freeze for non-public safety personnel. That would provide us with some cost-savings. Of course, we would want to do that very carefully without diminishing our current service delivery. Also, we could reduce the 2020 Operating Expenditure budgets down to the 2019 level or even lower. We just go in and work with the departments and find where there's savings that people could perhaps delay certain projects to future years and not do them this year. The last thing is just to reduce 2020 cash funded capital projects and various equipment. There's not as much money there as you would think. It's not entirely discretionary because half or more of those funds are actually obligated to part of lease purchase agreements for vehicle acquisitions.

I did want to mention that, of course, there are other options and we are open to suggestions from you or the public or anyone, but none of this conversation here takes into consideration that there may be additional revenues coming in as a result of negotiations and congressional actions that may take place in the future. Of course, we can't predict what's going to happen at this point. Perhaps the impact that I'm estimating may not be as bad as I have outlined here. We're going to keep a close look at it. Trust me, we're looking at it every day.



As I mentioned before, we have a fund balance and I am so grateful for your support on this Fund Balance Reserve Policy. You adopted it a couple years ago with the intent of having sufficient resources in case there's an emergency or economic disruption or a natural disaster and that's certainly what's happening now.

It allows the UG to dip in the Reserve to meet unanticipated needs that are critical to operations. Just as a reminder, it requires a presentation and your Commission direction action on a plan for replenishing the Reserve so that we accumulate enough to equal two months of Operating Expenditures. That plan is over a future 5-year period. Certainly, waiting five years until we reach back to that threshold, would be probably not the best—not my suggestion because the credit rating agencies are going to be watching us. We don't have to necessarily reach that target again this year. We could work on it over the next couple of years and as long as we have a plan, then I think that would be helpful, not only for our credit rating, but also for our own self, because we do want to make sure that have funds in case there's another disaster that happens.

Are there any questions on the financial overview? I'm happy to answer any questions.

Commissioner Burroughs said thank you for the thorough presentation. I truly believe your numbers are absolutely spot on in reference to what I've been seeing in other places. The $1.2M a month, I mean I will just state upfront that we should prepare in moving forward for the worst case scenario. Anything less than that will be seen as a budget plus for us. Those are my early statements coming out, but I'm not trying to sound an alarm, I'm just stating as the fiscal prudent that I am, I would state that the (inaudible/cut out) your recommendation for two should be the minimum we should consider. **Ms. VonAchen** said I did a little research and there is an interesting video on YouTube about how Kansas City, MO and Kansas City, KS reacted to the 1918 Spanish Flu. They talked a lot about how the municipalities—their reaction to it and what businesses opened and which ones didn't open and how that impacted the second and third waive. I think a lot of the measures that we certainly are putting in place are going to diminish a reinfection of our population in the fall, but that's certainly a possibility.

Mr. Bach said just to follow-up a little bit on what Kathleen said, as we look at this in recognizing if we project out a couple of months that we probably don't want to go after our Reserves to take on the full blunt of a $11.5M hit. It could be a little more, it could be less, hopefully, but I don't know that I could look at that and think—I think that $11.5M is probably—and that's a very preliminary number that she has come up with too, so it's not like two months just fixes us in and we say that's exactly what it's going to be.

To me, as we threw out different things between Personnel, Capital, it kind of changes the direction of where we're going with this year's budget. Instead of looking ahead and saying, okay, we're probably going to fund up or try to do some additional programming, I can't sit here today and make any recommendation that we would be adding anything in any area. In fact, most our areas are going to be struggling to be able to do what they're doing. As we noted yesterday when we had a couple of COVID cases come about, well, one of them is in our Parks area where we do a lot of mowing and that just shut down a whole bunch of crews I mean because of the potential. So right now, when we start going out and hitting out in the field at one of our peak times, we're dropping, I think, at least 14 people that are going to be quarantined for a while in that area. That's going to have an impact on how we look in the community and that's going to go on for a couple of months during this timeframe.

Operationally, we're going to see a lot of strains put on us, so I will probably be spending all the additional money we come up with or move around from a lot of areas to pay overtime to keep people going or to buy any special equipment, things like that. There's still a lot other unknowns to factor in.

We laid this out here this evening that it's kind of our time when I sit down with you all and start saying let's get our guidance and think about where we're going for the future, but as we started doing our revenue projections, I guess, it comes to the point it doesn't really seem like—I don't know if there's a lot of different thoughts. That's why I wanted to get it from you all as we've laid out some of things. None of our labor unions have come back and accepted contracts with us yet. I think a few of them are getting ready to move forward with votes. If we're going to do that, that does lock us in. We don't see anything that says our long-term is going to be off, but they are things that impact this years' budget.

We wanted to throw all these out there and kind of have a chance to be able to talk about it and kick it around and get your input.

Mayor Alvey said I'm not in favor at this time of—we're in the midst of these labor negotiations. I don't think it's prudent at this point to pause those and to renegotiate especially with those unions who have already gone through the process fully. I think we let that play out a little bit more. I'm not personally in favor of changing that movement.

Commissioner Townsend asked, could I see the screen again as we're talking about these options that was put up. I think there were four options and I would like to see that screen again if we could put that back up. **Mr. Bach** said, Commissioner, I don't want to qualify that they are the only four options, but they are ones that when we look at the largest areas of spend and we're looking at that much money, so that's why we through those out here along with, obviously, hitting our Reserves. **Commissioner Townsend** said I'm just curious, the second one institutes a hiring freeze for non-public safety personnel. Do we have any idea what the financial impact of that would be from month to month if that was the option we pursue.

Ms. VonAchen said actually that would be a range depending on how much of a freeze we would institute. If it were every position that became vacant we would hold and for how long that position is vacant, it just kind of depends. My guess is we could probably target between $2-$4M depending on, you know, when people vacate the position and which ones they are.

Commissioner Townsend said this option contemplates people who are already on the payroll with us. **Ms. VonAchen** said yes, and if they vacated the position, then not rehire in 2021. **Commissioner Townsend** said going back a couple of budget year's and the presentation that talked about the Silver Tsunami, I mean, just based on those numbers and, of course, none foreseen, we're saying that we could do $2.4—for the month, for the quarter. **Ms. VonAchen** said no, between $2M and $4M for the year, but it just depends on the extent to which we would freeze positions. You know, if we were like a 100% freeze, but it sort of depends also when people actually vacate a position. I'm just giving you a range.

Mr. Bach said I want to make sure, Kathleen, that you're thinking about that in terms of taking out all of the Public Safety personnel in relation to that because—and the reason I hold them back out is they're all out there going full guns right now and we're paying overtime, so it's really not practical to hold back. Even if we said we wanted to in those areas, it would cost us money if we made that move. It's also a hard one to look at when you look in so many of the other areas, I can't really pull back in Public Health today or my Public Work crews that are out doing different things. They're getting called into many different areas and Parks are busier now than they've ever been. **Ms. VonAchen** said absolutely. It would diminish our service level delivery. For example, in Motor Vehicle if we were to—we get a lot of rehires because our Motor Vehicle staff often find other opportunities in the UG to expand their careers. There's vacancies quite a bit in Motor Vehicle and if we were not to rehire them, then the wait times in our Motor Vehicle Registration Division would really be diminished.

Commissioner Walters said I'm going to comment on one of the options the pause of labor negotiations. I know we talked about some directions several weeks ago before this all happened or as it was happening. Since we really don't know the financial impact yet, I don't think we can just go forward as if nothing is happening. I would be inclined to not enter into any long-term commitments at this time. I think pause is a good word. We may know much more in a month or two than we know now. I would be for not immediately pushing through the agreements that we are currently negotiating and pause them until we know more about the future.

Ms. VonAchen said one thing I did want to raise also is what the projections I've shown you, don't factor in whether there will be a COVID impact in terms of reoccurring infections in 2021. If you all feel that is overly optimistic, then as we develop the budget for 2021, we should incorporate that into the revenue estimates as well. I'm not an expert. It's difficult to know, just so you know. That's something we're probably going to be exploring in the coming weeks.

Commissioner Kane said I kind of disagree with Jim and agree with the Mayor. I think we need to push forward. There's so much going on that we don't want to put our labor guys or any of our employees on the backburner. I know that what we're doing tonight is important because we have to, but I also think that continue in good faith with our bargaining reps and all our employees to make it a better place and to work with them as best we can even though we're in these certain circumstances.

Mayor Alvey asked are there any other comments or questions regarding this piece of the presentation. Hearing none, we'll move forward.

Mr. Bach said if you have additional thoughts or input as we go on, I would welcome a call or whatever comments. We can talk about it more if you think of it more offline. With that, I think we're going to try to talk a little bit about our PBB and as we start to work on this more we really realize the advantages that we had the PBB in place because then we have all the priorities set out and our targets that we were going after. It doesn't mean we're going to quite on that. It's just a little slower process and that it's not one that we can turn it today. It's one you make those changes and the impact more we added into '21 or more like '22 and '23.

Kathleen, I think you and Molly were going to take us into these next sections.

Priority Based Budgeting (PBB)

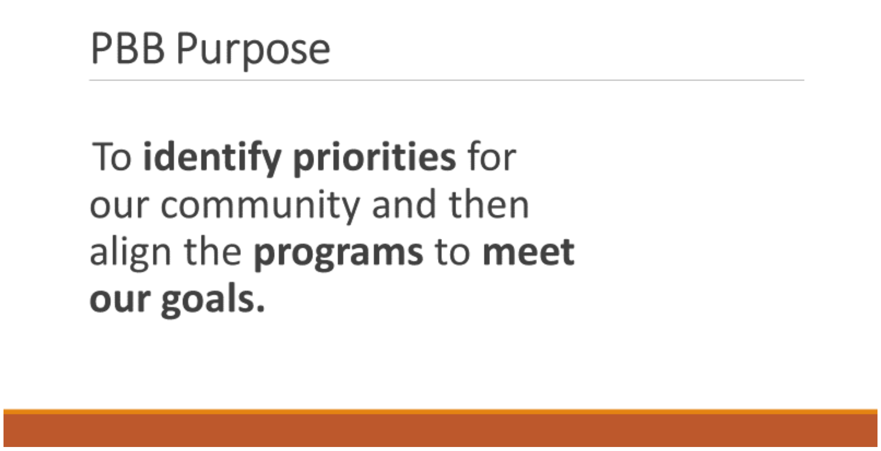
COMMISSION RETREAT – APRIL 1, 2020

Ms. VonAchen said we've had a variety of presentations with you to review or talk about it or give an overview of the process for developing the Priority Based Budgeting.

What is the PBB Process?

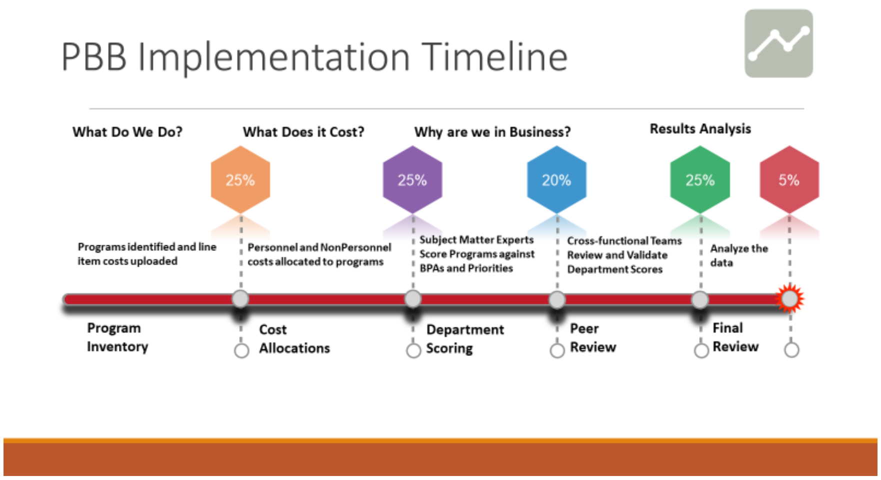
ANSWER QUESTIONS RAISED AT THE JANUARY RETREAT

The next series of slides is actually more a reference material for you. I'm not going to go over them individually, but maybe kind of leaf through this a little bit. The next slide just keep in mind that the purpose of PBB, what's the process, and by the way I'm going through this because there were a number of questions that were raised at the January retreat. I really appreciate your participation and support for the Priority Based Budgeting process. I thought the last retreat we had was very beneficial and I'm glad you enjoyed it.



Naturally the purpose of Priority Based Budgeting is to identify priorities for our community and then align the programs to meet our goals.

It basically answers the question why do we need to identify the priorities for the city and then align the projects with those results. So, why are we in business? Basically, it's trying to figure out how much does each program contribute to each of our strategic goals and naturally part of the reason we are in business is to provide safety to our citizens, to provide a sense of cohesion among our community, and to improve and enhance the health of our residents, among other goals.



There were some questions about the timeline for Priority Based Budgeting process. Over the past few years, we as staff, have been working with the collection of data in order to get to this final review stage. That's where we've been.

We started by doing an inventory of all the programs or services that the Unified Government provides and then we figured out how much all those programs cost. Then we had the departments, starting with the department director and their senior staff, reviewing each of those programs and determining how that program achieves each of the seven goals.

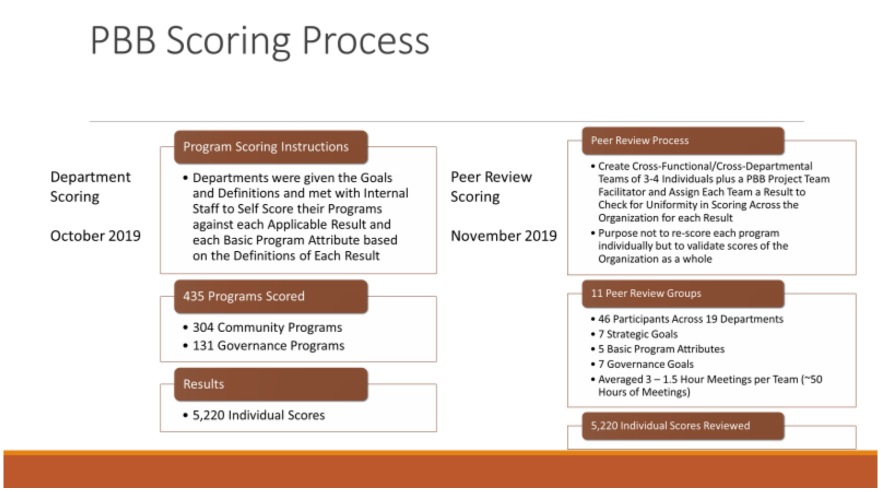
For example, general clinic services that the Health Department provides, it's certainly is very strongly aligned with the Community Health goal, but less aligned with say Public Relations or Community Outreach although that's an important priority now. Each service has an inherit purpose, but it doesn't necessarily achieve the same level of result for all of the seven programs we have. It's less aligned with infrastructure, for example, general clinics, initial services is less aligned with infrastructure than it would be with its own Health goal for example.

The second review actually took place with all of the department heads submitting their scores for their programs and then we had a peer review process where every strategic goal, all seven of them, had a peer review group and that group had a—I married 3, 4 or 5 subject matter experts for the various departments within the UG staff. They sit down and looked at and reviewed all of the programs for the given goal they were assigned to.

The Public Safety Peer Review group had 7 people on it and the Infrastructure group had 6 or 7 people on it from different disciplines and they worked together collaboratively to review the scoring of the department head. That provided a little bit of independence in the scoring and they changed those scores based on their knowledge of the services provided. You understand, all of the input here, because we all live in Wyandotte County we also are looking at it from a perspective as a resident and as a customer of these services. All those scores were reviewed—went through that second layer of review.

The final review was conducted by our Executive Team and Budget staff in order to make sure that some of the programs across the departments whether they need to be combined or not or if there were some programs that really ought to be combined with each other because it made sense. That kind of clean-up took place too.

That's where we are now is that we're now analyzing the data and ready to utilize it for decision-making.

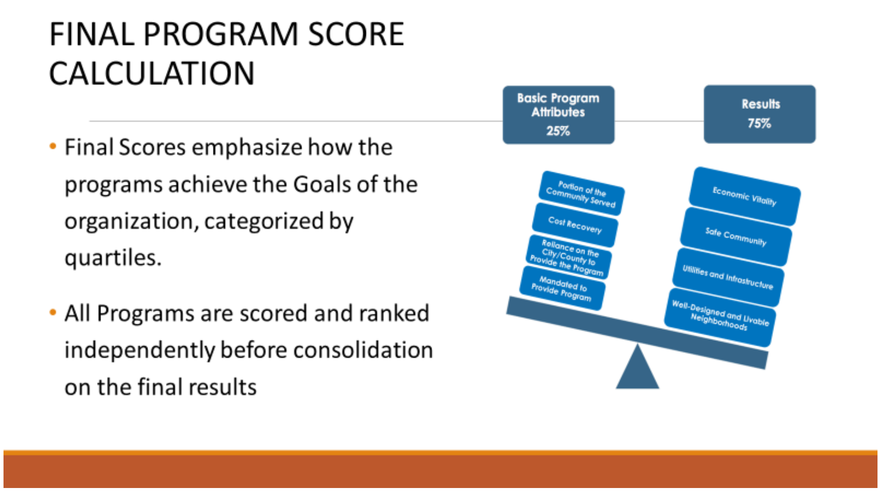


Just to give you a little idea of all the programs; back in October we used 2020 data and we analyzed all the programs. We figured out that there are 304 community programs. Those are programs that are offered to our residents and then there is 131 governance programs which are more internal programs. For example, the Finance Department, HR, and Legal, those sorts of programs.

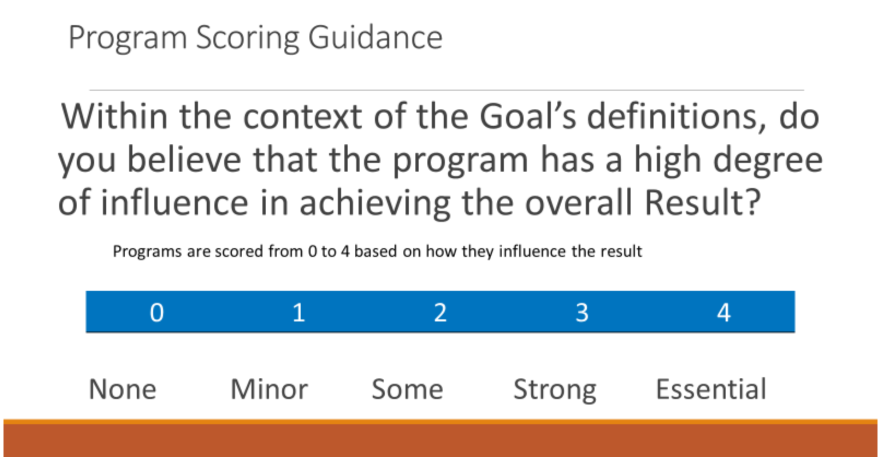
All the programs were reviewed not only by the department head, but then also the peer review group. Every program got an individual score and combined it was about 5,000 individual scores. The software system built the calculation of the program in order to figure out what the final scores are.

As I mentioned, that peer review process that took place in November last year. There are 46 participates across 19 departments. There are seven strategic goals, five basic program attributes, so not only is there the seven strategic goals, there are also basic program attributes that we'll talked about a little later. The Governance Programs had their own Governance Goals.

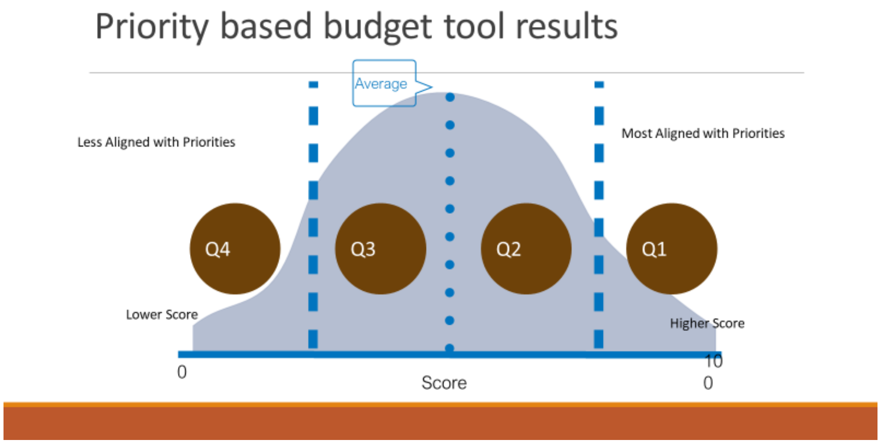
Just a reminder, these are the seven Strategic Goals from which every program was evaluated. Each program looked at one of the seven goals to see how closely aligned or how it contributed towards achieving the results voiced in each of those seven goals.



Just a reminder, every program not only is evaluated against the seven results or goals which contributes to 75% of their weight, but they were also given certain basic program attributes which constituted 25% of their score weight. Some of those attributes include what portion of the community that the program serves, does it collect revenues and to what extent does the revenue collection recover the cost of providing the service, and is there a possibility that the service can be provided by a nonprofit organization or just the private sector. How reliant are we on that service by government. Then, whether the program is mandated by the State or federal government and also the other one was demand for services in increasing or decreasing.

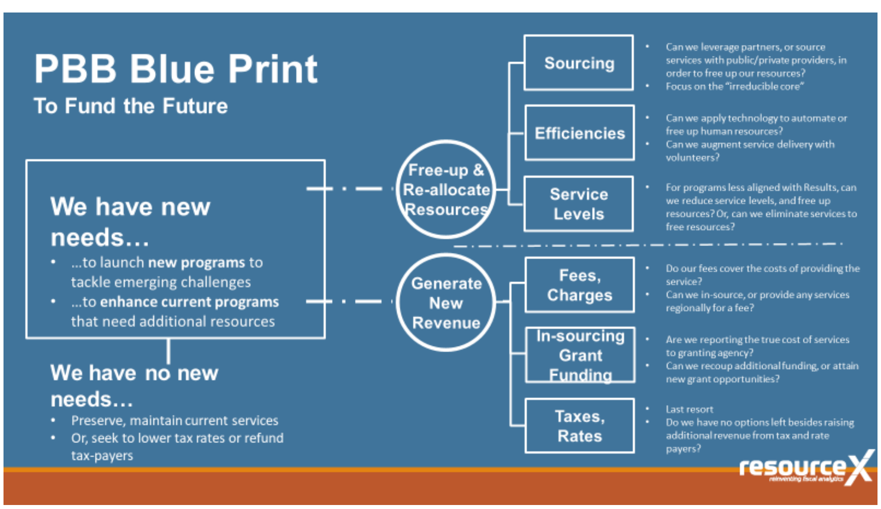


Just so you have an idea, when we were scoring each of the programs, not only the departments but also the peer review groups, they were asking themselves this question. So, within the context of a goal's definition, which we provided you with the opportunity to refine the goal definition at a previous budget session. The question we asked ourselves, do you believe that the program has a high degree of influence in achieving the overall result? Public Works, for example, their Engineering Division, they probably have a very—would give themselves a very high score in the infrastructure strategic goal because their engineering work would correlate very highly with the overall results of improving our infrastructure. So, for that goal it would get a four because it's essential. In terms of Engineering, how much an impact that goal, for example, public health or some other area, it may get a less strong or some form (inaudible, cut out), so that's an example. Every program and every goal was evaluated on that measure.



We combined all these scores. The software calculated the weight for all these scores and then it calculated a final score for all of the programs given all the scoring done by all those folks. It just basically generated a list of all the programs based on the map. Of all the 300 programs that are community-based, every program got a final score and if you do a sort from highest to lowest, you can figure out where that program stands amongst the quartiles. We just basically took all 300 divided them by four and that's how each program landed within the four quartiles with Quartile 1 being those programs that have the fourth highest scores. Quartile 2, those programs that have the second highest scores and third and fourth.

The average typically is between this curve here. Those programs that are in Quartile 3 and 2 are typically where most of the programs land.



At this point now we just want—we have all the data, what do we do with it. Of course, we've all talked about how the Unified Government has a lot of needs that are not funded because we just haven't been able to identify the resources. Some of those needs are all of the infrastructure improvements that our community needs in order to diminish the expected failing streets if we don't invest in our streets and roads or for the replacement of our aging fire stations. There is just a whole slew.

On the Operating side, there's also a need for additional funding in order to undertake new initiatives that would greatly improve the delivery of service to our residents. Certainly, there's a lot of new programs and current programs. What we need to do is take a look at our current base and determine which programs are we currently providing that perhaps maybe we need to reelevate.

There are six different categories from which we can identify additional resources within in our base. Of course, there are new revenues we can generate, but then there's also opportunity for freeing up resources through changing maybe how we outsource or provide our service by improving our efficiency or by discussing what service level do we need to deliver for that specific program.

This is called the PBB Blue Print and we talked a little bit in January about providing ourselves with an objective to try to achieve some—or to give ourselves a target and we did at the last retreat talk about trying to achieve \$15M over the next three years. Of course, that's just a goal that we thought we would try and work toward. Of course, this conversation tonight and in the coming weeks will help us get to that.

I'm happy to answer any questions and then after that we're going to have Molly start with a facilitation of further discussion. Any questions on that overview?

Commissioner Bynum said I just wonder given our current reality if we were to go back and do all of those exercises again today, how those programs would shake out in terms of priorities because I have the feeling that things that may not have been scored in a higher quartile three months ago, certainly might score there now. I just think we're living in a new world. That's it.

Commissioner McKiernan said the last time we got together in a Special Session we had sheets that showed all of the rankings. I was curious, have those been updated in any way since we last got together or are they the same? **Ms. VonAchen** said no, no, the scores have not changed at all. They went through that whole process last fall and that's what they are. In fact, the routine for actually rescoring the program is not something that we do every year and it's done based on whether we all agree that there is a need to do that.

Commissioner McKiernan said I guess my other question would be given the fact they haven't changed; would it have been advantageous for us to have reviewed those before we sat down tonight? **Ms. VonAchen** said what we're going to do tonight—well, I was going to talk a little bit about that. We're not actually going to be interacting in this electronic means. Instead what we're going to have you do, Molly is going to provide you with a survey and she's going to talk about that. In addition, I know one feedback we got is that you would like to have more information on each of the programs. I will also be providing you that tomorrow morning. That was not part of your packet, but it's going to be kind of a big thick document with additional information on each program.

Molly Saunders, Shockey Consulting Services, said last time we got together it was a different world and we went through the exercise of having small groups get together and look at programs that had been scored already by staff through the process that Kathleen outlined. You all took a look at those that landed in the third and fourth quartiles, so the lowest priority programs in the staff ranking. I think there was some really good conversation around those programs, and you were asked at the time to kind of decide the faith of each program whether it was to continue the program, whether it was to take a closer look at it and look at some of the options like outsourcing or doing it more efficiently or simply we need to stop the program.

Some of the feedback that we had, like Kathleen mentioned, that we need more information. Some of the things that were on these cards that we're looking at, we don't know what this necessarily means. We're providing more information to you on some of those details, which I'll talk about in a minute. Another point of feedback was, why are we looking at all lanes of least important things. We would like to see all of the programs. I will walk you through that in the PowerPoint in just a second, but at this time when we're dealing with some things as unknown and unexpected with COVID-19, sometimes it's easy to say what are we doing this program prioritization for. There are lots of big things that we already have on our plate, but you know this is actually the right time to be studying your priorities because it can be very easy to get off-track and make decisions today that don't put you in the direction of meeting those seven goals that you set.

I will walk through the process that we're going to use. We can't, obviously, get into small groups now and do this exercise and I'll walk you through how we'll go about doing that. Right now, given where we're at I thought maybe we could have a little bit of discussion. As we think about 2021 in the world that we're living in we've got seven goal areas. Are there any goal areas that the Commission thinks as everyone is going through and ranking these, we really ought to maybe weigh the value of, you know, whether it's infrastructure or how community cohesion. What's the moment asking us to look at and prioritize because right now those seven goal areas are all equal, which is fine, but if there is some particular direction that you would like to go, it would be good to have a discussion so everyone can have that as a common plan reference.

Commissioner Kane said I would kind of like to stop and reevaluate because we don't know—we're in a bad situation now and we don't know how bad it's going to get, and I think we've kind of got to slow some of this stuff down. Like Commissioner Bynum said, if we did this over again, I'm sure we would come up with different answers.

Mayor Alvey said I think it's interesting, there is a KC Rising which is a regional—a metro group that is looking at how does Kansas City as a metro area compare to peer metro areas in other parts of the nation and how are we keeping up in terms of job growth and economy growth. They put together a group of tasks force to see what will the recovery look like, what kind of shape will it look like if they're really—if we end up in a recession which looks like it's almost already happened in terms of jobless claims.

It seems to me when we're in a situation like this, we kind of double down on those things which we think are going to put us in a good position for economic growth moving forward. Again, it's, I think, bringing attention and care to our neighborhoods, making sure as we do our economic development deals that our community benefits, it's about building wealth in our community. The long-term things, I don't think those fundamentals change, but Commissioner Kane and Commissioner Bynum are right, we just don't know quite how this will play out. We're going to have to continue to look for those indicators that tell us what the typography is going to look like moving forward.

I think we, again, focus on fundamentals, what drives economic growth. I think what drives economic growth for our county is going to be are we an attractive livable community and what do we need to do for our neighborhoods to continue to attract people.

If anything, the question of affordable housing, is going to become even more central because a lot of the people who are probably suffering the most are those who already have a hard time perhaps paying for housing. So, that question of affordable housing, quality neighborhoods, I think is just going to become even more important at this point.

Commissioner Markley said, Mayor, I think you're absolutely right. I think what this really illustrates to us why it is so critical for us to have those short-term and long-term goals. Our short-term goals are the things we're saying this is what we want to accomplish in the next six months or the next year, but that long-term vision doesn't necessarily change. What we want for our residents as a whole doesn't necessarily change on what we're looking forward to our community long-term, but we have to have those short-term goals. Those short-term goals have definitely been altered by what's going on in the world right now and will be every year I think happen, but I think we have to be flexible enough to handle and alter our short-term goals while still expecting those short-term goals to help lead us toward the long-term vision.

Commissioner Burroughs said I guess the comment I would make is how do we ramp-up after this. What do we do to help our economy. It's not going to flip-on overnight and become vibrant the next day. How can we bridge ourselves into moving forward after this, as the Mayor stated, called recession. I believe one of the things we need to do collectively as a leadership team is to determine what actions we can take and what partners can we engage to ensure that our small businesses know what they need to do to ramp-up. Our larger businesses, our large corporations, our Fortune 100s and Fortune 500s know what they need to do, but we still should have a checklist in place so that those that are in the field today, those that are determined essential, will have a chance to transition out a little bit to get some rest. They're the ones taking the stress and the emotional toll right now where those that have been quarantined and out of the system can move back in, but they need to move back in an environment that is controlled, sterile and (inaudible/ cutout) keeps the economy forward. It may be something that we can do (inaudible /cutout).

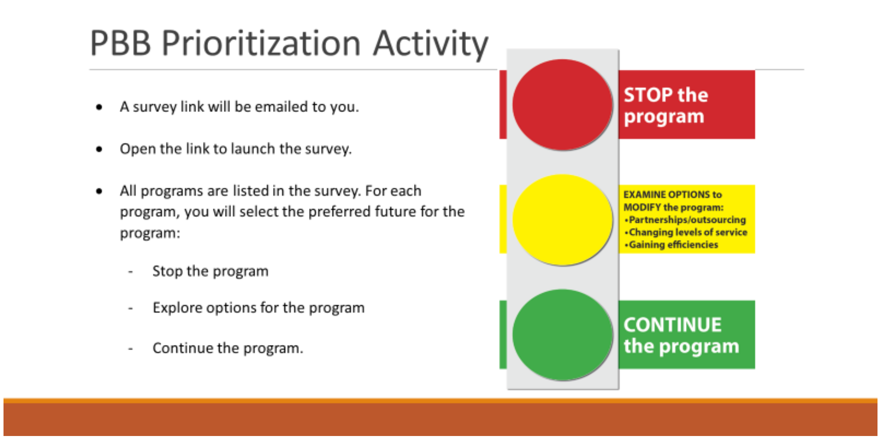
Ms. Saunders said as we're looking at the programs it is important to think what's happening right now, but as others have said, this is a short-term period, hopefully, that we have this disruption in our economy and community. Our longer term goals are still those seven goals, so keeping the eye on those and not doing things now that will over weigh from those. That will facilitate a recovery. That's what I'm kind of hearing from the comments though maybe as we think about programs, which programs are going to put us in a better position to be resilient and recover more quickly. Does everybody kind of agree?

Mayor Alvey said I agree with that, but I do think, again, what we all understand is we really don't know what it looks like. The fundamentals remain, they're going to remain throughout. I think maybe what we need to think about is as we come out of this, what message, what story do we want our residents to tell and we want them to tell the story, well, the Unified Government coped with this. They got out in front of this, they did do the right steps, you know, to enforce the Stay-at-Home order; those kinds of things that again—those are where the resources need to go because we need to handle the COVID problem. The story that people come out of this has to be that they didn't take their eye off the ball. The community; they stayed with neighborhoods. We did what we could for our small business and that's the kind of resiliency. It has to be a story of resiliency I think.

Ms. Saunders said right. so, as you're going through the programs thinking which of the programs really support resiliency, what's going keep us moving and what's going to—you know, some of the things that you talked about wanting to do, they may be delayed now but you don't want to sit them to the side and forget them. You want when the economy starts churning, you want to be able to hit the ground running and that's kind of what the prioritization is all about.

That's a little bit of a framework for you to think about as you go through the activity. I'll walk through what we're asking you to do and then we can answer any questions, or we can have further discussion about the approach and mindset to use as we're going through the activity.

Instead of doing the group method of prioritizing programs, everybody is going to get to prioritize the programs themselves.



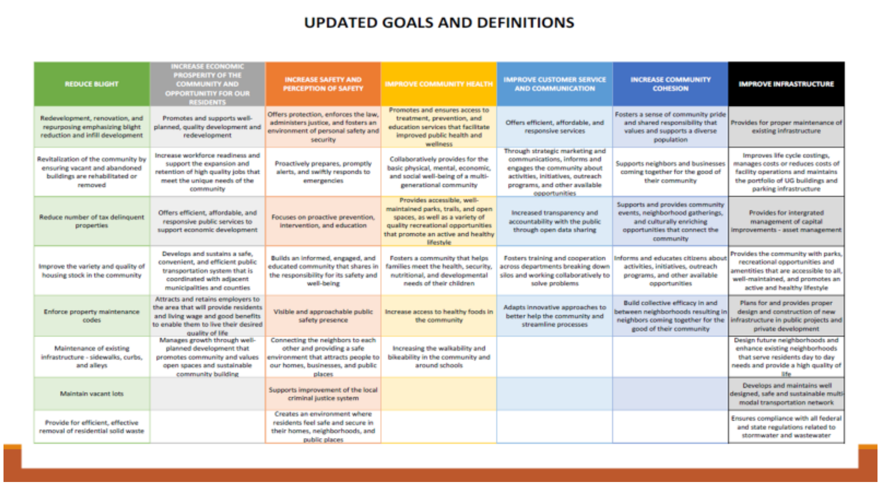
The way we're going to do this, we're going to email you a survey link. That should come from Kathleen after this meeting and it's going to be similar to what you did in your group, but you're not going to have the good company and the enjoyment of the conversation. When you get it, you will open the link to launch the survey and in the survey every program is listed. You are going to look at those programs and evaluate whether we should stop the program, examine the options, or to continue the program, the traffic signal exercise that you did before. You'll do it individually. There is going to be an area for comment.

The other thing, you received a packet today that have all of the materials that you will need to this activity. We've included all of the program cards including Quartile 1 through Quartile 4 programs as ranked by staff. That's how it's organized in the survey and that is for you to have as information, how did staff do that, but that doesn't mean because of the Quartile 1, you know, you can't say we need to stop this program. That is kind of informational and, as Kathleen said, where the programs are is not fixed. This is the part of the decision-making process in PBB of what are we going to do with all of this data. The data doesn't do anything without decisionmakers deciding where to put resources. In your packet the following slides really just tell you what's in your packet.

You'll have the PBB cards and some of the feedback that we received on these is we need some definitions of what is the demand, the mandate, population served. What do all those mean. It's a couple slides ahead. We don't have to jump to it, but there are definitions of each of those so that you can have that as a reference. When you're looking at the cards, you interpret what that program is all about.

One thing to know, we talked about their being over 300 programs, we're not asking you to do all 300 programs. The reason not all 300 programs are included is because programs that recover more than 50% of their costs are not included. The other programs that are not included are the ones that are required by the federal government, the State government, or by Charter. There's no point in you saying they are low priority, but you have to do them. We didn't want to use your time on that.

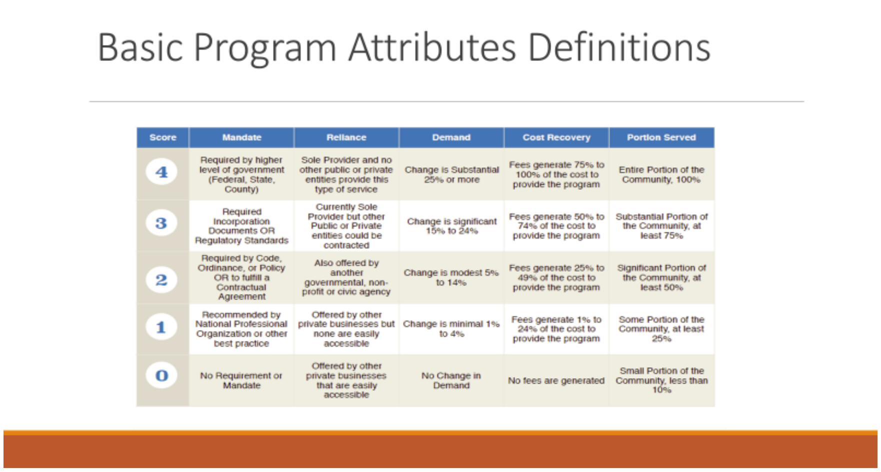
Also included in your packet is the Unified Government seven Strategic Goals. Again, that's one just to have to side to either ask yourself does this program move it toward any of these goals and as we talked about tonight, we want to look at programs that are really going to build our resilience. Does it build resilience in any one of those areas.



UPDATED GOALS AND DEFINITIONS

REDUCE BLIGHT	INCREASE ECONOMIC PROSPERITY OF THE COMMUNITY AND OPPORTUNITIY FOR OUR RESIDENTS	INCREASE SAFETY AND PERCEPTION OF SAFETY	IMPROVE COMMUNITY HEALTH	IMPROVE CUSTOMER SERVICE AND COMMUNICATION	INCREASE COMMUNITY COHESION	IMPROVE INFRASTRUCTURE
Redevelopment, renovation, and repurposing emphasizing blight reduction and infill development	Promotes and supports well-planned, quality development and redevelopment	Offers protection, enforces the law, administers justice, and fosters an environment of personal safety and security	Promotes and ensures access to treatment, prevention, and education services that facilitate improved public health and wellness	Offers efficient, affordable, and responsive services	Fosters a sense of community pride and shared responsibility that values and supports a diverse population	Provides for proper maintenance of existing infrastructure
Revitalization of the community by ensuring vacant and abandoned buildings are rehabilitated or removed	Increase workforce readiness and support the expansion and retention of high quality jobs that meet the unique needs of the community	Proactively prepares, promptly alerts, and swiftly responds to emergencies	Collaboratively provides for the basic physical, mental, economic, and social well-being of a multi-generational community	Through strategic marketing and communications, informs and engages the community about activities, initiatives, outreach programs, and other available opportunities	Supports neighbors and businesses coming together for the good of their community	Improves life cycle costings, manages costs or reduces costs of facility operations and maintains the portfolio of UG buildings and parking infrastructure
Reduce number of tax delinquent properties	Offers efficient, affordable, and responsive public services to support economic development	Focuses on proactive prevention, intervention, and education	Provides accessible, well-maintained parks, trails, and open spaces, as well as a variety of quality recreational opportunities that promote an active and healthy lifestyle	Increased transparency and accountability with the public through open data sharing	Supports and provides community events, neighborhood gatherings, and culturally enriching opportunities that connect the community	Provides for intergrated management of capital improvements - asset management
Improve the variety and quality of housing stock in the community	Develops and sustains a safe, convenient, and efficient public transportation system that is coordinated with adjacent municipalities and counties	Builds an informed, engaged, and educated community that shares in the responsibility for its safety and well-being	Fosters a community that helps families meet the health, security, nutritional, and developmental needs of their children	Fosters training and cooperation across departments breaking down silos and working collaboratively to solve problems	Informs and educates citizens about activities, initiatives, outreach programs, and other available opportunities	Provides the community with parks, recreational opportunities and amentities that are accessible to all, well-maintained, and promotes an active and healthy lifestyle
Enforce property maintenance codes	Attracts and retains employers to the area that will provide residents and living wage and good benefits to enable them to live their desired quality of life	Visible and approachable public safety presence	Increase access to healthy foods in the community	Adapts innovative approaches to better help the community and streamline processes	Build collective efficacy in and between neighborhoods resulting in neighbors coming together for the good of their community	Plans for and provides proper design and construction of new infrastructure in public projects and private development
Maintenance of existing infrastructure - sidewalks, curbs, and alleys	Manages growth through well-planned development that promotes community and values open spaces and sustainable community building	Connecting the neighbors to each other and providing a safe environment that attracts people to our homes, businesses, and public places	Increasing the walkability and bikeability in the community and around schools			Design future neighborhoods and enhance existing neighborhoods that serve residents day to day needs and provide a high quality of life
Maintain vacant lots		Supports improvement of the local criminal justice system				Develops and maintains well designed, safe and sustainable multi-modal transportation network
Provide for efficient, effective removal of residential solid waste		Creates an environment where residents feel safe and secure in their homes, neighborhoods, and public places				Ensures compliance with all federal and state regulations related to stormwater and wastewater

There is also the more detailed definitions behind the goal areas in case, you know, it's been a while since you've gone through these in detail so if you want to remember, okay, what does it mean—what we're we talking about when we were talking about improving community health. Let's look at that because sometimes it might have health in the name of the program, but maybe it's not meeting some of those goals and definitions.



Basic Program Attributes Definitions

Score	Mandate	Reliance	Demand	Cost Recovery	Portion Served
4	Required by higher level of government (Federal, State, County)	Sole Provider and no other public or private entities provide this type of service	Change is Substantial 25% or more	Fees generate 75% to 100% of the cost to provide the program	Entire Portion of the Community, 100%
3	Required Incorporation Documents OR Regulatory Standards	Currently Sole Provider but other Public or Private entities could be contracted	Change is significant 15% to 24%	Fees generate 50% to 74% of the cost to provide the program	Substantial Portion of the Community, at least 75%
2	Required by Code, Ordinance, or Policy OR to fulfill a Contractual Agreement	Also offered by another governmental, non-profit or civic agency	Change is modest 5% to 14%	Fees generate 25% to 49% of the cost to provide the program	Significant Portion of the Community, at least 50%
1	Recommended by National Professional Organization or other best practice	Offered by other private businesses but none are easily accessible	Change is minimal 1% to 4%	Fees generate 1% to 24% of the cost to provide the program	Some Portion of the Community, at least 25%
0	No Requirement or Mandate	Offered by other private businesses that are easily accessible	No Change in Demand	No fees are generated	Small Portion of the Community, less than 10%

We wanted to give you all the information that you need because you will be working independently on this through the survey and it's a very straightforward survey. You don't have to complete it all at one time. We set it up so you can sit down, and you could prioritize five programs and you scroll to the bottom and hit done and then you'll go back to the link and open it up and your scores will still be there. You can just go in and fill it in so if you have questions about any of the programs, you can have a chance to ask. This is not going to need to be done until Friday, April 10th at 5:00 p.m. You can go back and change your answers until then. That link with instructions will come from Kathleen tonight and I'm happy to help you.

Commissioner McKiernan said I didn't necessarily need to interrupt, but one of the things that I'm wondering as I look at these cards—one of the things that crosses my mind a lot is, are we looking for efficiencies within a program, not to say, program overall yes, no, green light, red light. How are we allocating money within programs? How are we spending money within programs? Are we spending it most effectively and most efficiently? That's something, I guess, that this exercise will not let us get into. **Ms. Saunders** said one thing overall, and maybe Doug wants to jump in on this, one of the things that staff is committed to is really looking hard at the efficiency and seeing what efficiency gains there are that can save money. That's there, but it's there as a program that you think, you know, this has a lot of merit, but I want somebody to dig in, it's a lot of money, let's see if we can do this more efficiently or have an idea for this one. That's one that falls in the yellow light category and you could put in the comment section, say it's parks maintenance. You could say I heard that Jackson County is doing good and they are saving a ton of money, I want to throw that it in as a thought.

I think you can assume that staff is not just saying, well, this is how much they cost, we're not going to look for efficiencies if they say green light. There will always be an effort to identify any efficiencies that can be gained.

Commissioner McKiernan said I'm just going to jump right in here since I did have my hand raised again. If for example one of us, I don't know who it might be, had looked at maybe spending per capita with our budget compared to other city's budget both overall and within programs, this would be the place to bring that up. **Ms. Saunders** said yes. That seems like one of those places where if you have ideas or knowledge that might be helpful to figure out if somebody is doing something at a much lower cost, let's put that in the hopper as something to look at.

Mr. Bach said I think a lot of that is just what you said, Commissioner, that we are looking for ideas from everybody to come into this. I'm not really looking or expecting that any of the commissioners are going to be able to get into it and look at a program overall and say, boy, we ought to be able to do that for less cost. If you look at a program and we're spending let's say a million dollars on something and it's not one you look at say I necessarily think we should do away with it, but that's more money than you really think we should spend to our total budget, that's an area where you can hit that from a caution perspective.

By the shear nature of PBB—the biggest target for PBB really is to come back from a management tool. So, while we're giving things to the commissioners for you to prioritize on, it is one where it comes back to us as staff as we've gone through and broke all these out into the many program areas to see programs defined in areas that I didn't realize were defined in the way they are and look at them and say, okay, does that necessarily need to be done that way or is there a way to join that with something else. There are things we are looking at from efficiencies, and as you recall, when we set this up, Kathleen can probably remind me, but we set a number out there as to how much we're going to improve inefficiencies coming back into our operation. There are some to just reduce and then there's some money that falls back on us as a management team to find more efficiencies in our operations.

Ms. VonAchen said I wanted to add to that. Just to follow-up with what Doug said, actually the objective that we talked about in January was to identify $2.5M in efficiencies and so that's what the target was. I also want to mention, there are over 150 other cities that are doing Priority Based Budgeting, larger cities across the country. Many of them have very similar services to our own and they all have populations. So, one of the things that we can get from the Priority Based Budgeting is good benchmarking. Of course, the service levels that we bring varies from one community to the next, but I think it would be very valuable information to prove as judgement as to whether our spending level is consistent with other communities or if it's higher for any given program or at least most of the programs. We should sit together and provide it. We would be happy to do that.

Commissioner Johnson asked, would you be able to do that for a peer group of cities that are in a similar range as to Wyandotte County/Kansas City, Kansas? **Ms. VonAchen** said yes, we can ask Chris Fabian to give us a range of communities and we can decide what's an appropriate peer or comparable peer.

Commissioner McKiernan said as I've shared with you, I've already started briefly looking at spending per capita and spending per square mile as a way to ask the question how are we spending our money compared to other cities of similar size, both in population and geography and if the center for Priority Based Budgeting can give us more extensive information as a way to cross compare ourselves against other municipalities, I think that would be extremely valuable.

Ms. Saunders said one of the things to let you know, what are we going to do with all of this after everybody has completed the survey, what we're going to do is, we will bring back to you where the programs landed and then you can have a conversation in the future about the future of those programs. So, a conversation would be—that would have been great to have in person like the last time, people said I want to find out why the group prioritized that in the way that they did. We can come back and discuss that. One of the things that we're looking for is consensus on if 100% of the people think something is a high priority, then that's going to a program that's going to be invested in. If 100% of the people say why are we doing this program, that makes for a pretty easy thing to take off of the table as something that the UG provides.

We'll be coming back with the results from that to have a future conversation with you and really kind of make the determination on what happens to those programs in the future budget process.

Commissioner McKiernan said one more question, and you may be getting to this and I'm jumping ahead, and I apologize if I am. The first four cards that are in the document that was provided to us this afternoon say rank one in the lower righthand corner. Every other card in that document says quartile rather than rank. **Ms. Saunders** said that rank means quartile. There was a search and replace for rank and quartile and it didn't happen on the first page. Any other questions?

Ms. VonAchen said I did want to mention, one thing I will be providing you, but not tonight, is a document that may be rather thick that has more detailed information on every program. I'm still working on that tonight, but it's generated automatically by our PBB software and so I'm giving it to you just so you can have it as a reference if you want more information on a program. If you were asking yourself I wonder why this program costs a million dollars, how much of it is personnel and how much of it is other expenses. You know to answer those sorts of questions. You won't get it tonight; it will be tomorrow morning. **Mayor Alvey** said that sounds very helpful.

Mr. Bach said I think, Mayor, we're ready to wrap this up and I will make a couple of comments at this point. As you're hearing from a PBB perspective, if you can go through and spend some time working with those cards, it would help us in continuing that process as we look ahead to April 10th to try to get information back into that. When I look ahead for budget direction, one of the big things we're looking at for our next meeting on it on April 23rd is when we come back and start talking about Capital so another area for budget expense. As you all know a lot of our expenditures in Capital are based on where we are at from a debt, so that's not really a now perspective, but we will be coming back and talking about some of the cash things that we're able to move out of that budget. Then if there are some different ideas about approaching our debt-funded projects and where that may be able to help us as we go forward with this. We will be continuing to mature on looking at our revenue projections but also our cost of operations and ways we look where we can hold back. That is a charge we will be putting out there to department heads as they are having to spend more money in certain areas, if there are areas we can hold back on as we look at this coming year.

I do think your points about coming out of this and wanting to land on our feet and move forward quickly, the reality of that is if I cut back on my operational spend for what I'm going to have for the rest of the year and hold back my hiring, I can't come out of this quickly. The easier way to do that is to put more burden back on our Reserves and spend money out of our fund balance. That gets a little more scary if you think about if this lasts on till next year, if we hit our fund balance hard and take the full blunt out from that side. My easiest way to come out of it is to be ready to come out at full operational mode to keep the rest of the year going.

Commissioner Bynum said, Doug, to your last couple of points, I'm wondering if we could look back to those very beginning slides of the presentation just for purposes of if our goal is two months operating in Reserves, I don't think we've actually hit that yet, have we? **Mr. Bach** said no, we would still be a little bit above that or no, we would go below that if we spend $11.5M from our Reserve account. As you see, she has that put up there, that our projected we're at $26M, and if you take that $11.5M we're down around $14.6. Kathleen, what's that number supposed to be, around 17, 18? **Ms. VonAchen** said I think you need to go to the next slide. Over on the righthand side is the percentage, so that's the percentage of Reserves that we're anticipating would be achieved if we took no action. We have been at the 20% level for the past few years, but the target is 17%, so we've exceeded it. We would dip below 17% if we took no action in '20 and again in '21. **Commissioner Bynum** said okay.

Mayor Alvey asked, other questions or comments.

Ms. Saunders said one small thing to Commissioner McKiernan's point, the first page of cards is a repeat to what's on the second page of the cards, so ignore the ones that say rank and go immediately to the next one because they are duplicates, just different word, just to make sure people aren't confused.

Commissioner Burroughs said I sincerely appreciate everyone's participation this evening. I would like to go on record, and please don't take this as being a confrontational statement, but I made my statement early, I believe we should look at the (inaudible/cut out) impact minimum. I truly believe it will prepare us as we go through the Priority Based Budgeting as we all know it has changed, the dynamics have changed considerably. I would also like to go on record as stating, Doug, you had mentioned that you would like to get back up to full steam as quick as possible. I would like us to have an action plan in place of how we're going to do that. I truly believe it's to our benefit to have something in writing and/or ins trance that we can all follow and participate off of that. These are trying times; they are very good. I sincerely appreciate the leadership we've been able to provide to this community and I want to participate in that. I truly believe that we as leaders have an obligation and a responsibility to look at not only the best case scenarios, but the worst case scenarios and I anticipate that we're going to be in this for at least two months. I want to be on record stating my comments so that we can go back and reflect on those if we need to. Please prove me wrong.

Mayor Alvey asked, are there other comments or questions. Just to be clear, if we need assistance with this, who do we reach out to? **Mr. Bach** said I believe your talking about assistance with a question on a particular card. **Mayor Alvey** said right. **Mr. Bach** said I think I would probably target you to—Alley is coming back to work for us, if you go to her or Emerick if you ask a question and they can target it back to the right person that will be able to answer it. Finance staff will be focusing on some other things as they go through, so I think if we give questions to one of those two, they will get the right person to get the answer.

MAYOR ALVEY ADJOURNED
THE MEETING AT 7:01 p.m.

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Bridgette D. Cobbins
Unified Government Clerk

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