STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, MAY 20, 2021**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, May 20, 2021, with eleven members present online. Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District (arrived at 5:39 p.m.); McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District (arrived at 5:01 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; Bridgette Cobbins, Interim Assistant County Administrator; Alan Howze, Melissa Sieben and Emerick Cross, Assistant County Administrators; Brett Deichler, Interim Unified Government Clerk; Misty Brown, Chief Legal Counsel; Ashley Hand, Director of Strategic Communication; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Director; John Kelly, Director of Buildings & Logistics; Sam Her, Public Works Fiscal Officer; Rob Richardson, Director of Development Coordination & Customer Service Success in the Administrator's Office; Brandon Grover, Public Works Asset Coordination Manager; and Gunnar Hand, Director of Planning & Urban Design.

MAYOR ALVEY said before I call the meeting to order, I want to announce that due to COVID-19, individuals are attending remotely as well as on-site. 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 the public that is participating knows who is speaking. This is critical given the number of remote participants in his current guidance from the Kansas Attorney General.

MAYOR ALVEY called the meeting to order.

MAYOR ALVEY said I would ask the Clerk to announce the meeting and call the roll.

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

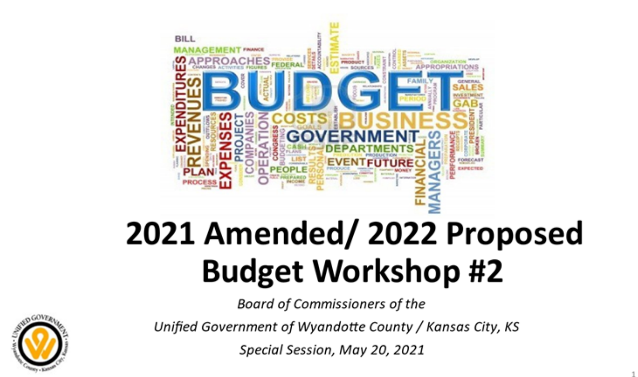
NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, May 20, 2021, at 5:00 p.m. by way of Zoom for a budget workshop regarding Priority Based Budgeting (PBB) and the 2020 Financial Proforma.

Due to COVID-19 the public will be able to observe or listen to the meeting live on YouTube or UGTV or through Zoom.

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

Mayor Alvey said we have one item on the agenda, a budget workshop regarding Priority Based Budgeting and the 2020 Financial Proforma. I will ask Mr. Bach to present staff.

Doug Bach, County Administrator, said, Kathleen, I will ask you to go ahead and put the presentation up as I start into it.



Tonight's session, as noted by the Mayor in the Call, we are coming back as a second budget workshop. We've modified a little bit in the direction we're going which I think with doing the budget later this summer, this really puts us in a position to go through and do some follow up work on some things we had worked on earlier in the year to help us better align our strategies with the direction of the governing body as we move through the year.

As you can see on this, we'll note where we are from the revenue losses that were projected. That will be one section of this from what happened with COVID-19. We'll talk about the Financial Performance that we're experiencing, but really the focus tonight is to get back into the Priority Based Budgeting. We have two guests with us this evening, we've seen before, Eric Keck and then also Molly Saunders is back with us. They're going to talk about some specific exercises we did with Priority Based Budgeting with our team. Eric led some things with us and our teams as we went through that and then Molly was with you as we went through with Shelia Shockey and did some prioritizing and we came up with some different priorities. So we wanted to come back and have some follow up discussion as we end this session just kind of reassessing and assuring that the direction we receive from Commission is the direction you want us to go as we move into working on additional budget items.

With that, I'm going to turn this over to Kathleen VonAchen, our Chief Financial Officer, and she is going to talk to us about where we ended up with the revenue loss as a result of our changed fiscal year last year.

COVID-19 REVENUE LOSS

Kathleen VonAchen, Chief Financial Officer, said as Doug mentioned this section we'll talk about how much money in revenue we lost because of the COVID-19 pandemic during January through December of 2020.

Before I go to the numbers I just want to explain one thing. The American Rescue Plan, that 600 page Act that was passed by Congress about a month ago, the Secretary of Treasury came out with some guidelines to determine how to calculate one of the portions—one of the four respective areas where the direct payments to local governments can spend their direct payment allocations. One of those is what they call revenue loss.

The revenue loss—the calculation of the revenue loss, they tried to standardize it for all local governments so what they did was they referred back to a survey that local governments have to reply to every few years because they collect this data from local governments for their own purposes, the Census Bureau. So they're referring to the parameters in this survey and so we used those parameters as well as the parameters in the Treasury guidance to calculate this revenue loss. This is based on information standardized across the United States.

UNIFIED GOVERNMENT -ALL FUNDS

COVID-19 REVENUE LOSS IMPACT PER ARPA GUIDANCE

(as of May 20, 2021, with 4mos of 2021 YTD data)

	2020		2021		2022	3-Yr Totals
$s in millions	Amended Budget	Actual Loss	Original Budget	Revised Estimate	Preliminary Estimate	2020 Actual Loss, 2021 Revised, 2022 Preliminary
City General Fund	$ (18.2)	$ (11.8)	$ (12.7)	$ (9.5)	$ (11.2)	$ (32.5)
County General Fund	(4.3)	(4.3)	(2.8)	(2.4)	(1.5)	(8.2)
Consolidated City/County Parks General Fund	(0.4)	(0.1)	0	0	0	(0.1)
General Funds - subtotal	**$ (22.9)**	**$ (16.2)**	**$ (15.5)**	**$ (11.9)**	**$ (12.7)**	**$ (40.8)**
Other Funds - subtotal	**(3.3)**	**(6.8)**	**(1.8)**	**(0.8)**	**0**	**(7.6)**
All UG Funds - Totals	**$ (26.2)**	**$ (23.0)**	**$ (17.3)**	**$ (12.7)**	**$ (12.7)**	**$ (48.4)**

** Per ARPA Guidelines, all revenue loss compares 2019 Actuals (base) plus an inflationary factor of 4.1% times for each of the number of years from the base less the respective years actuals or revenue estimates. All figures exclude one-time other financing sources.*

What I have here are three years. Of course, we know the actual loss in 2020 because all those transactions have closed and we'll be presenting the CAFR or the Comprehensive Annual Financial Report to you next month or the end of June. For the most part we know the 2020 numbers so this actual loss is real.

The 2021 and '22 are based on estimates and so the ARPA guidelines says that how you calculate how much you lost is, you take the amount you collected in 2019 and basically based on the revenues prescribed in their guidelines and inflating it by 4.1% which is an inflation factor or kind of a nominal amount that revenue should increase every year by. Then doing that for the second year and the third and the fourth. So, that's what we did and then we matched it against what we actually lost or actually collected and what we expect to collect in '21 and '22. As a result, here I have, for comparative purposes, included the Amended Budget, what we previously expected to lose and then what we actually lost using that same guidance.

We expected over the entire UG, all funds, we expected to lose about $26M, $22M or $23M of it in the three General Funds and what actually happened is that we lost $23M, $16M of it in the City/County Parks General Fund. For '21 we expected to lose roughly $17M, $15M of it in the General Fund, but based on year-to-date collections through the end of April and an estimation of the strengths in the economy thus far going forward, I've downgraded my estimates—well, I've improved the revenue estimates and as a result the loss that I'm predicting is quite a bit less. So now it's around $12-$13M of which $12M of it is in the City and County General Fund.

Then for 2022 based on estimates to date, we're expecting the loss to be pretty consistent with what occurred in 2021. Overall, during this three year period, the calculation at the moment is totaling for those three years, which is the addition of this column and this column and this one, it's totaling about $48.4M over the entire three year period. Of course, the amount that we can actually spend in terms of revenue loss from the allocation we'll be receiving here in the next few days from the federal government is only this amount.

I can move on. Do you have any questions on this one?

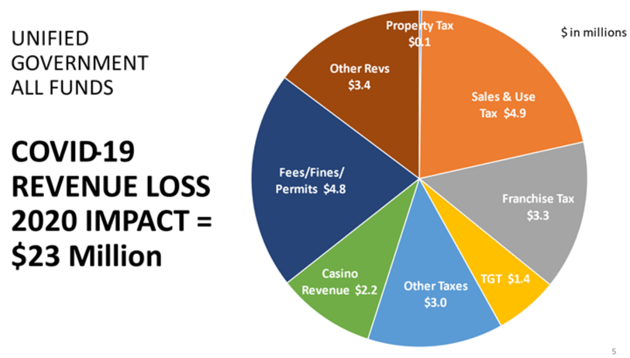
Commissioner Walters said I think I lost your point. Why are we comparing actual loss to an Amended Budget? I thought you said that the calculation was the 2019 revenue plus 4.1%. **Ms. VonAchen** said yeah. Well, it's 2019 plus 4.1% and then—so whatever that number is and then you compare it against what you, for example, in your Amended Budget or you compare it against what you actually collected. **Commissioner Walters** said what you actually collected then? **Ms. VonAchen** said yeah. I mean the Amended Budget column is here just so you can compare what we previously thought with what actually happened. That's the only reason it's there. That's why this column over here only reflects the actual, not the budget.

Mayor Alvey said I missed the reference on that bottom column, All UG Funds Totals. When you were trying to describe what we can use the ARPA funding for, for revenue loss, can you explain that again? **Ms. VonAchen** said it's all the funds that are budgeted within the Unified Government. It doesn't include BPU and the revenues are only those that basically pay for government services. So, revenues that are not included in the calculation per the ARPA guidance, do not include transfers and, you know, if we sold land, that's not included, bond proceeds; those sorts of things. So, just basically above those lines.

Mr. Bach said I think maybe too, just to clarify on the Mayor's question, she was referencing the money that we're getting now from the federal government we can only—there's an offset in there for loss revenues, Mayor. We have to compare that against our known numbers and right now she pointed to the 2020, that column actual loss, the $23M number; that's our only known. The rest of it is projected and we have to work with the known number right now when we're saying that federal money goes against the known loss numbers part of it.

Ms. VonAchen said yes. We're receiving one-half of $87M in the next few days and every quarter we'll be required to submit a report to the federal government demonstrating our spending and the rationale for it. So when we do spend, part of that will be what is categorized as revenue loss, but it can only be for this portion for 2020 because that's the only known numbers that we have.

Commissioner Burroughs said do these losses take into effect the monies that have already been spent through other funds that have come to us from the state and/or federal government to extend those expenses to address those shortcomings as we've went through the COVID pandemic? **Ms. VonAchen** said no. The revenue loss calculation prescribed by the feds only includes revenues coming in. Any revenues that—and then for government services. The revenues that we receive from the federal government were deposited into a grant fund which is not part of this.



Of this $23M that we lost in 2019, I just thought I would provide you with a little breakout of where that money came from. The largest pot of the loss came from Fees/Fines/Permits. Well, actually it's Sales & Use Tax, it was $4.9M. We thought that would be greater, but it's still pretty sizable, $5M across the Unified Government and, frankly, it would have been more except our Use Tax collection was much improved over the prior year so that helped to diminish the loss on sales tax.

The second one is actually Fines/Fees/Permits. Those numbers were really down last year. The next biggest is just Other Taxes, Alcohol Liquor Tax, 911, other types of taxes. Franchise Taxes were down about $3M from what we expected and Casino Revenue, as you know, was down quite a bit to $2.2M. The total from the casinos is only around $6M so that was a dramatic reduction. Property Tax was not really impacted by COVID.

Unified Government Transient Guest Forecast, 2021 - 2023

	ALL HOTELS			VILLAGE WEST HOTELS		
Year	Net Trans. Guest Revenues*	Pct. Chng. Prior Year	Pct. Chng. From 2020	Net Trans. Guest Revenues*	Pct. Chng. Prior Year	Pct. Chng. From 2020
2020	2,462,349	---	---	1,440,101	---	---
2021	2,707,820	10.0%	10.0%	1,709,186	18.7%	18.7%
2022	3,395,852	25.4%	37.9%	2,156,134	26.1%	49.7%
2023	3,666,574	8.0%	48.9%	2,335,812	8.3%	62.2%

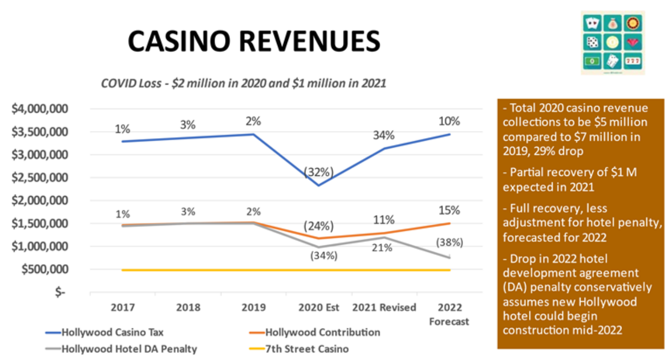
*Transient guest revenues exclude pledged amounts to 39th & Rainbow Holiday Inn Express and Rainbow Village Home 2 Suites. Both of these project receive 88.55% of transient guest taxes generaged by these hotels.

Note: 2021 thru 2023 revenue forecast based on 2020 reveneus; forecasted annual figures are from the model which assumes various/adjustable occupancy rates by quarter.

Just for your own interest, I thought I would provide you a little bit more information on Transient Guest Tax performance. In 2019 we typically collect about $3.5-$3.7M in Transient Guest Tax which is deposited into the Tourism & Convention Promotion fund and is only allowed to be spent on the promotion of tourism and conferences. We saw a 33% drop in that revenue in 2020 and, you know, actually that wasn't as bad as it could have been because at the beginning of the pandemic the hotel industry was predicting that it may be up to a 60% drop in the tax collection. Some of this is a lot out of our control since 90% of the hotels in the United States are franchised so they're kind of controlled by other entities. There was quite a bit of layoffs. We don't know specifically here in Wyandotte County, but across the US it was around 70%.

Of course, there is a plan phased in as resorts and destination locations begin to reopen so we are expecting resurgence in that revenue source at the moment. We lost, as I mentioned, about $1M in that Transient Guest Tax collection. We expect that to tick up from $2.5 to $2.7M, so very slowly picking up. This is the total of all the sales and then just for your own details, this is just the Village West area hotels.

In 2022 we expect it to increase quite a bit and recover, but it really isn't going to come back prior to the 2019 levels until 2023. So, that's what we're predicting.



Casino revenues, this is a demonstration of the dramatic drop in casino revenue. We do expect it to climb back but not fully in 2021 and then in 2022 we think the casino revenue will be back to where it used to be. It doesn't really appear to be at the moment because part of that casino revenue we collect is a penalty—it's an amount that Hollywood is required to pay the Unified Government if they do not proceed with building a hotel in their development there. We typically budget one-half of the expected amount in case a hotel is—you know, proceeds with construction during that fiscal year but typically it's around $1.4M and we only budget half of that so that demonstrates that reduction in the number there. It mitigates the risk we have.

Ms. VonAchen said that's all I have on the COVID revenue impact. I thought I would share this with you as we glean through that 170-page Treasury guidance to get a better feel for the direction of Congress and President Biden. We will be sharing that information with you and a process going forward, so we'll be in touch.

The next section, I'm actually going to pass it off to the Deputy CFO, Debbie Jonscher. She is going to be presenting the Financial Performance of the General Fund.

Combined General Funds *Preliminary* Forecast

($ in millions)	2019 Actuals	2020 Original Budget	2020 Estimated Actuals	2021 Revised	2022 Estimate
Revenues	$ 210.7	$ 217.3	$ 203.2	$ 215.5	$ 223.8
Transfers in	2.3	2.3	6.3	2.3	2.3
Sale of capital asset	-	-	2.0	-	-
Total Revenues & Transfers	213.0	219.6	211.5	217.8	226.1
Expenditures	203.8	213.6	195.6	215.3	222.2
Capital outlay	4.0	7.2	0.6	3.4	8.4
Transfers out	2.8	2.4	9.2	2.7	2.9
Total Expenditures & Transfers	210.7	223.2	205.4	221.3	233.6
Net Margin	2.4	(3.6)	6.1	(3.6)	(7.5)
Beginning Fund Balance	$ 39.9	$ 42.3	$ 42.3	$ 48.5	$ 44.9
Ending Fund Balance	$ 42.3	$ 38.8	$ 48.5	$ 44.9	$ 37.4
% of Expenditures & Transfers	*20.1%*	*17.4%*	*23.6%*	*20.3%*	*16.0%*

← Use of $11 M in reserves

** 2020 fund balance is $2.8 M short of reaching the 3 -month reserve target*

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Debbie Jonscher, Deputy Chief Financial Officer, said the next few slides are just going to show a little bit about General Fund performance. This slide is giving the General Fund a preliminary forecast. We've got 2019 Actual, 2020 Original Budget and our Estimated Actual and then we've also got some estimates for 2021 and 2022.

I'll start with the middle column which is the 2020 Estimated Actual. You'll see in the revenue section we had $203.2M in revenue, $6.3M for transfers in and $2M for sale of capital assets for a total of $211.5M. Over in the column just to the left of that is the 2020 Original Budget which, as you can see, originally before the pandemic we had estimated revenues to be around $219.6M. We did drop those projections when we went through the Amended Budget. The revenues were estimated around $206M. As you can see, we did come out better than our amended projections; however, we still are below what our original budget was before we went into the pandemic. We're also still below the 2019 Actuals. On the revenues we're at $203M and in 2019 we were at $210M. Transfers up is in—part of that is due to the reallocation that we did from the city to county so that shows up both in the transfer in and the transfers out on the expenditure section below. Then, we have $2M for the sale of capital assets which is part of the—came from the development out on the old Woodland site.

On the expenditures you'll see we have $195.6M on expenditures, $600K for Capital Outlay and $9.2M for transfers out for a total of $205.4M. Expenditures are lower because we did take—when we went through the budget last year and amended the 2020 Budget, we did take some action, you know, regarding personnel, the hiring freeze, holding positions, furloughs, we also did capital reduction. We shifted some capital from cash to debt and also reduced some others so that all is part of why this total is less than the original budget at $223M compared with where we were in 2019 at $210M.

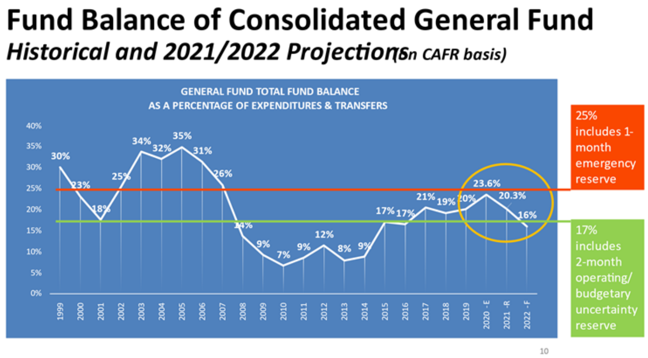
I'll just note that means in the 2020 Original Budget we were expecting our fund balance to drop by about $3.6M where now we're actually estimating an increase in fund balance of $6.1M bringing our total ending fund balance to $48.5M. I will just note that brings us to a fund balance percentage of 23.6% which is above the two-month reserve. In fact, it's just under $3M short of reaching our three-month reserve target.

For 2021 on the revenues, we revised the revenues based on our year-to-date trend so far. We have several months of revenues to base that on, so we have revised that a little bit and then for 2022 we've got just a modest increase of about 3% built in into the revenues. On the expenditures, pretty much I believe this is Budget, I think there might have been an increase—a minor increase in the expenditures related to personnel. The 2022 estimate is, once again, just a modest increase of about 3%.

Just to note, based on these estimates over the 2021 and 2022 year, this was projected use of about $11M in Reserves, so in 2021 we expect fund balance to drop to about $44.9M which would be a 20.3% fund balance percentage. Then, in 2022 dropping even more down to $37.4M which would be about a 16% fund balance percentage.

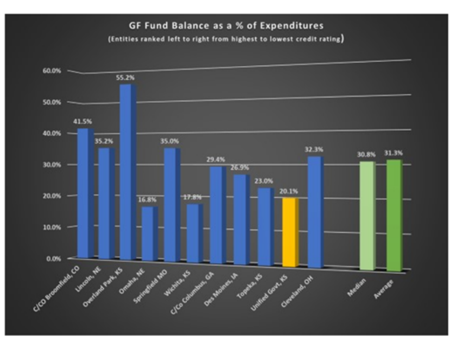
Commissioner Burroughs said I'm trying not to slow things down. I just want to make sure I fully understand the figures that are being presented. On 2022 Estimates, we show Capital Outlay of $8.4M versus the $0.600K that was estimated in 2020. Can you share with me what that $8.4M may be because I do see that we lowered the Capital Outlay on the revised budget, but the estimate is $8.4M. I'm curious as to why the increase there as well as the increase in expenditures of $7M in a revised estimate. **Ms. Jonscher** said right. In the Capital, the reason 2020 is so low is because we did take a lot of the Capital and we either significantly reduced about—we reduced several millions as well as we shifted several million in Capital that would have been paid from cash and moved it over to debt financing, so that's why there is a reduction in the Capital in 2020. The original budget for 2020 had $7.2M estimated—was budgeted for Capital expenditures. Over 2021 and 2022 we're estimating that Capital number will come back up bringing back those cash expenditures that we either delayed or reduced from 2020.

Commissioner Burroughs said thank you for that Debbie. I just wanted to ensure that I understand these numbers. So, in 2020 the ending balance of 23.6 that's in the circle down here, that was the amount of Reserves that we were able to accomplish by revising the budget midway through the year? **Ms. Jonscher** said that's correct. **Commissioner Burroughs** said so carrying that initial balance over is where the $11M is projected to come from out of Reserves that we were able to assist in savings through the revised budget in 2020? **Ms. Jonscher** said yes, and a good portion of that probably is showing in the Capital with the increases of putting cash Capital Outlay back into the budget and not keeping it over on the debt side. **Commissioner Burroughs** said thank you, Debbie. That's absolutely how I interpreted it, but I wanted to ensure that was exactly how it was occurring.



Ms. Jonscher said this slide just shows the fund balance percentage of the Consolidated General Fund. This graph goes all the way back to 1999 so you'll see that we have the green line here going across the middle of the page represents the 17% two-month Operating and Budgetary and Uncertainly Reserve and this is the minimum target that we put into our policy so that we can have two months reserve just to cover operating expenses throughout the year. The red line represents 25% which would include an extra one month for an emergency reserve in the event that we would have a pandemic such as we had back in 2020.

Just looking at the percentages, you'll see that back in the early 2000s the fund balance percentage ranged anywhere from 30-35% in the early 2000s and then as we went into the recession in 2008-2009 area, the fund balance dropped significantly all the way down to a low of about 10%--I'm sorry, 7% in 2010. In 2015 we were able to get all the way back up to 17% and we have remained there and we've ranged anywhere from 17% all the way up to our estimate in 2020 of 23.6%.



Debt Ratios Whitepaper of comparable entities. Data based on 2019 Financial Annual Reports, most recent data.

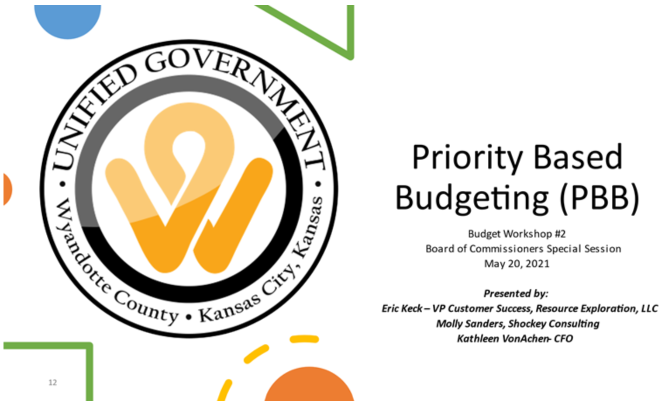
The final slide we have just shows the General Fund percentage balance, the percentage of expenditures and this is just a ranking with other municipalities so we've got a couple municipalities from Kansas. We've got Overland Park, Wichita, Topeka as well as Lincoln, NE, Omaha, so those are all ranged in blue. The Unified Government is the yellow at 20.1% so you can see we're not the lowest on this graph, but we would be the third lowest in fund balance percentage. Omaha, NE is at 16.8% and Wichita was at 17.8% and this is based on data from the 2019 Financial Reports for these cities which is the most current data.

Over here in the green you can see we've shown that the median percentage is 30.8% and then average percentage is 31.3%.

Mayor Alvey said, Kathleen, let's say we were at the median, 30.8%, what advantages accrue to us either in our bond rating or in any other operations to let's say just get to the median? **Ms. VonAchen** said if we got to the median, then the credit rating analysts would feel much more confident that we had sufficient resources to mitigate any risk. You know, a combination of let's say, extreme weather conditions and a pandemic possibly occurring at the same time or even one or the other. The point here is that if we had the resources available to meet our obligations and that the default risk would be diminished so our credit would be improved and as a result I think we would probably actually have a much better justification and defense for asking them to increase the Moody's rating from A1 to AA. The impact of that would be that we would have a lower borrowing rate. It's hard to guess, you know, right now rates are very low but in the future we do expect that these rates will certainly climb back up to where they were before. They're very low right now. So, anywhere between a 25 and 50 basis point increase would result if we had a—if our rating increased from A1 to AA by Moody's. We figured over a 20-year period for a $20M bond issue, that could save us roughly, you know, depending on things, between $1M and $3M in 20 years of interest costs.

Mayor Alvey asked conversely is there any risk or what are the repercussions of let's say as Overland Park is at 55.2, are there any opportunity costs with that? **Ms. VonAchen** said well no, you know, this is one-time money, understand, so once you spend it, it's gone. The amount that they have in their—the opportunity costs from having so much money is just that the amount of money that they could have spent on one one-time project. It's not like they could start a new program since the programs have ongoing costs past the one year. It would be one one-time project that they forwent in order to have the fund balance they have.

Ms. Jonscher said I'll turn it back over to you Kathleen.



Ms. VonAchen said now we're going to talk a little bit about Priority Based Budgeting and there are two phases to this.

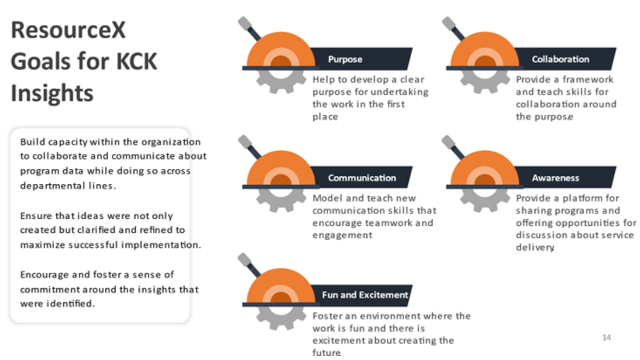
First, there is the phase where we're going to talk about the recent Insights Workshops that we conducted and then the results of those workshops that we conducted with our staff. The second phase is going to be concerning the prioritization of the Commission's strategic goals and how that impacted the scoring of our many 400+ Unified Government services.

So, there's kind of two phases to this and we're going to start off with the workshops and I'm going to introduce Eric Keck who is a recovering City Manager. He used to be a City Manager, but now he's a consultant with the Center for Priority Based Budgeting and he's the Vice President for Customer Success, a very motivating individual. He's going to talk all about these workshops and what a great experience it was for our staff.

Eric Keck, Vice President of Customer Success with Resource Exploration, the provider for Priority Based Budgeting. One of the main hallmarks of us encouraging our client organizations to undertake insights is to really begin to take action on their data. We don't want people just to create data and have it sit on the shelf on sit in a computer. We want people to actively utilize it. As we prepared for the workshop, we went through an organized method of approaching it called the Focus Finder and your wonderful County Administrator came up with this statement.

This statement which became, what we call the why for undertaking the workshop in the first place and the why is really important in that it provides encouragement, awareness and cues of why an employee would want to undertake the work in the first place. As you can see, he articulated quite well the situation in Wyandotte County and KCK and the reason was to stave off across the board cuts, unnecessary cuts, that would harm the program and services that your residents and businesses have grown accustomed to as well as appreciate and require for their daily ability to go about their work.

This particular why was the kickoff for the insight workshops.



As we began to think about working with KCK on this particular exercise, which is very important, I set some goals. These goals really are three-fold. First and foremost, one of the things I wanted to do was to build capacity within the organization. In other words, to learn how to better communicate and collaborate not just within your own department, but across departmental lines.

One of the things I found as a former City Manager, but also a person who has implemented Priority Based Budgeting in two locations myself, was that the biggest problem was the lack of coordination, collaboration, communication of most departments and it's a really neat phenomenon actually of what you find that happens with creation of data is that every department has comments for every other department about how they could do things better, but they don't have those same comments for their own departments themselves.

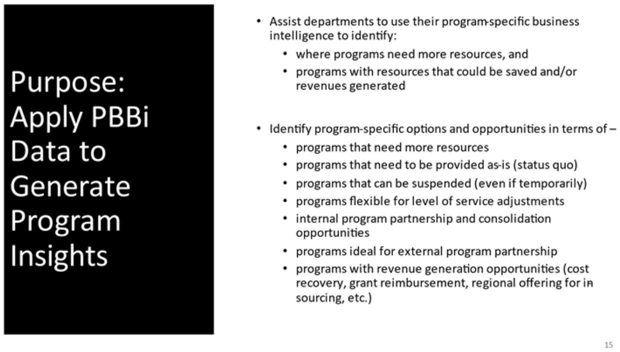
What I try to teach, in which we did in these workshops, was teach how to collaborate across departmental lines on how to improve thoughts and ideas on transforming the future of your programs. Secondarily, I wanted to make sure that we did not just create ideas but we clarified them. So, the first step was to create ideas for how could we do services differently and what services need to have a different level of service applied. Secondarily, it was to clarify those ideas and thoughts and that's where each of your employees were challenged to think of themselves as internal consultants to rally and to come to aid each other in sharpening up these insights and ideas that they had.

Lastly, it was to encourage a sense of commitment, so it's a three-stage process. First, was to create. Second, was to clarify and the third was commit, but we did that by creating a purpose and that's what Administrator Doug Bach helped with and that provided that clear reason for undertaking the work in the first place.

As I mentioned, we also wanted to teach some communication skills and we modeled and taught those so that the teams could work well with each other and also replicate these in the future so you don't have to continue to bring in outside consultants to help with this type of work. We also wanted to make sure that what we did was fun and exciting and so we tried to foster an environment that they learned some new skills. It wasn't deaf by PowerPoint and how to learn, but rather, how can we learn in a fun way but still getting the work done in the meetings.

Collaboration was also a key hallmark of these exercises and, again, it was providing framework so that throughout the organization silos that may have existed before wherein departments didn't have opportunity to talk to other departments, now we're broken-down because we actually we're able to learn how to communicate across departmental lines in a way that wasn't combative, in a way that wasn't zero-sum game like the old budgeting process is where one department wins, others lose.

Lastly, was awareness. This was huge. Creating awareness about what other departments are working on, what their challenges are and, specifically, what ideas they had to improve the operations from an efficiency standpoint, from a partnership standpoint internally. In other words, limiting duplicative work and then also just creating ideas for how KCK/Wyandotte County could be better in the future. So, awareness was a huge hallmark as well.



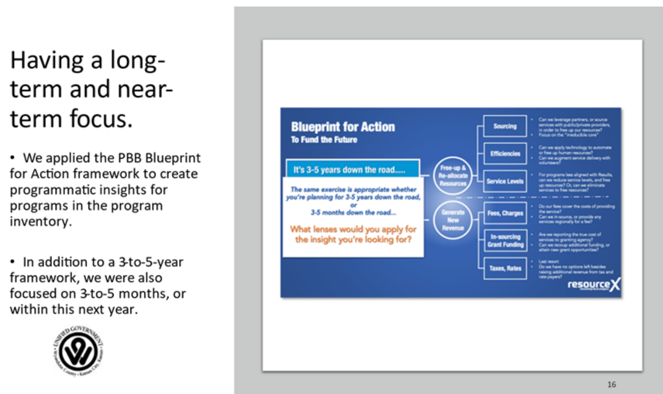
Again, like I said at the outset, the purpose was to apply the existing programmatic data that you already have, Priority Based Budgeting intelligence, the data that you had to create insights and so, specifically, as we thought about the creation of these ideas, we really wanted to have departments think about the programs and services that they provide already and to think about it in new and different ways.

Specifically, to challenge status quo, to ask themselves why really do we provide this program and in certain instances it was going back to the original premise of the implementation of Priority Based Budgeting in the first place where we asked you to consider what we call some fundamental program attributes or basic program attributes. Those attributes are this: are we mandated to provide this program and if so, what level of mandate do we have? Does this program that we provide or service we provide have any cost recovery to it and if so, when was the last time we actually looked at making sure that, not a time and motion study, but ensuring that we are actually covering the cost that we want to and/or are there some policy level questions that need to percolate up to your level, at the Commission level, to discuss whether or not the bar for that fee needs to be changed or not?

Third, we wanted to ask about population served. Fourth, was the demand. Is the demand increasing or decreasing. Lastly, this is the toughest question that usually causes some anxiety. Are we the only organization in this county, in this area, in this region, that can provide this service and that includes not only other governmental entities, but also the private sector. You know, how people think about whether or not we can do this together and so that as a backdrop. Then went into looking at identifying every program.

As Kathleen mentioned, there were 400 programs that you have and look at each of those and determine should this program remain status quo, should it—does it require an increase in service level, could it sustain a decrease, is it a demand that's not requiring it as much, can we decrease it, are there opportunities for partnerships. Again, one of the things I wanted to stress, and that's why we really appreciated working with over 125 of your wonderful employees, to determine in their estimation as internal consultants, not again, bringing in the Bobs from the workspace to say what exactly is it you do around here, it was to actually tap the wisdom of the crowd that already exists in KCK to address those challenges and opportunities that are there.

We're going to show you a simple rubric, a reference point of ideas, that they utilize starting it.



Again, we asked them to think about not just the short-term. When I say short-term, like it says here, 3-5 months, but also think down the road. We have at ResourceX live by a simple mantra and that is we want to make sure that every service, every program has a future and that future could look very different. It could look very different than it does today. We want you and the organization to challenge the status quo about the services you provide and not just live with the old mantra of, well I don't know, this is the way we've always done it around here which is sometimes one of the worst things that you can hear somebody say, but we want you to think about your programs and we challenge your staff to do so.

Again, looking at the rubric here for action. Thinking about whether or not programs needs to be sourced differently. In other words, are the right departments providing the right services. Are we, as an organization, the ones that should be providing these services.

Secondarily, we want people to look for efficiencies. In other words, is there a way to implement new technology or can we automate certain pieces of our work to help us to save funds that can be reallocated.

Third, again, service levels. In a lot of client organizations that we work with and from my own experience in Englewood, CO and Post Falls, Idaho, I had programs that had service levels that were sourced too high, way too high for the demand, way too high for the relevancy, and as a matter of fact, no offense to anybody who still does step aerobics, but in Englewood, CO in 2017 we were still providing step aerobics at a cost of $30K when we had two people who were taking the class citywide. It makes you ask the question, is this the appropriate level of service, amount of dollars for a program, does that makes sense and sometimes the answer is no and sometimes you have to have conversations that could be difficult or it could be just moving those individuals who have been doing step aerobics from the 90s into a Pilates class or body combat class. Similarly, those types of things exist in every organization.

Next, we challenge your staff to think about the fees and charges that you have for your organization and, again, that is whether or not a service has a cost recovery component and to ask the question, when was the last time we looked at whether or not these fees for services are still relevant. Are they to date, up-to-date, are they covering our costs as they should and your organization is working on that.

Next, is look at opportunities for insourcing or grants. Is there a way to provide grants to help cover some of the programmatic costs for the services that we provide. Lastly, and this is the last place we ask people to look, and that's taxes and rates because we don't want to encourage people just to use the easy button and hit the easy button and say that was easy, we're just going to go and ask the public for more money. Specifically, not in this environment.

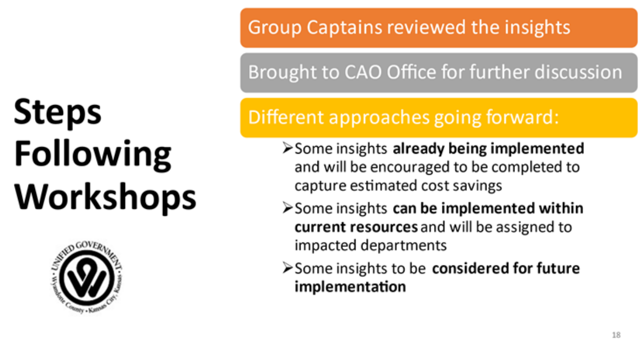
As we asked your folks during these workshops to think about the future of their programs, this is the blueprint that they use.

As was described a little earlier, we held three workshops and then a wrap-up session. That first workshop back in January was all about training on communication and collaboration. What we really wanted to do again was to help your organization begin to work and deal with one another in new and, hopefully, fun ways that could be replicated not only for the application in Priority Based Budgeting, but in their day-to-day work.

So, what we did at that point in time was begin to teach some simple frameworks of creating insights. Basically, their scientific hypotheses. If we do ask x, then we expect to see why and once we did some of that, we came back in the second workshop in early February to—actually late January, to create insights. At that point in time we asked your employees, again over 120, to do what we call sense making. Let's look at all the insight ideas that have been created and can we begin to theme them, put them into buckets of themes. Again, whether or not they dealt with infrastructure or technological enhancement or public safety, for example, and then what happened if we created teams. People actually self-selected because they're adults and we want them to be able to choose where they have some energy and for some insights that they could provide to the insight creation and we created essentially theme groups.

Then, coming back in late February, develop about action plans around those insights. In other words, they did some consulting with one another. They did some counseling with one another on the ideas that were created and generated and they basically created what I call the four p's. A program name, program purpose, program insight, particulars which are the details and the program impact of the people that might be impacted by an insight. In other words, think about if we do x, then we do y, who is going to be impacted by that particular change in service level and from that they created a report that basically encapsulated in early March a wrap-up presentation where they shared their top insights to your administration and received feedback on those as well as to celebrate the work that had been done because the work that was done was extraordinary.

I will say this, as I've worked with now going up to probably about 80 organizations over the last three years of my recovering City Manager time as a consultant, it has been incredible to work with Wyandotte County and KCK because of just the energy that people brought to each workshop the concern they had to create a sustainable future. So, that was the wrap-up presentation.



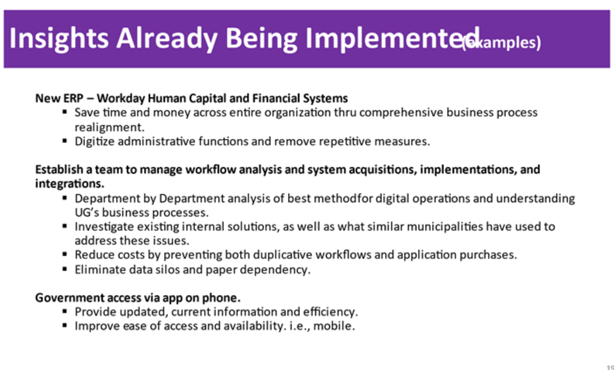
So, with that, again what we saw happen and they're seeing happen today, is that we have group captains and these group captains are those individuals who have volunteered to step forward to help to lead as internal leaders, as thought leaders, as influencers within the organization to review the insights that were created as well as further develop them. Those insights were brought to the County Administrator's Office for further discussion. So, as a result of that, one of the goals was—there are some different approaches that could be taken with all of the insights that were created.

Some of the insights that were put forward are already in place, so to speak. In other words, those ideas are being encouraged to be completed to capture some cost estimates and for savings because the bottom line here is to ensure that we are not only identifying an idea, but also trying to get to a point where we can say if we implement this, it's going to save us or cost us x dollars. We also found as we went through the insights with your team is that some of those insights can be implemented within your current resource set. What we call those are 15% solutions. What we mean by that is, what do your employees have the power to change within their purview today without having to go ask for permission of the public or ask permission of the elected officials to actually implement right now to make savings and create sustainable future.

Lastly, there were some insights that were proposed that have long-term considerations. In other words, they're complex. They're going to take some time or they may require you to expend some money in order to save money over time. Those are put into a future implementation list, so the characterization of insights have been accomplished and I'm sure we're going to be hearing about some more of those ideas here today from each of these different buckets for your review as well as just listening pleasure and understand that your team has been working diligently to help create a sustainable financial future for Wyandotte County and KCK.

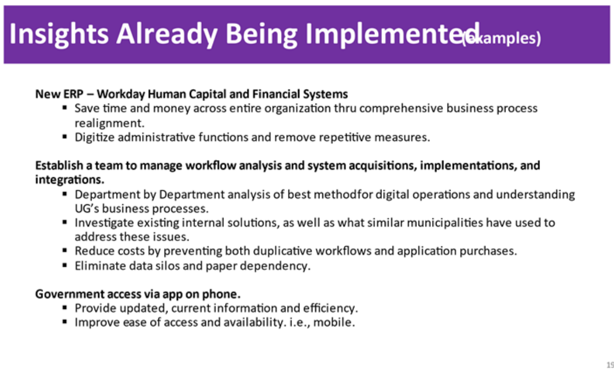
Ms. VonAchen said thanks Eric. I wanted to also point out that the following slides, Doug Bach is going to go through these, but I did want to point out one thing. This is just an example of the over 50 insights that were generated from our 120 staff members, the collaborative efforts. You know some staff members were familiar with some of our policies and practices and others had a little less familiarly, but we want to encourage the input and the communication from them because this is the beginning of a long process.

There were also over 80 ideas that came which we're also going through too, but the following insights are presented as an example and so I'm going to kick off with Doug and tell me when to change the slides.



Doug Bach, County Administrator, said thanks Kathleen and Eric. I appreciate you running through all that. Eric really is a great leader to take our team members through it. He does a great job of really encouraging people to throw out—I don't want to say off the wall, but just kind of go anywhere with it as they go along. They didn't feel restricted and he really does a good job of relaxing people and jumping into it. I guess as we talk about some of the things, some of the insights we have here, I'll pause for a moment if there are any questions of Eric before we go through these and what he laid out and talked about earlier or if there is something like that, we could jump back to it and ask as we go along.

I'll also note, I don't think he mentioned, some of the ideas that came about were ideas that we have already implemented so I think those are the kind of things you feel good about. Somebody, as you said, many people in other departments were good about suggesting things in other departments and they would say well, I don't know why we're not doing this or something. You know, they'd break or they wouldn't like that, they would structure it, they would write it, submit it and we were doing that, so that's a good feeling for that department to come back to on that side. There are some things that seem like a new thing we ought to be jumping into, we're there.



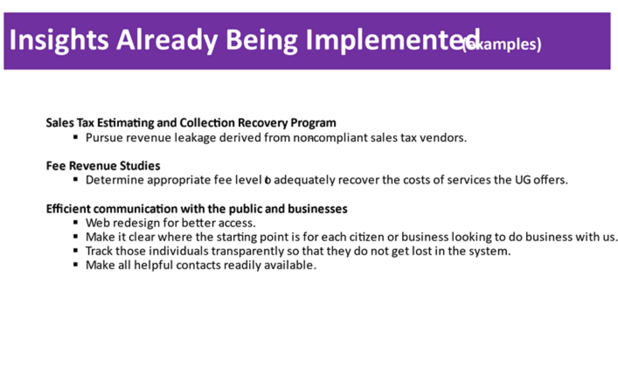
I'll go to this first page and the item on the top of the list here is one that you committed to invest in last and we've been going headstrong into it as one that takes a lot of time and investment of our staff to make this happen. It isn't just a system you buy and automatically it's there because it touches everybody but it is one that's going to change our operations dramatically going forward.

I will let Alan Howze talk about this a little bit because he's leading the team that's working through our new ERP system.

Alan Howze, Assistant County Administrator, said as Doug and Eric mentioned, a lot of the ideas that were generated and touched on, how can we provide better services and a flavor of those services was often kind of around digital services both kind of internally and externally. The ERP, the Enterprise Resource Planning Project, is the largest software project implementation to date and is kind of the core Human Resources and Financial System for the UG and will consolidate a number of systems into one place and do things like take the change of address process, which today takes 14 different steps and consolidate it down to something that employees can largely do on a self-service basis. So, kind of take that and multiply it many times over and you begin to see real impact in terms of how people do business and how we as an organization are able to provide information insights to leadership and to this Commission. So, we're excited about that and we're on track with that for a rollout in the middle of 2022.

The next one which is establishing a team to manage this kind of workflow analysis. It really kind of ties in actually well with the ERP. Several years ago we stood up a Performance and Innovation team that really is aimed right at this and that is a team that is dedicated to doing project management. As part of that project management to look at and work with departments on their processes and their customer facing activities and ways to enhance and improve that and provide traditional ways of accessing through sort of paper-based and person-based processes but also new channels for digital services. That team has been busy, as the Commission is aware, you know, over the last couple of years swapping out a whole number of different software from the Parks & Recreation software to our Accela software that's being upgraded. This is one that there's a lot of work that's being done in this area and one that we're pretty excited about.

Mr. Bach said we're not going to probably touch everyone on every page as we go through these, commissioners. It was intended that we could go through and give you a few examples and bring a few team members in to talk about some of these, but you would have the greater list of those items that are coming in and also there are other items that haven't been brought up.



As we come onto this next slide, I did want Kathleen to talk a little bit about the Sales Tax Estimating and Collection Recovery Program because we think that's a real opportunity for us to bring in and raise some loss revenues that we think are out there today.

Ms. VonAchen said this has been on my list and I'm working on doing an RFP to select a consulting firm. There are several consulting firms across the country that specialize in assisting local governments in revenue collection, you know, from marijuana sales and business tax and

Transient Guest Tax but also Sales & Use Tax, so I'm focusing on Sales & Use Tax right now. In the future I hope to move into the other areas.

What they do, they have vast databases of businesses and they know where the businesses are located and can identify sales tax revenues that may have not—may not be—that the sales tax vendor or the business is not remitting or perhaps isn't remitting as much as they should. What they do, we provide them all this past data and they have a repository where they can collect all this data we have. Then we can do a lot of business analytics with that data using their inventory and we can determine better revenue estimates for sales tax, but not only that, they can also then pursue businesses that aren't remitting, and so that are not compliant. The cost of that pursuit and the collection of it, their business model allows for a contingency-based compensation, so a portion of the additional revenue they collect or find would pay for their services and that's only for that one year that they collect it.

It really could be a substantial improvement in our sales tax collection assuming there are some vendors out there that aren't remitting like their supposed to.

Mr. Bach said I really think, as you can see, some of these they're kind of an easy push to it. It's just getting staff resources assigned to be able to go after them and figure out ways to get it done as a practice.

Something that has been very near and dear to the Commission hearts and that's the one of efficient communication with the public and businesses going forward, so Rob Richardson is out in the harvest field right now working, but we've asked him to jump off the combine and give us a few comments on this.

Rob Richardson, Director of Development Coordination & Customer Service Success in the Administrator's Office, said I work like an Ombudsman for people in the development system, businesses wanting to come in and work within the community so if they have an issue with timing or clarity, I'm able to contact them directly and work through those issues with them. We work very hard through the DRC and other processes to give people good advice and get them started off right and keep them on track. I also do some customer calling just to say, how did it go.

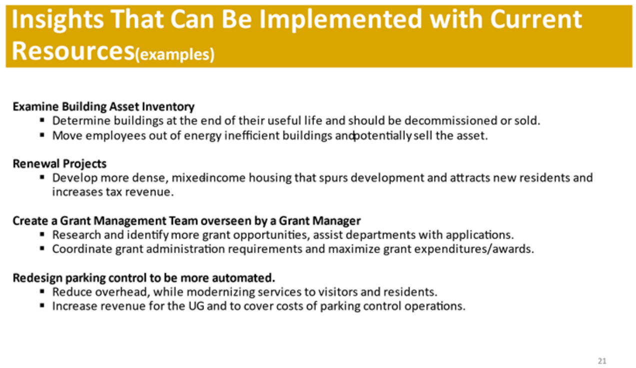
One result of this is that either tomorrow or early next week I'll publish a TCO checklist that has all the requirements that a business would have to go through, the various levels of TCOs or CO's. I've given it to a couple people as a draft as they're getting ready to start that process and both of them—they are nationwide developers that said wow, I've never seen anything like that before. This will really help us and make our process more efficient getting closed out on their construction.

As you know, we're working on the Build It KCK website to go along with the excel line of project docs, projects that should be up and going next week. We have had a long consultant driven delay in this but we're about to the end of that road thankfully, but that will help make sure that we don't miss anybody in the process, the notifications when somebody has a task are automatic. I will get reports of those and I'll know who on our side is on time or not and I'll know also who—if the client had a task to do it and they haven't responded, I'll know that we should contact them and see what their delay is.

I will note that as we're going through some infill projects a position like this is also a best practice for infill development because people have identified this as a way to make infill development go better. I've been working really hard on our processes and our internal team, maybe so much so that last week Troy Shaw called me a task master in our development process making sure that we're all on time and moving forward. While I can't change codes, we're doing a lot with the internal departments and policies and procedures to improve our customer service and make our communication folks better.

Today I had an email from a commissioner about a business that had been closed down after they had opened and we'll have a team assembled tomorrow morning to meet with them digitally like this and get that resolved. I think I already have a path to get them back open hopefully tomorrow. Those are the kinds of things that I'm able to do to help with the process and the goal is to eliminate those type of issues, but when they do come up, we hop on them and get them fixed quickly.

I would be happy to answer any questions anybody has.



Mr. Bach said we have some things that we feel like we can implement and work into. Some we started to do a little bit more. I know as we went through COVID the comment about how we're using our buildings and such came about. This is actually something we started to do, really deep inventory of this pre-COVID coming on. I've asked John Kelly if he would jump on and talk a little bit about what we're doing in our assessment areas and then continuing to do this as we look at people coming back to work and different forms for that.

John Kelly, Director of Buildings & Logistics, said along with our examining of the asset inventory of all of our facilities, we partnered with a team that you guys, Commission and Mayor, have been hearing us talk about, Ameresco, and currently they're out helping us look at our facilities from, you know, practical sizing for where people are in the space that they're in. A perfect example, my space within City Hall on the 5th floor, the way my staff is laid out, we may not need all the actual square footage that we may need, so what they're looking at is some of our smaller outlying buildings that we have CMIP dollars budgeted for outyears to do projects. Before we turn loose on some of those smaller outbuildings on putting into debt, we're looking at seeing how we can size people properly to maybe shrink them down in spaces and buildings that have larger footprints like City Hall or the Courthouse. This will be probably an ongoing project going into 2022 as we develop a strategy to downsize and move some of these people out of these facilities that aren't as efficient and the flows and so on and so on.

82nd & State is also one that we've looked at as far as parking and knowing that some of the issues out there continue to be a problem, but we also know that building doesn't have the best footprint for flow of people just because of the lobby area, getting people in there to Treasury. So we're just overall taking a look at all of our buildings and the layouts and how they work for the public coming and going. Like I said, I'm hoping that in 2022 we'll have a better plan and what that looks like in sizing our facilities properly and taking some of the space back to the ground floor of City Hall and being able to use that will also help in trying to downsize. Then, maybe address the Court Service Building. With the new Juvenile Building up and running we have a few people left at the Court Service Building, so our hopes are to maneuver and move people into other buildings that will better assist the public.

Mr. Bach said the other area, and this is one you've heard the Mayor talk about a lot I think as we've gone through and several of you commissioners, and that's with the renewal projects what we can do with our development areas. One area where we worked on this and adding to it—Gunnar Hand is actually going to say a few words about how he sees it from his perspective coming into play as we work on this throughout our community and some of the advantages.

Gunnar Hand, Director of Planning & Urban Design, said I think generally it goes without saying that more intense—a greater intensity of development on a piece of property obviously makes that property more valuable and in turn creates a greater return for taxes. I think it's also important to think about the appropriate location for that type of more intensity development and there's plenty of existing UG policy that focuses on both our transit corridors and these types of what have been called infill development projects. While new development is all good, development and while new development does incur new infrastructure costs that are paid by the developer, the ongoing maintenance of that cost in perpetuity is obviously the responsibility of the Unified Government.

We have a lot of redevelopment locations where their existing infrastructure is and by targeting those locations on transit routes and doing them in a way that is more diverse and equitable, we think we can have a greater return on investment and really get a double incentive for infill development which is we use—we utilize existing infrastructure and we return a lot of our sometimes vacant or underutilized property back to the tax rolls or generate greater taxes.

With that we have been developing a lot of different policies or we continue to update our long-range master plans as well as this summer focusing on our mobility plan getting launched today followed by our Citywide Master Plan update in the coming years.

With that, I'll take any questions and talk about infill development.

Mr. Bach said the next one on this list is actually one that I'm going to say I'm going to be moving over into the—we're going to move forward with it and implement it. It's one that we've looked at for a while about a Grant Management Team, a Grant Manager. Ms. VonAchen has done an excellent job of convincing me that in the current state of what's going on in Washington, DC and with the federal money that's out here that we need to move on this now because this is lost opportunity if we do not start focusing on this at a whole different level than where we are now. I mean we have people looking at it. We look for the grant opportunities. Our federal lobbyist sends us information on it, but it's certainly one where we can say today there are millions and billions of dollars that are going to be coming out in various areas and it can't be just something we do as part of our normal job.

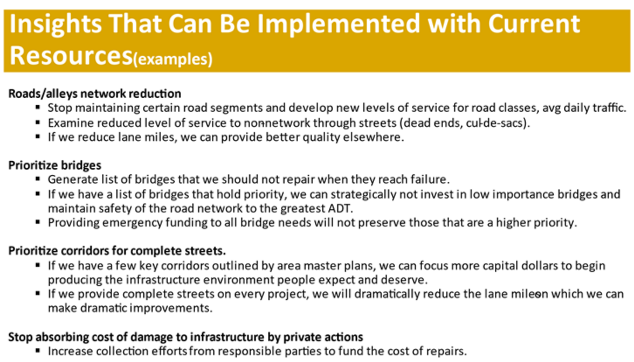
So, I'm going to move forward and realign some of my existing staff into their work because this is a higher priority right now. I'll build it in our future budgets, but I've got to have somebody focusing on it right now so we're going to realign and get somebody working on it and we'll also be looking at opportunities to probably bring in some outside resources to augment what we're doing from a professional perspective to go forward with that one. So that one is moving from things that can be implemented probably to within the next week or two of being implemented as we go forward and look at this.

I'm making some changes—this is also one that probably moves over to the other side of the category of redesign. Parking Control, I guess, we haven't implemented yet so we're still working through some of the processes but I'll recognize Mr. Cross to talk a little bit more about this one.

Emerick Cross, Assistant County Administrator, said that's exactly what we're trying to do is we're looking to update and automate our parking control and our parking lot system. As you know we moved to new gates and new spitter tickets and cash registers in the lots. We have automated cash machines now that always deals with cash but we're taking more debit and credit cards. There are a lot of folks moving to that but we still see a lot of cash in our interactions downtown in our lots. By doing that, to the first bullet point of reducing overhead, this has allowed us to remove our parking lot attendant positions which should help the UG bottom line when it comes to cost savings.

We have installed a new intercom system where now you can directly, if you're having trouble at the exit, you can push the blue button and you get Parking Control immediately, so that also helps not only our customers, but allows better customer service provided by Parking Control.

We've created a team to look at a downtown parking project. It's me, Anthony Miller in IT, Rhonda Green in Parking Control, and Greg Wooton in Building & Logistics and we're looking at getting out to vendors and soliciting information in ways that we can further update and automate our downtown parking system and that will include something like a park mobile app or something that makes parking a lot easier. You can do it through your cell phone and so those are just some of the things we're looking towards in the future. We're working on that right now. Hopefully, we have something that we can bring back mid-summer or end of summer this year for the group, but that's what we're doing in Parking Control.



Mr. Bach said the next area jumps into a whole lot of areas in the Public Works area. With that I've got Brandon Grover to talk a little bit about some of these as to what we're doing. Brandon's always got some great insights and ideas and thoughts for the organization and he's going to jump in on a couple of these.

Brandon Grover, Public Works Asset Coordination Manager, said the real theme of this slide really goes into our level of service. As you've heard us speak for the past several years now, one of our biggest assets in our city is our road and transportation network so the ability for us to maintain that is so vital to us. It's one of the key goals that we strive for in Engineering as well as the entire UG. As we've highlighted, at our current funding levels we're encroaching on a very scary point where we just can't keep going in our same direction if we want to make any improvements at all.

What these kind of insights were meant to highlight is getting us to look at the idea of are there places where we can reduce level of service. Roads that have lower ADT travel, bridges that have detour routes that are short distance that wouldn't cause a whole lot of inconvenience to people. If we can come up with lists to prioritize these things, figure out different ways to maintain them in more cost-effective manners, it will help the UG reallocate funds to those areas that need it more than some of the other low priority areas.

Gunnar mentioned it a little bit ago about prioritizing some of our transportation corridors and that goes along with the Complete Streets mentality and ideology that we've adopted recently that has to do with looking at some of the larger city streets that we've built in recent years. I will say 10-15 years and look to see if those are really the most efficient ways for us to provide transportation opportunities to our public. A wide road looks really inviting, but it also invites speed and a lot of times some of these roads weren't necessarily constructed with bike or pedestrian accommodations on them. So, narrowing up the road including shared use trails, putting street trees or other planting elements along them to give a more urban feel but also help increase some safety aspects or big things as well.

I know I kind of breezed through that a little bit. If anybody has any questions or thoughts, feel free to reach out or let me know.

Mr. Bach said, Brandon, I think you hit it right on. I think the key here is we're not always just coming to you saying we're at $12M, we need to spend $20M. This is kind of the reverse side of that equation that we look at some of these areas in our community too as he pointed on as one of the strategies and just say, you know what, let's just decide we're not going to build this or repair this road at the level of everything else and let everybody know it instead of coming back and having to give the answer yeah I wish we could get out there and fix that street or wish we could do more for it and say no, this is a very low used piece of infrastructure in our community and we're maintaining it the way it needs to be.

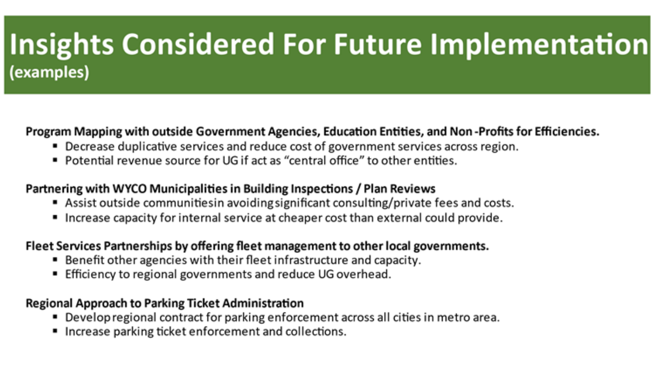
It's kind of like you've got dirt roads running all over the state of Kansas or all over America. You know farmers are running up and down those with heavy implements and things. We have some roads that aren't used that much more than many of those are across the country.

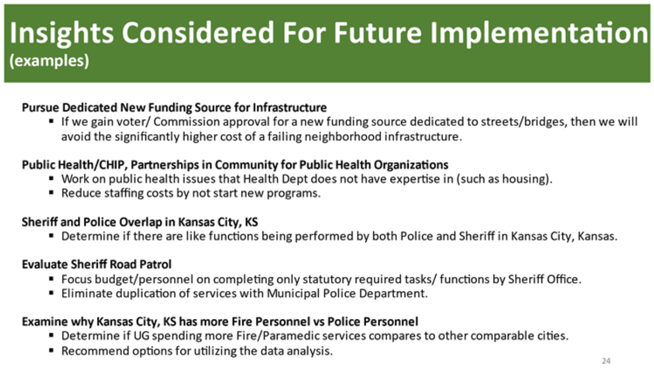
We've got to recognize that, admit it, and then just note it and then we can focus our resources where they need to be. That's what a lot of this is all about, so it's important from that standpoint.

Mayor Alvey said as you know the Commission has asked to participate in the infrastructure study and we designated six general areas and combined those six general areas into three combined committees. Each commissioner is going to be participating in one of the three committees and this is exactly kind of what we want to get to. We want to see the status of our infrastructure load, what we project out into the future, and to understand what our cost might be, what the burden might be to really handle all that infrastructure and then to look at how we might fund those. Some of that funding does include, perhaps, paring down, pruning away some of the infrastructure that is not crucial, not as high a priority, but to do as much as possible with what we have and so this aligns very well. I think as we go through the infrastructure—as the infrastructure study committees go through this; these are the kinds of the things we're going to be looking at.

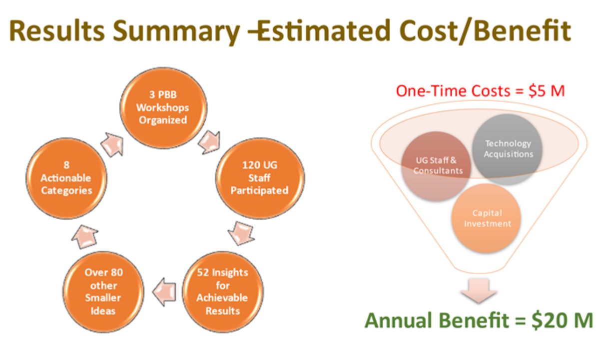
For instance, when we put together the tour—as Public Works puts together the tour for the commissioners across the community, we would want to see, for instance, some of these streets that might be considered for a lower level of maintenance. We want to see those bridges that are not as high a priority and might be able to be funded differently. Those are the kind of things the Commission really wants to dig into at a much better grasp of this so that we can actually take that to the electorates.

Mr. Bach said excellent and we all know you all are going to be the ones that are going to be standing there when somebody asks you why this road or this bridge isn't getting improved, so great idea, Mayor. Thank you Brandon. I appreciate your insights on that.





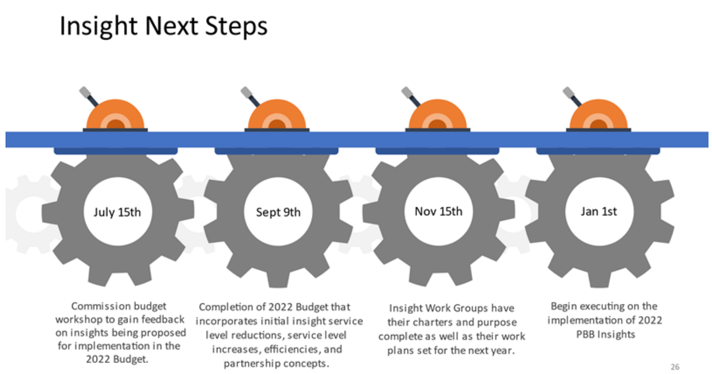
Mr. Bach said the next sections are ones that are classified as for future. I'm not going to break all these down. There's about 10 or 11 of them on the next couple of pages so you can read through these, see where we're at. As we evaluate them, we'll be coming back to them and offering more insights as they move up in categories to determine whether or not we can do those.



Kathleen, I'll let you jump in and talk about if we are able to move forward with some of those things and just can make them happen, how that ends up for us.

Ms. VonAchen said as I mentioned in summary, the results of these workshops, we had three workshops and then we had a fourth wrap-up where staff members presented to Doug, there was over 120 people that participated across all the UG departments. What they came up with were 52 insights for achievable results. You just saw a summary of some of them. We also have 80 other smaller ideas and, you know, we have categorized them into eight different categories to help us wrap our heads around it. We did an estimate of how much—you know, sometimes you have to spend money to save money and so we did an estimate of what would be the one-time costs to implement these 52 insights, not including the ERP system, we calculated that it would be about $5M in total. Of course, we're still working through the list but that's the estimate we have at the moment.

We also estimated that if we implemented all of them, including the ERP by the way, we could save $20M a year in savings across the board. That's really something that we need to do. We need to invest in our UG staff and in consulting. We need to invest in technology acquisitions, maybe a little bit of capital investment, so that we can really reap those benefits down the line.

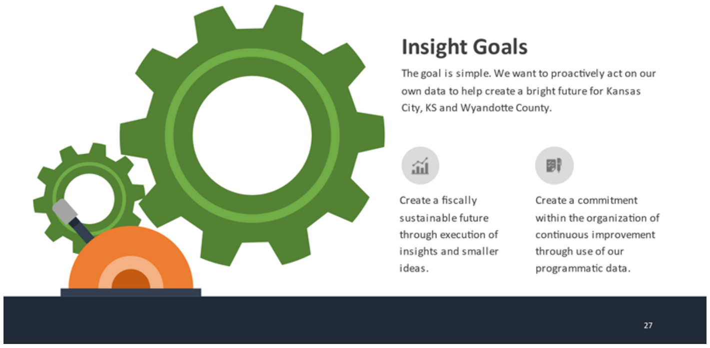


I just want to give you a few next steps. What we're going to do now is—what I'm anticipating that at the—I think it's the fourth budget workshop or perhaps the first one on July 1st, but at some point we're going to be in July. We're going to be presenting back to you as part of the budget workshop some of the insights that we're planning to propose as part of the 2022 Budget or that we're considering. We also want to get your feedback on the insights being proposed and get some ideas from you all too.

The next step then, of course, we plan on passing the 2022 Budget which will incorporate some initial insights including different service level reductions, service level increases, efficiencies and some partnership concepts that are mentioned.

On November 15th, the thought is that our insights work group will have their charters and so their project charters developed and the purpose completed for their individual insights as well as their work plan completed for the coming year.

On January 1st we hope to begin executing on the implementation of the 2022 PBB Insights. That's the plan. We're going to turn all these levers and get it going in the next six months.



At this point I am going to ask Eric to talk a little bit more about insight goals. **Mr. Keck** said here's our goal and it's really quite simple. We want your organization to proactively act upon the data that they've created. Rather than waiting for the next cataclysmic event to happen, it's not a matter of if, it's a matter of when, unfortunately, as we've all experienced probably in our time in local government, but we want you to be proactive. Insights are the best way to be proactive in order to create an environment where, again, there are a few things going on. The goal of trying to create a sustainably fiscal sustainable future as well as a commitment that we're going to be oriented towards creating continuous improvement all throughout the organization by using data that you already own. You're not having to create the other data. You already have your data, you have data from each of your programs and, again, determining the future of each of those programs.

Goal Execution

- Aggressively target identified insights and small ideas that are achievable in the shortterm time horizon and those that are not as complex.
- Generate small wins that will be celebrated to ensure that momentum is created and sustained for further continuous improvement initiatives.
- Ensure insight teams are supported and encouraged to execute their work.
- Work groups collaborate with County Administrator's Office on the creation and execution of work plan for insights.
- Policy issues such as fees, service levels, and partnerships will be brought forward to the Commission for study and approval.
- Work groups will be facilitated through the County Administrator's Office and the Office of the CFO.

So, what's this going to look like. What's this execution look like. It starts with aggressively targeting those insights and small ideas that are achievable in the short-term. Again, part of the software that we have that is helping to be the backend for the programmatic data is to allow you to see graphically. Map those things out. What can be done in the short-term versus long-term, which of those insights that create a lot of resistance versus less resistance, let's attack those things that aren't complex and are easily done in the short-term horizon.

Next, this is really important, and that is—I think your Administrator talked about too, and that is once you get a successful insight implemented, celebrate that small win and celebrate it throughout the organization because people are going to get excited about seeing that wheel, the flywheel start to turn, and again, encourage people to be looking for more types of insights that are going to lead to reallocation of funds or the inverse is just as equally fine, that is do we have programs that require a higher level of service and more resources. Your public might be saying, hey, we need some more health resources. To do that you have to reallocate funds from someplace else rather than creating new money. That's not sustainable.

Next we're going to be working with your teams to ensure that the insight teams are supported and Kathleen has a plan to create some roles to support, from the finance perspective, those insight teams that you've already heard from some of those captains tonight.

Next we're going to see that work groups are going to be collaborating not only with the County Administrator's Office, but also across the organization to again create plans to execute on those insights that have been created but also to continue the thought process to create more.

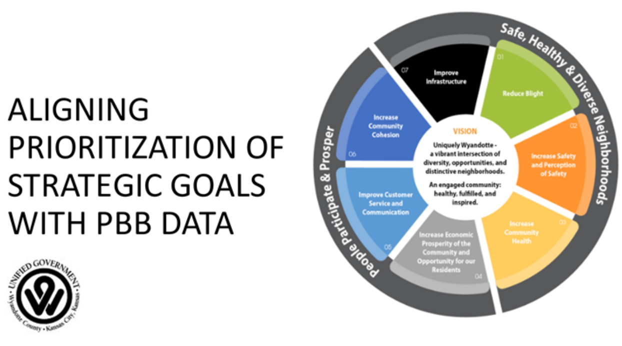
Again, this is an opportunity where at some point in time policy issues such as fees, service levels and partnerships are going to be brought to you. You as the financial stewards, the fiduciaries of Wyandotte County/Kansas City, Kansas combined government to make decisions on what's the appropriate level for fees, what's the appropriate service level. Those are discussions at which elected officials are aptly suited to make recommendation and approvals for.

Lastly, again, we talked about it a little bit already, through the County Administrator's Office and the Office of the CFO there's going to be—those work groups are going to be continually nurtured, fostered, and again, I say that because what ends up happening is that the daily grind, the daily work sometimes gets in the way of strategic planning. But, without strategic planning, without working with intentionality and without working proactively, you're not guaranteeing yourselves a solid future. So, part of the job of your Administrator and CFO is going to be to carve out the time and space as well as to help preserve that for that type of work to occur in addition to just the general service delivery that needs to happen on a day-to-day basis. That's going to be really important for your financial sustainability.

I just want to say thank you for the opportunity to work with your team. It has been super fulfilling, energizing for me as well as a good opportunity to see an organization transform itself from the inside out. I would be happy to answer any questions you have before you move on to your next topic, but again, I just want to say thank you for this evening.

Mr. Bach said thank you Eric. I appreciate all the work you've been doing with us and I know you'll continue to be there with us as we go forward.

One thing I would just say as you seen this out there, we've thrown PBB out to you. We're not always in front of you with it as we go along all the way and that's why we have to come back every once—I'll tell you, it's not just business as usual for us. We've taken some steps and we're continuing to evaluate other things. We've got a lot of people in the organization understanding why this is important to the culture of how we are working going forward. That kind of takes us to the next side of this as we look at where we are with our strategic goals.



We came back last spring and we went through this with you all. We talked about where we were on different priorities and you did some weighting on some things so we wanted to come back and talk about that because as we continue forward with PBB I want to make sure I'm directing my staff with the right guidance; it is an alliance with where the direction you guys want us to go.

I've asked Molly Saunders with Shockey to come back and kind of refresh us where we went through with that and really the direction you provided in that meeting as we look forward to building our next budget.

Molly Saunders, Shockey Consulting Services, said I'm really struck as I'm listening to the conversation tonight at how the UG has transformed over the last number of years that we've had the chance to work with you. The conversation has really shifted over the years from incremental sort of change to really transformational and strategic change. Eric was saying we should celebrate successes and I think that's something really to be celebrated. Really it wasn't that long ago that you didn't have strategic goals and weren't really all moving in a specific direction so I think that is really a testament to the commitment to the future of your community. I think that's really exciting and I've been really happy to be part of the process over the years.

As Doug was saying, really PBB is a process but it's very important that it aligns with the strategic direction that elected officials wants the community to go in. You've seen the strategic goals over the years. We review them every year. I think it was last year where infrastructure was pulled out to give it specific focus and so now is the opportunity to really marry the strategic goals and PBB. This is like taking everything to the next level and it's a very exciting time I think for your organization and community.

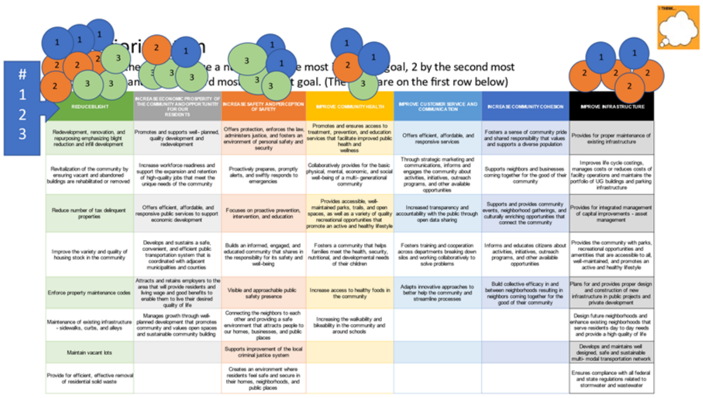
Board of Commissioners
Workshop Agenda
March 4, 2021, 4 p.m. – 8 p.m.

Purpose

Identify strategic investment and budget priorities for 2022.
Discuss long-term priorities and strategic approach to meet goals and objectives, including financial resiliency.

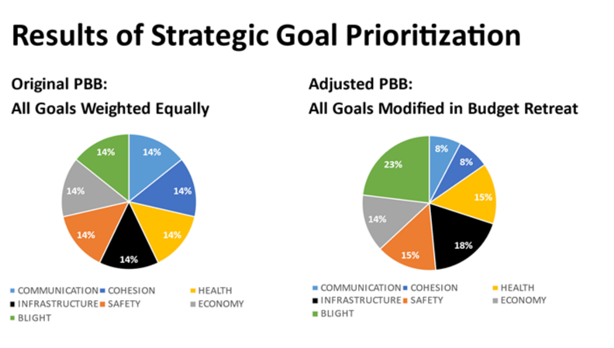
4:00 PM	Call to Order	Mayor David Alvey
4:10 PM	Welcome and Overview	Doug Bach, County Administrator
4:20 PM	Goals & Initiatives Progress *Review the materials attached* *and share one initiative that you are proud of with the other elected officials.*	Mayor & Commission
4:50 PM	Goal Prioritization *Review the materials attached. Prior to the meeting, prioritize the goals with* *1 – most important; 2– second most important; 3. Third most important.* *Write down three reasons why you set these priorities to share with the group*	Sheila Shockey, Shockey Consulting
5:20 PM	Priorities & Strategies Long-term focus on Goals & Vision	Sheila Shockey, Shockey Consulting
5:45 PM	Break	All
6:15 PM	Financial Picture	Kathleen VonAchen, Chief Financial Officer
6:30 PM	1 Mill = Opportunities & Trade Offs	Sheila Shockey
7:15 PM	Wrap-up/Next Steps	Doug Bach
8:00 PM	Adjourn	

In March Shelia Shockey was with you to go through an exercise to prioritize and just as a reminder, the agenda asked that you prioritize the goals, the top three goals, prior to the meeting and then when you met you shared the results of those. The next slide is going to show how everyone prioritized the goals.



This slide shows you the rank of one, two and three of where people prioritized their goals and as you can see reduced blight was the big winner on the prioritization game. Specifically, on that one it was the maintenance of existing infrastructures, sidewalks, alleys; that really got a lot of attention from the group. But that one overall received the highest number of dots. Also, infrastructure, safety and economic prosperity were rated as being important priorities for the community.

There were two areas that didn't get any dots but that doesn't mean that they're not important. It just means at this moment in time there are other needs that are needing attention more urgently than the others. The way this can be married with PBB is taking the prioritization and including it with the program prioritization of strategic goals with the prioritization of programs.

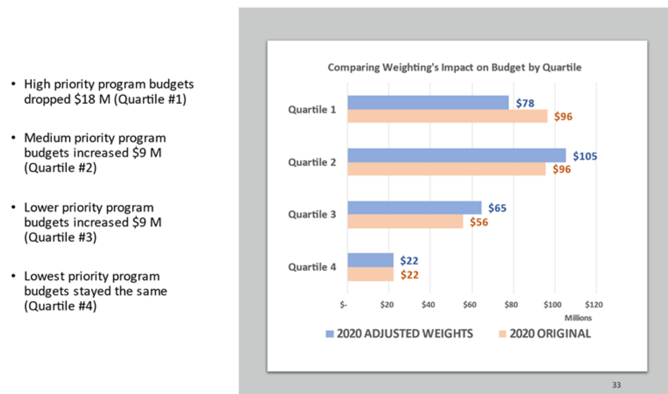


Currently the way PBB works is that all goals are weighted equally. The program needs to be working toward a goal but it doesn't really get any extra credit, if you will, if it's in a strategic goal area that's a higher priority. What Kathleen and her staff did was take the prioritization that we just shared with you and weighted it and reallocated based on those goals.

As you can see here the way the pie is sliced shifts a little bit to reflect the different priorities and so blight would get a bigger piece of the pie than if it were weighted equally and same with infrastructure, safety and economic prosperity. The intent of this is really to shift your resources to the priority goal areas and align the programs to those.

This is the initial draft, but we wanted to share with you how the goal prioritization affects the PBB rankings and prioritization.

I'm happy to answer any questions about that and Kathleen will talk a little bit more about the details of the specific programs and quartiles but I'm happy to answer any questions you might have.



Ms. VonAchen said the fun thing is that budget retreat did happen back in March so that was a while ago. We're just refreshing your memory that you all undertook this exercise and once you have a little bit more time to think about it, we're happy to gain your feedback on that.

We plugged in how the change or shifting of the prioritization of the strategic goals how did it impact the data in our Priority Based Budgeting process. This is the chart that shows the shift. By the way, we're using 2020 original data—original budget data in the software right now because Amended 2020 and then the 2021 Budget data is a little anomalous due to COVID-19. We're trying to keep things with the cost amounts to be kind of consistent with what has been the case in the past prior to the impact of the pandemic.

Mayor Alvey said I guess I'm confused. What in general are you showing us with this? Is it what would have happened if we applied these weighted impacts on the 2020 Budget because we're not applying because—if we had done this to 2020, that's what it would look like. **Ms. VonAchen** said yes.

Commissioner Burroughs said, Kathleen, so we see absolutely no savings. What we see here presently is a reprioritization so we see the same amount of dollars being spent but reprioritized due to the last meeting. **Ms. VonAchen** said that's right, absolutely, yep. So, same dollar amount only by—so, I have here what the prior—so the 2020 or the orange is if we weighted all the strategic goals equally the same. So, all the seven goals get the level of prioritization or that it's that 14% but the blue is with the shifting of the prioritization amongst the various strategic goals based on the exercise that was done, you know, led by Shockey Consulting back in March.

As you can see, if you can compare these quartiles, actually tell us the priority level of programs so Quartile 1 is the highest priority program. In Quartile 1 you can see that the blue is shorter than the orange and that's because of due to the shifting, it's telling us that higher priority programs with your revised prioritization of the goals are only comprising 78% of the total, so it drops by $18M.

Quartile 2 pretty much stays the same. It did increase about $9M so basically those programs that perhaps were previously in Quartile 1 shifted to two, for example. Of course, we're talking about over 400 programs. This is a representation of how these shifting's are occurring. Another shift that occurred is that—you know, more shifting occurred down the line, so the Quartile 3 is what I'm calling the lower priority program. Those budgets shifted and those increased by $9M.

Then, the lowest, pretty much stayed the same. It was not impacted by the shifting of the strategic goals in their prioritization.

Commissioner Bynum said I need some more help here. I don't know if this is an example or a reality. **Ms. VonAchen** said this is the result of the exercise that was done in March, a budget retreat. Just compare this. For example, this is if all the seven strategic goals were prioritized exactly the same. For example, cohesion and communication have the same weight as blight or health.

Over here on this one, you can see how those have changed based on the exercise, going back again, that Shelia and Molly undertook with you back in March, where you were given three dots and you were asked to tell us which of the programs—or which goals would you select. So, the dots were placed and what we did was, we did a calculation of those dots to determine these new percentages.

Commissioner Bynum said I was tracking with you until this slide. It's the next slide where I'm off kilter. **Ms. VonAchen** said right, so as a result, you know, all of these 400 programs they're all scored based on the degree to which they achieve the results that are expected from any individual strategic goal. If a strategic goal is given a higher weight and that program actually is geared towards that higher weight goal, then it's going to shift up in the quartile ranking or shift down if it's not. So, of all the 400 goals, they're all shifting back and forth based on the change in this weighting system. This is the change that has occurred amongst all of the shifting programs.

Ms. Saunders said this is just an example though. **Ms. VonAchen** said yes. **Ms. Saunders** said this is just an example using the 2020 data of how it would have been different had this been in place. **Commissioner Bynum** said but my question remains, the salmon colored line is the original amount. The blue line is the adjusted weight amount. **Ms. VonAchen** said yeah. **Commissioner Bynum** said in Quartile 1, I apologize, I might be trying—these bullet points on the left-hand side of the screen say high priority program budgets dropped by $18M. **Ms. VonAchen** said yes. **Commissioner Bynum** said now why would we drop high priority budgets by $18M?

Mr. Bach said, Kathleen, let me try this. I think what we're trying to demonstrate is when we took this and we looked at how everything weighted out according to the priorities of the governing body, when we used the new priorities and said blight is the highest, we found we weren't spending as much money on blight, we were spending it on other areas that were lower priorities to the governing body. There's no change in the total dollar figures on this page. When we weighted it, we said the highest priority of the commissioners—you know, in the original budget, the highest priorities of the commissioners got $96M spent on them. Then we went back and said, okay now, let's reweight this and blight is the highest priority and the other items in that, now we go, oh look, we're really not spending as much of our budget on the Commissions highest priorities as we thought we were, we're only spending $78M. Now, some of those fell to Quartile 2, which is good, but there were things in Quartile 1 before that we—by giving everything an equal weight, we thought it was up there, but actually some of those Quartile 1's are now in Quartile 3 which is not a high priority for you.

This tells me as I look forward to the 2022 Budget that I need to probably—you know, if I'm going to follow these weighted averages, we're going to probably reduce in some areas that in 2020 we spent more money on and then try to push more money into some other areas that are in those higher areas for you, higher priorities.

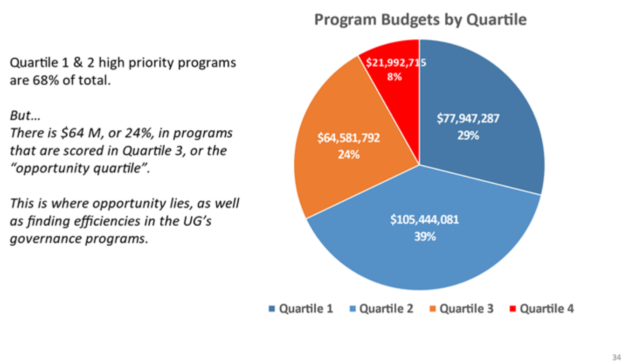
Commissioner Bynum said okay. I'll keep going with you. **Mr. Bach** said we'll try to keep clarifying that as we go on.

Commissioner McKiernan said I hate to keep beating on this, but I'm trying to wrap my brain around this. Let me just throw something out there and you tell me if I'm on the right track or not. Let's say that we have 100 things that we do, so we have 100 and I use 100 because it's going to divide easily into quarters. Originally, when we started this whole process, we looked at each of those things that we do and we said, hum, how important is that thing that we do and when we started to assign the importance of that thing we do, we had 25 that got the highest weight, Quartile 1, we had 25 that got the second highest weight. So, we stratified all of these 100 things that we do based on how important we thought they were kind of in an antiseptic, we disassembled everything and just looked at the parts.

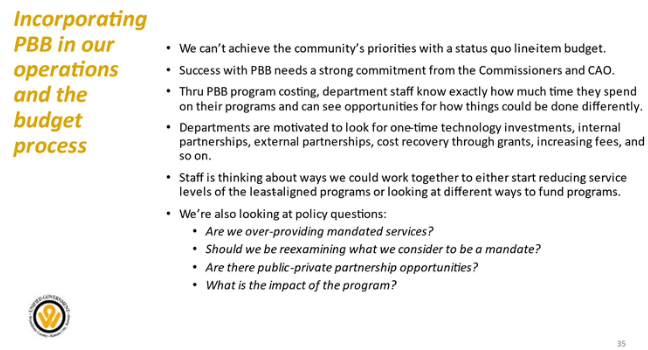
Later we came back and said, now if we consider our Commission goals, then this goal area gets more weight than this goal area and then did we go back and say, ah, a whole bunch of the things that we have in Quartile 1 when look just individually at things that we do and if somebody—Kathleen, if you go back to slide 32 please, see if I'm right here. I'm going to guess and I'm going to pick on cohesion, I'm going to guess there are some things that we do that when we disassembled everything, we looked at them and we said that's really important, we need to do that and they may have been rated so important that they got into Quartile 1. But then when we as a Commission said, but that particular goal area doesn't get as much weight, then some of those things that we do that were really important all by themselves now get a decreased emphasis when we apply this weighting. Am I on the right track with this or not? **Mr. Bach** said you've got it. You are right on.

Commissioner McKiernan said if you could go to the next slide please then. So, our error if there—no, our process was that we initially just disaggregated everything and looked at everything we do and said is that important, yes or no. Now we've modified that initial assessment with our later overlaying our Commission goals, and so, what I'm seeing here is a lot of things that originally fell into Quartile 1 disaggregated now get less emphasis and, therefore, less budget because they are attributed to, or assigned to a goal, that we have given a lower weight. **Ms. Saunders** said you got it.

Commissioner Ramirez said after Commissioner McKiernan's explanation, I do not have a question. He helped answer all the questions I was having, so thank you, Commissioner McKiernan.



Ms. VonAchen said this is the same information only with the adjusted goal prioritization but in a pie chart. For example, we have in Quartile 1 and 2 which are these blue ones, those are the higher priorities and they comprise 68% of the total, but as you can see, there's $64M or 24% of our budget that's in a lower Quartile 3 lower priority quartile which we should actually call Opportunity Quartile because this is where opportunities lie for us to find some transformative adjustments and changes to our service level to how we fund these programs. Also looking for regional partnerships where we can reduce or—reduce service levels so that we can find resources within the $64M so that we can redirect them to this higher—the blue area which was a higher priority area so that we're actually following your direction in providing services to our residents that are of the highest priority, but you're reducing by Infrastructure, Public Safety and Health.

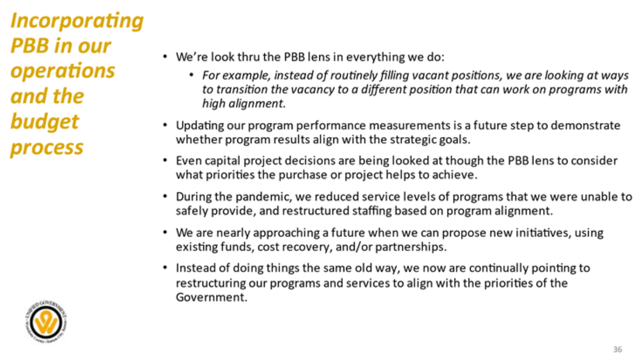


In final, I'm going to give you kind of a recap of where we are with PBB because, you know, many people think, gee, how is it that we're going to get to where we need to be, it's such a big process and yet you need to think of it as something that's very subtle and little by little we're going to get to where we need to be. We can't achieve our community priorities with the current status quo line item budgeting process.

Priority Based Budgeting is what we've adopted in order to transform our organization so that we're actually providing the services of highest priority to the residents. The success of PBB really needs strong commitment from you all as commissioners and the administration in order for it to be successful. One thing to remember is that true PBB program costing is that department staff know exactly how much time they spend on their programs, both their high priority programs and their low priority programs and they can see opportunities for how things could be done differently. It's very important for our—you know, to have our department staff very involved in all of this process.

Departments are motivated to look for one-time technology investments, internal partnerships, external partnerships, cost recovery through grants or increasing fees because they know that those funds can be redirected to programs that are a higher priority in order to achieve the goal that we all agree upon. Staff is thinking about ways we can work together to either start reducing service levels of the least-aligned programs or looking at different ways to fund programs.

The point of it is that staff understands their programs and their ideas are going to be—there are many ideas across all the departments that are going to be the impetus for the change that we're looking for through the PBB process. So, all of them are thinking about these policy questions that actually Eric talked about. Are we over-providing mandated services? Should we be reexamining what we consider to be a mandate because there are a lot of programs that people think are mandated by the state, maybe they're not so much. Are there private/public partnership opportunities out there, and also measuring and determining what the impact of the program is and whether that impact actually achieves the result of the goal—or the goal that is expected.



We're looking through the PBB lens in everything we do. For example, instead of routinely filling vacant positions, we are looking at ways to transition the vacancy to a different position that can work on programs that have a higher alignment. That's actually something that's already happening now. We're updating our program performance measurements. That's a future step in order to demonstrate where program results align with the goals. Even in our capital project decisions, we're looking through that PBB lens to consider what priorities the purchase or the project helps to achieve.

During this pandemic we reduced service levels of programs that we were unable to safely provide and we've looked at restructuring of staffing based on that program alignment. We are nearly approaching a future where we can propose new initiatives using existing funds or cost recovery or partnerships. We still have a structural deficit but we are—I see a future where we will be in a better position to provide ongoing operations at a more efficient level and have available resources to do new initiatives.

Instead of doing things the same old way, we are now actually continually pointing to restructuring our programs and services so that they align with the priorities of the government. It's a long process, little by little, and with your help and your support, we've been able to get to where we are and I really appreciate how much you—all your interest in this process.

That's all I got. Any questions?

Commissioner McKiernan said I feel like Winnie the Pooh here, think, think, think. I do think I get all of this and I'm going to circle back to a question that Commissioner Burroughs asked a few moments ago. He looked at, back on the quartile slide, he said so we're going to spend the same amount of money that we had originally budgeted and I want to confirm that in the example that you showed with the quartile bars, that based on applying these weights, what you're saying is yes, assuming we spend the same amount of money overall, we would have spent it differently. We would have given less funding than we originally gave to this thing we do and we would have given more funding than we originally gave to this thing we do and that would align it better with our strategic goals and how we weighted everything out. **Ms. VonAchen** said yes. **Commissioner McKiernan** said while we could use this down the road possibly as a way to find, efficiencies is the wrong word, but it's the one I'll use; savings, your specific example tonight was that if we spent the same amount of money, we would have spent it different. Then, I assume that our assumption based on all of that is, that we would have better delivered services and better met our strategic goals by doing it that way. Would that be accurate?

Ms. VonAchen said yes. So, of course the goal here ultimately is for into the future is that we spend more of our budget in Quartile 1 and 2 areas than we currently are naturally because we always want to go towards spending—you know, to providing better service in the highest priority programs. **Commissioner McKiernan** said, but we have to spend it in Quartile 1 modified, right? **Ms. VonAchen** said yes. **Commissioner McKiernan** said because I think what this exercise has shown us is that when we disaggregate we ask about everything we do in isolation. Things that originally started out really important then get a lower priority overall, so it has to be the modified. **Ms. VonAchen** said yes.

Mr. Bach said it is our hope that in the future as we continue to go, and then it will probably take a few cycles to go through it, but when you see that quartile list, the biggest expenditure of money should be in Quartile 1, then Quartile 2, 3, 4. I mean 4 is already down there small, so I think we've got 4 kind of worked out but are we spending too much in 3? I mean, we probably need to move money more from 3 up to 1 and maybe a little less in 2.

Commissioner McKiernan said if I go back and I just pick a goal here, increase safety and the perception of safety, out of those 100 things that we do, there might be 25 of those that fall under the broad goal of increase safety and the perception of safety and 5 of those 25 might have been Quartile 1 and 5 of those 25 might have been Quartile 2 so all of those things that we do could be scattered across all the quartiles. Is that correct? **Ms. VonAchen** said yes, absolutely. **Commissioner McKiernan** said then the modified, the weighting, based on our goals then would have this broad shifting effect across all four quartiles, not just in Quartile 1, but in 2, 3 and 4 as well. **Ms. VonAchen** said yes.

Mr. Bach said, for example, today, you know, we go through vacancies where we're at. If I have that push that they're in there for people—anybody that's working out at NRC, working in our Codes area, working in our Public Works area for infrastructure, working in our mowing and such, those are all green light to be filled. In other areas where they're coming up and we're trying to backfill on some of those that are not in the higher priorities, they're getting a much stronger review of what is the impact of that position on the function that's happening and whether or not we should fill it, if ever, and this is a resulted opportunity, I guess, that put us in it from last year when we went into a really hard freeze and stopped filling all these positions. So, now as we continue to wade through these and look at them and then want to make sure—that's kind of where we're coming back today going I want to make sure how we've shown the weights that you guys have put on it is still in alignment with your thought process. That's how I'm going to continue to evaluate these as I fill positions or as I look at budget requests and work on building the budget coming in for 2022.

Commissioner McKiernan said thank you so much. As very often happens, I need to go do a lot more thinking and homework after the meeting, which I will do, and I'll circle back to all of you.

Commissioner Markley said I think Molly hit the nail on the head that the first thing to celebrate is the fact that we are here at this point. It's really difficult as a commissioner to look at the budget because what we see is a budget for departments and we don't want to as commissioners and as residents we don't want to fund departments, we want to fund priorities, we want to fund projects, we want to fund the programs that are a priority for individuals. We don't want to fund a department or a good or an item and for a long time we stumbled around saying what are we mandated to do, what do we have to do and what can we cut and what are we allowed to cut and we didn't even know PBB existed back then, but it's really checked all the boxes in helping us establish those things that we have been looking for as far as what's mandated, what is required, what's not required, and what are the priorities, how they fit together.

I think that's pretty exciting and I think it's really visionary. I also think there's a wonderful side effect that I feel like is happening as a result of this whole program and that's just a cultural change internally. You know nothing makes an employee happier than to have their good ideas be heated and implemented and for a long time there was no way for them to bring that idea forward that felt natural to them. Everybody always felt like they're were stepping on somebody else's toes especially if they were saying something about another department and so just nobody said anything so all those good ideas just never came forward. It's really exciting to hear employees having a voice and saying I've been thinking this for years and I think it's a good idea and maybe we should try. It's going to improve us as an organization and it's going to make our employees happier, so I think that's a wonderful thing as well.

I appreciate the presentation. I really appreciate the program and just everything that's coming out of it. It's a huge step forward from where we've been in the past and I look forward to seeing how it impacts our budget in the future.

Commissioner Ramirez said I think Commissioner Markley said it perfectly about the messaging of how now we as a Commission with PBB can sort of talk about it with our constituents, but among ourselves more as programs and priorities rather than alright let's give money to Planning & Zoning, let's give money to Police, let's give money to Building & Logistics. It's having more of a conversation about what exactly in those departments, what are our priorities and how do they connect to our strategic goals, so thank you Commissioner Markley, and you said it perfectly.

The only question I had, Kathleen, you said there are 52 insights that came out of all of this work and I thank you and the department for everything you've done with PBB. Is there a way that we can see all 52 insights so just that, you know, so we can see our—personally, so I can see all of the hard work that you guys have done and I'm just curious to see what all the other ones are as well. **Ms. VonAchen** said we put together this list of insights. As I mentioned, some of them—actually a number of them are in the midst of being implemented, so they're still there, but a whole slew of them are new ideas, so we're kind of working through those.

Internally we want to take a closer look at them but at some point we want to share them with you.

Mr. Bach said I guess, Commissioner, we could throw that whole list—like I mentioned, some of them are ones we're already doing so I guess we could throw that list at you. I just want—it's kind of qualifying that out. Maybe it's getting through those and getting some of those marked off so there's not an assumption. I think if you see that on there, you're probably thinking, well why in the heck aren't we doing that. There were several on the list that we need to—that we're already doing. I think that's the only thing we probably need to clarify and pull off there, isn't it Kathleen? **Ms. VonAchen** said yes. **Mr. Bach** said (inaudible) the list with it I guess. **Ms. VonAchen** said yeah. In the spirt of things, you should keep in mind this is coming from the ground up, you know, from managers and also just line level staff with their ideas. It's not coming from administration.

Commissioner Ramirez said I think that is great. That's really great getting our employees involved in departments, so that's why I was just curious if we could see because I'm curious to see all the different ideas our employees have. It is exciting. It's exciting that we're doing this so thank you for all that you do, Kathleen, your department, Doug, and administration for all that you've been able to do with the PBB and I think this is something that's really going to help Wyandotte especially with us as a government become more strategic and financially sustainable, so thank you for all that you've done.

Ms. VonAchen said part of the process, I should mention, we also determine whether the insight is feasible and also whether there are some impediments that would preclude us from moving forward with it, have we done it before. You know, there were a number of qualifiers to all that so that's why we're looking through all that, they're not clear-cut action plans.

Commissioner Johnson said, Kathleen, it's already been stated but I appreciate all the hard work that you all have put into this process and the whole PBB process. There's a whole lot that I'm personally excited about, the possibilities of what is going to present to us and where it is taking us as a Commission at-large.

With all the information that has been shared, I need for somebody to reiterate to me what I think has already been said and that is, help me to remember how we reconcile what is happening through the PBB process against what we received from the community surveys that go out in terms of prioritization and how we reconcile those two narratives to come to some directive, in some number, and some percentage.

Ms. VonAchen said the community survey provides—informs the Commission on how to prioritize all of those seven strategic goals. So, in my mind, I see the community survey as a means for informing all of you on what kind of policy should you be setting into the future in order to achieve the survey results that you received through that community survey. I did want to point out that Melissa Sieben and I are working on a website to exactly link the PBB work with the community survey and so we're actually working on that and hope to launch that in the next couple of months maybe. That survey informs your strategic direction, so you're in the hot seat in terms of where the budget moves forward and by determining what your priorities are among the seven strategic goals, then we're able to measure the results against those—that direction. Does that help? **Commissioner Johnson** said it does. Do you—I guess if you imagine if you begin to—I guess this is where my experience has drawn me in the past is to always look at what is the worst thing that could happen. So, in that scenario, do you foresee any situation where we could be caught in the crosshairs between what is revealed through the Priority Based Budgeting process and what our community has indicated our priorities while we're in betwixt survey's. Do you foresee anything like that occurring at any particular time and if so, what might be the overall arching directive that will guide us?

Mr. Bach said I would probably say, Commissioner, where you could get caught in the crosshairs on something like this is, everything we do as a government, you know, I guess it's the point and Eric has reminded me of it a few times, it's easy for us to start new government programs, it's really difficult for us to ever stop doing them. There is always somebody in the community that is interested in something we're doing and it can be an extremely small percentage of our population and we can be spending money on it, a lot of money on it, but if it falls into that category of a low priority, as you know, it doesn't take a thousand people that are supporting a program for you to get 20 calls about it. I mean there could be—if there are 20 people that are passionate about something, but they're the only 20 in the community, you could hear from them. Now, by percentage it usually doesn't work that way but there could be some things that fall into the categories of being just lower priorities that come out that—you know if we're going to completely defund something, you know we're going to bring that up.

I would say this kind of falls more in the line of okay, we're just not—this area is not getting any kind of COLA adjustment to it. We're not going to continue to grow some of these certain areas. Some of them may go away and those are the ones we'll clearly make you aware of it, but others that just are part of the ice chunk that's below the iceberg floating along that we don't do as much in, somebody may come back and say something to you about that and say, hey, why aren't we doing this or that and that's where we try to give you that information so you're aware of it, but I think it would be one of those that maybe doesn't have any of your attention and we don't highlight it in some way just because it wasn't a massive move about the change in it, you'll know about those. It will be one that gets more of a smaller incremental move and doing less in that area. **Commissioner Johnson** said that helps me a lot in terms of my thought process. What I'm presenting may not ever occur. In fact, if it does, it might be such a small thing that it might not be worth the dialogue but it's just something that had crossed by mind. I appreciate the response back to that. **Mr. Bach** said depending on how aggressive we get with this process, Commissioner, it could very likely happen.

Ms. VonAchen said I wanted to add something to what Doug just said. It is really important that PBB really isn't about eliminating programs but, you know, a low priority. It's more about realigning or reshifting funding to a higher priority and not funding big initiatives and growth in areas that are ranked lower. One example is, you know, we noticed that a lot of the fleet maintenance or fleet management programs are actually ranked pretty low. They're in the fourth and third quartile, but actually since our new director came on, Director for Fleet Jeff Miles, he's completely innovative how that area is operating with the new software and then entering into some lease opportunities with Enterprise. As a result, the cost of that program has really shifted, so that's the point, we need to transform areas that have been in the past maybe higher costs than they should have. The lower cost, especially in those areas that are lower priorities, just to give you an example.

Commissioner Philbrook said I am just amazed actually at how far administration, our UG employees, and the Commission have come in eight years. It has just been totally phenomenal to see all the change that has happened over those years because we were nowhere around doing anything like this eight years ago. It has been coming on and it is finally really—I don't want to use—well, I'm going to use the word snowballed, into something that people are actually taking on as individuals in our UG to be really part of the solutions to the things that they see need to happen for our community. This is like—I feel like a proud mama right now, like oh my gosh, all these wonderful things are happening and my kids are really doing a great job and they're enjoying their life and we're all trying to see that our community is doing well. I mean what more can be asked for other than just keep helping them stay in that frame of mind and thank you for all of your hard work everybody that has been part of this.

Kathleen, you are very innovative and I know you have a team that's very innovative— **Ms. VonAchen** said I was going to mention, a lot of this work has been led by Reginald Lindsey and Michael Peterson in the Budget Office. They have worked really closely with all the departments to collect that data and they will continue to do so, it's all of them. **Commissioner Philbrook** said that's okay. Reggie is a shining star in my mind. He helped me first thing out to help me understand some taxes right off the get-go when I was first elected, so he is a shining star. Anybody that can talk to a new commissioner and explain that stuff is really good but now everybody—Doug, your fault now because you've actually helped with the Mayor's Office and all of your administration to make these things happen and so just keep listening to your administration and your department heads and let them help you further all of this great work that's going on. Thanks a bunch.

Mayor Alvey said okay, we're at 7:15 p.m. Mr. Bach, I think we are done with our presentation tonight. **Mr. Bach** said we are sir, thank you. **Mayor Alvey** said thank you.

MAYOR ALVEY ADJOURNED
THE MEETING AT 7:16 p.m.

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Brett Deichler
Interim Unified Government Clerk

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