STATE OF KANSAS)
WYANDOTTE COUNTY)) SS **SPECIAL SESSION, THURSDAY, SEPTEMBER 15, 2022**
CITY OF KANSAS CITY, KS)

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, September 15, 2022, with nine members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; Johnson, Commissioner Fourth District (arrived at 6:50 p.m.); Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District; and Garner, Mayor/CEO, presiding. McKiernan, Commissioner Second District; and Ramirez, Commissioner Third District; were absent. The following officials were also in attendance: Cheryl Harrison-Lee, Interim County Administrator (arrived at 5:37 p.m.); Misty Brown, Chief Legal Counsel; Alan Howze, Assistant County Administrator; Brett Deichler, Interim Assistant County Administrator; Becky Berger, Executive Director in County Administrator's Office; Monica L. Sparks, Acting Unified Government Clerk; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Director; Michael Peterson, Assistant Budget Director; Richard Rocha, Management Analyst in Budget; Jeff Fisher, Executive Director of Public Works; Judi Her, Budget Department; Mike Callahan, Fire Chief; Daniel Soptic, Sheriff; J. J. Simma, President Firefighters Local 64; Jon Khalil, Assistant Counsel; Brent Thompson, Fire Department; Ashley Hand, Director of Strategic Communications; and Alley Porter, Commission Liaison.

Mayor Garner said before I call this meeting to order, I want to announce that we have individuals 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 and is current guidance from the Kansas Attorney General.

MAYOR GARNER called the meeting to order.

ROLL CALL: Kane, Markley, Stites, Davis, Bynum, Burroughs, Townsend, Garner.

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in a hybrid format on Thursday, September 15, 2022, at 5:00 p.m. in the Commissioner Chambers of the Municipal Office Building for updates related to the Public Works Biosolids Project and reopening of the Fairfax Fire Station.

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 Garner said tonight we have two items on our agenda. Our first item this evening is an update from our Public Works Director regarding the Biosolids Project. I'll turn this meeting over to Jeff Fisher for the presentation.

Jeff Fisher, Executive Director of Public Works, said I wanted first to make a few comments before handing it over to our owners rep.

Biosolids Improvement Project

Desired Project Outcomes

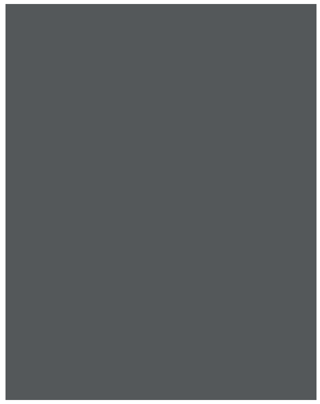
✓Improve customer service

✓Reduce risk and O&M costs

✓Create new revenue

✓Provide environmental benefits

✓Local contractor engagement



The UG has made some smart investments in our Wastewater Treatment Plants and you might recall Wolcott being our newest plant out west and has been nationally recognized because of its new technology and its benefits to the environment and long-term costs. We're really excited about that.

Kaw Point was also another opportunity to make sort of a plant of the future. You might recall the initial drivers behind Kaw Point in doing a Biosolids Project was landfill costs and were increasing and also because we're taking that waste to a landfill, we're vulnerable to the special use permit that the landfill has in Johnson County. With those cost increases, those operational increases and those risks, the Commission approved in the CMIP, I believe it was in '17, this Biosolids Project.

Then, we went about the process of further conceptualizing that and then selecting our method for project delivery which ended up being a progressive design build, which was new to the UG and for that we hired our owners rep, which is HDR. Pat and Jess are here with us with HDR. Pat's going to speak to the project itself.

I think the Biosolids Project has great potential because not only would we include digestion, you might recall that we included something new which was, we capture that, we would be the plant in the region that would take fog and high-strength waste and that kind of thing and process it and then generate gas, natural gas, which then we could sell back to the market and create revenues that the UG is not currently getting that would help user rates long term. Pat's going to speak a little bit to that.

We're still excited about that although our costs have increased. We have put in for earmarks for this project. Congresswoman Davids is pushing this one forward at $2M. It's hit a few milestones already and has one last milestone that we hope to hear positive news on this year.

Then, more recently, Senator Moran has taken a lot of interest in this and is planning on making a trip to Kaw Point in the next few weeks. They're trying to secure EPA Region 7 as well, so we're waiting to hear what that schedule is going to be. That opportunity that Senator Moran is interested in helping us with would be about $4M, so a total potential $6M in grants to help with this project.

I'm going to hand it over to Pat to let him walk through the project and then entertain questions.

Patrick Young, HDR, said as Jeff indicated, we are the owner's representative. We've been engaged on this project for a few years and I'll really start by talking about what is the project and go a little more in-depth and then what Jeff talked about.

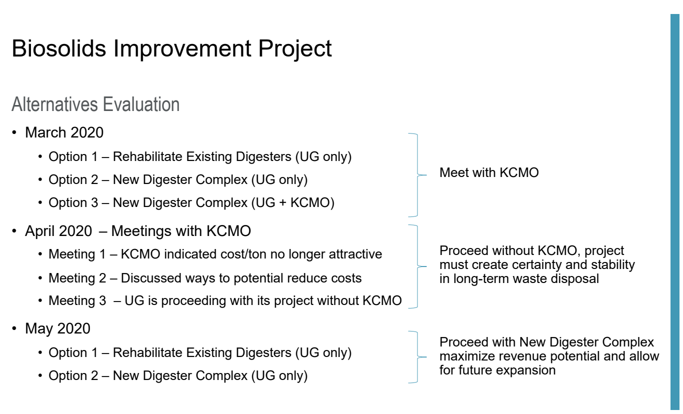
What you see in the upper right in the picture that we have up on the slide, those are existing digesters at your Kaw Point Wastewater Treatment Facility. They've been out of service for five or six years now. It was a function of condition. Frankly, that's not the way that we build digesters today from a safety aspect as well. When I talk about digesters—the reason we have digesters at treatment facilities is we treat wastewater, we create what's called solids or biosolids. It's a byproduct of the treatment process. We have to dispose of those solids or biosolids. Digesters like we show in the picture, they take those, they further stabilize them and they reduce the quantity of them, so it's an important process. What you've been doing as a community since the digesters have been out of operation is you're actually landfilling those solids themselves so they get thickened, they go straight to the landfill.

That second bullet point which talks about risks, landfills certainly here and around the country, they are either trying to minimize the amount of solids that go into them. It uses landfill capacity. They can produce odors so at times landfills will shut that ability to dispose of your solids in the landfill off. So, what they're doing as a part of that, you start to see the cost be inflated, that tipping fee for every pound of solids you take to that facility, they start to charge you more with that. If you look around, right now, the city of Olathe has a study to do a project much like this because they've seen those tipping fees continue to increase. When we talk about this project, we look at that, we talk about reducing risk, it's the risk of being shut off, it's the risk of those costs going up. It is O&M cost. We can take that same solid that goes to a landfill, we can stabilize it, it can go out on a farm field and become a nutrient source, it can become fertilizer and has a beneficial reuse, so the cost of disposing of it that way is significantly less than disposing of it in a landfill. Just in today's dollars you're talking about roughly a million and a half dollars a year that you can save once this project is in and has been completed versus what you have today.

We talk about creating new revenues. Jeff talked about creating—when we digest solids we create gas. It is largely methane and has some other constituents. If we clean that gas, not only do we sell that gas for what natural gas is worth, but we sell it because it's a renewable gas source at a much higher value and looking at just today's value of that, we took about 75% of what renewable natural gas sells for today. At that 75% point, you're generating about $2M a year now in revenue. In addition to that, it promotes some improved customer service. You make restaurants take their—they have grease traps, take that grease waste out, now it gives you a source to be able to take that, accept that industries in the community that generate a high strength waste gives you an outlet for that. That's a beneficial one.

That environmental benefit we're talking about when you just basically take the gas, that's created and what a lot of facilities will do, they will just burn and flare that off. A lot of emissions issues create CO2 which goes to the environment. By us taking that gas and cleaning and selling it, we have an environmental benefit.

Then I'll talk a little bit about where the project is today. We're currently or the design builder, is currently working with a purchasing group here reaching out to the community starting that contractor engagement to solicit that support for this project.

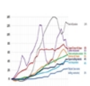


A little bit of history on this, the last time we were in front of the Commission was back in 2020, we actually made a presentation in March of 2020. It was done through some on-three meetings and at that point in time we were talking about options. Do we rehabilitate those existing digesters that I showed you, do we build new ones, is this still a facility size just for Unified Government only, let Kansas City, MO. as a west side facility close, is there benefit to economy of scale of incorporating both. At that point we were directed to go to Kansas City, MO. and, basically, are you in or are you out discussions with them. At that point in time it was decided by Kansas City, MO. that they were already making some biosolids improvement projects. At this point in time they thought it was not beneficial for them. Then the discussions, when we came back to additional on-three meetings, was let's make sure not to build that capacity today, but to build the facilities in a way that will allow for you to take additional solids from Kansas City, MO. if that—with improvements if that comes to fruition.

In addition, in May of 2020, we talked about which course do you want to take. Do you want to rehabilitate the existing or build new and it was decided at that point in time that building new digesters largely from the opportunities you have, what you get out of new ones versus existing ones, that to build new digesters was selected. I'm not going to go into it today, but there are a lot of safety issues with the way your original digesters were constructed. I talked about generating gas, methane, H2S, both of which can be hazardous, and so configuration of a new was decided to be the best approach.

Market Volatility – Producer Price Index (PPI) for
Construction Bid Prices and Selected Inputs

Cumulative Change in PPIs (April 2020 – June 2022)



Since 2020 we all know we dealt with COVID for a couple of years, so the charts and graphs that I'm showing you are really reflective of what's happened whether it was shortages of materials, impacts of COVID. We have seen, as we all know, we talked about inflation of commodity prices increasing. Probably that top line is the biggest one that I want to point out, steel mill type products. When we build these type facilities we use a lot of steel in the structures themselves when we buy a lot of equipment, so we are seeing increases in pricing that we have today that are really reflective of that market condition.

Estimated Total Project Cost

Item	Original Budget Authority ($M)	Current Estimate ($M)	Spent to Date ($M)
Construction Cost	$75.5	$91 (1)	-
Design/Builders Phase 1	$3	$7	$3.9
Owner's Rep (Phase 1 & 2)	$2	$2	$0.7
Total Project Cost	$80.5	$100	$4.6
(1) Construction cost includes Phase 2 Design/Build Engineering and $1.7M contingency			

Benefits
- ✓Sustainable, reliable biosolids facilities (digesters, hauled waste, biogas)
- ✓Reduce O&M costs
- ✓Eliminate risk from landfill restrictions
- ✓Delay improvements at Plant 20 and Wolcott WWTPs
- ✓New revenue generation

When we look at where we are today—I'm showing you a few columns. The first one is the original budget for the project and you can see it was a construction of around $75M, the Design/Builder Phase 1 and what it was for the design builder to advance the design far enough to create a set of plans to go to market for construction with it.

There is an Owner's Rep piece of it so that was up to an $80M project that was contemplated originally and then where we are today with it. We've just gone through with a second design building because the first one was off-ramp. With the second Design/Builder, then we've got some additional security. They've been doing a great job of working with us on total project cost and a way to try to minimize the impacts of the previous slide that I showed you, you've got some additional costs and so that project was originally contemplated of up to $80M is around a $100M project today.

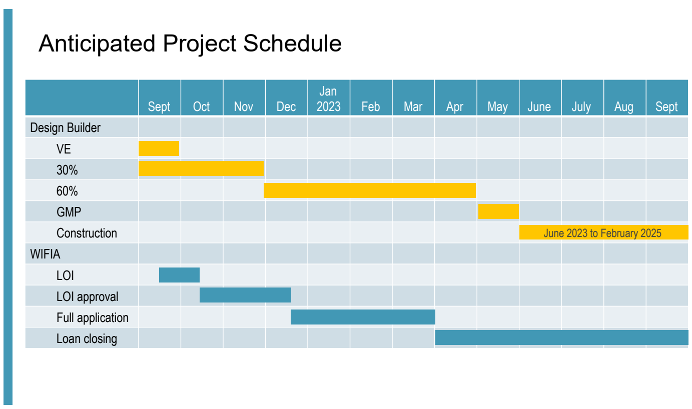
The right column, I've shown you what you spent today, which, you know, is at this point small dollars on the total project cost itself.

Potential Project Funding Options

- UG Bond Funds
  - 30-year payback
  - Currently $80.5 million
- Kansas State Revolving Fund
  - 30-year payback
  - Build America/Buy America (BABA) Requirements (exemption possible)
- USEPA WIFIA Loan
  - Maximum funding 49% of total project cost
  - 30-year payback + 5-year principal deferral
  - Build America/Buy America (BABA) Requirement (exemption possible)

Certainly, there are ways to mitigate some of those additional costs. One way to mitigate it to the ratepayers is to look at some of the funding opportunities. Certainly, some of the items that Jeff talked about where grant money is basically coming into the project, one way to look at that is to look at how are those funds being paid back. This project was contemplated with UG bonds or the payback of 30 years. One of the alternatives that we typically want to look at is using the State of Kansas Revolving Fund. It has a very similar payback period, so there's not a lot there. There are some additional stipulations like the potential of Build America/Buy America. Because of the stage you were at in the project, you could possibly get some exemptions on that.

The second one that we've listed is the USEPA WIFIA Loan. The Unified Government is currently using one on the stormwater side and that can be used to fund up to 49% of a project. The payback on that is still 30 years, but you have the ability as a community to defer principal payments for five years, which really allows you to bank some of those dollars, use them to pay so the ratepayer increase can be less or impacted less. It does have some Build America/Buy America requirements associated with it. But again, with the status you're in, there are some exemptions that can be looked at on that.



So, how would WIFIA dovetail with where the project is today and what I'm showing in the upper set of bar graphs is where the project is today. The existing design builder is currently working on going from the basis of design report that was produced to a 30% set of plans and they're also doing value engineering. Anytime we have a project that's above budget, we certainly look at how can we save or minimize cost, so that's being looked at today.

In approximately December of this year, a little transition from 30% design milestone and a set of plans to a 60% and then the design builder will be offering their guaranteed maximum price or GMP, that I've shown, at that 60% stage. You're looking at next May as the current schedule for you to receive that price. When I say value engineering through September, it's not going to stop in September all the way through those milestones, which are why we have milestones. It's our chance as an owner's rep, your chances, the community, to give input of where can we save money and what can we do. Then, construction would be anticipated to begin in 2023 and run, honestly, for about a couple of years as it stands today.

WIFIA is what I've shown in the lower center bar. Right now the way that the WIFIA application is set up, they put a bucket of money out there for a year, you apply to it with a Letter of Interest and they continue to basically make approvals until the funds are gone. So, it's the beginning of a cycle now and that's why we've shown a little bit of aggressive. If you decide you want to look at WIFIA financing, we would recommend there be a Letter of Interest that go in and in about a 30-day period from once you make that decision to go ahead and make that application. There are no application fees of the EPA associated with that. It would just be the preparation of the document itself. Typically, the EPA would take a couple months to basically say, yes, we've looked at your project, we approve it. Then you submit a full application, there would be a fee when you decide and if you decide to turn in a full application that you pay to the EPA and then there's a period of time where you go through loan closing. Understand you're in the full application process now. When you're in the loan closing piece you're really looking at the terms and conditions making sure they match up and line up. They're looking at all your financial information.

The point I wanted to make with this is if you decide this is the course you want to go, it would dovetail very nicely with this project in that you could have funds available to you in September of '23. Just a reminder that can only fund 49%, you're still paying 51%, so even though you're expending funds in construction, by the time you need to get to that amount of money, you would have it available.

Project Outcomes

✓Improve customer service
✓Reduce risk and O&M costs
✓Create new revenue
✓Provide environmental benefits
✓Local contractor engagement

Again, I just wanted to give an update on this project, really where it's at, talk about WIFIA for a minute. You know the outcomes of this, it really improves that customer service that you provide to your businesses, to your industries within. You do have a reduced risk. You're basically setting an end milestone when you're going to get off that land filling of those solids, start to save that annual money and O&M cost, provides that environmental benefit, creates that new revenue and the source of that gas sales and then really maximizes that local contractor engagement.

Questions?

With that, that's the presentation that I had for today. I'll certainly entertain questions or ask Jeff to come back up and entertain questions.

Commissioner Stites said when you said about a million to a million and a half on revenues that can be generated annually, does that start year one? **Mr. Young** said it starts as soon as the project's complete and just to clarify, it was about a million and a half in your current O&M cost that you have today, and then it's about an additional $2M in revenue from the gas sale, so you're talking about a three and a half million dollar swing in what you're paying today. If landfill tipping fees were to go up, that savings is obviously bigger and then depending upon where that renewable natural gas market is will affect that, but again I calculated that at 75% of what's today's market. So, I'm trying to give you conservative numbers at this point. **Commissioner Stites** said that's a number for a city of our size, not just a general number. **Mr. Young** said this is you based upon your biosolids.

Commissioner Davis said interest rates, obviously, with inflation and kind of where we're currently at, do you all have any insight for WIFIA or for any of the other financing mechanisms, what that would look like? **Mr. Young** said I don't know what you have on your current bond. I will tell you on the WIFIA side of it, that floats until you actually close. It is a lower rate than you typically go get at market. It is somewhat of a very attractive rate that keeps below market, but you can't actually set that WIFIA rate until that point in time and then I don't know the answer to the question on the existing bonds.

Mr. Fisher said I'm not sure, Commissioner. I have to defer to your CFO or Finance.

Commissioner Bynum said the current project cost as it stands, is it 80 or 100M? **Mr. Young** said the $80M was the original budget for this project. The 100 is where we estimate it at today based upon the market conditions that we've seen today. We have escalated that up to the point we get to the GMP and then that's without the value engineering and that doesn't take into consideration any of the grants or earmarks that Jeff talked about. That does not include those.

Commissioner Bynum said Wolcott Wastewater Treatment, what was its budget? **Mr. Young** said it was $34M that you spent on there. **Mr. Fisher** said just for the plant. **Mr. Young** said I do want to add that this plant and this facility takes the solids or treats the solids generated at the Kaw Point Plant, at your Treatment Plant 20, and at Wolcott, so all of those biosolids will be disposed of through here. We generate additional gas and items of that nature and really by doing this project it helped you keep that Wolcott cost lower that you had there. **Commissioner Bynum** said because I remember a much higher number when we were originally planning for Wolcott.

Mr. Fisher said the number you remember probably includes the interceptor that we also took down to the plant. I did want to note, if you don't mind, we'll be reporting at standing committee this month about the composting operations. EPA, we got a grant to explore the feasibility of a composting operation. That is directly tied to this biosolids project if we move forward. It would produce waste that we would use in the composting operation and all the source material from the community like tree limbs and even food waste and then produce compost that the community could use, that Parks & Rec could use, that we could even market and sell to the public.

Commissioner Bynum said if we didn't finish this biosolids project, wouldn't we still need to do something at Kaw Point? **Mr. Fisher** said yes. I'll let Pat explain what that might be.

Mr. Young said you're really kind of limited on alternatives. You're basically—the landfill is kind of controlling you because you can only dispose of it through a landfill without doing something else to stabilize that waste and have another opportunity whether it's the land application that I talked about, whether it's using it within the compost material that Jeff talked about. That stabilization process is important. You could do some other stabilization processes. What you're doing, this is the most effective and efficient way for you to do that.

Commissioner Stites said this is my first year on the Commission. I wasn't here for the 2020 presentation. How did we come about with this group here? Was there an RFP put out and—I guess I'll let you answer that one first. **Mr. Fisher** said for the owner's rep, we have on-call contract program so we do that every five years and HDR is one of those on-call contractors or design contractors. **Commissioner Stites** said can you speak up? **Mr. Fisher** said the UG has on-call contracts for design firms and so we have 15 or 20 on-call consultants. HDR is one of those. Burns & Mac is one of those, Olsson; there's a number of them. We selected our owner's rep and then our RFP for construction partner. Does that answer your question? **Commissioner Stites** said somewhat, yeah. **Mr. Fisher** said there's a process involved in selecting all of our partners like this.

Commissioner Burroughs said, Jeff, if I remember correctly, this project didn't start out at $80M. This project, when I first came aboard, I think we had a discussion about a private entity wanting to come in and do the digesters and manage it and we would have had it up and running possibly, but then Missouri got brought to the table and the price, I think, at that time was, if I remember correctly, was about $40-$47M. We had a byproduct called char that was going to be one of the byproducts that had a secondary market usage for it and at that time I was advised that I wasn't supposed to talk about it anymore to anybody in the public and that we were going to bring

Missouri to the table. Now they're not at the table and I see a price of almost $100M. Share with me—I mean I see the inflation and I see the numbers that have been presented here this evening, but that's twice the cost in a matter of years.

I would like to see us get some sort of written documentation that if we're going to be using our solids that will be sprayed onto fields as a fertilizer that we are not going to be held liable for over saturation of property. We have a tremendous amount of byproduct that's going to be sprayed onto fields as a fertilizer. We haven't talked about a secondary market or a vendor, but I was advised at that time, and I think on our on-three's, that this was going to be revenue neutral and I made the comment at that time I've never seen government do anything that was revenue neutral. It always cost taxpayers. So, here I am tonight seeing a number that has grown quite a bit and we don't have Missouri at the table and now we're talking about a 30-year bonding process. I just kind of—I'll be waiting for answers to see where we go from there.

Mr. Fisher said well yeah, you brought up a lot there. You're right KC—well, originally KCMO wasn't involved and then, as you know, along the way they expressed interest so we worked through that idea and they walked away. I believe your right, I think you have a good memory. I think it was around $40+ million, near 50. I was trying to think of what else you brought up. I remember the company approaching us with some interest and I can't remember the details of why they weren't exactly a good fit or maybe not proposing to do the same thing exactly that this would do. We talked about privatization and there are advantages to that in some projects. I can't remember the exact details of why we didn't think (inaudible) would be a good fit.

Mr. Young said I could add a couple of items. Certainly, you're right, the original costs were based upon rehabilitation of those existing digesters. In that second set of on-threes that did happen, I don't remember the exact number, but it was a number greater than the number in the 40s for the construction of that.

The second question, I wanted to answer for you. You asked about land application of solids, so there are federal EPA 503 regulations that dictate and govern the application of those solids that you as an entity must follow with that. Every load that goes out is tested and then there are limits and thresholds—limited thresholds set of how much you can apply, the amount of nutrients that the crop can take up number one, and number two, it tracks other constituents within and sets a threshold that this is the maximum that can be set.

When you set up a land application program like that, you have fields, you rotate them, you track and you monitor everything that goes out, but you as a community, do have the responsibility to make sure you stay below that threshold.

Mr. Fisher said I was going to say contractually Misty and her team always do a great job of making sure we don't have much risk at all, so I'm sure that would be mitigated contractually.

Commissioner Burroughs asked, so where did we lose the revenue neutral part because you talked about capturing the byproduct of gas, methane and then the byproduct, I don't know if there's still a char or anything available that would be sold on the secondary market, but are you talking about our tipping fees? Because I think in the partnership with Missouri, in the first presentation, we talked about a shared cost system and it would—I think you made a comment early on in your presentation about a million and a half or two million. Is that a projection that you're bringing forward from the tipping fee savings with continued inflation on those costs or is that in reference to—because we're going to have a cost to set this stuff out to spray it and oversight of that, so we're going to have costs associated with that. So, help me understand how you come to those numbers.

Mr. Young said the first item that I'll hit would be the revenue neutral side of it. It's the first question you asked. We met in March on on-threes, Kansas City, Missouri in, those were the numbers, so if Kansas City, Missouri's in doubled the amount of gas that you produced, you sold twice as much gas without those additional biosolids that went back to half. The second set said to move forward without KCMO, lay this out for maximum flexibility, which I didn't bring slides that would go into that. We laid this out in such a way, sized buildings, you know, that you can add another digester whether that means KCMO solids in, whether that would be you have a great support from the areas to bring their high strength waste in, you add a digester to deal with that and that's when you get to the revenue neutral would be addition of a future digester in that. When we decided to move forward without KCMO in the second set of on-threes, new digesters, you kind of lost that neutrality side of it.

To address the revenues, I'll hit them one more time, I wish I would have given you straight numbers in a slide. When I calculate your existing O&M savings, I'm looking at two things. One is the amount of biosolids you put out there in a year. We reduce the quantity by adding digesters so you pay less to go out to market whether it's a landfill or whether it's land application. Then, the second item that I looked at would be setting up a contract with a company like Senegal, others working in the Kansas City area. For instance, they take all of Johnson County wastewater solids and they dispose of it, so a fee gets paid to them. It's about half the fee that you pay to a landfill today, so that was part of the savings that I looked at. That's part of that one and a half million dollars just in annual savings, so what's the cost to go to using a company to take it to the land versus the cost of taking it to a landfill.

The second part of that is the amount of chemicals that you use today to make it acceptable to the landfill. When you take a solid that's not stabilized, it has an odor and as a result you are currently adding $600K worth of chemicals a year to your solids to be able to take it to a landfill. Once you stabilize it and you're taking it to a land application process, you no longer have to add that chemical, so that million and a half dollars I talked about was the difference between land app and landfill fee and those chemicals. So, that's a true cost, our best estimate. You obviously haven't gone out to a contract yet for land application, but what we are seeing in neighboring communities, those costs is what we're applying. I didn't assume any increase in landfill tipping fees or anything of that nature.

I want to give you a number that when it comes in we'll be better. Then the other $2M I talked about associated with this is the gas side of it and there's two components of that. One, when a truckload of this waste whether it be waste from a restaurant, whether it be waste from a high-strength waste that comes in, you get paid, you know, in the neighborhood of seven or eight cents a gallon, but you would be amazed how many gallons you receive and how much revenue that generates. So, part of it's that revenue at a competitive to anybody else that takes that waste in the Kansas City area. Obviously, we don't control that, but you have many, many creators of high-strength waste that you are much closer to than hauling it to Topeka, for instance, and you save that fuel charge, they're going to come to you.

There has been—the design builder did a market survey and looked at that and, again, we've kind of taken a value that's on the lower end of how much exists out there to take conservative number in the first place. The revenue, that 2M that I talked about, has a component that they bring a gallon to, you charge them seven cents a gallon and then the other component is the amount of gas that we create. That gas is created from the solids that you generate and every time you bring in a load of the high-strength waste, it generates a lot of gas. You don't generate hardly any solids with it. So the way to think about it, you give your kid veggies, they're not running around the room afterwards, but you give them a snicker bar, which is a high-strength waste, they're going to run around the room like crazy. That's what happens in a digester. Instead of running around the room, they produce a whole bunch of gas that you can sell. So, when I look at all those components, that's what I'm looking at with that. It's what do you save on O&M, what can you add from the revenue side of it.

Commissioner Townsend said I just kind of wrote down some questions so I can make sure I understand where we are now. It's already been mentioned that originally the cost was estimated at $80.5M and now we're at about $100M. Will that cost, and I'm looking at the back page where it says anticipated project schedule, would that take us through what, September of 2025? **Mr. Young** said yes, that would be total project cost. So, what we've done, the design builder has estimated that project based upon the basis of design report today. They've taken that and they've estimated that until we get to that GMP in about a year that these are the inflationary effects that are going to take place. You're going to have another chance to see the cost at the end of the 30% stage, 60% stage you get your GMP, but that number is the best estimate today estimated up for inflation to the point when they will offer the GMP. Once you get that GMP number, you have your firm number and the rest of those costs are everything that's necessary from a total project cost perspective.

Commissioner Townsend said share with me again what the GMP stands for. **Mr. Young** said it's a Guaranteed Maximum Price that the contractor provides. When you hear guaranteed maximum price you get comfort, but if they dig in the ground and find something they didn't anticipate, you can still have change orders associated with it. But that guaranteed maximum price to you, to the community, if nothing changes, no unforeseen conditions, that's the price that you pay to them to build it till it's complete and done and meet all the requirements. **Commissioner Townsend** said so if I'm reading this anticipated project schedule, that guaranteed maximum price will be shown to us or shared with us about May of 2023? **Mr. Young** said current schedule, yes. You know if we do end up slowing down for value engineering along the way or something else, it might change the date, but right now that's the schedule we were on and the one that we hope to stay on.

Commissioner Townsend said one of the benefits we've been talking about is the Unified Government being able to share these byproducts, the candy bar gas talked about, and other byproducts. How would that be marketed though. I mean, I don't know, how do we get the numbers of what that anticipated revenue would be. Do we already have people in the pipeline who guarantee they will do this. How do we know, at this stage, what those revenues would be and from whom we're getting? **Mr. Young** said what we've used is, we've used what's called a RIN Credit. That's the federal government—what the federal government has mandated, you know, it's like, for instance, a power plant that's using gas to generate electricity, they've mandated that those power plants have x percent that has been a renewable fuel source that's been generated, so they've created that marketplace for this. What you have to do as a community, and we're currently working on those details, you have to have a natural gas supply line close to the plant site. You have to get the gas into that pipeline. You don't have to get it wherever it's actually used. You get it into the pipeline then somebody else around the United States you've created now a RIN Credit. Somebody else around the United States needs that RIN Credit, they then buy that from you.

So, there are gas brokers, so what you do when you get closer to the project and you certify it, a gas broker comes in and starts to sell your gas. Beyond this RIN, there are California credits, there are State of Washington credits, there are actually credits out of Canada that are required, so there's a lot of open market. Once you generate that renewable natural gas, you've generated it, there are large markets for that to be sold at, so it's kind of a complicated system, but in essence, you generate it and then there's a market out there for that gas to be purchased.

Commissioner Townsend said the piece I'm thinking about now in that is we have to get the gas, the byproduct, into a pipeline to get into that, what does that run? **Mr. Young** said that's all included in the price that we've shown. **Commissioner Townsend** said so the $100M includes that. **Mr. Young** said yes, it includes that. It includes all the equipment that you need on your site and then what it includes is that gas supplier that's near the site, they will have a facility that has to be built and we've got that price and allowance for that covered because until we negotiate that fully out with them, we can't set that final price. So, what they'll have is a facility that will test the gas when it goes back in and it has a valve to shut the flow off, but the price you see in front of you is encompassing of all of those items.

Commissioner Townsend said the digesters you mentioned was the original plan that we were going to rework them and that proved not to be doable. **Mr. Young** said there were really two issues associated with that. The first issue associated with that was simply the condition of those existing facilities. They needed a lot of renewable to be able to utilize those as anaerobic digesters again.

The second issue associated with that, just the existing configuration, and I'm trying not to get in too many details, but there's a building between all those digesters and gas can actually migrate through a wall, through any other kind of leak into that building. Then, inside that building you create hazardous conditions for employees, so it's really a safety issue. The standards you would build it today, you have standalone structures, you have envelopes around it where you create that safe environment.

Really the third issue associated with it, when we talk about the ability to bring KCMO solids in where I talk about the ability to go out to the market. You've got a lot of high-strength waste coming in and be able to expand it, those existing digesters just weren't big enough to be able to accommodate all of that and for those reasons, they are why a couple of years ago it was decided to build new digesters and then give yourself, this community, the flexibility to add these items into it. **Commissioner Townsend** said thanks for that recap. So much just happened in two years. This kind of summed it up.

Commissioner Bynum said we are currently, Mr. Fisher, in a 25-year consent decree with EPA and DOJ. We know the price tag of that is quite high. We know the projected annual increases for wastewater charges as a result of that. If we were to halt the current project with the biosolids component, what does that do to that whole plan, if anything? **Mr. Fisher** said we'll do our best Commissioner Bynum. Trent Foglesong has been closest to the consent decree. I'll let him speak to that.

Trenton Foglesong, Lead Wastewater Engineer, said it's really a complicated question I guess. We did have provisions in that consent decree for a project at Kaw Point in the future. It was about 10 years behind what we're doing now, so we did have a plan to incur some of these costs long-term, it wasn't quite this much. But I also feel that with considering everything they've talked about, I think we're probably in a much better position going forward to move forward with this project to manage costs and risks and determine as we go forward how that impacts the long-term overflow control program than we are to not do this and absorb higher costs and more risks. So, it's kind of—I hope it doesn't sound like I'm trying to dodge your question. There's a lot of uncertainty and unknowns as we go forward with all the different cost escalations and everything that could impact a lot of the plans and commitments we've made on the flood control program. But, like I said, I think with all the input we've had, this would be our recommendation. We're still kind of waiting to see exactly what those impacts might be.

Commissioner Bynum asked, can I say it back to you the way I heard it? **Mr. Foglesong** said sure. **Commissioner Bynum** said it's a very expensive consent decree. We all know that. The price tag is very high. It's your belief that based on all the analysis that we've done and the work that we've done to date on this trajectory, that it's a better way to potentially control what the future might bring. Would that be fair? **Mr. Foglesong** said yes. **Commissioner Bynum** said okay, thanks.

Mayor Garner asked, what has been allocated for the project? What's the total amount? Is that that $80M? **Mr. Fisher** said $80.5M. **Mayor Garner** said and it's projected at almost 100 now? **Mr. Fisher** said that's right.

Mayor Garner said just where we were at when this was considered in the past and was kind of given the green light and where we are today, have we looked at things in a way that really talked about—especially when you talk about Kansas City, Missouri backing out and I don't know if there are any other contractors and vendors that are involved in this, but what's the return on investment to our taxpayers and have we done a cost of benefit analysis that really reflects that in a way that shows that this is really a viable project? So, that's the first question.

The second question is, this is a very expensive project and, again, where we were at then and where we're at today with a lot of the needs that we have, is this recommendation based on something that we would like to see or is this an emergency situation that if we don't do this, something catastrophic and bad is going to happen that is going to cost us more in the long run as opposed to if we do this now we'll save money or is this just something we want? If we have the money and we can do this and it will absorb the cost, I believe, you said over 30 years because I'm looking at this $1M revenue. I just haven't seen anything in the information you've given me that shows that's a guarantee when you talk about that revenue generating, a prospect from this proposal. Then, there's nothing in here that says that anything that is there now is failing, and I say that respectfully, because the information that I've gotten from my team, as they've done their own kind of look into this project, is that this isn't something that is a necessity at this time. That this isn't something that really is an extreme value to the Unified Government considering where we're at financially. If you can answer a couple of those questions, that would be great.

Mr. Fisher said I'll do my best. I certainly wouldn't recommend we wait until something fails to fix it because we've got a couple of those right now. Your first point—I mean beyond the points that have already been made, Mayor, I guess I'll just reinforce. I don't know where the million dollars comes from, but as Pat said a couple of times, there's a million and a half in operational savings and then two million in revenues, so it's a three and a half million dollar swing in the position of that treatment plant and the cost around that. Beyond that, you have the environmental benefits, everything we've already said.

Let's see, necessity, like, want; I believe in the business of making recommendations of this scale for things that staff feels like they like to do, it's a lot of money. We've attempted to describe here and make business case for and have in the past is you have increasing operational costs and you have increasing risks, so much so that we're vulnerable to a special use permit in another county. So, we're recommending that we mitigate that risk through this project and we are recognizing that there's a big increase in cost, no doubt about it. It's uncomfortable. We've done everything we can to this point to mitigate that and, as Pat pointed out, there will be milestones along the way where we can evaluate and make sure it's still the smartest investment for the UG. I do believe it's the best thing for this community long-term environmentally. You're going to generate revenues you're not getting right now, at least $2M a year. Is it guaranteed, I'm not going to tell you it's guaranteed, but as Pat described, there's a market out there for this natural gas. It's there now, it has been, and it's going to be. All we have to do is get it into that pipe and take advantage of the federal RIN program. So, hopefully, I answered your questions. **Mayor Garner** said somewhat.

Commissioner Townsend said, Mr. Fisher, you mentioned the special use permit. Go over that one more time for me, what the implications of that are, why would we need a special use permit? What would be the situation that would bring us to that and you mentioned two to three, I'll say, million dollars, is that an annual savings in operations if this project goes forward or is that the anticipated sell of the energy byproduct? **Mr. Fisher** said the million and a half is just operational savings of not having to go to that landfill. **Commissioner Townsend** said a million and a half.

Mr. Fisher said a million and a half. **Commissioner Townsend** asked, is this annually? **Mr. Fisher** said annually. **Commissioner Townsend** said and that's without a sell of any of the byproducts. **Mr. Fisher** said that's correct and then there's a $2M revenue, new revenue creation from the gas that we would produce.

Your first question, I was suggesting that the landfill is under a special use permit in Johnson County or Shawnee, I think it's Johnson County, and so as you know as you approve—you consider and approve SUPs here, that's always vulnerable to reevaluation by the agency. All we're saying is that is a risk and in addition to that, we're paying those tipping fees every year and they're increasing. **Commissioner Townsend** said okay, so we're already under a special use permit. **Mr. Fisher** said we're not, but the landfill that we take the waste to is.

Mayor Garner said I guess the last question. Again, is this a critical need and if so, are there things that we can forgo as part of this overall project that maybe aren't critical that maybe we can do at a reduced cost as opposed to the $100M that things—okay. We may want this almost $100M worth of upgrades and refurbishing and improvements, whatever the case may be, but here's our critical needs right here that we really need to focus on and we really recommend this Commission to consider that may only be $20M and these are things that we need to take care of yesterday. Have you identified any of that and then put things into a perspective, well, we can kind of maybe hold off on this other aspect of this project for future discussions or consideration, but right now at this cost, which may be far less, these are the things that we recommend you need to take care of. So, has that been a topic of conversation for you? **Mr. Fisher** said I completely understand where you're coming from with questions like that. I completely appreciate that there has been value engineering already, maybe Pat can give you a few examples of that. It will continue, as he said, to be value engineering through the milestones. These are your experts and staff are experts and they're here to make sure that the UG and the community get the best we can give them. I promise you that, but, Pat, do you have any examples of value engineering?

Mr. Young said we looked at the project itself and the majority of the costs are associated with that digestion process. It's sized for your Kaw Point solids, your Plant 20 solids, and your Wolcott solids. It has some growth for what would be expected, a 20-year life of a project. Of the numbers that I put up there, I hate to add more numbers to the presentation, but we talk about $90M roughly in construction cost. It was probably 75 of the 90 was that base cost. The other

15M of that was associated with the ability to receive these wastes that I talk about and the ability to create that renewable natural gas. So, if we run that number at $15M, that is something you could take out of the project, but what you're forgoing with that is that $2M a year in revenue. So, if you do that, that payback period 15 off 2 is 7.5 years. You still have 12.5 years of useful life in those facilities and you kind of forego the ability to generate 25M in revenue associated with that. We took hard looks at that, we have really the minimum size that you have for your facilities only. We've cut out redundancies where we can. We've done value engineering, we've changed arrangements to minimize what we actually have to construct, but the biggest look, like I said, was then, okay, to treat your solids get it out of the landfill, you don't have to do these other two items, but the payback on that is very, very good.

Commissioner Stites said something that you just said that I hadn't heard earlier, you said it's a 20-year life expectancy of this and we're expected and it's going to cost—or it's going to take us 30 years to pay it off, right? **Mr. Young** said but what you have—when I say 20-year life, when you build a facility like this, you're building a lot of infrastructure. We say 20-year life because at that 20-year timeframe, the pieces of equipment you put in there will need some renewal at that time. We typically look at a payback on a 20-year period. The concrete that we put in today, the majority of the cost in the infrastructure, those last 40-50 years, so it's—I hate to dodge your question, I'm not dodging it, but it's not a black and white answer because the majority is longer than 20 years. We talk about payback periods, we look at 20 because you'll have a reinvestment in equipment at that point in time, but then we're also not considering revenue beyond that 20 years when we think about that as well and what you have is that revenue continuing is going to by far more than pay for the cost of the replacement of that equipment because as you buy a car, you can't run it infinitely, right, the same thing with the equipment that we put in here. They have annual maintenance and about the 20 year point, you're making a little more major replacement on it.

Commissioner Davis said myself and Commissioner Stites or you as well, Mayor, I think it would be helpful if you all were to come back and we would just get more information at least for me. Jeff, I think it would be good for us to meet and kind of talk about wastewater, but I think we need more information on the consent decree itself and kind of what has been mandated by the federal government and how it plays into all this. I think we need more of an itemized cost than kind of the general estimates. I know for construction you kind of gave some generalizations, but I think we need more detail. I think we need—I agree with the Mayor that we do need a cost-benefit analysis to this project, but particularly when it comes to wastewater for our cost revenues, what are our forecasts right now if we don't do this project, what is the return to the ratepayer and if we were to do this project, to get some forecasting as well. I think we just need to paint the picture of what is the overall value that this project will bring considering the cost. If we can get more of that information, it would help me kind of get caught up and be able to make more of an educated decision.

Mr. Fisher said we really—our only objective was to report on the status of it, so subsequent discussions, we'll be ready for it. I would suggest we do it as soon as we can. You already have a lot on your plate, but consider that WIFIA LOI, we want to be first to that pool of money. Sooner is better and we'll just be ready for whenever you want to have that conversation.

Mayor Garner asked, when were you all planning on starting this project. I mean, what would that look like? **Mr. Fisher** said construction, August of next year, August of '23. **Mayor Garner** said so we have some time. **Mr. Fisher** said some things have to happen to get there, but we have, yeah, Mayor, we can certainly have another discussion.

Cheryl Harrison-Lee, Interim County Administrator, said, Jeff, if you would just kind of refer back to the project schedule and give a little bit of insight of what you're doing in terms of design plans in continuing to move forward so the expenditures that would be incurred as you move towards construction. **Mr. Young** said when I had the slide up related to the costs, you can see the Design/Builder Phase 1. What you spent to date is about $3.9M and then we had $7M in there for Phase 1 total, so there's about $3M that you haven't spent that takes you through design for the design builder. Then, you do have some costs associated with the owner's rep. We've shown you that $2M would take you to all the construction, what's been expended on that is about $700K to date. So, you do have some cost to allow this project to move forward. Basically, at the time Phase 1 ends, that's the point at which you get that guaranteed maximum price so that's the type of dollars we're talking about and why we wanted to show it in the slide. **Ms. Harrison-Lee** said I just wanted to make sure there was an understanding by the governing body that we are continuing to invest resources in this project as we work on gathering information if that's the desire of the governing body.

Mr. Young said the only point that I'll maybe add to that, you know, what we've seen from projects and getting to the point of cost certainty, that dollars that you do spend, I know they are big numbers to continue through design, delaying projects typically have a much larger cost if inflation continues at the same rate and things of that nature. We can get back to this body fairly quickly with those answers and so my recommendation would be from working in this industry and what I see would be allow the design builders work to continue while we come back with this because ultimately if you move forward construction of anything, you're going to save dollars by staying on that course than delaying a project, putting it on hold and the cost increases that we've seen.

Mayor Garner said I guess this is another question for the Administrator just for some clarity for this body. The reason this was brought forward was just to look and see if there's an option, see if this was a critical priority or if it's something that we could postpone and if there were critical priorities as part of this project, what did that look like. I agree with Commissioner Stites and Commissioner Davis that I think there's a lot more information that needs to be had, but it is problematic for me, and I'll speak for myself, that as information has been requested, the Unified Government, our taxpayers, may be incurring costs while information is being gathered for the Commission to kind of get the information to make an informed decision on what to. As that goes on, if this Commission decides that maybe this isn't a priority anymore for us, then we've wasted money, we've dumped money probably unnecessarily in a project that may never come to fruition.

The question I would like to pose to this Commission is—I know there's been several requests for myself and some commissioners about wanting more information. I believe Commissioner Burroughs indicated he'd like more information as well. Just seeing what the next step would be to pump the brakes on this project until we get the information we needed that will not allow us to incur costs until we get to where we need to be as far as this Commission feeling comfortable to make an informed decision on how to proceed forward.

Ms. Harrison-Lee said one of the things you might elaborate on is the timeframe that it would take to get the material back to the Commission and what costs would need to be expended during that timeframe if we could get some insight on that. **Mr. Young** said Jeff asked there—about three weeks to come back total, so two weeks for me to prepare information to get back in front of you in a two to three week period on that. You know if I just use the design builders round numbers, if there's 3M more to spend and it's going to occur over a year, I was trying to run that mental math through my head really quickly, that's what you're talking about. You know in a two-week period that design builder might spend $100K or something, which you know is a large number, but it's a lot smaller number than if we pump the brakes and we tell them stop all work and give them a stop work order, they're going to scramble to get people working on other projects and bringing them back on is really problematic to them. That's the only thing that I'll add to that.

Mayor Garner said my opinion, but I don't want to speak for this Commission, so I just kind of want maybe an unofficial straw poll, that's the option. Just go forward or I know some commissioners have more questions. There is money that can be incurred. If that happens, I just need some insight or straw poll from this Commission on what your thoughts were so I can give direction to our Administrator so she can give direction to staff on what the will of this Commission would be.

Commissioner Townsend said I understand the request for more information; however, so much has been invested, if it's only going to take another three weeks for them to come back to us, let things ride as they are. It sounds like it would be more of a waste if that's what your other option is to tell them to stop and then go forward. So, if we're talking about three weeks after something that's been before the Commission for several years, that's how I would go and that would give those commissioners who asked for more information the opportunity to hear it.

Commissioner Davis said yeah, I agree. I would rather you all continue with the process because I think we can walk and chew gum at the same time and I can get some of my answers that I need to feel comfortable. I'm just thinking of other processes, where we're at with inflation and everything else, it would not behoove us to stop and then change our mind and try going again. So, I would be fine with continuing on as planned. There's a majority of the previous governing body, many of them are still here, they voted for that to go through and I'm going to trust their wisdom on this one. I can get those answers that I need in the meantime.

Commissioner Burroughs said I don't think anybody talked about stop order, Jeff. I don't think that was even discussed by us to that extent, but what I would say is that the cost of inflation has been something that we've dealt with over the years, but to see a project almost—at least a double in cost in a short amount of time, and no disrespect to the people presenting this evening, but I think I've talked to two or three different engineering firms since I've been here with this project and I think it was mentioned about—was there an RFP set out or something like—it's about the transparency of what we're trying to do here. These are the taxpaying dollars that the community has given and this is a long-term investment. Even at $2M over 30 years revenue, that's only $60M and we're looking at a $100M project. So, it's the payback and I know it's part of the funding mechanism we put in place.

Jeff, do you know off the top of your head, and maybe financial staff can help us, how much have we had budgeted in the budget for the last couple of years towards this project that is already committed, do we know? **Mr. Fisher** said I think it's been 80M for two years now and maybe it was—yeah, it's been 7M spent or something like that, but I think it's been on the books for two to three years now, 80M. **Commissioner Burroughs** said yeah, and I think it's important that we hear how much we have invested in it already. Like I said, I do remember having an initial conversation when I first came aboard. The private entities that said they thought they could do this for even half of that and then it was dismissed and here we are. As I stated earlier, I think it would do the committee good to hear why the costs have jumped as much as they have and have some of the questions they've asked this evening brought forward to find a comfort level that we can continue to move this project forward if we can at a cost-effective manner, anywhere we can save some money.

I'm very concerned about the continued saturation of properties that may be associated to our byproduct from the process and this is new for us and I would hate to see us be down the road eight-ten years from now and then be slapped with an environmental fee or environmental fine and all of a sudden we don't have a vendor to deal with it and we're stuck. That's just my comments, but I do appreciate the other committee members bringing forward their concerns and questions.

Mayor Garner said I believe that—I think the consensus is, again, I don't want to speak, I'm just picking up from the commissioners that had some questions, we would proceed forward and you can get the information in short order.

Another question I have, and maybe you've answered, if so, I apologize but that the cost overrides that continue to grow, I just see this being at some point maybe well over a $100M project. I would just like to see that factored into when you talk about the cost benefit and the return on this investment to our taxpayers because if the costs keep going up, that's got to be incurred by our taxpayers and I agree with Commissioner Burroughs that $2M isn't going to cover that. And if I know anything about government, I would be surprised if that $2M that you estimate, which there's no guarantee that we'll get that in return would go to pay off this project. I mean I could just—I would be shocked. Not saying that it wouldn't happen, but I know government and so that cost would be incurred by our taxpayers. Thank you so much.

Brett Deichler, Interim Assistant County Administrator, said, Mayor, if I could, just to be clear on the information request, I would—both to Commissioner Davis and to you all's request, a financial breakdown of this project. Also, to do a project breakdown to show the critical path of how do we get there, a revenue generation model and then the option of doing nothing and the risk including a risk model in inflation so if that is a general consensus, that's what we'll work towards. **Commissioner Davis** said the only thing I would add to that is just forecasting. What's the forecasting for expenses and revenue without the project for wastewater and then with the project, what are the forecasts for expense and revenue for sure. **Mr. Deichler** said I think what we'll also do in addition to an ROI is do what they call a present worth analysis. Basically, if you do nothing today, in two years, four years, and that hesitation what would that cost if that's okay.

Mayor Garner said we're going to head into the second part of our presentation from the Administrator's Office. This is regarding the reopening and the conversation about Fire Station 15 which is in Fairfax here in Kansas City, Kansas. I'll recognize and turn this topic for discussion over to our Interim County Administrator.

Cheryl Harrison-Lee, Interim County Administrator, said the Budget team has looked at the options that staff was asked to look at, at the last workshop, which was to look at the costs to open the fire station as well as the impact on the budget. We've had an opportunity to do one-on-one briefings as was requested and at this time I'll turn it over to Reginald Lindsey so he can kind of walk you through that presentation.

Reginald Lindsey, Budget Director, said some of what we're going to do tonight is we're going to go through five different scenarios for reopening of the Fairfax Fire Station and we would like to get your feedback on those five scenarios.

How we have it broken down, first we have command staff's recommendations.

Rebuild Fire Station # 15Closer to Fairfax

Analysis:
- No Additional Funding Needed
- Negative cash balance in 2025

Assumptions:
- Move rebuild for Quindaro Station From 2033 to 2023

City General Fund	2022 Amended Budget	2023 Proposed Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
TOTAL REVENUES	$160,969,102	$155,221,370	$160,633,958	$165,765,064	$171,016,489	$176,351,469
TOTAL EXPENSES	$173,997,913	$159,453,294	$170,334,986	$179,837,473	$192,487,131	$208,205,757
Rebuild Quindaro Fire Station	-	-	-	-	-	-
Net Change in Fund Balance	$(13,028,811)	$(4,231,924)	$(9,701,028)	$(14,072,409)	$(21,470,642)	$(31,854,288)
Cash Basis Ending Fund Balance	$17,950,789	$13,718,865	$4,017,837	($10,054,572)	($31,525,214)	($63,379,502)
ACFR Ending Fund Balance	$32,839,724	$28,607,800	$18,906,772	$4,834,363	($16,636,279)	($48,490,567)
Reserve % of Expenditures	18.87%	17.94%	11.10%	2.69%	-8.64%	-23.29%
Fund Balance 17% Target	*$29,579,645*	*$27,107,060*	*$28,956,948*	*$30,572,370*	*$32,722,812*	*$35,394,979*

2023 Unified Government PROPOSED Budget

The first recommendation there is to rebuild the Quindaro Fire Station closer to Fairfax and, basically, what we would do there is—we already have three fire stations within our 5-Year CMIP Plan and we will replace one of those stations with the Quindaro Fire Station. The Quindaro Fire Station right now as planned is to rebuild it in 2033 and we would move that project up to 2023. So, what we would have there is, we would not have to hire any new personnel to run that station. We just would rebuild it closer to Fairfax.

Commissioner Stites asked, are we going to move the train tracks? **Mr. Lindsey** said no, we're not moving the train tracks. They are about to go on strike though maybe. **Someone** was inaudible. **Mr. Lindsey** said oh, it did, okay. I did not hear the latest.

So, looking at this City General Fund statement, it is a forecast from 2022-2027 and we have rebuild the Quindaro Fire Station in there. We don't have any dollars associated with it because it would not be any additional impact on our financials at this point in time. The analysis here that we see is going into 2025 we do have a negative fund balance of $10M—or a negative cash balance of $10M and this is not a negative as far as we have more expenses coming in in revenues. This is an actual $10M where we would be negative in our cash balance and if we have a negative cash balance in 2025, we would not be able to approve a budget.

Zoning in on 2023, which is the budget that we have been discussing in the budget that we want to vote on tonight, or you all will vote on as a elected body later on tonight, we see that we're $4.2M—that change in fund balance that's negative and the reserve percent of expenditures is almost 18%. As we move into 2024 that negative net change in fund balance does turn into $9M which drops our fund balance down to $4M in our cash basis ending fund balance. You can kind of see the increases in our fund balance going down, start to go up each year going into 2027.

Re-Open Fire Station # 15with 4 Member Pumper Funded by Grant Funding (If Awarded)

Analysis:
- Fund Balance not in compliance in 2023
- Negative cash balance in 2025

Assumptions:
- Re-Open Station in November 2022
- Station will operate in 2022 and 2023 with 4 Person Overtime Company
- Station will operate in 2024 as a 4 Person Permanent Company and into the future
- Partial grant funding is being proposed for 2024, 2025, & 2026. Grant award is not guaranteed

City General Fund	2022 Amended Budget	2023 Proposed Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
TOTAL REVENUES	$160,969,102	$155,221,370	$160,633,958	$165,765,064	$171,016,489	$176,351,469
TOTAL EXPENSES	$174,280,448	$161,216,311	$171,797,699	$180,410,904	$194,003,608	$210,620,120
Reopen Fairfax Fire Station w/ Grant Funds	$282,535	$1,763,017	$1,462,713	$573,431	$1,516,477	$2,414,363
Net Change in Fund Balance	$(13,311,346)	$(5,994,941)	$(11,163,741)	$(14,645,840)	$(22,987,119)	$(34,268,651)
Cash Basis Ending Fund Balance	$17,668,254	$11,673,313	$509,572	($14,136,268)	($37,123,387)	($71,392,038)
ACFR Ending Fund Balance	$32,557,189	$26,562,248	$15,398,507	$752,667	($22,234,452)	($56,503,103)
Reserve % of Expenditures	18.68%	16.48%	8.96%	0.42%	-11.46%	-26.83%
Fund Balance 17% Target	*$29,627,676*	*$27,406,773*	*$29,205,609*	*$30,669,854*	*$32,980,613*	*$35,805,420*
Fairfax Fire Station Grant Contribution	-		$2,111,553	$1,660,292	$805,795	-

2023 Unified Government PROPOSED Budget

Our next scenario involves reopening Fire Station 15 with a four-member pumper funded by grant funding and that's if this grant funding is awarded to us. Within these financials what we have is reopening Fairfax Fire Station in November with overtime worked by personnel. It would be a four pumper crew, so that amount would be $282K in 2022 and then we would work that four-man pumper crew for a full year in 2023 and then about four months in 2024 where we would then look to bring on a permanent four-member pumper crew and we would have amounts of $1.4M that we would be spending in 2024. We would also have some grant help where we would look to have personnel paid for and also equipment paid for.

You see in that next year in 2025 the cost dropped down and that's because we have grants worked in, but we also have the grants worked in 2024. It's just getting ramped up and we still have overtime going on and then in 2026 we have $1.5M and this would be the last year of the grant funding that we would be getting. Then, in 2027 we would no longer have the grant funding.

One of the important things here is in 2025, again, we do have a negative cash fund balance. We're opposed to building the station—building Quindaro Station closer to Fairfax, we're $10M in the hole and so in 2025 with having a four-pumper crew with grant funding, we would be $14M in the hole. If we're concentrating on 2023 Budget, the elected body, that you all will vote on tonight, we're at like a 16% fund balance, so we would be a little bit under the 17% compliance that we like to stay above and that would be about $850K that we would need to replace within the City General Fund to get us back up to their compliance.

I guess one of the key things here is, again, we do have like a positive fund balance and everything in 2023 and we almost are at the 17%, but when we get out into the outer years, our fund balance really starts to decrease and we end up going into the negative on our cash fund balance.

Down at the bottom also you can see Fairfax Fire Station and grant contribution that we would receive would be $2.1M in 2024 and in 2025 would be $1.6M and in 2026 it would be $800K.

Re-Open Fire Station # 15with 4 Member Pumper

Analysis:
- Fund Balance not in compliance in 2023
- Negative cash balance in 2024

Assumptions:
- Re-Open Station in November 2022
- Station will operate in 2022 and 2023 with 4 Person Overtime Company
- Station will operate in 2024 as a 4 Person Permanent Company and into the future

City General Fund	2022 Amended Budget	2023 Proposed Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
TOTAL REVENUES	$160,969,102	$155,221,370	$160,633,958	$165,765,064	$171,016,489	$176,351,469
TOTAL EXPENSES	$174,280,448	$161,316,436	$173,630,259	$182,171,321	$194,909,528	$210,720,245
Reopen Fairfax Fire Station	$282,535	$1,863,142	$3,295,273	$2,333,848	$2,422,397	$2,514,488
Net Change in Fund Balance	$(13,311,346)	$(6,095,066)	$(12,996,301)	$(16,406,257)	$(23,893,039)	$(34,368,776)
Cash Basis Ending Fund Balance	$17,668,254	$11,573,188	($1,423,113)	($17,829,370)	($41,722,409)	($76,091,185)
ACFR Ending Fund Balance	$32,557,189	$26,462,123	$13,465,822	($2,940,435)	($26,833,474)	($61,202,250)
Reserve % of Expenditures	18.68%	16.40%	7.76%	-1.61%	-13.77%	-29.04%
Fund Balance 17% Target	*$29,627,676*	*$27,423,794*	*$29,517,144*	*$30,969,125*	*$33,134,620*	*$35,822,442*

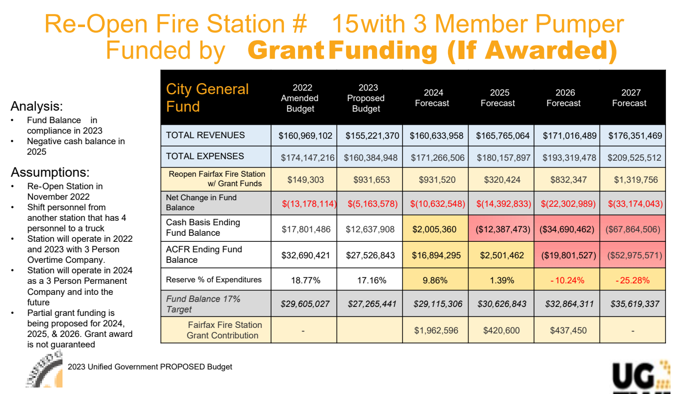
2023 Unified Government PROPOSED Budget

This option right here is reopening Fire Station 15 with a four-member pumper without getting any type of grants and this would be us paying cash for bringing on the overtime crew, which would be a four-member pumper crew. Then, having that overtime crew work until April of 2024 and we can see the main thing that's different here from the other two scenarios that we've gone through is in 2024, we actually go into a negative cash balance or our fund balance in cash ends up being negative where it's proposed for the other years. It was 2025 where we went into the negative. We would definitely have to do some work if we were to go with this option on fixing our structural imbalance and getting where we could approve a budget in 2024 on to 2027.

Also, some things we can see, numbers don't change a whole lot in 2023 because that is an overtime crew that will be running so we really didn't get any grant funding with running an overtime crew, so we're still at around 16% of the fund balance, but we would need about $950K to get us up to the 17% fund balance.

Also, this is a view of if we did not receive any grant support to reopen the fire station, so this is how things would look from 2024 to 2027 if we did not get any grant support.

The next recommendations I have or recommendations we got from going on through Commission one-on-ones that we went through starting last week and ended this week. There's two different scenarios here.



City General Fund	2022 Amended Budget	2023 Proposed Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
TOTAL REVENUES	$160,969,102	$155,221,370	$160,633,958	$165,765,064	$171,016,489	$176,351,469
TOTAL EXPENSES	$174,147,216	$160,384,948	$171,266,506	$180,157,897	$193,319,478	$209,525,512
Reopen Fairfax Fire Station w/ Grant Funds	$149,303	$931,653	$931,520	$320,424	$832,347	$1,319,756
Net Change in Fund Balance	$(13,178,114)	$(5,163,578)	$(10,632,548)	$(14,392,833)	$(22,302,989)	$(33,174,043)
Cash Basis Ending Fund Balance	$17,801,486	$12,637,908	$2,005,360	($12,387,473)	($34,690,462)	($67,864,506)
ACFR Ending Fund Balance	$32,690,421	$27,526,843	$16,894,295	$2,501,462	($19,801,527)	($52,975,571)
Reserve % of Expenditures	18.77%	17.16%	9.86%	1.39%	-10.24%	-25.28%
Fund Balance 17% Target	*$29,605,027*	*$27,265,441*	*$29,115,306*	*$30,626,843*	*$32,864,311*	*$35,619,337*
Fairfax Fire Station Grant Contribution	-		$1,962,596	$420,600	$437,450	-

The first one is reopening Fire Station 15 with a three-member pumper and funding it by grant funding and that is, again, if we are allocated the grant funding or awarded it from the feds. One of the things we have going on here is, we also would move a person from one of our stations that's on a pumper that has four men to a pumper. We would reallocate that person to Station 15 and that way we would only be paying overtime for two people. What that does is reduce the amount of overtime that we have so we amounted $149K starting out in 2022 for overtime as opposed to—it was $282K. Then, in 2023 we also would work the three-member pumper crew with a person reallocated where we would only be paying two people overtime because we would already be paying for that person on the pumper.

In 2024, in 2025 and 2026, we would also have grant funding. One of the things that we can see here is that in 2023 is that the fund balance is 17% if we're opening this fire station with grant funding from the federal government. One of the things that I would like to point out is still in 2025 we do have a $12M negative cash fund balance. Again, this is if we are awarded the grant money.

Re-Open Fire Station # 15with 3 Member Pumper

Analysis:

- Fund Balance in compliance in 2023
- Negative cash balance in 2025

Assumptions:

- Re-Open Station in November 2022
- Shift personnel from another station that has 4 personnel to a truck
- Station will operate in 2022 and 2023 with 3 Person Overtime Company.
- Station will operate in 2024 as a 3 Person Permanent Company and into the future

City General Fund	2022 Amended Budget	2023 Proposed Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
TOTAL REVENUES	$160,969,102	$155,221,370	$160,633,958	$165,765,064	$171,016,489	$176,351,469
TOTAL EXPENSES	$174,147,216	$160,485,073	$172,337,239	$181,159,295	$193,857,022	$209,625,637
Reopen Fairfax Fire Station	$149,303	$1,031,778	$2,002,253	$1,321,822	$1,369,890	$1,419,881
Net Change in Fund Balance	$(13,178,114)	$(5,263,703)	$(11,703,281)	$(15,394,231)	$(22,840,533)	$(33,274,168)
Cash Basis Ending Fund Balance	$17,801,486	$12,537,783	$834,502	($14,559,729)	($37,400,262)	($70,674,430)
ACFR Ending Fund Balance	$32,690,421	$27,426,718	$15,723,437	$329,206	($22,511,327)	($55,785,495)
Reserve % of Expenditures	18.77%	17.09%	9.12%	0.18%	-11.61%	-26.61%
Fund Balance 17% Target	*$29,605,027*	*$27,282,462*	*$29,297,331*	*$30,797,080*	*$32,955,694*	*$35,636,358*

2023 Unified Government PROPOSED Budget

Here is reopening the fire station and we pay cash with a three-member pumper and, again, what we would do is reallocate a person from another station that has four people to a pumper and this would allow us to be able to pay overtime for getting the station ramped back up from 2022, 2023 up until April of 2024 paying overtime with two people and then starting a permanent crew. We see, again, here we are at a 17% fund balance and in 2025 we do end up going into negative of $14M. I would like to add that I have had conversation with Chief Callahan and his command staff about this and this is something that they are not in favor of having a three-man—a three-member pumper and they would also prefer not to move a person from a station that already has four people to a pumper dropping it down to three people to a pumper. They don't feel it would be safe working conditions for their fire companies.

That is the information I have to present. Any questions from anyone?

Commissioner Kane asked, was there a particular one that you thought would work best? **Mr. Lindsey** said me, personally, the one that has the less impact on the budget and would get a station closer to Fairfax would be the rebuild. **Commissioner Kane** said we don't have that kind of money. **Mr. Lindsey** said we do have in our—when you say we don't have that kind of money, what is it that—**Commissioner Kane** said what I'm really saying, let me back up a second. Everyone knows that they ran down there with three forever, forever. The reason they're putting four up there is so it will make it too expensive for us to do it at this time. That's exactly what they're doing, when you give these guys time to fabricate the numbers and that's what they did.

The goal here is to get it open as soon as possible, as cheap as possible, and then figure out what we can do long term. That's all anybody's ever asked this whole process. Get this open as soon as possible with the least amount of disruption. They took the guy from 8 in my district and put him down there in 5, so when they're moving from there, from 5 down to 15, that's a wash. You're only paying for two guys every day and then when you promote people, then you won't have to pay that much overtime and in the meantime we can get the grants and some of this money can be funded by the jobs that are open that we're not paying right now.

I don't know why we would say okay, they want four because that's just a crock and for the people watching tv I'm the one that greeted those people that were at the plant and never showed up with four, they always showed up with three, then the ambulance showed up.

The quick question is, which gets us where we want to be right now, get it open, get the people moved in a proper place, promote the people who need promoted and then use the people that the jobs are funded, but they're not filled, to pay for this until we can figure out another way.

Commissioner Townsend said I want to thank staff, union, command staff, Mr. Lindsey and his staff for putting this all together, but I'm looking at the numbers and I recall several years ago being here and kind of at one of these eleventh hour deals voting to support the opening of the fire station out west because those people needed coverage too. However, to me these kind of late minute, let's look at this and figure it out later don't work for me. I'm looking at the red ink, not just for this year and all of these scenarios and moving forward. If we can't afford it now, it's not going to get any better. Right now, because 60% of our budget is between Fire and Police, the same budget funds that we would use to have to do this. I don't believe that relying on grants, should we get them, is the way to fund personnel or equipment, particularly personnel from the time they come onboard to the time that they are supported, rightfully so, through retirement. So, it's not just what's going on today, but long term.

As I look at these numbers and investment, I think after we get past whatever we're going to do tonight with regard to the budget, give us a couple of weeks and start long term on planning what could happen. I told Fairfax before that I support the opening of the Fairfax reopening if we can do it. These numbers don't indicate that we can, so I cannot support that.

The crazy thing I thought about though and this goes back to our need for so many other things, infrastructure, just the roads. I used to work in New Orleans and there was a problem repeatedly getting to work sometimes because we would have to cross France Road railroad tracks and what was done is an overpass was built. I'm wondering if these numbers would be better off or at least worth exploring to get some kind of ramp or overpass that would take us over the trains, so that five could support and other motor traffic would not be delayed either. Just a thought. Thank you again, but that's where I am.

Commissioner Bynum said I don't have a strong feeling about one of these scenarios versus another. I will say that the fire station build wouldn't be at the top of my list. Isn't the Fairfax station one of our newest stations, so I wouldn't—I'm not looking for that. I want the fire station open. I want it open sooner rather than later. I am looking at '22 and '23 mostly as far as the costs and what they do to our budget and I'm going to support reopening Fairfax now and I'm going to support reopening Fairfax later tonight as we adopt our budget. The numbers as far as '22 Amended and '23 Proposed, don't seem to change that much from one scenario to another.

When we had our one-on-one sessions regarding the budget number, my comment to our finance professionals regarding all of the choices being placed in front of us tonight were that once we pass the budget, and I hope we pass it with this fire station operating, that we have to immediately, and I think Commissioner Townsend just said that and I think I've heard multiple commissioners say that as a result of the budget one-on-one that we had with staff and I said it to the Mayor just yesterday, we have to immediately commence the Commission and our Finance team with intensive strategic planning around our finances because you've shown us what the long-term forecasts look like. We don't like them, we don't want to believe them, but we have to look at them and live in reality and I'm just asking that if we get this fire station open, which I support, that we immediately commence as a Commission and staff performing intensive strategic planning around our financials.

Commissioner Burroughs said if I remember correctly, there was discussion, I think the Commission gave direction to both the administration as well as the union to come back with a plan and if I remember from our meetings earlier with both parties, the offer was to do a three-man crew with a piece of equipment we already had and get 15 open. I thought that was a pretty large concession made by the union ranks and the staff because that is something that they have been dealing with in contract negotiations. But it was the charge from this Commission to come back and find an agreement and that to me spoke volumes about how they want to support our community to the extent to provide the services in Fairfax that Fairfax deserves.

So, one, I just want to say thank you for that. I know that was not reached easily and I do believe we have a piece of equipment that we take out of reserve and utilize on a temporary basis until, as one of the other commissioners commented, we can get out budget straightened out. But I believe there is a fix here and I believe it was offered in all sincerity to the Commission and I am just supportive of that position because I believe it was reached with much thought and consideration for the members of the Fire Department.

Commissioner Davis said thank you for the presentation. Thank you to the Chief and your staff and union leadership for being here. Commissioner Kane mentioned the vacant positions and this has been something I've been talking about just throughout all of the UG for a while now. How many vacant positions are in the Fire Department right now? **Mr. Lindsey** said I think currently they could have about 14. **Commissioner Davis** said so these are positions that are already budgeted right now that we've put in the 2022 Budget and are those vacant positions also in the 2023 Budget as well? **Mr. Lindsey** said yes.

Commissioner Davis said my recommendation would be so that we could at least save some money to remove some of that funding for those vacant positions and lower them if need be to cover be it overtime cost or be it the three-member pumper. If we can put that on the screen just to give kind of my recommendation

Re-Open Fire Station # 15with 3 Member Pumper
Funded by **Grant Funding (If Awarded)**

Analysis:
- Fund Balance in compliance in 2023
- Negative cash balance in 2025

Assumptions:
- Re-Open Station in November 2022
- Shift personnel from another station that has 4 personnel to a truck
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ACFR Ending Fund Balance	$32,690,421	$27,526,843	$16,894,295	$2,501,462	($19,801,527)	($52,975,571)
Reserve % of Expenditures	18.77%	17.16%	9.86%	1.39%	-10.24%	-25.28%
Fund Balance 17% Target	*$29,605,027*	*$27,265,441*	*$29,115,306*	*$30,626,843*	*$32,864,311*	*$35,619,337*
Fairfax Fire Station Grant Contribution	-		$1,962,596	$420,600	$437,450	-

2023 Unified Government PROPOSED Budget

I completely agree with Commissioner Bynum that we need to have a huddle after—multiple huddles after tonight to get our finances in order. My worry with opening Fairfax was we already spend a lot of money with our Fire Department in proportion to the rest of our budget. Personally, and I told this to staff, I would like to see the Fire Department work within what they are already allocated with the grant.

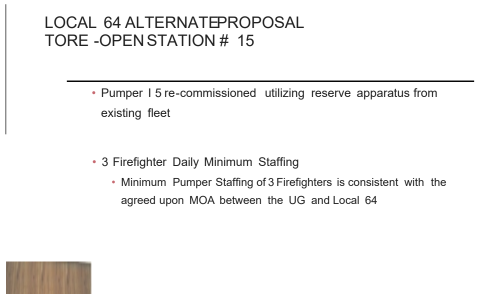
This would be my pick if we're going to vote and we're going to open it, this seems like the most fiscally responsible to get this open which is where a majority of the governing body is at right now. I will say, Mr. Lindsey, within your estimates the bridge is not on here is it? **Mr. Lindsey** said yes. **Commissioner Davis** said the bridge is also included, okay, so this also assumes that the Kansas Avenue Bridge opens and we open Fairfax under these particular conditions, correct? **Mr. Lindsey** said that is correct. Okay, then yes, this would be what I would prefer if we're going to open it for a compromise to be physically responsible.

Mr. Lindsey said I would also just add if the Fire Department does open the station back up, right now they're where they need 101 people a day, so this would make them need like 105 people a day, so there's not a lot of room to cut down on overtime or people because if they open this station, they're pretty much raising their count.

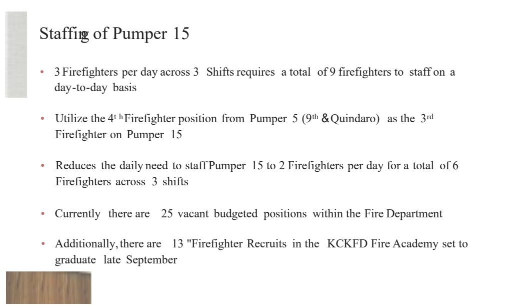
Commissioner Kane asked, J.J., do you guys have a presentation? Can we see it please?

Mayor Garner said, Mr. President, there's a concern with the viruses that may be, so we're not going to be able to upload that for the public to see, so you're just going to have to walk the Commission through a presentation. They have all the information in front of them.

J.J. Simma, President of the IAFF Local 64 Firefighters here in Kansas City, Kansas, said thank you again for the opportunity to speak with you this evening regarding reopening of Fire Station 15. I've got a brief presentation. I apologize I was given direction to just bring it. It was put together just this week. I could have probably sent a link, but it's probably too late for that obviously. I've got a brief presentation on an alternative plan and it is looking at specifically the short term at the least cost. I'll walk through the PowerPoint. I wish that we were able to put that up because I think it's pretty clear and pretty plain and simple what we've come up with and it's been discussed here already tonight.



We recommissioned Pumper 15 utilizing a reserve apparatus from our existing fleet. That apparatus has already been identified and would be available for use if authorized by this Commission. Three firefighter daily minimum staffing. Minimum pumper staffing of three firefighters is consistent with the agreed upon Memorandum of Agreement between the UG and Local 64.



Regarding staff of Pumper 15 on a daily basis; three firefighters per day across three shifts requires nine firefighters on a day-to-day basis. We suggest utilizing the fourth firefighter position from Pumper 5 at 9^{th} & Quindaro as the third firefighter on Pumper 15. If we do this, we reduce that daily need to two firefighters per day. That's a total of six. It has been identified, I believe, in some budget discussions and I heard some discrepancies tonight, but I do recall hearing it myself that there are 25 vacant budgeted positions within the Fire Department. Additionally, there are 13 recruits in the KCKFD Fire Academy set to graduate in late September. They'll have a full release to the streets sometime in October.

Cost

- Short term (approx. 18 months)
  - Reserve apparatus - No Cost
  - 13 Recruits and 25 vacant budgeted positions - Already Funded
  - We believe the Fire Department currently has what is needed to re-open Fire Station 15

With regard to the cost looking at the short term, we put an approximation of 18 months on it due to the fact that a pumper build is 18 months from order date. That will put us into early 2024. Reserve apparatus, no cost. Thirteen recruits and 25 vacant budgeted positions, as we understand are already funded. We believe the Fire Department currently has what is needed to reopen Fire Station 15.

- LongTerm
  - Apply for the Assistance to Firefighters Grant (AFG) for a new pumper apparatus to replace the reserve being utilized temporarily
  - Apply for the Staffing for Adequate Fire and Emergency Response (SAFER) grant to fill vacant positions and establish necessary positions long term
  - Conduct Organizational and Budget analysis for potential savings to assist in the long-term funding of an additional fire company

Long-term, we apply for the AFG grant, the Assistance to Firefighters, for a new pumper to replace the reserve being utilized temporarily. We apply for the SAFER grant to fill vacant positions and establish necessary positions long term. We suggest conducting an organizational and a budget analysis for potential savings to assist in the long-term funding of an additional fire company.

In conclusion, we've brought forth some of these ideas during our discussions over the last several months and there was no interest in going this direction. This last presentation this evening we were not a party to. That's the first we've seen it this evening. We've had some of these thoughts on our minds for several months. We were requested in the last few days to put it together in a formal presentation for this evening. We believe this will work. We will restore the service to Fairfax as we believe is necessary. It may not be ideal in the short term, but we can work on a long-term plan going forward.

QUESTIONS

I would thank you for the opportunity and stand for any questions.

Commissioner Townsend said on the page that says staffing of Pumper 15, second item down, it says utilize the fourth firefighter position from Pumper 5, 9th & Quindaro, as the third firefighter on Pumper 15. Why would taking somebody from 5 be part of the recommendation or maybe I'm misunderstanding the recommendation. **Mr. Simma** said that fourth firefighter at 9th & Quindaro came from the old Piper Fire Station upon the closure of the Fairfax Fire Station. That position was relocated to 9th & Quindaro. They had four in Piper for nearly 30 years. On July 23rd of 2020, I believe it was, when Fairfax closed and the new Piper station opened, the initial first three weeks that firefighter was removed altogether and when the union brought the department—brought attention to it with the department, the Fire Department began staffing Quindaro with a fourth firefighter. If you take that fourth firefighter position, it will still be a three firefighter pumper on Quindaro and you put it in Fairfax, you only need two more each day. That's the least cost option. That's why we proposed it.

Commissioner Townsend said just so I'm clear, so before Fairfax was closed was there only a three-person staff at Pumper 5? **Mr. Simma** said correct, as a minimum. That was the requirement, three.

Mr. Simma said I would comment too, to comments earlier, we've staffed every pumper company in this city on a daily basis with three firefighters with the exception of one. We do it every day.

It's not ideal, it doesn't meet safety standards. We will always advocate for those, but we do it every day and we make it work as of right now and nobody is stating that it's not safe for us to do that and we shouldn't be doing it so we got to put a fourth person on there or we go out of service.

Commissioner Stites said I guess it's kind of troublesome to hear that what we had requested was for you guys and the department and the union to come back with a proposal that you guys worked together to accomplish and that hasn't happened. I appreciate the efforts that you guys have made with how do we get this thing open with minimal cost. The utilization of a reserve apparatus, that's great because this is probably not one of those units that runs—I don't know how many calls it will run, I'm just saying it's not one that's probably going to get a whole lot of calls every day. So, a reserve apparatus would probably fit the need really well there. Three-man, it's already been stated that we can run with three, three fire personnel, a three-man, three fire personnel, I think that's great. Is this currently in any of the proposals that we've seen up there? **Mr. Simma** said I think it is very similar to a commissioner—I think one of those proposals come from commissioner discussions—**Someone** was inaudible due to not being at the mic. **Mr. Simma** said okay. **Commissioner Stites** asked, what was that said? **Mr. Simma** said it is similar to one of the commissioners proposals, scenario. I don't remember what number. **Someone** was inaudible. **Commissioner Stites** said number five. **Mr. Simma** said well, we're recommending apply for grants. We always recommend applying for every grant we can. **Someone** was inaudible.

Commissioner Stites said I do agree that we need to get it open. We need to get it open short term at the most cost effective way that we can so that we're protecting the folks down in Fairfax and then we need to look at staffing model throughout the Fire Department and I'm talking about from top to bottom. How many chiefs we have, how many captains, how many—I don't know if you have sergeants or what have you, but when I hear there are three chiefs in training, I mean I don't know how many is needed, but it seems like a lot to me. **Mr. Simma** said historically we had one. There are three now. **Commissioner Stites** said I'm not going to get into the why that is tonight, but I think there is a deeper dive into what the staffing level looks like in the Fire Department that helps eliminate some of the overtime costs. We just mentioned it and it wasn't mentioned in the discussion earlier presentation that we have 13 firefighters that are going to get ready to graduate. **Mr. Simma** said correct. **Commissioner Stites** said that's all I have to say and I'm in favor of Scenario No. 5.

Mr. Simma said just to reiterate, we believe that with those 13 firefighters coming out on the streets and the funded positions within the department, the vacant positions, that we currently have what's needed within the current budget. That's our belief from our perspective.

Mayor Garner asked, I've got a question for the Fire Chief. Looking at all the proposals including the one given by the union, and I would like to really get on the one given by the Union President, because I think the call to action was, and I kind of follow in line with Commissioner Stites, was that the union and the fire command come back and work collaboratively on these proposals to this Commission so they can make an informed decision with the reassurance that union and management work together to do something as far as a proposal that, hopefully, could get you to where the Commission would like to be. That's to open Fire Station 15 in a way that's cost effective and could provide the enhanced level of service that I know for a fact, because I just talked to the President of the Fairfax Industrial Association this morning, that they have desperately been begging this body to proceed forward with getting that station open. Your thoughts on the proposal from IAFF Local 64?

Mike Callahan, Fire Chief, said well, a couple. One point of clarification. We did present a collaborative proposal on August 25th. The proposal that was presented on August 25th was agreed to by Local 64 and the fire administration. There was subsequent talk at the—after the presentation was made about moving people and dropping to three people, but if you'll go back and look at what was said that night, that proposal was indicative of a four-person firefighter—I'm sorry, fire apparatus. There were four firefighters on that apparatus, we spoke with Local 64, we worked with Local 64. When we came in to present, that was an agreed to presentation.

My thoughts on this are that we can go to three people. They're right. I mean the contract says we can drop to three—it says we can drop to three on our aerial apparatus too, but we never have. We've kept four on aerial apparatus, all seven of them, at least since I got here. The reason we're doing that is for safety. That's a safety concern to drop below four people. Can we open it with three people, absolutely. Is that my recommendation, no. Our consistent position has always been we're open to more firefighters and more apparatus and we're still open to that, so I'm not rejecting anything out of hand here.

Currently we're at 36.4% of our apparatuses are staffed in compliance with the NFPA, 1710 Standard. This proposal decreases, not increases, that compliancy to 30.4% of the standard. That regressive approach, I'm not in favor of that. I'm going to do what I'm directed to do and given direction to do, but I would not advocate for that proposal.

Mayor Garner said what was presented right here, is this something that this Commission and this Administrator gave you clear direction to implement, is this something that you can do responsibly? **Chief Callahan** said, Mayor, I haven't seen that until just now. **Mayor Garner** said what you have seen and what you've heard now. **Chief Callahan** said yeah, it can be done, sure, there's no question about that. It can be done.

Commissioner Kane said, Mayor, I would like to make a motion that we move forward with slide five to vote on tonight in our budget. **Mayor Garner** said we will have to wait. This is just an informational session, so that's going to come up for action later.

Mayor Garner said thank you all for the presentations. We're going to take a slight five-minute break in between the full commission meeting, but before we get there, I would like to have a motion to adjourn.

Commissioner Markley made a motion, seconded by Commissioner Davis, to adjourn the meeting. Roll call was taken and there were eight "Ayes," Kane, Markley, Stites, Davis, Bynum, Burroughs, Townsend, Johnson.

MAYOR GARNER ADJOURNED
THE MEETING AT 7:00 p.m.

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Monica L. Sparks
Acting Unified Government Clerk

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