ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, May 9, 2022

The meeting of the Economic Development and Finance Standing Committee was held on Monday, May 9, 2022, at 5:00 p.m., remotely via Zoom and on-site. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, Stites, McKiernan, and BPU Board Member Haley. The following officials were also in attendance: Patrick Waters and Angie Lawson, Deputy Chief Counsels; Bridgette Cobbins, Assistant County Administrator; Juliann VanLiew, Director of Health; Amber Banner, Deputy Director of Public Health; Kathleen VonAchen, Chief Financial Officer; John Kelly, Director of Building & Logistics; Angel Obert, Director of Parks & Recreation; Sarah Shafer, Public Works CMIP Program Manager; Sarah White, Public Works Project Manager; Monica Sparks, Acting UG Clerk; Terri Kimble and Tifani Portley, UG Clerk's Office.

Chairman Burroughs said before I call the meeting to order I do want to announce that some committee members, staff, and the public are attending remotely via Zoom 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 observing knows who is speaking. This is critical given the number of remote participants and is the current guidance from the Kansas Attorney General.

The public is allowed to participate by Zoom or submit comments by email prior to the meeting and those comments will be included in the record of this meeting. The public may also indicate your intent to provide remote, public comments by contacting the Clerk's Office by 5:00 the Thursday before the meeting. The public also will have an opportunity to provide brief comments by telephone or via Zoom from the 5th Floor Conference Room of the Municipal Office building.

Chairman Burroughs called the meeting to order. Roll call was taken and all members were present as shown above. There are no revisions to tonight's agenda.

Chairman Burroughs said we have five items this evening. Item No. 1 is the Use of Reserve Funds for the Tuberculosis Outbreak Outreach Response and that is a response from our Health Department. At this time, I will recognize Juliann VanLiew, Director of Health.

Terri Kimble, UG Clerk's Office, said Commissioner, we have a set of minutes to approve.

Chairman Burroughs said thank you Madam Clerk, I didn't see that on my agenda, but I would entertain a motion to approve the minutes from last month.

Approval of standing committee minutes from November 29, 2021, and January 3, 2022. **On the motion of Commissioner McKiernan, seconded by Commissioner Stites, the minutes were approved as submitted**.

Commissioner Townsend said I did have a question or request concerning the Economic Development Standing Committee minutes from Monday, January 3rd of 2022. On page one of those minutes, it mentions my name. It lists those who are present says Commissioner Burroughs, Chairman, Commissioners Davis, Townsend, and following my name it says substituted for Ramirez, Stites, McKiernan, and BPU Board Member David Haley. I wanted someone, probably in the Clerk's Office, might be the most appropriate person to clarify what substituted for Ramirez meant.

Chairman Burroughs said can anyone from staff answer that?

Commissioner Townsend said I didn't know if they were intimating by that that I was substituting for someone when I was not, I was a full-fledged member in attendance. That's what I'm asking for clarification about...

Monica Sparks, Acting UG Clerk, said, Commissioner Townsend, when we have a committee member absent, and another committee sits in, that's how we show them as substituting for whoever is absent.

Commissioner Townsend said well that's what was confusing because I don't know who is, are we saying that Commissioner Ramirez substituted for somebody or… **Ms. Sparks** said yes because he is not normally on this committee.

Commissioner Townsend said and so he substituted for whom? The way it reads, one might think he was substituting for me, and I was in attendance, so I just wanted some clarification on that. **Ms. Sparks** said I'm going to pull the minutes up and check them.

Commissioner Townsend said okay. May I make a substitute motion that these particular minutes be set aside, so we could move on with the meeting? That would be if the maker of the motion would accept that these minutes be brought back next month, January 3rd, 2022, so we can get clarity on that.

Action: Commissioner Townsend made a substitute motion, seconded by Commissioner Davis, to approve.

Commissioner Burroughs said we have a motion and a second, but we also have a member with his hand up and I believe Senator Haley, BPU Board Member. Welcome, Senator Haley. You have a comment.

BPU Board Member Haley said no thank you that was from before, Mr. Chair, to see if my audio was working. Pardon the interruption.

Chairman Burroughs said we have a motion and a second to set aside Monday, January 3rd minutes of 2022. I'd ask the Clerk please call roll. **Ms. Kimble** said roll call, Haley…

Mr. Haley said I'm sorry, point of clarification. This is to set the minutes aside until next time, correct?

Chairman Burroughs said correct. **Mr. Haley** said aye.

Ms. Kimble continued the roll call: Davis, Townsend, Stites, McKiernan, Burroughs.

Chairman Burroughs said thank you committee. The other minutes, are you all right with those?

Commissioner Townsend said yes, Mr. Chair. My motion pertained only to the January 3rd, 2022, minutes.

Chairman Burroughs said I have to entertain a separate motion on approving the remainder minutes. **Commissioner Townsend** said I so move.

Commissioner McKiernan said second.

Chairman Burroughs said we do have a motion and a second to approve the remaining minutes. I'd ask the Clerk please call roll.

Roll call: Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

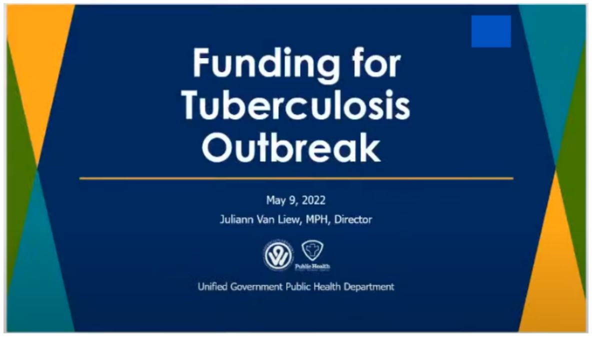
Chairman Burroughs said as I stated we do have five action items. Our first item, we go back to Juliann VanLiew, Director of Health, over the tuberculosis outbreak outreach response.

COMMITTEE AGENDA

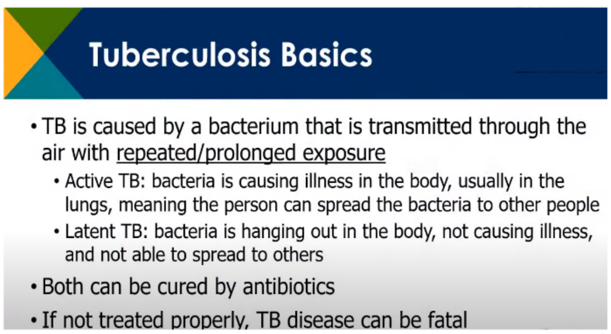
Item No. 1 – 211549…APPROVAL: USE OF RESERVE FUNDS FOR TUBERCULOSIS OUTBREAK RESPONSE

Synopsis: The Health Department requires the use of $400,000 of its reserves in order to appropriately respond to the Tuberculosis outbreak that is ongoing in Wyandotte County. This will be used for personnel, resources, equipment, and communication needs related to the outbreak response, submitted by Juliann VanLiew, Director of Health.

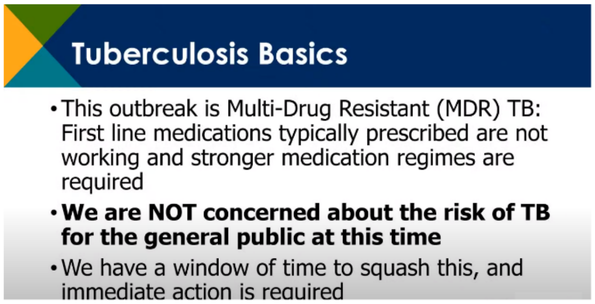
Juliann VanLiew, Director of Health, said while our PowerPoint is being brought up here, I would like to quickly introduce our new Deputy Director of Public Health, Amber Banner, who is here with me this evening. You will begin seeing her in the coming months and occasionally represent the Health Department and myself.



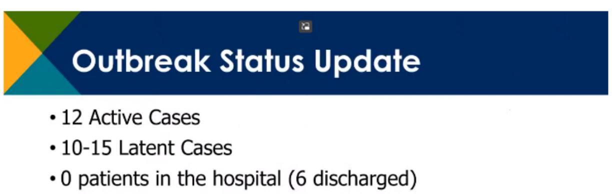
We are here to talk about our tuberculosis outbreak. Unfortunately, in Wyandotte County, we are seeing a multi-drug resistant tuberculosis outbreak currently and this is requiring us to utilize resources that we don't currently have in place in order to adequately respond.



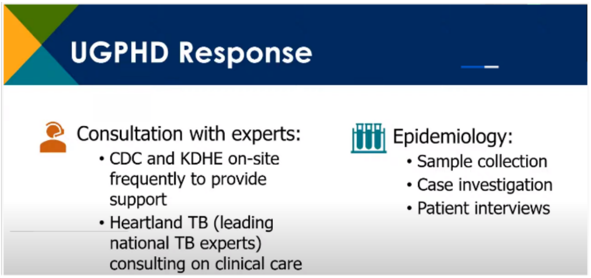
I'm going to give a very, very brief update or overview of tuberculosis so everyone understands. Tuberculosis is caused by bacteria that is transmitted through the air. This is similar to COVID in its transmission route, but it is not similar to COVID in how easy it is to catch it. I want to make sure everybody leaves this understanding that tuberculosis is an airborne disease, but that it requires significantly longer, repeated, and prolonged exposure. We are talking about infectious disease, but it's much more difficult to contract than COVID. There are two types of TB, active and latent. One of them has an active illness in the body, usually the lungs, meaning you can spread it to others. The other is when it's just hanging out in the body, not causing illness, you can't spread it to others. What's important is that we need to treat both of these types of tuberculosis, and both can be cured completely by antibiotics. However, if either is not treated properly, TB disease can escalate and can be fatal.



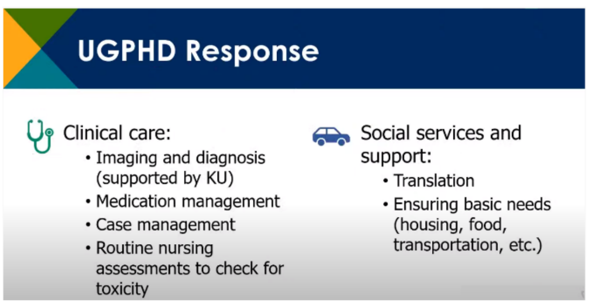
A few other basics I want to make sure everybody understands. This is what we call Multi-Drug Resistant Tuberculosis. This is important because it makes it a much more difficult outbreak to handle. This means that first-line medications that we typically use so, the first, second, and third-line antibiotics we usually use for tuberculosis do not work for this strain of TB. That means we have to use stronger medications that have potentially toxic side effects for these patients. I also want to be very clear that we in the Health Department are not concerned about the risk of TB for the general public at this time. We believe that we have this contained. We believe our patients are adhering to our isolation requirements, and we believe that we have identified any potential points of exposure and taken care of them. But it is important that we do have a window of time to squash this strain of MDR TB and immediate action is required. If we do not do something right now, we could end up with a strain of TB that sits in our county for decades, or we can rid our county of this in the next 12 to 18 months depending on what we do next.



A quick update on the outbreak of the status. We have 12 active cases and 10 to 15 latent cases. Again, these are really small numbers compared to what we've been experiencing with COVID, but because these cases are so intensive, that’s actually pretty high numbers up there. I do want folks to know that none of these patients remain in the hospital. We have previously—six of these clients have been in the hospital and have been discharged successfully with medication plans that we are putting in place.

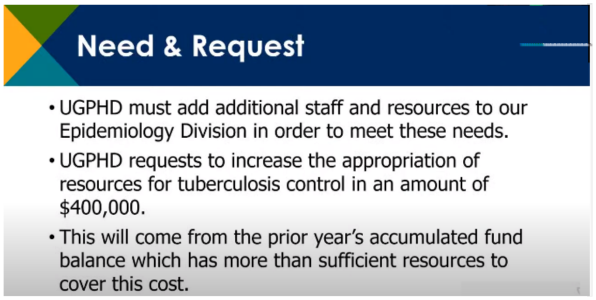


This brings us to the Health Department's response. What have we been doing to make sure that this does not get out of control? I want to make sure everybody knows that we have been consulting weekly, if not daily, with CDC and KDHE officials. CDC has sent someone here to work with us in our Health Department for a month to make sure that we are doing this by the book. We are also consulting with Heartland TB who are national experts on clinical care for TB. We're conducting the epidemiological response around sample collection, case investigation, patient interviews, all of that standard work that our FTE conducts.

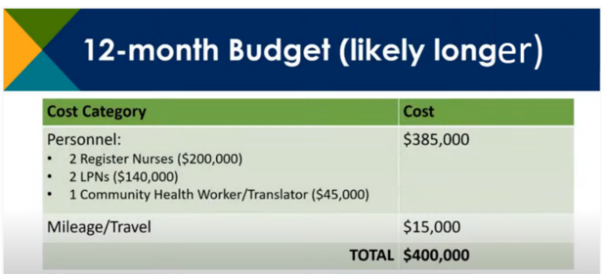


Then we are also engaging in really intensive clinical care. This is where the expense comes from that I'm here to talk to you about this evening. This is a higher level of clinical care than the Health Department typically needs to have on staff for this type of work. We are being supported by KU, as well as Children's Mercy for some of these imaging and diagnostic tests that we need, but this medication management, the case management, and nursing all lies with the Health Department. This is especially important, because these medications are incredibly toxic, and they require daily nursing assessments and checks for toxicity to make sure that as we're trying to medicate these patients, and rid their bodies of TB, we're not causing liver failure and other long-term problems.

The last part of our response is social service and support. These folks must remain at home and isolated to ensure we don't pose a risk to the broader public of tuberculosis spread. In order to keep them isolated, we must put in support around housing, food, transportation to medical appointments, translation, all of those things. We have put these into place in the last two months to such an extent that we feel extremely confident that these folks are isolating appropriately, and again, we are not worried about community spread.



That brings us to our request this evening. As I mentioned, our Epidemiology Team does not typically have this level of clinical expertise on our staff to meet the needs that we are seeing right now. In order to meet those needs, we are requesting the ability to move $400K of our prior year's accumulated funds to an account that I can access immediately to begin utilizing for this response.



Cost Category	Cost
Personnel: • 2 Register Nurses ($200,000) • 2 LPNs ($140,000) • 1 Community Health Worker/Translator ($45,000)	$385,000
Mileage/Travel	$15,000
TOTAL	$400,000

Just very high level, this is what that $400K is going to get us. You'll see it's almost entirely staff time. I've had to bring on two additional full-time nurses with specific infectious disease knowledge specific to TB, two licensed professional nurses, a community health worker, and a translator who speaks this particular dialect of this particular language that we're working with. Then a modest amount of money for mileage and travel because most of this care is taking place in the homes of these individuals in our community, so this is a very community-based response.

That is all that I have for you this evening. Happy to take any questions. I'll go ahead and hand it back.

Commissioner McKiernan said I would say that as unfortunate as it is that we have had this outbreak in our community, this is exactly the type of response that needs to be coordinated by a Community Health Department. I believe we are blessed to have your department able to coordinate this. This, to me, seems like a perfectly valid, reasonable, and very necessary expense, especially considering that it's coming out of reserves that you have previously set aside for contingencies just like this. So, I fully support it.

Chairman Burroughs was inaudible.

Ms. VanLiew said no sir. These are currently on via contract agencies. We call them Favorites' Nursing. They are a local contract agency. We've got them on currently only for three months contract and we'll extend them by three months as we go. I don't even have them on for 12 months at this point, because I will stipend them off as soon as I don't need them. The plan is that this will get us to 12 months if we need it. I'll cycle them off and end those contracts early if we don't need that entire 12 months. But no, these positions are not forever, permanent positions in the Health Department, they are only for the duration of this response.

Chairman Burroughs said we are very fortunate to have the people working for our Health Department that we have. Please share with them that we're very supportive of this endeavor and it's important that we address this outbreak.

Commissioner Townsend said good evening Ms. VanLiew, good to see you back. I think your presentation addressed the majority of questions I had written. There's only one that remains. You mentioned that part of the treatment included isolation of those people who are currently infected. The $400K on the schematic you had did not seem to take into account any social services like food or some of the other things you mentioned to address those as was done for COVID. Is there other money that you can access in your budget that will deal with those issues or those types of needs will be handled by an outside social agency?

Ms. VanLiew said yes, Commissioner, thank you. That's an excellent question. We made a special request to the Kansas Department of Health and Environment for $45K for things like incentives to stay in the home, for dropping off groceries, for covering their utilities as needed.

We have identified an external source of funding for those particular needs, but I assure you they are being taken care of.

Commissioner Townsend said thank you. And welcome to the new staff member, I couldn't quite hear her name, but welcome to her as well.

Commissioner Davis said I was just going to motion to approve.

Chairman Burroughs said before I accept the motion, I do need to ask the Clerk if there are any comments received from the public. **Ms. Kimble** said there was no communication received.

Chairman Burroughs said is there anybody on-site? **Ms. Kimble** said no one on-site.

Chairman Burroughs said Mr. Davis, I'd entertain that motion. With a motion and a second, I would ask the Clerk to please call roll, this is an action item.

Action: **Commissioner Davis made a motion, seconded by Commissioner McKiernan, to approve**. Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Item No. 2 – 211548…AMENDMENT: CREATION OF NEW BPU PILOT CLASSIFICATIONS

Synopsis: Amending Charter Ordinances to create a residential BPU PILOT classification, submitted by Kathleen VonAchen, Chief Financial Officer.

And

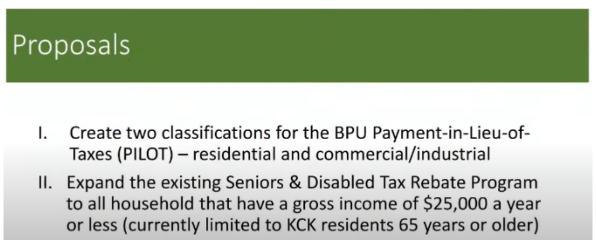
Item No. 3 – 211559…AMENDMENT: AMENDING ORDINANCE FOR SENIOR UTILITY TAX REBATE PROGRAM

Synopsis: Amending ordinances applicable to Senior Utility Tax Rebate Program, submitted by Kathleen VonAchen, Chief Financial Officer.

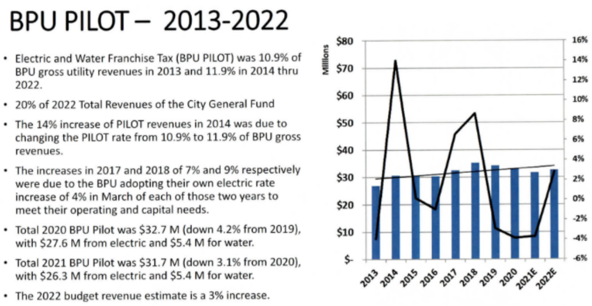
Chairman Burroughs said our second item, I believe, is an action item. I would ask Kathleen, VonAchen, our Chief Financial Officer, so Kathleen, the floor is yours.

Kathleen VonAchen, Chief Financial Officer, said I did want to point out one thing. The presentation I'm about to provide is covering Items 2 and 3. But for both items, if you were to proceed with voting on them, they'd have to be voted on separately.

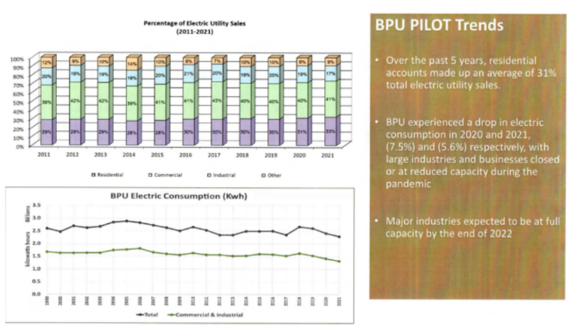
Chairman Burroughs said just for clarification, Item No. 2 and Item No. 3 will be presented collectively. If I understand correctly, just so those that are watching and joining us by Zoom that both Items 2 and 3, the Rebate Program as well as the Electric and Water PILOT will be discussed as one item, but will take action as two separate items.



Ms. VonAchen said correct. There are two proposals being discussed and both of them are a means of reducing tax burden on residents, either through the BPU PILOT, property tax, or other utility taxes and fees. The first one, these are two proposals to reduce tax burden and we want to provide this information for you to consider and to discuss further. The first one is to create two classifications, a residential and a non-residential for the BPU Payment-in-Lieu-of-Taxes, which we refer to as the PILOT. I'll talk about that in more detail in the next slides. The second one is to expand the existing Seniors and Disabled Tax Rebate program to all households that have a gross income that are at $25K a year or less. Currently, this program is only provided to those residents that meet that income limit that are 65 years or older. I'll talk more about that one in a minute.



The BPU PILOT, this is a chart that shows the amount of revenue that we've collected since 2013. This is both electric and water franchise. What we do is we charge a 10.9% tax or PILOT payment against the gross revenues of the BPU. During 2013 it was 10.9%, and then in 2014 it increased to 11.9%, and that's where it's been ever since. Right now, it's at 11.9% of the gross revenues of the BPU. Twenty percent of the BPU PILOT, both electric and water, represents 20% of the total revenues of the City General Fund. This chart kind of shows how it's performed over the years. For example, there was a 14% increase in the PILOT revenues in 2014 due to the change in the percentage from 10.9% to 11%. There were increases in 2017 and 2018 of 7% and 9% respectively, and that was due to BPU adopting their own electric rate increase of 4% in March of those years in order to pay for their operating and capital needs. Then in 2020, the BPU PILOT was $32.7M, which was a 4.2% reduction, and that was due to COVID. In 2021, it further reduced to $31.7M and that was a 3.1% reduction from 2020 due to COVID.



As you can see, there are various classes, the electric PILOT is the largest. We're going to talk a little bit more about electric. The electric utility has various classes. You can see there's the residential, commercial, industrial, and other. You can see that, for example, the residential is this purple and then the commercial and others are all these above. You can see that all of the many accounts paid by households represent roughly 33% in 2021 of the total electric utility sales. Over the past five years, the average has been roughly 31% of the total electric utility sales. The BPU experienced a drop in electric consumption during COVID because large industries and businesses closed or reduced their capacity due to the pandemic. We do expect major industries to come back up to full capacity, or nearly, by the end of 2022.

Establish Residential and Commercial/Industrial Classifications for the BPU Electric & Water PILOT
Possible Commission Action

- Amend Charter Ordinances CO-5-01 and CO-3-02 in order to provide for a separate residential PILOT versus commercial/industrial PILOT.
- Charter Ordinance requires Commission approval by two-thirds of its members (8 votes) plus a 61-day waiting period after publication to make sure there is no challenge via citizen petition

In providing some tax relief, what we thought we would propose for your consideration is that we create two classes, one for residential, and one for commercial. That would provide the Board of Commissioners with greater flexibility as to the percentage of total revenues that we would charge the total percentage of BPU revenues. As I mentioned earlier, the PILOT is calculated based on 11.9% of any individual's bill, roughly speaking. If we created two classes, then if you're a residential customer, you could pay some other or a lesser percentage. If you were a commercial customer, you would still pay the 11.9% or whatever percentage the Board of Commissioners finally decides to assess, which is done as part of the budget process. Just to point out real quickly, tonight's consideration simply creates the classifications. It does not reduce the rate at all. The reduction of the rate happens as part of the budget process in August. When the Commission actually approves the budget resolution, you also will approve a resolution that sets the rate for the BPU PILOT. That's when that would be done. If you created two separate classifications, then in August when you set the rate, you'd have to set two rates.

Our Legal Department and I do have the Legal Department on the line, and they'd be happy to answer any questions. By the way, we also have the BPU represented and they're also happy to answer any questions too. The thought was that this is just a proposal, and it's something to consider. It's kind of a new idea, but in order to do it legally, we would have to amend Charter Ordinances CO-5-01 and CO-3-02 in order to provide separate residential PILOT versus commercial classifications. A chartered ordinance requires or an amendment to the Charter Ordinance requires the Commission's approval of a two-thirds vote or eight votes of the members, plus you need to wait 61 days after the publication of the change in order to make sure that there aren't any protests being filed by any citizen. It would be best to have that in effect prior to the budget approval, by the end of the year at the most, that would need to take place. There is a little bit of a waiting period we need to consider.

Chairman Burroughs said Kathleen, Legal's Patrick Waters has his hand up.

Patrick Waters, Deputy Chief Counsel, said I've lost my video here. Not sure why, but I'll go ahead. I wanted to let you know that since we don't amend chartered ordinances very often, we felt that in addition to the main change here, we should clean up any other issues that we notice. There were a few. We clarified what exactly is meant by gross operating revenues. The BPU is here to talk about if you want more detail about why we separate out the regional transmission activities involving this regional transmission owner from the gross operating revenues. I also noticed that in the way it's currently written, if the Commission wants to increase the PILOT, it makes a request for a joint meeting with the BPU. If that joint meeting for some reason is not able to happen, and if the two boards just can't agree on a date or the BPU can't get a quorum, it would technically prevent the Commission from raising the PILOT. I don't think that was the intent. I think at the end of the day, the Commission should have the authority to do that as long as it provides notice and makes a good faith effort to meet and inform the BPU Board. The final change is that because of the change in the budget timeline where we're kind of going into late August and early September now, the current ordinance says that we have to provide notification to the BPU of the PILOT amount by September 1st. That's not always going to be possible and so we just extended that to October 1st.

Chairman Burroughs said thank you, Patrick, you gave us a lot of information there. Are there any questions from other commissioners in reference to what Legal just stated? Staff, I don't see any hands raised. Kathleen, please continue.

Commissioner Townsend said one question for Counsel Waters. Is it required under the present language of the charter that the BPU and the Unified Government have to meet if they want to reduce the PILOT? **Mr. Waters** said no Commissioner, only for an increase. We always have to provide notification of the final amount, but currently, it states that we must meet if there's something…

Chairman Burroughs said just for clarification if I may, I believe that the joint meeting would occur if the Commission chose to take action to raise the rate. **Mr. Waters** said that is correct. Any other questions, comments? Seeing none, Kathleen, please.

UG Legal Department Research

- "State law, specifically KSA 13-1271 and KSA 13-1269, both allow for a percentage of "gross operating revenues" to be transferred to the municipality. However, those statutes are non-uniform and so the UG exempted itself from the statutes starting with CO-5-01, amended by CO-3-2, but it kept in the "gross operating revenue" language.
- As such, under current ordinance we cannot separate out the residential versus commercial revenue for purposes of the PILOT, but we could do so via a new Charter Ordinance.

CHARTER ORDINANCE NO. CO-5-01

CHARTER ORDINANCE repealing Charter Ordinances Nos. 106, 115 and CO-3-00; exempting the Unified Government of Wyandotte County/Kansas City, Kansas, from the provisions of K.S.A. 1998 supp. 13-1213, 13-1214, 13-1215, 13-1220, 13-1221, 13-1222, 13-1223, 13-1224, 13-1225, 13-1226, 13-1227, 13-1228, 13-1228a, 13-1228b, 13-1228c, 13-1228d, 13-1228e, 13-1228f, 13-1228g, 13-1228h, 13-1229, 13-1230, 13-1231, 13-1232, 13-1235, 13-1236, 13-1237, 13-1252, 13-1253, 13-1254, 13-1255, 13-1257, 13-1258, 13-1259, 13-1260, 13-1261, 13-1269, 13-1270, 13-1271, 13-1272, 13-1273 and 13-1275, relating to the election, salary, terms of office, meetings, qualifications, election of officers, and vacancies of members of the board of public utilities, the sale of surplus utility services or products by the board, the powers and duties of the board, the appointment, qualifications, and powers and duties of a general manager of the board, the power of the board to enter contracts for extensions of retail service outside the unified government limits, the percentage of gross operating revenues of the board which must be transferred to the unified government and the timing of such transfer, and providing for any proposed sale of utilities, requirements for an election on the question of sale, including a feasibility study, and the manner of such election, the fixing of utility rates, the ownership and improvement of utilities, the issuance of general obligation bonds and revenue bonds for utilities and providing substitute and additional provisions on the same subjects.

Ms. VonAchen said I'm not sure we have to go over this, but generally speaking, this is some legal research that the UG Chief Legal Counsel did and it's for information.

EXAMPLE:
Residential PILOT Reduction Revenue Calculations

$ in millions

Utility	Total 2023 Status Quo Estimate	Residential 2023 Status Quo Estimate*	All Other Accounts 2023 Status Quo Estimate	Residential Accounts 1% PILOT Multiple	Assume Residential Accounts PILOT set at 6% of BPU gross revenue	Revenue Reduction from Status Quo
Electric	$28.4	$8.8	$19.8	$0.74	$4.4	($4.4)
Water	$5.6	$1.7	$3.9	$0.14	$0.8	($0.9)
TOTALS	**$34.0**	**$10.5**	**$23.7**	**$0.88**	**$5.2**	**($5.3)**

**Assumes residential accounts make up 31% of total BPU PILOT revenue.*

This is an example of how creating a residential PILOT and potentially reducing the percentage of gross revenues from 11.9% to some other percentage would have. As you can see, there's electric and water and in 2023 this is the estimate of what we'll be collecting in 2023, $28.4M in PILOT for the electric utility and $5.6M for the water. So, a total of $34M. Now of that $34M, if you're only looking at the residential accounts, then that equates to $8.8M and 1.7 for a total of 10.5. That 10.5 is part of that $34M, you understand, the difference being the commercial, industrial, and the other accounts. Here are all the other accounts. For every one percentage of residential accounts, you would collect $740K from the electric and $140K from water for a total of $880K. If we were to, for example, reduce the PILOT percentage of gross revenues from 11.9% to 6%, then we would be collecting $4.4M for the electric portion and $800K for the water portion, for a total of 5.2, and basically cutting it in half. The difference is that we would save or would not be collecting or that taxpayers would pay would be $4.4M and $900K and 5.3. For example, if we cut the residential PILOT by half roughly, then we would not be collecting $5.3M in revenue. That's how much residents would be paying half of what they are currently paying now, just for residential accounts.

Chairman Burroughs said for clarification if I can, Kathleen, it would be half of the $8.8M, it would be $4.4M. **Ms. VonAchen** said yes.

Chairman Burroughs said then the water portion would be $800K and some thousand. **Ms. VonAchen** said yes.

Chairman Burroughs said and so that's what would be affected if we were to cut the PILOT by 50%. **Ms. VonAchen** said for residential accounts.

Chairman Burroughs said thank you for that clarification.

Ms. VonAchen said we would still be collecting $23.7M for commercial and industrial accounts.

Commissioner McKiernan said I just want to reiterate something you did say earlier. What's before us tonight is changing the structure that would enable other things like this to happen at some point in the future. **Ms. VonAchen** said right.

Commissioner McKiernan said this is a hypothetical reduction and we're in a what-if scenario here. The two blue columns that are at the far right are if we were to set up this structure and then if during the budget process we were to make some change to the percentage, it would lower the income from this particular line accordingly. In this case, it would lower it by about $5.3M. I just want to make sure we're clear tonight, we're not considering any percentage of reduction, we are simply considering creating the framework that allows us to potentially do something down the road.

Ms. VonAchen said that's correct. So, for every 1% of gross revenues that you reduce it, we would lose $880K in revenue in the City General Fund, so just an example.

Commissioner McKiernan said this is something that we would take up as a full commission during budget deliberations that we would have over the course of summer heading into fall.

Ms. VonAchen said that's right. We did provide you with the Charter Ordinance to vote on. You are able to vote on that tonight if you wish. I did want to point out also that potentially you may want to talk with your constituents and find out how they feel about all this. We've provided the document that you would be voting on either tonight or in the future.

Senior/Disabled Citizens Utility Rebate Program

Eligible applicants can receive a portion of taxes paid to the following:

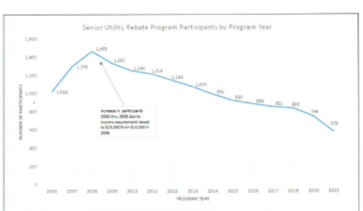
- water pollution (90% rebate)
- gas franchise tax
- telephone franchise tax
- BPU electric and water payments-in-lieu of taxes
- city sales tax refund

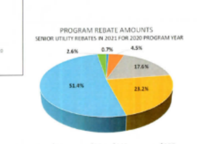
To be eligible for the program in 2020, individuals must have met the following criteria:

- resident of Kansas City, Kansas
- 65 years of age for the entire year
- total gross annual income from all sources not to exceed $25,000 (including spouses)
- application deadline is March 31st

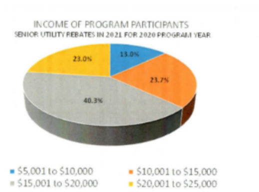
- In 2021 (for the 2020 tax year) the program provided total refunds of $134,240 to 578 eligible applicants. The average rebate in 2021 was $233, with 15 (3%) of the applicants receiving the full rebate ($301.32).

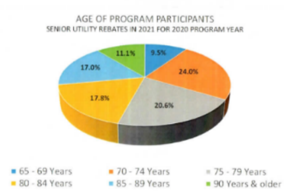
The second proposal is to amend our current program that's called the Seniors/Disabled Citizens Utility Rebate Program. That's officially the title of this program. It is administered by the UG Clerk's Office. They take those applications; I think at the beginning of the year. The Clerk's Office has been working with my Accounting Division to make sure that process is a little bit more streamlined and automated. It does require senior citizens to come in and fill out a form, and I think they may be able to do it online. There are certain income guidelines that they have to prove, then they need to supply some documents in order to get a refund. In order to be eligible for the current program, the eligible applicants can receive a portion of the taxes that they paid. It's not just taxes but also fees. For example, if they meet the guidelines, they can get 90% of their water or wastewater bill rebated. It includes the gas franchise as well, the telephone franchise, and then the BPU and water payment in lieu of taxes or PILOT, as well as city sales tax refund. To be eligible during 2020, at least, individuals must have met the following criteria. You have to live in Kansas City, Kansas. You must be 65 years of age for the entire year or older, and your annual gross revenue from all sources cannot exceed $25K, including your spouse. The application deadline is March 31st. This total amount—also the program limits the amount you can get to, I think it's $315. I think it's on the next slide. There's a limit on it. Not very many people actually get the total $300. It isn't a substantial amount; it's a lot less than you would think. In 2021 which was for the 2020 tax year, the program provided total refunds of $134K to 578 eligible participants.





I have a couple of slides here that demonstrate over the past decade the participation of seniors in this program. You can see that it's been declining over the years, and I'm not really sure why that is, but each year we get fewer and fewer participants. It did drop quite a bit in 2020 and I'm guessing that's because of COVID. If you look at this rebate amount, the pie chart here shows that the program rebate amounts so you can tell that 51% of the participants received less than $50. On the other hand, the maximum was $301. As you can see on the max, less than 1% got the max. So, between $50 and $250, it was about 23% of the total. Most of the participants got about less than $50 and then about a quarter of them got between $200 and $250, just to give you a little idea.





This is just a little bit more information. I'm going to go back to this. What I want to point out is what you have in your packet as Item No. 3 would be the amendment to the ordinance that created this program. How it amends it, is it takes away the age requirement. Simply stated, that's what it does. If we took away the age requirement and we left everything else the same, which is also something that you all might want to consider, you might want to change the income limits, but for now, what we're proposing is that we simply take away the age requirement. Based on the participation rate of those seniors that participated in this program, I am estimating that it would be, whereas it would probably triple the amount of individuals that would participate in this program. I was estimating based on the past trends with the seniors' program, I estimated that about—and given what we know of the income levels in the various areas of our community, I figured that about 1,500 residents would likely participate in a rebate program. It would cost an additional $250K in rebates. Just for argument's sake or just for your consideration, we have left the income limits as well as the maximum amount at $301. We've left everything the same. The only thing we've changed is the age. I'd like Patrick, if he doesn't mind, he might want to make a few comments.

Mr. Waters said I think you covered everything. The only other change we really made was that the existing ordinance uses the phrase husband and wife and we changed that to married individuals to reflect updates in the law. But other than that, it's really just eliminating any time that the ordinance mentions age limits, I'm taking out those sections.

Bridgette Cobbins, Assistant County Administrator, said I just wanted to also bring to the attention of the Chair and the Committee that with the increase of those individuals that will be eligible to participate in this program, then that would also increase staff's responsibility of making sure that we're staffed up to get those applicants processed. I think that Ms. VonAchen indicated that she thought it might be 1,500 is what she's projecting. Right now, we're not seeing that increase in the Clerk's Office for the current senior utility rebate so that is something to also be mindful of. If it is approved, we will certainly make sure the staff is available, but that will certainly increase the staff's responsibility in the Clerk's Office to possibly process that many rebates going forward. **Chairman Burroughs** said thank you, Ms. Cobbins.

Ms. VonAchen said it would increase the staff time in the Clerk's Office. My recommendation for one would be, I think these participants would likely submit their application over the web. They're probably more likely than the seniors would. Also, we probably want to make the deadlines staggered throughout the year to spread out the applicants. I don't know, just an idea.

Chairman Burroughs said we definitely have some options as to if we want to raise the limit or lower the limit. You're opening it up to all those below $25K income if I read it correctly in the presentations, and you're talking about an additional $250K. As we go into the budget, I find, myself, finding it a little onerous for us to make that decision without talking to my fellow colleagues, impacting the budget the way it would without getting their input, but that's just myself.

BPU Board Member Haley said this is a very interesting concept, and I appreciate the discussion that's ensued. Just to clarify that there is no residency requirement of any particular time just as long as, I mean so someone could ostensibly move into Kansas City, Kansas, on the 1st of March and still qualify as long as the application would be in by March 31st, but they have no history of having been here prior to that. Would that be correct?

Ms. VonAchen said I'd have to leave that question to Bridgette Cobbins. She probably knows better.

Ms. Cobbins said the way the process currently is, we looked at the previous year and you have to be a resident of KCK for the entire previous year. That's how the current program for the senior utility rebate is structured.

BPU Board Member Haley said I certainly support that. It's just as it read in the presentation, it just said resident, did not say resident for one or more years, but I certainly would support that current interpretation of it.

Chairman Burroughs said any other Commission members? Any other comments?

Commissioner Townsend said I just want to go back over a few points made especially with the comments made by Assistant County Administrator Cobbins. On the slide that Ms. VonAchen showed, what was for the last year we paid this, the number of persons who actually took advantage of the benefit offered in the rebate. **Ms. VonAchen** said if I remember right, I think it was 539 participated in 2020 and we don't know what the 2021 number is because the deadline just passed a couple of weeks ago.

Commissioner Townsend said okay 529. **Ms. VonAchen** said I think that's what it said, I don't have it in front of me.

Commissioner Townsend said I'm going to ask Ms. Cobbins, Assistant County Administrator, I know she has a lot of experience with this. Is there any way to tell us if that number that you just heard, if it's consistent with past years, the number of people who participated, is it higher or lower, if you can recollect?

Ms. Cobbins said certainly, Commissioner. I would definitely mention that during COVID, the numbers were slightly less than what we had seen in years past. We did change the process, and we had the senior citizens instead of physically bringing in those applications, we asked that they mail it in or fax it in, whatever was conducive to them just to make sure that they weren't exposing themselves or just didn't feel comfortable coming up to our building. One of the challenges that we found in the Clerk's Office when you're trying to do these types of programs, I think, just messaging and making sure that the general public is aware it's available, because over the years sometimes it'll be high and then it'll kind of fall. I'm not quite sure if that number was 578. I think Monica would probably be able to verify what the numbers were in 2020. That seemed kind of high. I know that on occasion, Area Aging also helps support this program. They do the process from their constituency base. When those applicants or seniors come in from Area Aging, they will process and assist us with filling out for those seniors, utility rebates. I'm just cautioning that if it is going to be up to 1,500, we have to verify income and that's not done online. It's actually brought into the department where we look at those tax statements to verify their income to see if they're eligible for the Utility Rebate Program.

Commissioner Townsend said you mentioned head count. I guess it's kind of hard to say what the increase in headcount may be needed. If we don't know how many additional individuals may take advantage if this proposed ordinance goes through, but you anticipate a need for increased headcount in the office, in the Clerk's Office.

Ms. Cobbins said I would just caution that it's going to take a lot of staff time to go through because you do have to verify the income. That's one of the components to ensure that that person made that income category to see if they're eligible for it and the only way that you can verify is by looking at their tax documents unless we do have a process in play. I know this, he mentioned something about maybe individuals doing it online. I guess they would just have to upload their tax information for that to be verified. That would be the only way that we could verify that individuals were within that threshold to ensure that they're eligible to take advantage of the program.

Commissioner Townsend said well I'm glad you mentioned the online because we don't really know what additional demographic I guess we're going to get if we remove the age factor. I would think senior citizens would be less likely to do this online, less likely, not that they wouldn't at all, but less likely. I appreciate that while you're in the Clerk's Office you made it as convenient as possible for that demographic so they could do it by mail. I'm not sure, we just don't have a basis to know if this expanded group, those who were less than 65 years old, what method of getting those applications in would be.

One last comment/question for clarification. This proposed ordinance change does or doesn't have anything to do with the proposal that we just heard about in terms of separating out the BPU PILOT into a residential versus a commercial group. We're talking about it at the same time, but I want to make sure I don't miss something here. **Ms. VonAchen** said they're not interrelated except for the fact that they're two ideas for providing some tax relief to our residents, that's all.

Commissioner Stites said I want to be clear, on the slide that showed that it was for Kansas City, Kansas, residents only. The residents of Edwardsville that pay this same PILOT, are not eligible for this program. Is that correct?

Ms. VonAchen said right now the program is just set up for Kansas City, Kansas. The only thing I changed was the age requirement. If the commissioners all want to include residents in Bonner Springs and Edwardsville, you can just add that too.

Chairman Burroughs said, Commissioner Stites, did you get your answer?

Commissioner Stites said yeah, I guess. I just don't understand why they would be excluded if they're paying the PILOT, why they would be excluded? I guess we can discuss that further, but I mean, if they're paying the BPU PILOT, which we are, why they would not be eligible for this program?

Chairman Burroughs said this might be a question for Kathleen or Legal. Commissioner Stites brings up a fine point because you do have Bonnie Springs and Edwardsville, specifically. But it wouldn't come out of the city's portion of the budget. We're talking about what the PILOT effects on the city side. Is there a county assessment on the PILOT? **Ms. VonAchen** said not all the PILOT is deposited in the city through the city.

Chairman Burroughs that might be what we'll have to discuss, Commissioner Stites, that it is a city PILOT, and not a county PILOT, and the city of Edwardsville is a city in and of itself.

Commissioner Stites said I think that that is something that we have discussed. It's interesting that a city pays into another City General Fund. So yes, I appreciate that.

Commissioner Davis said I would agree. When Commissioner Stites brought up that point, there wasn't a lot of clarity on this particular issue, and forgive me for being redundant, but just so we have clarity. Kathleen or ACA Cobbins or whoever, is Edwardsville and Bonner and everyone else, are they paying the KCK BPU PILOT? That question is for anyone on staff.

Ms. VonAchen said, Patrick, were you on that email that Misty wrote about? **Mr. Waters** said I don't know the answer. We do have some BPU staff on the line that could potentially help out. I see Angie Lawson.

Ms. Sparks said I was just going to let you know; we do have the numbers for the last three years. In 2019, we processed 745 applications for a combined total of $171K. In 2020, we've dropped to 576 applications, for a combined total of $134K. So far this year, we have 533 applications for a total of $127K.

Chairman Burroughs asked, Ms. Lawson, is there anything you like to add to that?

Angie Lawson, Deputy Chief Counsel, said just to answer the question that yes, the PILOT is collected from anyone who takes BPU utilities, no matter where they are situated, even if they were out of state. The state law provides that the PILOT goes to the city where the production facilities are, where the water plant and the power plant are located. The concept behind that is, it is to reimburse that city for not receiving the property tax on those properties. That's why the PILOT goes to Kansas City, Kansas General Fund.

Chairman Burroughs asked, Commissioner Stites, any questions comments, and reference to that?

Commissioner Stites said yes. Does BPU currently supply utilities to any other cities outside of Wyandotte County? **Ms. Lawson** said there are some portions of Bonner and Edwardsville and I know Lori Austin is on.

Commissioner Stites said no, I said Wyandotte County. **Ms. Lawson** said there are some portions of those communities that are located in other counties, and I'm not sure if our service goes into those.

Chairman Burroughs said, Commissioner Stites, this may be some information we can ask the BPU and staff to collectively put together for the next opportunity when we have an opportunity to vote on these. I will make a statement once we have testimony tonight when we're finished with this, but it may be an opportunity for us to get up-to-date information, correct information to ensure that we're addressing it properly, as you questioned, and as Commissioner Davis raised his position.

Commissioner Stites said I'll just finish up. I appreciate that, Chairman Burroughs. I'm not 100% sure what Bonner Springs is or Edwardsville is outside of Wyandotte County, but I appreciate that.

Ms. Lawson said Leavenworth County pays on, I believe, some wholesale water. Their PILOT is collected outside of Wyandotte County.

Chairman Burroughs said I might suggest that we continue to address the questions that have been raised, Angela, if we can, to get more accurate information to find out what those totals might be, and how many residents may be impacted. I think there's a fair and equitable question when it talks about the PILOT and those that can participate in the PILOT, but that's under this present ordinance. I would just encourage us to continue to look to get information.

Commissioner McKiernan said I do think that ordinarily when, and I certainly, absolutely, would endorse moving these items forward for the consideration by the full commission. Ordinarily when we move an item forward from a standing committee, if the vote is unanimously to move it forward, then it goes on a Consent Agenda, when it arrives at the full commission meeting. I would suggest that these items either not be on the Consent Agenda, or that we specifically pull them off because I think these are discussions that should be continued by the entirety of our Commission, myself. That'll be one thing that I'll say is, certainly we need more discussion, but I think the entire Commission needs to be engaged in that.

The second thing would be to staff, I love, love, love the redline and strikeout copies of these ordinance changes that you have included in the agenda package, so thank you for the redline strikeouts. It makes it very easy for me to see what our proposed changes are. On the first one, Item No. 2, is only talking about PILOT, but Item No. 3, which is the senior ordinance here, is not just the PILOT, it is the entirety of the utility charge. We need to make sure we keep clear in our mind that Item No. 2 is dealing with the PILOT only, and Item No. 3, although it's utilities, is the entirety of the charge, not just the PILOT amount. Am I correct on that? **Ms. VonAchen** said yes.

Commissioner McKiernan said and with those clarifications, I do see that Commissioner Davis has his hand up, but I would definitely encourage us to have a discussion and deliberation by the full commission.

Ms. VonAchen said if you want more information on different scenarios, we can provide that. Just send me an email. For example, what would it be if the income limit was $30K, or what have you.

Chairman Burroughs said I think it's obvious it's an endorsed concept by the members of the Commission. Anytime we can lower the rates for the ratepayers that have asked us to do something about the PILOT, I think it's important that we as a Commission send the message at least we're listening and taking some action.

Commissioner Davis said I had another question. I do think getting some clarity on that, and I would agree with Commissioner McKiernan, I think there are a lot of questions around this. We're kind of processing this in real-time. I had another question, and Mr. Waters may be helpful in helping me answer this. What happens if a Charter Ordinance that's passed is challenged by our citizens? Can you give me some insight on that?

Mr. Waters said under Kansas law, the citizens would have 61 days after the publication to submit a petition and have a referendum held on it. I don't know the exact percentage that it would take. I can get that for you in terms of the exact percentage of petitioners that it would take to initiate that referendum, but we don't have a lot of charter amendments, and we don't amend them very often, so it's not something you see a lot. It's basically kind of a protest petition. Analogize it to the Planning and Zoning way, where citizens can challenge it.

Chairman Burroughs said the number of those the petition would have to be, would it be—what percentage of the voting in which election would that occur, do you know? **Mr. Waters** said I think it would probably be the percentage—I don't know the percentage off the top of my head, Mr. Chairman, but I think it would be based on a percentage of the voters from the 2021 election, most likely. I can get that information by full commission for you.

Chairman Burroughs said thank you. I would challenge us to have that, if we could, because I believe that question will most likely come forward from the full commission. Any other hands? Any other commissioner questions? Kathleen, is that your presentation?

At this time, I'm going to ask the Clerk if there is anybody from the public that like to speak on either issue. **Ms. Kimble** said no communication was received.

Chairman Burrough said no hands from the public. Anybody online? **Ms. Kimble** said no one online.

Ms. Cobbins said we do have someone online; Louise Lynch has her hand raised.

Chairman Burroughs said, Ms. Lynch, please announce your name and place of residence.

Louise Lynch, 737 Miami Avenue, KCK, said listening to this proposal tonight, I can't begin to tell you how horrified I am by the parameters that are being set forth. If this were the 1950s, I guess those limits of $25K per household with a two-spousal household might work. In this day and age, where we have COVID, where we have multi-generational families struggling to make it together limit them to be able to take advantage of what is being offered. We offer more to corporations coming in abatements than we do to help those needing to survive here locally. If we want to be truly helping our community, those limits have to be raised and we need to be able to include extended households with a graduation of income. BPU is very good at going around issues as I applied for disabled accommodation months ago and have not heard in over six months the result. They didn't need to hire any additional people for that. If they have enough money for all of these raises, they have enough money to help all of these citizens struggling. If we want to make a better Wyandotte, we need to regroup and reframe how we do things here in the Dotte, if we want to keep them here. Leaving citizens to be by themselves and struggle because they won't get the help is absurd and inhumane.

Chairman Burroughs said thank you, Ms. Lynch. I did see a member of the audience who would like to speak. If you would please approach the microphone, list your name, and place the residence, please. You have three minutes.

Shirley Carter-Ikerd, 804 South 89th Street, Wyandotte County, KCK, said I happen to file every year for the rebate. I was always told that the rebate maximum you can get is $150. This year is very slow sending out the rebates. If you're going to get a rebate, most people put it right back in the BPU. I wonder where all these other numbers are coming from for $301, and $200. I've never gotten but $150 and I file every year.

Chairman Burroughs said thank you Ms. Carter-Ikerd. I'm sure those will be some of the questions that will be answered when we have further discussion with the full commission. Any other hands, any other participants in the audience this evening? Seeing none, committee I'm inclined to entertain a motion, as it was stated by Commissioner McKiernan about going on the Consent calendar. We're dealing with two issues, one is an ordinance change dealing with the PILOT and the other one is an ordinance change for the $25K, lowering the age limit of 65 and opening up to all residents under $25K. We do know we have preliminary numbers of roughly $400K if we open it up to all in Kansas City, Kansas. There are questions about Bonner Springs and Edwardsville. There's also the question of the ordinance change itself for the PILOT. I'm one to believe this is something the full commission should discuss. I would, out of respect for my fellow commissioners when it deals with the budget, I'm one that would like to have at least an opportunity for them to have that discussion. I'm going to ask Legal what our opportunities are this evening. If we forward this to the full commission and it's not 100% consent, I don't want it to be seen as a commissioner didn't support the idea of lowering the PILOT or addressing the lowering of the age limit for the rebate. So, Legal I'm going to ask for some assistance. We could advance it forward, I believe, and put it on the Consent Agenda, but I would ask that Legal would speak up or staff speak up at the full commission and ask that it be pulled.

Mr. Waters said in order to avoid a Commission member having to cast a false 'no' vote, you could either make a motion to put this on the Non-Consent Standing Committee Agenda or you could just have a clean, up and down vote, assuming, that is assuming everyone goes off [inaudible] or if it was a clean all yes vote, you could just remove it from Consent that night. So it's either way you want to take it.

Chairman Burroughs said my concern is being on the Consent Calendar, if it got biased that night, then it's action taken. I would hope that we as a Commission would have a chance to do that.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Townsend, to move forward to the full commission with the stipulation that this item not be on Consent, but rather be considered by the full commission at that meeting.**

Chairman Burroughs said I do have a question. Legal would that be considered a Non-Consent calendar? **Mr. Waters** said yes, that will go on the Standing Committee's Regular Non-Consent Agenda as a Non-Consent item.

Chairman Burroughs said thank you for that clarification. We do have a motion and a second. I would ask the Clerk, please call roll.

Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Item No. 3 – 211559…AMENDMENT: AMENDING ORDINANCE FOR SENIOR UTILITY TAX REBATE PROGRAM

Synopsis: Amending ordinances applicable to Senior Utility Tax Rebate program, submitted by Kathleen VonAchen, Chief Financial Officer.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Townsend, to move forward to the full commission with the stipulation that this item not be on Consent Agenda, but rather be considered by the full commission at that meeting.** Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Commissioner McKiernan said I would also ask, not as a function of this motion, but I'd also ask that staff bring forward any information that we've talked about or requested tonight for the purpose of the full commission meeting.

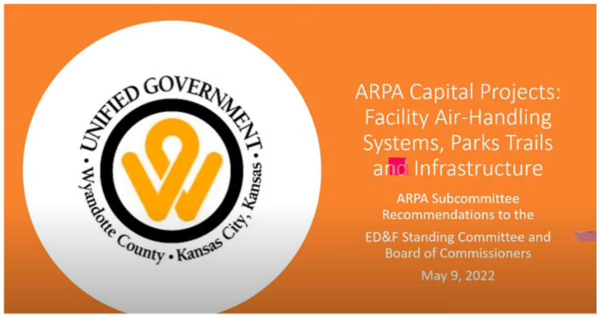
Chairman Burroughs said any other comments, questions, or concerns?

BPU Board Member Haley said clarifying that this is the motion regarding the reduction on the senior from the senior—that's the motion.

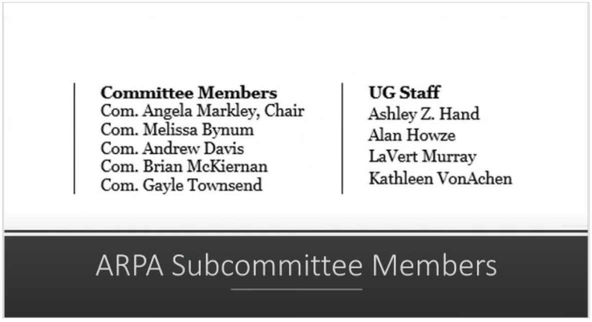
Chairman Burroughs said yes. We have a motion at a second.

Item No. 4 – 211557…ORDINANCE/RESOLUTION: ARPA CAPITAL PROJECTS AND OTHER NEEDS ALLOCATIONS

Synopsis: Approval of Ordinance and Resolution to allocate ARPA funds for various capital, facilities, and park improvements as recommended by the ARPA Subcommittee, submitted by Kathleen VonAchen, Chief Financial Officer.



Kathleen VonAchen, Chief Financial Officer, said so now I'm talking about ARPA and as you know we have a subcommittee formed and slide number two has the members. We've been looking at all of the various ARPA needs and have recommended some, which I'm going to talk about, and they were all approved by the Commission. Over the past few months, we've been working with the commissioners to look, evaluate and prioritize those needs that are capital-related that are eligible uses under ARPA. That's what we're going to be talking about here tonight. By the way, I also am joined by some of the ARPA Subcommittee members, which are also members of this committee so they can make some comments. In addition, I have John Kelly who's the Building and Logistics Director under Public Works, and I have Angel Obert who's the Director of Parks and Recreation, and then I believe I have Sarah Shafer or Sarah White who are representing the stormwater and wastewater projects in the Public Works Department and are also available to answer questions.



Just as a reminder, the committee members for our ARPA Subcommittee, which was formed and began their work sometime in November, I think. The Chairman is Angela Markley and Commissioners Melissa Bynum, Andrew Davis, Brian McKiernan, and Gail Townsend who are also on this committee. They've been working hard evaluating the projects. This committee is also staffed by myself, Ashley Hand, the Strategic Communications Director, Alan Howze, our Assistant County Administrator, and LaVert Murray from the Mayor's Office.

Just as a reminder, the U.S. Treasury has a publication they call The Final Rule, which is a U.S. Code. It was in the code. It basically stipulates all the eligible uses that ARPA funds can be used for. There are restrictions on how we can spend this ARPA money, and it is rather restrictive on the capital side. Tonight, we're only just talking about capital-type activities, not programs or services. We can spend ARPA funds on air handling systems like HVAC systems of public facilities. We can spend ARPA funds for some park-related trail improvements if it's tied to offering more outdoor activities for disproportionately impacted populations. We can spend ARPA funds for wastewater, stormwater, and for broadband. By the way, you can also spend money for water projects, but the Unified Government doesn't provide water, the BPU provides water.

ARPA Local Fiscal Recovery Funds – By BoC Action

	KCK	WYCO	TOTAL
US Treasury Allocation	$ 55,383,872	$ 32,132,644	$ 87,516,516
Immediate Need (adopted 8/26/21)	(1,516,634)	(8,298,342)	(9,814,976)
Housing Assistance (adopted 8/26/21)	--	(1,850,000)	(1,850,000)
Revenue Replacement (adopted 8/26/21)	(31,085,244)	(11,020,975)	(42,106,219)
Employee Incentive (adopted 9/30/21)	(660,000)	(340,000)	(1,000,000)
Additional Needs (UGPHD) (UG BoC meeting 2/10/22)	--	(3,435,934)	(3,435,934)
Allocation Remaining	**$ 22,121,994**	**$ 7,187,393**	**& 29,309,387**

- *Estimated as of 12/14/21.*
- *City General Fund amount of revenue replacement remaining in reserves assuming reserves at the end of 2022 are at 20.1% of total appropriations which was the reserve level at the end of 2019 prior to the pandemic.*
- *County General Fund reserves at the end of 2022 are below 17.7% of total appropriations which was the reserve level at the end of 2019 prior to the pandemic. As a result, there are no revenue replacement funds remaining in the County General Fund.*

Just a reminder to let you know where we are so far, the U.S. Treasury allocated these amounts to the Unified Government. On the Kansas City, Kansas side, $55M, and for Wyandotte County side $32M, for a total of 57 or $87.5M. These are the various actions taken by the Board of Commissioners to allocate and spend these funds. There were Immediate Needs that was adopted in August, as well as the Housing Assistance. There was the Revenue Replacement that was deposited into the various UG funds, which was adopted as part of the budget. There is the Employee Incentive Program that was adopted on September 30th. Then finally this February, additional needs for the Public Health Department were adopted on February 10th. After all of these allocations, this is the remaining amount of funds available of the ARPA allocation. On the Kansas City, Kansas side, it's $22.1M and on Wyandotte County side it's $7.1M for a total of $29.3M. So, all these funds have been allocated.

I'll try to anticipate a question that you all have, I'm not going to talk about tonight because it just caused more confusion, but these amounts that were allocated for Revenue Replacement in the various operating funds, we'll talk more about that as part of the budget process. Not all of those funds were necessarily appropriated in their respective operating funds and are still sitting in the fund balance, so that's going to be part of the budget process as we move forward in the coming months. The point is that what's left is to determine of this total amount, $22M and then the $7M, what portion of that should be spent on capital needs and then what portion should be spent on non-profit service providers and what portion should be spent on other programs that other UG departments offer that could also be funded from ARPA funds that are eligible. Tonight, we're just talking about capital.

The process that the subcommittee undertook to decide those questions took place during their February and March meetings. First was that staff provided the subcommittee with a list of priority unfunded projects that met the federal eligibility requirements. By the way, that list was—I think there are over 50 projects that cost $90M or more. Lots of projects were brought forward, and of course, we didn't have $90M because we only have $21M and $7M. The second was where those presentations were made on the merits of the projects and the community needs; we also did a Community Outreach Program and we engaged the public in one event about a month ago that was very successful. The subcommittee also decided upon the level of ARPA funding dedicated for capital projects allowing for enough remaining for nonprofit and UG allocations. Then the subcommittee members reviewed the list and the staff project rankings to arrive at a consensus amongst them for the final project list. Finally, the subcommittee produced a consensus list of the projects and voted to forward those to us, the standing committee here, for your review and approval.

Exhibit A – ARPA Capital Projects and Other Needs

ARPA Project	City or County	Amount
Combined Sewer Separation 15 & 18, Jersey Creek Basin (Wastewater)	Kansas City, Kansas	$ 2,000,000
Wyandotte High Lombardy Drive Area (Stormwater)	Kansas City, Kansas	3,365,907
Green Infrastructure - 8th Street Park (Stormwater)	Kansas City, Kansas	6,201,492
City Hall - Air Handling Systems	Kansas City, Kansas	4,733,563
Armourdale Recreation Facility-Air Handling	Kansas City, Kansas	219,916
B. Lee Recreation Facility-Air Handling	Kansas City, Kansas	18,165
Kensington Recreation Facility-Air Handling	Kansas City, Kansas	731,994
Parkwood Facility Recreation Facility-Air Handling	Kansas City, Kansas	203,491
SUBTOTAL: KANSAS CITY, KANSAS		$17,474,528
Courthouse - Air Handling Systems	Wyandotte County, Kansas	2,500,000
Public Health Center - Air Handling Systems	Wyandotte County, Kansas	154,834
Jail - Air Handling Systems	Wyandotte County, Kansas	2,323,474
Wyandotte County Parks Trail	Wyandotte County, Kansas	700,000
Pierson Park Trail	Wyandotte County, Kansas	700,000
SUBTOTAL: WYANDOTTE COUNTY, KANSAS		$6,378,308

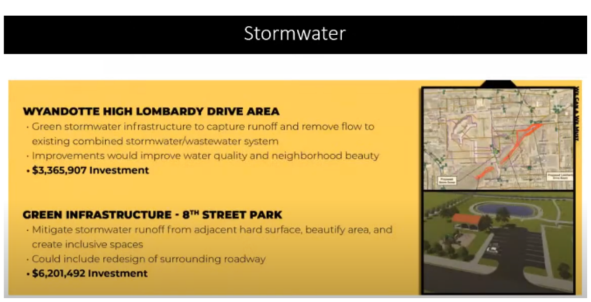
Here is the list of the ARPA Capital Projects. The top part is the Kansas City, Kansas projects and the first one is the wastewater project. It is the combined sewer separation 15 and 18, Jersey Creek Basin for $2M. By the way, in the coming slides, there'll be more details about each of these projects and I'm going to ask the respective department staff be able to talk a little bit about those, so bear with me, because there's more to come. The next two are stormwater projects, one for in the Wyandotte High Lombardy Drive area and another for green infrastructure on 8th Street Park.

There are a whole variety of Air Handling Systems that total these amounts here. A number of these Air Handling System Improvements are recommended in various recreation facilities such as Armourdale, B. Lee, Kensington, and Parkwood.

On the county side, we're recommending $2.5M in Air Handling System Improvements to partially fund—the actual air handling system is much more than $2.5M, but this will go a long way in helping that at the Courthouse. There's a little bit of money for the Public Health Department. The jail really has some dire needs for air handling system improvements, that's $2.3M. There are $700K each for these two trails, one for Wyandotte County Park and one for Pierson Park.

In order of that list, I'm going to go through some of these projects. Is Sarah on?

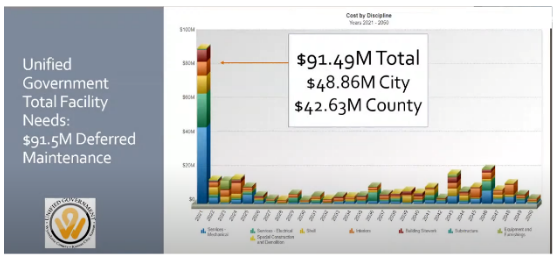
Sarah Shafer, Public Works CMIP Program Manager, said yes so, the three projects that Public Works has on the ARPA presentation are supportive of the sewer separation within Jersey Creek. This is the sewer separation project itself. This is a small area map to just get you oriented, but it's north of 25th Street, Glendale Street to the east, Troup Street on the north, and Richmond Street on the south. This sewer separation and storm infrastructure are approximately 3,200 linear feet of new pipes. Those pipes range from 15 to 27 inches in diameter depending on design criteria. This project is $2M in nature and with our wastewater component.



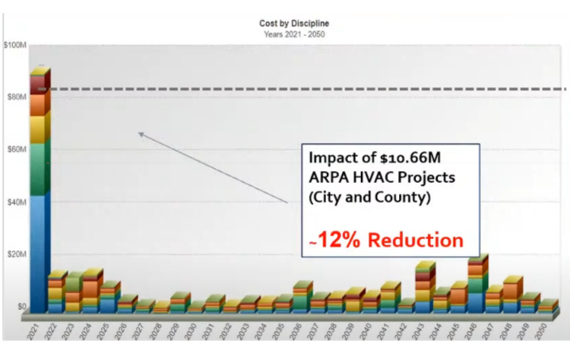
Our stormwater components, these are in support of our sewer separation projects. These are the capacity-building green infrastructure projects that the ARPA Committee is bringing forward.

Wyandotte High Lombardy Drive area's green infrastructure to capture the runoff and remove that flow from the existing combined systems and build capacity for the area improvements would improve the water quality and neighborhood aesthetics. It is approximately $3.4M in investment.

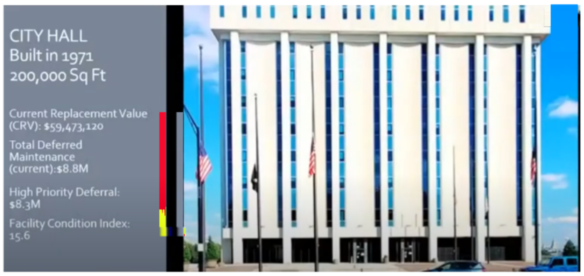
The green infrastructure, a large project is at 8th Street Park. It's a total reimagination of the 8th Street Park's potential to build runoff capacity and create aesthetics to our downtown park area. This is in support of a sewer separation project that has already occurred and is completed that supported the Juvenile Justice Center as well. This potential project could also assist in the redesign and redevelopment of the surrounding roadways. This is a $6.2M investment and these are both from our stormwater components. That's all that I have for our solutions at this time.



Ms. VonAchen said on the facility side I'm going to talk a little bit about—this is in reference to all the HVAC systems, but to give you a bigger picture overview, the current deferred maintenance of all our properties right now was totaled by our recent Ameresco consultant study to be $91.5M. A lot of that is needed to be addressed early on, either this year or next, then after that in order to maintain the facilities, this is the level that we need to fund for each of these years in order to maintain the facilities. Of that $91M, $48M of it is city and $42M is county facilities.



Of course, ARPA can't handle all that, it can only handle HVAC systems. If we were to spend $10M in HVAC system improvements, which is what this is recommending between the city and the county, $5.9M on the city and $3.5M on the county side. That would reduce this total by 12%. It would reduce the $91M by 12%. It would make a big dent in this deferred maintenance and improve the services we're providing to our residents, having better air quality in our various facilities. I'm not going to talk about all of them, I think there are about seven or eight of them. I can go back and show you here. There's City Hall, the recreation facilities, Armourdale, B. Lee, Kensington, and Parkwood. Then there's the Courthouse and a little bit for the Public Health Center and then the jail.



But I'm just going to talk briefly about some of the larger ones. City Hall was built in 1971, it has 200,000 square feet and the current replacement value is $59M. Total deferred maintenance on this facility is unfunded or is $8.8M. $8.3M of it is considered high priority and the current Facility Condition Index is 15.6. I'm going ahead and doing the slides for John Kelly because he's calling in from his car, I think, but he is available to answer some questions.

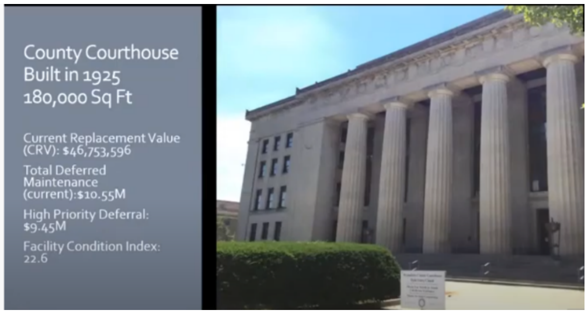
John Kelly, Director of Building & Logistics, said Kathleen, I'm here if anybody does have questions, I'm able to be here by phone.

Ms. VonAchen said it would be great if you could explain what the Facility Condition Index, what does that 15.6 mean?

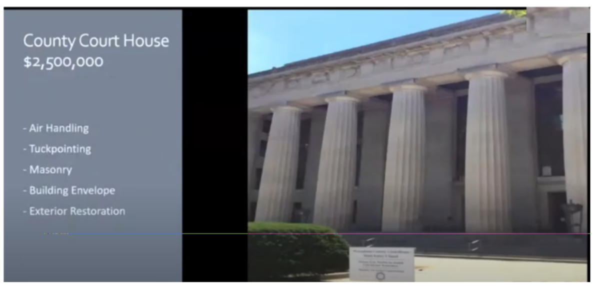
Mr. Kelly said so commissioners and staff when you saw the slide there, that kind of talked about our overall needs, which was cresting $90M. The facility index report just gives an overall condition of all of our facilities. When you see a rather large number like that you think, wow, that's shocking. It is a big number, keep in mind, but we have a lot of different facilities and a lot of different infrastructures. As the report has been coming down over the last couple of years, the numbers have been growing, and we have made some improvements over the last two years with some of the early dollars that we received through the COVID and the pandemic on addressing some HVAC and other air handling needs. That number's come down a little bit. The Health Department had a bigger project that we did with roof and lighting. So, that number's come down a little bit. The high priority for that particular, this slide here talks about City Hall, and then the Facility Condition Index of 15.6 isn't really that bad. Our numbers are really kind of good when people look, meaning good in the fact that all the types of buildings we have, and all the repair that we've been keeping up on, older equipment, it's older, it's antiquated but we've been maintaining it good enough that we've gotten by. A lot of the equipment that we're asking for is going to help reduce costs as far as electrical needs. It's more state-of-the-art type systems and so that's this particular slide, so yes, facility index report number at a 15 isn't real alarming. If we keep going down the path without addressing and getting some of my CMIP dollars bumped up and some cost, it could start getting away from us. But also, I just want to make known to the Board here tonight, Ameresco is also doing a Tiering Study. We have an Infrastructure Committee that is sitting in, and there will, hopefully by, I'm guessing the 1st of June, hopefully, we'll be getting that report back that will start telling us how we can have a game plan of addressing some of our needs to some of our other facilities, just based on standards in this day and age for square footage and people in the workplace. This slide here is the request that we were looking for DDC controls just strictly for City Hall.

The county, just as everybody knows, the county in the past, the funding mechanisms for the county haven’t been as good as the city has been. The mechanical equipment at City Hall is more up to date than, of course, the Courthouse is. We have newer boilers there, newer chillers, but this is to address DDC controlling to the system and piping and distribution of the air hamlets and unit heaters in the building. Those systems are still kind of—they've had updates with drives, which basically produce the airflow to different floors of City Hall. This is one of the requests that we have that just was updating. Like I said, all these things that we're requesting to do is to make the air quality better in the building, make them run more efficiently and reduce electrical needs to our facilities.

Ms. VonAchen said I did want to just remind you all that these deferred maintenance costs will have to be paid at some point. They're not something that we can just avoid. They're not discretionary, I guess is my point. And they continue to rise with inflation.



The County Courthouse was built in 1929, it has 180,000 square feet. The current replacement value is $46.7M. It's a beautiful building, but its deferred maintenance right now is $10.5M, of which $9.5M of it is high priority. Its Facility Condition Index is 22.6%.



The total needs for HVAC exceed $2.5M, but in order to not spend too much of the ARPA funds on the county side, the request is to ask for $2.5M for air handling, tuckpointing, masonry, building envelope, and exterior restoration. John Kelly, would you like to add any more to this on the County Courthouse?

Mr. Kelly said I just want everybody here on this committee to know along with the ARPA Committee, this was one that I've really been pushing to hope to get. We talked about where the ARPA funding could help leverage other projects. We've had dollars allocated for the Courthouse for the roof, tuckpointing, and things, where the number has just been moving the last couple of years just due to the construction market. Then, of course, with our current inflation that we're seeing, so my hopes for this thing to get approved will really allow us to leverage it and make some big steps in addressing that facility index report and then just deferred maintenance for the county. Unfortunately, the county facilities have always been in a condition with getting less funds to be able to address things that really needed to be done. This is really a key project that will really allow us to get a big thing in the Courthouse done. Like I said, the boilers inside that facility are ancient. There's only one chiller that supplies the building, so there's no redundancy like there is at City Hall. This is just really a key project, and I'm really hoping that we can get this to help leverage the overall project which will result in, like I said, tuckpointing, masonry cleaning, all new heating and cooling throughout the building, and electrical distribution. Like I said, when it talks here about the $2.5M through ARPA, this is just some of the dollars that we'll be able to help leverage the original project that we've been working with our consultants over the last couple of years to get this project underway. That's all I have on this slide.

Ms. VonAchen said right that's great, and you know, just keep in mind that all these funds will assist in helping to avoid issuing debt to pay for these improvements because they're—it's all just cash right up from the Federal Government.

Finally, there are two parks that we've included in the recommendation, Wyandotte County Park and Pierson Park. They're both county parks and they're both getting $700K. I do have Angel Obert on, if you want to say anything.

Angel Obert, Director of Parks & Recreation, said yes, thank you, Kathleen. These two projects we did bring before the Commission at one time when we were going through the decision-making process to decide which trail to fund first and at that time, the Commission did vote for Klamm Park. That project actually is going to be underway this year. So, these two trail projects were also part of that original conversation. These projects were scoped out softly at that time. Pierson Park is anticipated to be 1.05 miles long, and Wyandotte County Park trail is also anticipated to be one mile long. We all know COVID got a lot of people back out into the parks. Our parks were used more than ever. Nationally across the United States, parks were being used more than ever, and a lot of people getting outside and exercising and using those trails. We also know from the 2017 Master Plan and some recent studies that we've done in surveys for our community that trails in our parks still continue to rank very high. We're excited about the funding for these projects. Being able to do these two trails in addition to the Klamm Park trail that was in that original set of four parks will be really exciting for our department and also for the community. Also, happy to take any questions if there are any.

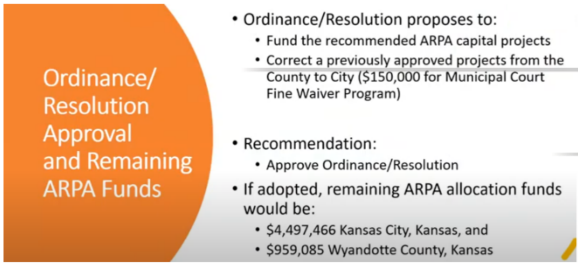
BPU Board Member Haley, said I'll be brief. To the last point with the trails, very excited about that. Obviously having a more ambulatory community participating in WyCo, Pierson, and Klamm are greatly appreciated to improve our general habits and our infrastructure. I’ve heard a little bit about what's called the Heritage Trail, or a connection would go from what's called Kaw Point coming westward and going as far as Quindaro, like Quindaro Ruins. I didn't know if they had made an application, or if that would be a part of what has been inside of the projects through the UG parks. If they did make an application, I know they called it Heritage Trails and just didn't know if that had been considered or would that be a subsequent discussion we should have.

Ms. VonAchen said so I think that the, I'm just going off the top of my head here, but I believe that the ARPA Final Rule talks about park improvements. I'm not sure it really allows for building new trails, but just improving existing ones. There may be that, but Angel can you answer his question?

Ms. Obert said sure, I can try to answer that. I don't believe that in this initial round that the larger group working on the northeast Heritage Trail was able to submit for this initial round of ARPA projects. I do believe, I think, with the second opportunity coming out of non-profits and also additional UG departments, I would anticipate them also submitting through that avenue for some funding for that trial project, definitely. **BPU Board Member Haley** said very good. Thank you both, very much.

Ms. VonAchen said let me just finish real quick. I just want to finish this one slide.

Chairman Burroughs said Kathleen finish, and then we have two other conferees that would like to speak.



Ms. VonAchen said not only are we asking for approval with an action to fund these recommended ARPA Capital Projects, but there's also a small correction in the resolution/ordinance to shift $150K for the Municipal Court Fine Waiver Program. That was approved as part of immediate needs and the additional needs in February. It was erroneously approved as a county project, but it actually should be a city project. So, we're recommending that be shifted to the city allocation side. As a result, if the resolution/ordinance in your packet tonight, we're approved, then the remaining funds and the ARPA allocation would be $4.5M on the Kansas City, Kansas side and $900K on the Wyandotte County side.

Not to further confuse things, but I did want to point out we're questioning roughly $1.6M in Health Department funds that were approved as part of ARPA in the first immediate needs report adopted back in August. Since then, we learned that some of those projects, $1.6M of them are FEMA-reimbursable. So, we have submitted our applications to FEMA for those costs, and we're just waiting to hear back to get the funding. We expect it within a few weeks, so if those are reimbursable, then that will free up ARPA funds in the amount of roughly $1.6M on the county side. That $900K will increase by $1.6M more. But right now, we're not just betting on it yet, but it's likely. As you know, the ARPA Subcommittee has opened up an application web portal to our non-profits and to UG departments to submit proposals for services and programs, for which this funding could be utilized. That deadline is approaching the end of May. That's it. Happy to answer any questions from the commissioners.

Chairman Burroughs said, commissioners, I know your hands have been up a while. If you had your hand up, please raise them again and you'll be recognized.

Commissioner Townsend said if Mr. Kelly is still available, he may have said that, and I missed it. I wanted to make sure that we got on the record what the significance of that facility index is. There are numbers mentioned; what is optimal, are the numbers provided bad, and what would make it better? I'm just trying to get some relevance with regard to the numbers that were shown and the significance of what that Facility Condition Index actually means.

Mr. Kelly said I am kind of unavailable as far as having my notes for the part to talk about the facility index report, except for the fact that working with Ameresco, it's not that it's great but it's not bad either is what it is. As that number grows, that becomes the concern. When you see the deferred maintenance just for the Courthouse itself shows it at $10.5M and then the high priority deferral for it is right around $9M when the overall building's close to $50M. I think with the cost of different things, I don't think that we would probably, in all honesty, be able to build that Courthouse back to the nature it is, for the tune of $50M, just the way things are currently now over the last couple months. The facility index report of showing it at 22% versus City Hall, the City Hall number was less of a number, meaning that the condition of that building had better scoring, which was, I think around 15. So, as you get into 22 and up that index report or the index of the condition, the building starts showing that it needs more attention. The higher the number, means the facility is needing to be addressed. When you start getting around probably 30% and that number starts moving to a direction where it just keeps moving north of you, that's when it starts becoming a problem. Does that answer your question, Commissioner?

Commissioner Townsend said yes, Mr. Kelly that did answer my question as to the relative importance of the numbers themselves. From what I understand, from your explanation, the higher facility condition index number is an indication of us being worse off for whatever the building is.

Ms. VonAchen said I just figured it out. It represents 22.6% which is taking that $10M into the replacement value of $46M. That's what it is.

Commissioner Townsend said I guess the point is, I think as Mr. Kelly was saying, that the higher that number, that's an indication of worse off that building or whatever it is. I think you mentioned the City Hall was at 15 something, so that means it's not quite as bad.

Mr. Kelly said correct. The county infrastructure and the condition index for the facilities on the county is a number that we would see probably across the board that is higher than any of our other Facility Condition Indexes on the city. Kathleen's right. The replacement number, that's where the number is coming from, so the higher that number comes into play just means the condition of the building needs more money put at it.

Commissioner Townsend said okay, that's what I was trying to get at, to see what that really is telling us.

Ms. VonAchen said if it were 50%, then you'd probably have to decide well do we want to really spend that much money to repair an old building, or do we want to tear it down and build a new one? That's sort of why the index is a key component.

Commissioner Townsend said okay. That's what I'm saying, I just want to make sure I understood what that meant. So, the higher, the worse off it is. And as you're saying, you may be talking about instead of a repair, a replace. Thank you.

Mr. Kelly said correct and that's why you know she talks about 50%, but as we've been working with AMERESCO over the last couple of years, when we're around that 30% to 35%, that's where we're really trying to get you guys to say we need to start addressing these. And like I said, coming out of our Tiering Study, and working with the Infrastructure Committee, we're going to have more information to come to kind of talk about some of our other facilities. But if you were to ask me if I'm nervous about this 22.6, no I'm not. I think this is a historical building that will continue to be in our community, and hopefully be able to put the money into this building and get the long-time needs that it's been needing, Commissioner.

Commissioner Townsend said well one thing I'll say about some of these, and it's been a point of concern as we've gone through the last year with COVID, how important it is to get air handling systems dealt with and/or improved. So, apart from COVID, whatever maintenance needed to be done was something to consider. But as we've seen in the last two years, these air handling systems are very important to improving or keeping the health of our community up, so thank you.

Commissioner McKiernan said to Monica and staff, my Zoom connection just dropped over here, and it says it's trying to reconnect but that's how I've been monitoring who is participating or wanting to participate. So, I may ask you for some help troubleshooting that in just a second.

Regarding these items, I'd like to thank the members of the ARPA Subcommittee, Commissioner Markley, who has been Chair, and then Commissioners Davis, Bynum, Townsend, and myself for putting in some work on these various items. None of these projects are necessarily sexy, but they are all very necessary projects and they meet the eligibility guidelines of the ARPA process and so we've gone through an iterative process which just means that each member of the committee has come forward with feedback on the potential list of projects not once, not twice, but I think we're up to about four times that we've gone through the process of considering ranking all of these projects. Beautiful, I just got my Zoom back, so life is going to be good here in just a second. But I do want to say that this is an iterative process. The committee hasn't just considered these items one time but multiple times before coming up with this list.

Chairman Burroughs said anybody else? Are there any hands?

BPU Board Member Haley said this has been most enlightening for me to go through this process. I'm just wondering if this is cumulative or multi-year. Are these brought annually and pardon my naiveté, but how often do we review what the—because we reached the point of deferred maintenance, but this is a multi-year, I would imagine, that this just didn't come up and that there have been some early warning signs as we've reached this point, that we probably could have addressed. I just wonder how often, I am new, of course, to this process in this committee, how often is this presented to the Commission, annually or how quickly do we get here?

Ms. VonAchen said, Commissioner, we, every year update the Capital Maintenance and Improvement Program which is called the CMIP. In fact, on May 19th and May 26th, we will be making presentations to the full commission on the CMIP needs, not only the facilities, but streets and other infrastructure, sewer, and storm. This is a listing of all the projects presented, prioritized, discussed, and provided in our budget document. What you're looking at right here though, are projects that are not funded but have a high priority and could benefit from utilizing these federal funds that are one-time in nature, from the American Rescue Plan Act. So, that's what this is, specific just to ARPA, as their funding source.

BPU Board Member Haley said thank you for that. I appreciate the current ARPA and the projects that are listed. I guess I was still thinking of the County Courthouse and City Hall. I know air handling is one that's the line item in this current one, but for their various deferred maintenance, this isn't in the last 12 months I think that these kind of costs that bring that rating would have occurred. I just didn't know when last this was presented to the Commission when this discussion was had by the Commission. It predates my service to it and just wondered what, if any, response there was and how it was addressed then, as we look at the maintenance of both of these beautiful, but aging buildings and what the response might have been then, and how often this is done.

Mr. Kelly said just like Kathleen was saying, we go and look at our facilities from the Courthouse to county structures to city structures on a yearly basis or some of the consultants that I have on our team that will review building envelopes to roof systems to mechanical systems. We make those projects that we schedule out in the outyears to go through the budget process. Just with these particular ARPA dollars, we looked at having leverage to get some of these things done quicker and faster to reduce this deferred maintenance log at a much larger scale. When people think and somebody hears, wow $95M worth of deferred maintenance, and until I walked you through and you looked at that report that we've had Ameresco provide for our County Administrator's Office and the Mayor and the Commission, as that report's been given, as you really kind of go through all those different slides and you kind of look at the buildings, we could be in a much worse condition. Now is the time that we need to start addressing some of these needs before it does get to the point where things start getting away from us. I don't want to imply sitting at $95M is a good place to be, but this is a time for us to take an opportunity of the ARPA dollars to take a heavy hit at some of these needs. Then just in our future years, just be going through the CMIP process trying to leverage our CMIP dollars for maintenance for facilities.

I think with our Tiering Study that I referred to, that Ameresco is working on the report, it's going to allow me to come back to the Commission and share some information on maybe what it looks like for us post-COVID, and how the workplace is. As far as I think you could probably guess when City Hall was built in the early 70s, the way people were sitting in office locations and the spacing of cubicles or office settings, today in the 21st-century type stuff, people are more together in spaces and some offices may be able to work from home so-to-speak. I don't want to get too much into that, but I think there are different departments that work a lot out in the field and what it looks like for them to have traditional office spaces. So, we're looking at all those things, and I think it will help continue us to address the deferred maintenance and some of our costs in some other facilities that we may not really need to have if we can reduce our footprint and move into some of our buildings where we actually have the space and just have to make the investment to get the space right.

It has been an ongoing process for years for the Division of Buildings Logistics to go through the CMIP process, putting projects together for multiple buildings. We don't come to the tune of where you see the $95M side, we just take approaches to the buildings that need things the most from mechanical to roof systems and just kind of put them in the outyears. But the Ameresco over the last couple of years is going to be kind of that asset planner that allows us to grab buildings and follow a trajectory of moving forward to the buildings that need the attention the most to help work away that deferred maintenance log.

BPU Board Member Haley said thank you, Mr. Kelly. I appreciate that analysis and that review. Thank you, Ms. VonAchen and Mr. Chair, I appreciate it.

Chairman Burroughs said I see no other hands. Is there anybody from the public who wants to speak to this? **Ms. Sparks** said we have Eleanor Jefferson online.

Chairman Burroughs said Ms. Jefferson, you have three minutes. Please list your name and place of residency.

Eleanor Jefferson, Kansas City, Kansas, said the question I have concerns the B. Lee, Beatrice Lee Community Center. My memory serves me, a couple of years ago I sat in on a CMIP budget overview, and at that time the Beatrice Lee did not fall within the top, I want to say top 10 projects to be addressed. I'm wondering whether or not the sidewalk could be—what did they call it, the walkway to the Beatrice Lee upper level has needed repair for a number of years. The cones there have been there for a number of years and have been in place, and I was wondering if this is appropriate. Does that walkway, can it be defined as part of infrastructure, or how should that be addressed?

Mr. Kelly said, Kathleen, would you like me to respond to that? Kathleen, I'm not able to hear you.

Ms. VonAchen said I just wanted to point out that ARPA funds spent on facilities can only be spent on improving air handling systems. That's why this recommendation for B. Lee only includes HVAC systems. So, what you're talking about is other repairs which would be paid for out of the broader UG CMIP budget which I mentioned, we are having those conversations on May 19th and 26th.

Mr. Kelly said, Kathleen, I would just like to touch on that. I think Angel's still on the line, but to the question about the entryway, that has been brought to my attention and I think you had stated that is something that you had asked as seeing if that was a priority. I will tell you as Director of Facilities, working with Angel's staff over the past week, and looking into that more to see where we can address that potentially this year. I'm not making any commitments, but I feel pretty strong between me and Angel, and some other allocation of dollars that I have through some ADA funding that we might be able to address that in response to your question about that entryway.

Chairman Burroughs said did that answer your question, Ms. Jefferson? **Ms. Jefferson** was in audible. **Commissioner Burroughs** asked, do we have anybody else online? Anymore from the public? **Ms. Kimble** said I don't see any more from the public.

Chairman Burroughs said this is an action item. I will state that it's no secret I'm not supportive of some of the items on here. I do believe that the air handling equipment is important, and I do have some questions. Angel, maybe you can help me in reference to the cost for trails. Can you tell me, will that just be a bobcat running through the woods and knocking small plants and dirt trails? Will it be paved? What kind of surface are we talking about?

Ms. Obert said yes, Commissioner, I can answer that. It'll be a 10-foot wide ADA-compliant trail that will include the concrete surfacing aggregate base, and compacted sub-grade, so it'll be a very nice well-constructed ADA-compliant trail. Originally, because in our budget we only get allocated $100K per year for trail funding, which we all know doesn't get us very far, so originally, the way that it was scoped out was as a 7-phase project for Pierson, and then a 7-phase project for Wyandotte County Park. This opportunity through ARPA allows us to be able to do this at one time, which is amazing for the community.

Chairman Burroughs said thank you for that clarification. I guess the only other comment I would make is, under the previous administration I had clearly asked, and pleaded with the former administration to have representation from Bonner Springs and Edwardsville. This is a second allocation that has occurred through a subcommittee that has not included a Bonner Springs or Edwardsville commissioner. I don't know how the commissioner from Edwardsville feels about that, but I don't see a project on here that really deals with some of the concerns we might have out west and south in reference to projects. I mean the closest we get might be Wyandotte County Park's trail, and I don't know if that's Wyandotte County Lake or if that's Wyandotte County Park out by the Legends area. I will leave it to the wisdom of the committee. I will share with you; I will be voting no because I don't like the stormwater and wastewater infrastructure being part of the ARPA funding. If my math serves me correctly, I believe we'll have $6.9M left if we get the $1.6M back from FEMA, if I followed you, Kathleen, on the charts that you shared collectively.

Ms. VonAchen was inaudible.

Chairman Burroughs said right, but that would give us a total collection of $6.9M left for disbursement through ARPA funding. Is that correct?

Ms. VonAchen was inaudible.

Chairman Burroughs said $2.5M and then the $4.4M. That would be the $6.9M that we would have left to spend on ARPA funding. Then we haven't had our not-for-profits or anything like that, we haven't gone through that process yet.

Commissioner Stites said I agree that I'm not sure about the process here and why Bonner Springs and Edwardsville were not included in these discussions and I think that goes back to what I've been trying to work on since I've been elected is that you know we are a Unified Government and Unified Government includes Bonner Springs and Edwardsville and at some point, we're going to get to the point that we treat Bonner Springs and Edwardsville like we're unified. It's frustrating every step of the way when I continue to hear that they are left out. That's all I have to say.

Chairman Burroughs said thank you, Commissioner Stites. Any other comments? Can somebody share with me the definition of the disproportionately impacted populations, just exactly what that means?

Ms. VonAchen said you might remember back where I showed you a census map of all the census blocks and it pointed out the various census areas where the populations living in those areas met several criteria. I don't remember offhand now, but it had to do with the level of wages and income and another criteria, I can't remember. So those census tracts that met that criteria where low-income people live, that's where they felt that those populations had been disproportionately impacted by COVID—you know people of color or their income and their access to healthcare, and so forth. That's what they're referring to in the final role.

Chairman Burroughs said I appreciate it. The reason why I bring that up is that I'm kind of wondering how the trails, as well as the sewer and stormwater issues impact their health.

Ms. VonAchen said the broadband doesn't address the disproportionate, but the parks do.

Chairman Burroughs said that was another issue I want to bring up, broadband, but I'm going to stop with the questions. I've made my comments. We have three others that want to speak.

Commissioner Townsend said to the concerns that were raised by you and Commissioner Stites, I can't speak to the appointments that were made or not made, but I will say I was in attendance at one of the meetings where representatives from western Wyandotte, Bonner, and I believe one of the other entities did make presentations. So, even though there may not have been any persons from those areas who were actually subcommittee members, consideration was given to projects from those areas.

Commissioner Davis said I was just going to mention that we did have a joint meeting with representatives from both Edwardsville and Bonner. They were considered and they presented their projects. What the committee decided was that for the—and, Kathleen and staff, if you all want to provide more insight on this, please do. What we decided, if I'm not mistaken, was that Bonner and Edwardsville would send in applications with other UG departments so that if the projects were to be approved, they'd be approved along with competing, with nonprofits and other departments. Again, the appointments are not necessarily—my purview as a commissioner, I've advocated that we look at other funding mechanisms and things to make sure that Bonner and Edwardsville were included. They were considered. These particular projects that you want to add took a long time for us to come together as a subcommittee, find a consensus within, it was the five of us who submit these projects. I would just hate for us to say no and kind of prolong that particular process. We do have an application out there that Bonner and Edwardsville can apply for, but beyond that, I'm not sure what else we could really do. We would love to hear other thoughts but beyond appointment, which again, is not the purview of us as commissioners, I don't know what else could be done to consider.

Chairman Burroughs said I would just, I guess respond to that, that this is the second time around with the ARPA funds. As it's been stated by my colleague that represents our colleague that represents southwestern Wyandotte County, we are a unified government and it's one thing to appear and participate in committee hearings, nothing to have representation from those communities on the committee. That was an issue that was raised before and to ignore it a second time is just not something I'm willing to do this evening.

Commissioner Townsend said I appreciate your comments. Again, the appointment of representatives from those areas, as Commissioner Davis said, beyond the purview that I would hate to see the items that have been brought forth not given the full benefit of import, or I'm sorry, input from the council as a whole. I would move that this resolution be moved out of committee and move forward to the full body for further action. I do respect your comments about participation, but again those entities, Bonner Springs and Edwardsville, were part of the process even though there was not a representative on the subcommittee and will be able to submit applications if they believe that they should do so. That's my motion.

Action: **Commissioner Townsend made a motion, seconded by Commissioner Davis, that this resolution be moved out of committee and move forward to the full body for further action.**

BPU Board Member Haley said I guess I'll consider this discussion on the motion of Chairman Burroughs. I just am very sensitive to the comments that you and others have raised regarding the participation of Bonner and Edwardsville, and it's being a part of our Unified Government and considered in some of these allocations and appropriations. It's been an ongoing issue since the inception of our Unified Government as to what that participation would be. Back in 1997 when we were putting this Unified Government in place, when the community was, and I think there should be this ongoing dialogue.

We in the northeast area, as far as I'm concerned, have been with lack of a better description, the red-haired stepchild of Wyandotte County in terms of the allocations that we have received in other funding. It's been an ongoing issue that predates Bonner and Edwardsville being a part of our Unified Government and we've often been overlooked. You can't look at any capital improvements or maintenance improvements in the northeast area of which I'm aware. I guess the B. Lee Center arguably, but anyway, I digress.

I'm going to grudgingly support the motion that was made by the two preceding commissioners, but I guess from there I lose my ability to have any input as it goes to the full UG Commission, if, in fact, the motion prevails. But I'm very sensitive to it from the regionalism aspect of how we in our county do for parts of the county and leave the others, all of whom participate from our tax base, now as we see from our PILOT base and others who, contribute to, but get very little received. I know we're talking federal funding here and we're calling about the lifting of the all, like our municipal buildings, but I'm going grudgingly support the motion to move it forward to the full UG and hope that ensuing discussion will find greater parity throughout the county for the various parts of our county.

Chairman Burroughs said okay, we do have a motion on the table.

Commissioner McKiernan said I also support moving this forward to the full commission for consideration. I think there are some things that we probably end up needing to clarify in full commission regarding the cities of Bonner and Edwardsville and if they got their own allocations above and beyond those monies that we are considering right here tonight. I want to make sure that I'm correct on this, but I do believe that is correct, that those cities have allocations that are separate from everything that we're considering tonight. So, I absolutely endorse moving it forward. I do think that the committee has tried to be very, very sensitive to allocating these dollars in the best way possible.

I know that on stormwater you and I agree to disagree on this one. I do think that making stormwater improvements directly contributes to improving the health of our city and county, and therefore, that makes them in my mind, very eligible and very useful improvements and really exactly what this kind of money is designated for. So, I think we need to clarify the allotments that the cities of Bonner and Edwardsville may have gotten above and beyond this process, so that's something we need to bring to full commission. Then, if we as a full commission decide, much like we would on a planning and zoning item, that this needs to be sent back, then that's something that we can certainly decide at that time. I just want to say, I do absolutely endorse the work of the committee, not just because I was a member of said committee, but because of the effort that staff and the other committee members put into it. I do think that these are very worthwhile projects that do bring benefit and so I would like to move this forward to full commission as well.

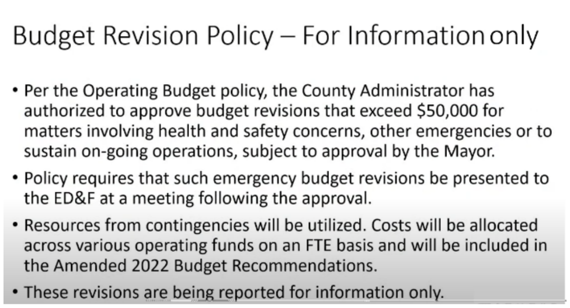
Chairman Burroughs said we have a motion and a second. I would ask the Clerk to please call roll.

Roll call was taken and there were five "Ayes," Haley, Davis, Townsend, McKiernan, Burroughs, and two "Nos," Stites and Burroughs.

Item No. 5 – 211560…PRESENTATION: BUDGET REVISIONS IN EXCESS OF $50,000 FOR CYBERSECURITY INCIDENT RESPONSE

Synopsis: Presentation of budget revisions approved under Section IV.B.7(b) of the UG Operating and Capital Budget Policy related to the UG's cybersecurity incident response, submitted by Kathleen VonAchen, Chief Financial Officer.

Chairman Burroughs said that takes us to Item No. 5. Kathleen, I think you will be making this presentation again this evening. You have been our stalwart representative this evening. Item No. 5 is budget revisions in excess of $50K for cybersecurity incident response.



Kathleen VonAchen, Chief Financial Officer, said our budget policy states that the County Administrator has the authority to approve budget revisions that exceed $50K for matters that are health and safety concerns or other emergencies or to sustain ongoing operations subject to the approval of the Mayor. If an item is over $50K and it meets that criteria, what we're required to do, the Budget Office and from the Finance Department, is to provide all of you the information in the subsequent EDF meeting, which is what we're doing right now.

Cost details of Cybersecurity Budget Review

Vendor	Purpose	Budget Revision
Microsoft Corporation	Over 320 hours of professional service for problem resolution support, service delivery management, support assistance and security services	$237,710
Microsoft Corporation	Tactical recovery plan, delivery summary and closeout and recommendations	393,640
Technology Group Solutions/Sophos Security	Rapid Response Services for up to 1999 endpoints	165,597
	TOTAL	$796,947

This past month, as you all know, we encountered—or we're living through a cyberattack. We're experiencing a cybersecurity incident and in order to address that, we've had to enter into three contracts. Two of them are with Microsoft Corporation for various services and the other one is with Technology Group Solutions/Sophos Security. The first one is for 320 hours of professional services for problem resolution support and service delivery management and other assistance. The second one is for tactical recovery plans and a delivery summary, closeout and recommendations. The last one has to do with the management of our website. It's a rapid response services for about 199 endpoints, which is the number of devices, I imagine, I am not an expert in this area. I'm just providing the information that's in the contract. The total for these three contracts is $796K. The resources to pay for these three contracts, which were not budgeted, are coming from contingencies in our various operating funds. We're going to allocate these costs across the various operating funds, based on an FTE basis, and we will be including that as part of our amended 2022 budget recommendations. So, we're just providing this information to you so that you're aware of it and that the County Administrator entered into these contracts to help assist us with managing this attack.

Chairman Burroughs said are there any questions, any hands up from the Commission?

Commissioner McKiernan said thank you, Kathleen, for bringing this forward. Thanks to all the staff that have been and continues to work on resolving this. Just a quick survey of the literature so-to-speak would reveal that we certainly are not the only municipality that has been dealing with issues just like this, even very recently. I think our staff have done, as both our Mayor and our County Administrator have said publicly, our staff have done a great job of picking up the pieces and moving on. What I'd like to be presented to the Commission is we've been getting trickles of this has been restored, this has been fixed, and we're back online. I'd just like to ask that at some point in the future, not tonight, that the Commission just get another more comprehensive update on the progress we've made and the steps we still need to take to get back to fully normal functioning. Thank you for this, this is great.

Chairman Burroughs said, Kathleen, I just have two comments, if I may. There may be more questions. One, are we insured for any kind of episode like this incident?

Ms. VonAchen said cybersecurity insurance is kind of a relatively new product. It's been out about maybe 10 years now. It's not super common for municipalities to have it. It's also a little difficult to get because you need to have all of your processes, policies, and training set up 100% in order to qualify for it or at least to have a reasonable premium offered to you. Kevin Bibbs and I, over the past year, have been working with Homeland Security and other federal agencies related to cyber security in doing the assessment process which is one of the first steps towards getting cybersecurity insurance. In fact, that assessment was taking place during the time in which the attack occurred, just coincidentally. We were in the process of getting our systems in place so that we could proceed with cybersecurity insurance. I should point out, it's really expensive and that's one of those things that you hate to spend money on, but it kind of wouldn't be a bad idea to have it.

Chairman Burroughs said when I see the cost of what it's going to cost us from the budget to get back up, two things, one I would say, I understand not having the insurance. I did notice in the budget we had budgeted a little over $90K for a cybersecurity position and it wasn't filled. I also would state that is not a market rate that would attract anyone to take that job. I would encourage my colleagues to give consideration, either you pay now or you pay later, and obviously, we're going to be doing both now.

The next question I would have is about the health and safety of our community, would this qualify for ARPA funding in any way shape or form because it had our health information as well as safety information that was compromised. I don't need an answer this evening. I would just ask that Legal give that some consideration so that we can deal with this issue in one fell swoop and not have to work through a couple of budgets to remedy it.

Ms. VonAchen said the American Rescue Plan encourages the use of the ARPA funds for cybersecurity measures. My guess is that these would qualify to be an eligible use. Also, I did want to mention that just preliminarily, we got an estimate about a year ago on how much cybersecurity insurance would be annually and it's around $600K a year.

Chairman Burroughs said understood. A security officer would probably be a third of that cost. That's still more than what we advertised for, but it would be cheaper than the insurance, but doing nothing is not an option anymore. Thank you for that. I would encourage us to give consideration to ARPA funding to be utilized to address this. Now you see why I was talking about the ARPA issues earlier.

This was for information only. There will be no action necessary. I was going to ask if there are any other commissioners and any members of the public.

Commissioner Davis said I would just echo what Commissioner McKiernan has said. There's a lot of work that is left for us to do to be fully secure. I do believe that during the budget process that we also need to include a robust conversation about cybersecurity. I am comfortable saying that the way that we invest and we value public safety is very valuable for law enforcement and for our firefighters. We need to add cybersecurity to that measure. It needs to get that level of attention. It needs to get that level of investment because of what recently has taken place. I echo Commissioner McKiernan's desire that the Commission and the public be given more information on how recovery is going as we are making our way through this very, very interesting time.

Chairman Burroughs said anyone else? Any comments from the public? Does anybody in the lobby or present here want to speak about the issue? **Ms. Kimble, UG Clerk's Office**, said no comments.

Chairman Burroughs said seeing none, as I stated, this is for information only. That concludes the Economic Development & Finance Committee. I now relinquish the leadership role to my friend and colleague Commissioner McKiernan for the Neighborhood and Community Development Committee.

Commissioner Davis said before we do that, should there be a motion to adjourn?

Chairman Burroughs said no. We're not adjourning, we're moving on to the NCD meeting.

Action: For information only.

PUBLIC AGENDA

No items.

ADJOURN

Meeting was adjourned at 7:30 p.m.

am