Speaker 1 (00:06:09):

Yep.

Speaker 2 (00:06:10):

All right. Nobody's here, but I'll gavel. Good evening and welcome to the October 7th, 2025 Lawrence City Commission meeting. The first item on the agenda is to consider a motion to recess into executive session.

Speaker 3 (00:06:27):

I moved recess, an executive session for approximately 45 minutes to discuss a personnel matter involving a city employee pursuant to the non-elected personnel matter exception KSA 75 dash 43 19 B one. The justification for the executive session is to protect employee privacy. The city commission will resume its regular meeting in the city commission room at 5 45 after the executive session is

Speaker 2 (00:06:48):

Second.

Speaker 3 (00:06:49):

Second.

Speaker 2 (00:06:50):

Okay. That's a motion by Fin dye a second to by Littlejohn. All in favor say aye.

Speaker 4 (00:06:54):

Aye. Aye.

Speaker 2 (00:06:55):

Those opposed? Motion passes. Five zero. We'll see you at 5 45.

Speaker 1 (00:51:50):

Okay. We're back

Speaker 2 (00:51:51):

From our executive session and we have nothing to report from that and we'll go ahead and move on to the rules of the meeting. Sherry, would you share with the rules of the meeting with everybody tonight?

Speaker 5 (00:52:02):

Of course. Thank you Mayor. Good evening everyone. If you would please silence your cell phones. The primary format for accessing the meeting is in person at City Hall. Virtual access cannot be guaranteed due to potential technology issues. When the mayor calls for public comment, please approach the podium to indicate you wish to speak. Virtual participants should use the raise hand function. When prompted, select Join us panelist. There will be a brief delay as your role changes. Once your name is called, please unmute and turn on your camera to provide your comments. Please state your name and zip code before providing your comments. All comments will be limited to three minutes. The city reserves the right to turn videos off or mute participants. Thank you Mayor.

Speaker 2 (00:52:51):

Thank you Sherry. Alright, the next item on the agenda is to approve the agenda and the city commission reserves the right to amend, supplement, or reorder the agenda during the meeting. Is there a motion to approve the agenda as is move

Speaker 3 (00:53:03):

To approve the

Speaker 2 (00:53:03):

Agenda.

Speaker 3 (00:53:04):

Second.

Speaker 2 (00:53:05):

Motion to approve the agenda by Finkel Dice. Seconded by sellers. All in favor say aye. Aye. Aye. Those opposed? Motion passes. Five zero. Alright. The next item on our agenda are recognitions and proclamations. And at first we're going to recognize some of our wonderful friends from Germany and Bill Keel is here to speak to our INE relationship

Speaker 6 (00:53:30):

Iru here, ger Meister. Thank you Mayor. Ever. Should I continue in German or

Speaker 2 (00:53:36):

You wouldn't? No, I think English probably much more productive and

Speaker 6 (00:53:39):

Members of the commission. I'm Bill, as you already said, I'm Bill Keel, chair of Sister Cities Lawrence. We've been in business since the late eighties, so it's getting to be a long time. In 1989, the commission your predecessors approved our first sister in Oin, Germany. And we're very, very happy tonight that after 35 years of student exchanges, we have a group of 12 young people from the two high schools in ine, accompanied by their chaperones, Ingrid Karma and Elena Zegar from the ula. Is that right? I do want to give a shout out to the Johann Heinrich Foula though where I went to school where I took students many, many years ago.

(00:54:37):

I want to thank the City Commission for their support for Sister Cities over these nearly four decades. We now have four sisters, Toko Pia Chile is the latest, algi Greece has joined with a new name and Ska Japan, which is celebrating its 35th anniversary this year with a delegation visit just in a couple of weeks. But again, we're very happy that the 12 students from the two high schools in INE can be with us for three weeks here in sort of the hot and cold October that we've had. And I'd like to introduce their chaperones, who will then say a few words and introduce the 12 students. Thank

Speaker 2 (00:55:23):

You, bill. That'd be lovely. Thank you.

Speaker 6 (00:55:25):

Ingrid and Lana,

Speaker 7 (00:55:27):

Please. Okay, action. Shall I start? Okay. Good evening everyone on. We're so grateful that we can be here. Thank you so much for having us. I'm Ingrid Kramer and I'm well the chaperone as you've heard of this wonderful group of students here. And actually I only learned about this a few days before we were actually leaving because the actual chaperone who had planned everything, the whole visit and everything really fell ill unfortunately. So I just had to step in the very last minute and I'm really, really happy that this worked out. I'm so glad that everyone managed to Well, I got to work. No, it all worked out. Sorry. It's a bit intimidating to be talking on microphone. I'm not really used to that, but everybody got the chance to be here. And I could say that because I can speak from experience having been on a student exchange program myself 33 years ago to the States as well, I was here for six weeks and up to this day, I've got such wonderful memories from that time and I really know about the importance of such an exchange program and it's really, it's not only about meeting people and the memories that you make, but what it has taught me is, and I think that you probably are all making these experiences, you get to see different perspectives, different ways of seeing things.

(00:56:59):

And we're all from different backgrounds. We speak different languages and then we find out we've got so much in common. And that is such a wonderful experience and receiving this hospitality, the host families who are open their homes to us and who are sharing their everyday life with us and was so extremely welcoming, that has struck me, is just so amazing. And I'm so grateful for that and grateful that the students can experience that too. And what I feel is that when you receive that hospitality, you want to give back to the community and to others as well. And so that's why I would like to thank everyone involved in this program. So the host families for opening their homes and everyone on the Sister Cities program as well for making this possible and our host family too for welcoming us and for receiving us and for preparing such a wonderful welcome. And yes, so thank you to everyone involved. And this year we are really lucky because we actually have a Cole Chaperone, which is not normally the case, and Lena Zieger is here as well. Probably also wants to say a few words

Speaker 8 (00:58:18):

I might introduce myself. My name is Lena Zieger. I am doing a voluntary social year at one of the schools of 18 in the Viba School, and that's how I got to be the assistant chaperone of Ingrid Kreer this year. Yes, I'm very, very happy and grateful to be here. I've been staying with the most wonderful host family, Anna and Kelly Schultz, as well as Ingrid Kreer. And yes, thank you so much for having us.

Speaker 2 (00:58:48):

So can we get introductions to the students? Is that okay?

Speaker 7 (00:58:52):

The idea was that the students were all going to introduce themselves.

Speaker 2 (00:58:56):

Awesome. Perfectly. If

Speaker 7 (00:58:57):

That's fine.

Speaker 2 (00:58:57):
That'd be great. Thank you very much.

Speaker 7 (00:58:59):
And then do you want to come

Speaker 9 (00:59:07):
And

Speaker 2 (00:59:07):
Your host family? I think you're supposed to say too. Okay, thank you.

Speaker 9 (00:59:11):
Hi, I'm Leah and I'm staying with Stella Dawson and I'm really thankful for taking part in this exchange program and I'm really enjoying it so far. Thank you. Thank you.

Speaker 10 (00:59:24):
Yeah, I'm Alex and I'm staying with the Visor family. I'm very thankful for the hospitality. I really enjoy the experience here. Thanks. Thanks,

Speaker 2 (00:59:34):
Alex.

Speaker 11 (00:59:40):
Yes. Hello, I'm Raus. I'm staying at Emory Leys house. I'm very thankful for the hospitality and I am having such a great time here. It's awesome. School's awesome. The people are awesome here. I really enjoy it. Yeah, thanks

Speaker 12 (00:59:55):
So much.

Speaker 2 (00:59:56):
Thank you.

Speaker 13 (01:00:01):
My name is Hannah and I'm staying with Emory and her family. And yeah, thank you so much for everything and it's wonderful to be here. Thank

Speaker 4 (01:00:10):
You.

Speaker 14 (01:00:15):
Hi, I'm Isabelle. I'm staying with Alice Lang and her family and I'm also very thankful for this opportunity and being able to experience the American high school life.

Speaker 2 (01:00:25):
Thank you, Isabel.

Speaker 15 (01:00:32):
Hi, my name is Helen. I'm staying with Emma Henry and the family and I've been having a really incredible time and I'm really thankful for this experience. Thank you. Thank you.

Speaker 11 (01:00:48):
I'm Henrik. I'm staying with the Carbon and Family and I'm very thankful for all the experiences I've made so far throughout the last three weeks.

Speaker 2 (01:00:57):
Thanks, Hendrik.

Speaker 16 (01:01:01):
Hello everyone. So I'm ies. I'm staying with Alex and the Barker family and I'm really enjoying experiencing seeing the US not only from a tourist point of view, but from a perspective of living here. And I'm just really thankful for getting that opportunity.

Speaker 4 (01:01:16):
Thank you.

Speaker 17 (01:01:23):
Hello, I'm Lucy and I'm staying with Bella Ackerman and her family and I'm having a really great time here in Lawrence and I'm really thankful for that. Thanks,

Speaker 2 (01:01:32):
Lucy. Thanks. Nice.

Speaker 15 (01:01:39):
Hi, I am Anna. I'm staying with the BA family. Yeah. And I'm very grateful for the memories I already made and I'm going to make for the last days. Yeah,

Speaker 2 (01:01:47):
Thanks Anna.

Speaker 18 (01:01:54):
Hello, I'm Lata Ziga. I'm staying with the Builds family and I'm really grateful for experiencing the high school life. Yeah, I really like the variety of classes and I enjoy having the typical experience with football games and everything that belongs to it, so thanks for having us. Awesome.

Speaker 2 (01:02:12):
Thank you, Lata.

Speaker 9 (01:02:16):

Hi, my name is Luna. I'm also staying with Haley and I really enjoyed the exchange so far and I'm grateful for all the experience I got to make. Thank you.

Speaker 2 (01:02:24):

Thank you. Okay, is that everyone?

Speaker 7 (01:02:31):

Yeah. So Lisa are all students. That was everyone.

Speaker 2 (01:02:35):

Yeah.

Speaker 7 (01:02:36):

And yes, so thank you so much that we get the chance to be here.

Speaker 2 (01:02:40):

Well, thank you so much for stepping in at the last minute. I know that's not easy, but it seems like you're a flexible person because you've taken it all in stride. And I am sure that your cohost is happy to have your assistance as you try to wrangle 12 teenage human beings in a new country. But more importantly, we just appreciate the bonds that are formed. And I was able to come to 18 last summer and I wished I could have gone again this summer. But it's a beautiful place, been there many times and love the people and the friendships and the relationship there are really special. And we appreciate the efforts of our boards and our sister city organizations to help this keep going. It wouldn't go on without them. So thank you. I'm glad you have a better balance of males and females. This year, if I remember correctly, was weighted differently and I think we want to get a picture with the commission at this point in time if that's okay. So thank you very much and we'll step out of the way. Thank you. Do they want us down there?

Speaker 19 (01:03:48):

Where did you want us?

Speaker 12 (01:04:05):

Right guys? This way. And you might, that's okay. They're tall. Head that way a little bit.

Speaker 4 (01:04:18):

Okay, here we are.

Speaker 2 (01:04:29):

Thanks Kelly. Want a silly one? Thank you. Paper. Thank

Speaker 4 (01:04:34):

You. Thank you. All right,

Speaker 2 (01:04:59):

I'm going to give it about a minute. It's okay with you guys

Speaker 3 (01:05:01):

I think so

Speaker 2 (01:05:03):

Tap the room. See you

Speaker 4 (01:05:08):

Take this

Speaker 2 (01:05:19):

Right? The room seems unbalanced like a bad wedding. Sorry. Alright, the next item on our agenda is to proclaim Sunday, October 12th, 2025 as a Lawrence Drive Electric Day. And let's see, where's my proclamation note here? Michael Alman, are you here? I don't see him.

Speaker 20 (01:05:47):

No. Michael's not here. I'm here in his stead. I'm so

Speaker 2 (01:05:51):

Why don't you speak to this Harry Wilke, it's good to see you. Yes, please. Why don't you speak to this proclamation if you'd like to before I start,

Speaker 21 (01:05:59):

We're members of the Sustainability Action Network and we invite everyone in this room, and in fact everyone who's not in this room to come to South Park this coming Sunday, October 12th from 11 to 3:00 PM to see our seventh annual electric vehicle showcase and commission. Thank you for the support of the city of Lawrence. It's just thank you so much for that.

Speaker 20 (01:06:26):

Sure thing. Yes, thank you. Yeah, it's helping keep the conversation going about Absolutely. Alternative transit.

Speaker 2 (01:06:31):

And without Michael, we wouldn't be having this conversation. Absolutely. He's a big supporter of all your sustainability action network. So thanks for being here tonight. I'm going to go read the proclamation. Whereas the petroleum fueled vehicles are responsible for over 50% of our local greenhouse gas emissions and our contributing factor to air pollution and climate disruption threatening the health of our citizens and the sustainability of our planet. And whereas the United States transportation sector has surpassed the electricity generation sector in climate heating emissions doors plug in electric vehicles use one 50 energy used by internal combustion vehicles and get a hundred miles per gallon mile equivalent or better. And whereas Plugin electric vehicles produce no greenhouse gas emissions when charged with renewable energy and only one fifth of the energy of the greenhouse gas emissions when charged with fossil fuels. And whereas September 12th to October 12th, 2025 has been designated as National Drive Electric Month throughout the United States to educate our citizens about the benefits of plugin electric vehicles and to promote their adoption. Now therefore, I'm Mike Dever, mayor of the city of Lawrence, Kansas, to hereby proclaim Sunday, October 12th, 2025 as Lawrence Drive electric Day and encourage all citizens to attend the Lawrence Electric Vehicle showcase at South Park between 11:00 AM and 3:00 PM Thank you very much. Hope to see you at the show, mayor for me. Alright.

Speaker 5 (01:08:08):

Hey, go. Thank you.

Speaker 2 (01:08:13):

And then we have another final proclamation on our schedule this evening that is to proclaim Monday, October 13th, 2025 as Indigenous People's Day. Whereas the city of Lawrence acknowledges that indigenous peoples of the lands now known as the Americas have resided here since time Mo. And whereas we recognize that Lawrence Kansas stands upon the ancestral homelands of the Kanza and Osage indigenous peoples. And whereas Lawrence is proud to be home with the Haskell Indian Nations University representing over 120 federal recognized tribes and contributing significantly to our community. And whereas we deeply value the enduring intellectual, spiritual, and cultural contributions of indigenous peoples that have enriched the character of our city. And whereas the Indigenous Peoples Day initially proposed in 1977 by Native Nations to the United Nations offers it an opportunity to reflect upon the diverse struggles of indigenous people, acknowledge the historic injustices they have endured and celebrate their resilient traditions. And whereas the promotion and support of ongoing efforts around equity and justice for indigenous people is critical. Now, therefore, I Mike Dever mayor, the city of Lawrence, Kansas, do hereby proclaim Monday, October 13th, 2025 as Indigenous People's Day in the city of Lawrence. And that urge the citizens to reflect upon the culturally diverse struggles of indigenous people on this land to encourage ongoing efforts to reflect the full and accurate history of our place and to celebrate the resilient culturally diverse indigenous traditions that values in our communities.

(01:10:02):

We got. Okay, the next item on the agenda is the consent agenda. And items on the consent agenda are considered under one motion and approved by one motion. Members of the governing body may remove items for separate discussion if desired, members of the public may remove items identified as quasi-judicial for separate discussion if desired, members of the public will be limited to three minutes for comments.

Speaker 12 (01:10:28):

Mayor, I've been asked to pull D five C,

Speaker 2 (01:10:32):

Roger D five C, is there anything else to remove from the consent agenda? I Is that the quasi judicial item?

Speaker 4 (01:10:42):

No. No.

Speaker 2 (01:10:44):

Okay. There's one quasi-judicial item. Anyone want to remove that? I didn't see anything on email, so seeing none, is there a motion to approve the consent agenda minus item D five C

Speaker 3 (01:10:58):

Move to approve the consent agenda with the exception of D five C second.

Speaker 2 (01:11:02):

Okay, that's a motion by Finkel Dye and a seconded by Larson. All in favor say aye.

Speaker 3 (01:11:06):

Aye. Aye. Aye.

Speaker 2 (01:11:08):

Those opposed. Motion passes is five zero item D, five C.

Speaker 22 (01:11:20):

Hello, David Bain. I didn't really get a chance to look at this thoroughly. I just was looking through here and that one happened to stand out because it was a million dollars for furniture fixtures and some equipment for the MSO campus. I did pull up some of those costs on some things. I don't know. I know the presentation there looks really nice. 50% off of, let's take that table. Sounds really good, but not if you're paying five times as much for the table to begin with. Just, I mean, I've been a purchasing agent for a few companies and digging into prices like a few of these I looked into or I mean even at the sale price that we're getting for those items is too much. And I don't know, I know it was recommended by, I didn't actually write down what company put all this together, but it just goes back to some consultants.

(01:12:35):

I know the city, we do need some consultants in some areas that we just aren't adept to. But I mean as a whole lot of this stuff we can be looking at internally and coming up with a lot better prices. If you just take what a purchasing agent would cost the city a hundred thousand dollars roughly to go over stuff just like this, that would save just on this million dollars worth of stuff. I mean, just looking at it quickly is you could easily save $200,000, which you'd pay for one person minus that. And this is just one instance in money saving things that we could be doing as a whole in the city. And I think your job is to be good stewards of our money and just looking at this, just ask anybody that even has a question, just pull this up and look at the cost of some of these things that this company came up with and that you guys would've just approved and you probably will anyway. But I just encourage the public to go look at these costs, look some of this stuff up yourselves and you'll be amazed at what this great deal that we're getting on this item is. And I appreciate your time. Thank you very much. Thank you very much. David.

Speaker 23 (01:14:11):

I don't know if Andy is here, but I see Melinda. Melinda, can you anybody tell me how many staff members, employees will be located at the, Andy is on. Oh, Andy's on. Okay. If someone can tell me how many of our staff will be located at the new MSO campus?

Speaker 24 (01:14:30):

Hi, this is Andy Ins engineering program manager with the MSO department and project manager for the MSO campus project. In the phase one building, there will be a, I believe it was 160 employees between engineering staff, MSO admin, field operations staff, including streets, storm water, water distribution, and wastewater collections. On this furniture proposal, we worked with the day wells design team to send out an RFP for from different furniture vendors. We took tours of the furniture, vendor warehouses and their showrooms, sorry, I'm looking for the word there, and got proposals. The original budget that the design team had for furniture based on the number of offices and space like that was about $1.2 million. They were all fairly close within that range, but this was the lowest cost working with Spaces Inc. On their proposal.

Speaker 4 (01:16:10):

Okay.

Speaker 24 (01:16:15):

They did in the agenda item, there are about five different, five or six different either cooperative or state contracts that they use for pricing. Omnia is their primary one. This is a similar process that was used for the police facility and actually ended up being the same vendor.

Speaker 23 (01:16:39):

Okay, thank you. Andy,

Speaker 2 (01:16:45):

Any other public comment on this item? Sherry, is anybody online to speak to this polled item? No.

(01:16:53):

Okay. I guess I just have a question. It is a lot of money of course, but I feel like staff has evaluated the costs and we have other bids out there. Is there some sort of tiered level of quality in this furniture that's out there? Meaning is there lesser quality materials we could buy at a lower cost or can we get these items at a lower cost other than this contract? It seems to me if we have a agreed upon contract and it's set at a price that they're honoring that price, but the question would be is are there lower prices available and I'll open it up to MSO on that one.

Speaker 24 (01:17:41):

Well, we are going, so this is probably the lowest price we would get for this furniture. But if there are other options that they have, we can discuss that with them. Other manufacturers, this is high quality furniture. It is for the most part, all made in the US and stored locally and it's a local firm, local installers, local, I say within the Kansas City area, but so there are probably some possibilities of selecting a cheaper, lower quality furniture that they represent, but this was what they felt was most equivalent to the basis of design that the Dick Wells team had come up with.

Speaker 2 (01:18:38):

And how's this stuff at the, is this the same, same company as what we put in the police station? How's it held up relative to other items we might have out there?

Speaker 24 (01:18:50):

It's the same furniture. Rev and I believe Melinda maybe could be able to speak to this, but it is steel Steelcase as the manufacturer for a lot of these. Melinda, do you have any comment to add on that?

Speaker 25 (01:19:06):

Sure. Melinda Harger, assistant director, MSO. So this rep is now repping spaces a different line of furniture. It is in the same comparable category. We were looking for something that was durable. This is furniture. Most of the furniture we keep for decades at any of our facilities. So this isn't something that we wanted to pick furniture that would wear out in five to 10 years. So that was one piece many of having toured during the police facility project, different furniture as well as going through the process with Andy on this furniture selection. It's right in line with what we were seeing. We did want to make sure that this furniture could hold up to the type of use that we would have in those spaces is

Speaker 2 (01:19:57):

Makes sense. Thank you. Commissioners, do you have any other questions?

Speaker 3 (01:20:04):

No, I just say I do a lot of contracting work and spaces is one of the big vendors, I mean for school districts, for companies who are building new buildings. So I review lots of contracts and I've reviewed a lot of their contracts and so I know there were reputable vendor that's used a lot and I know a lot of people have selected them and I feel good with the negotiated contracts. I mean the nice thing about government work is you get these discounted contracts that some of my private clients don't get. And so the price is here better than they get in some of that. So you know

Speaker 4 (01:20:48):

That,

Speaker 3 (01:20:49):

Oh yeah, on page 10 of the packet is the negotiated contracts and those are better than the private sector. That's space used you've seen.

Speaker 4 (01:21:02):

Okay.

Speaker 3 (01:21:04):

I've also had clients use some of these similar contracts. I mean school districts and counties and others get to use these contracts as well, but the average engineering phone does not. So I feel good about

Speaker 23 (01:21:21):

It. And Mayor, this kind of goes with, and I've seen similar with my work with the state when working in KDHE, I remember when I had to get a new chair and we do ergonomic assessments because again, they're wanting quality high quality furniture so that it lasts as long. I mean, I knew people in our suite that would fight over 8-year-old chairs because they were good quality chairs. But in looking at this, I think when you see furniture, I think a lot of people think of desk chairs, some of the common things that we see in our homes, but this is furniture that's fitting desks. This is also including office spaces. So these are the facades for different offices that are going to be constructed into the MSO campus. So the idea that yes, the sticker prices is a bit high, but when you break that down to 160 people, that's roughly $6,000 to retrofit an office.

(01:22:22):

So your home office is not equal to a state or a more city functional office that's going to have to be able to have an asset that's way longer than to Melinda's 0.5 years. So I understand, and I think Andy has done a good job of going through this. We're utilizing state contracts, which is what we're doing and we're getting the discounts that we need to get. And we're using products that are made here in America. And so that also comes with the cost as well. So I had no qualms with it and I'm glad that we were able to have the discussion and be able to get a little bit more out of it.

Speaker 2 (01:23:01):

Okay. Thank you Amber. Okay,

Speaker 3 (01:23:03):

Anything else anybody want to add? Move to authorize the purchase order with Spaces Inc utilizing the Omni Partners Cooperative Purchasing contract number oh 2 4 0 1 0 2 in the amount of $1,029,383 and

88 cents for financial fixtures and equipment for the MSO campus. Phase one project MS one dash 0 0 0 23 a second.

Speaker 2 (01:23:29):

Okay, that's a motion by Finkel Dice, seconded by Larson. All in favor say aye.

Speaker 3 (01:23:34):

Aye. Aye.

Speaker 2 (01:23:34):

Those opposed? Motion passes. Five zero. Alright. Next item on our agenda is to have a work session And the work session is an opportunity for the city commission to discuss items in greater detail. The commission will take no binding actions on items presented during this time. The work session topics are eligible for public comment. Members of the public will be limited three minutes for their comments. So the presentation is from the City of Lawrence Asset Management Plan and from MSO and Capital Financing update from finance and Baker Tilly. So you guys can manage this any way you want, but it's yours after this.

Speaker 26 (01:24:18):

Great mayor. I'm going to make a few comments while Rochelle is making our way up here. This is a response to a request from the city commission to get more detail in some areas that honestly we have spent a lot of time and resources and energy over my time with the city. In fact, I went back to look at my notations from my first observations of my first a hundred days and it said it reflected our infrastructure needs. A lot of love is the way I described it. And we've set out to do that work over the last several years and the way that we've done it, I know that you've seen some of the presentations and virtually every one of our agendas has mostly most of the time on consent, but has some kind of infrastructure investment that we've been making over the course of six or seven years more intensively.

(01:25:22):

And the way that we've been going about it, I think you'll get a sense of it. I hope the public will get a sense of it is tremendously complex. We've been using a lot of complex analytics and engineering to before we make any investments, we make the right investments, we study them, we make sure that these systems that we know about them and that we understand what it's going to take to rehabilitate them in many cases, to completely rebuild them in many cases, but to also make sure that we've built system capacity for our future. So it's not just taking care of the potholes that we've seen today, but it is making sure that our systems are built and prepared for the future. And my observation, I get to be exposed to a lot of these experts that are on our team that you'll hear from some of them tonight.

(01:26:13):

But I consider that the work that we've done here is a center of excellence for our community. And I'm not shy about saying that. And I believe that while this has been a heroic work and it has been big investments by our community, by our taxpayers, which you are all very aware of, these investments is exactly what they are. And I believe have been meeting a need that we were asked to undertake. I know I was asked to undertake these needs and it's been exciting to see them come to fruition here. We still have more ahead, which I know with our system plans, but I'm grateful and I know our team is grateful for the chance to show to you and to the community how we're doing this, but also what we are doing and what we're preparing ourselves and our community to do and invest in.

(01:27:08):

We've also brought in our partners and their advisors from Baker Tilly and I'm excited to have some of their expertise on display here because it's a lot of background information that we have on each of these bond offerings and in each of these financing mechanisms to try and help us get the very best value we can. So it's really great to be able to assemble today and be able to set up this presentation. And my last comments before I turn it over to Rochelle are to recognize also that she is now one of only 10 certified public finance officers in the state of Kansas. She just received that credential and one of only 300 and some in the entire nation. So this is my chance to do that.

Speaker 2 (01:28:02):

Your rates go up now. I don't

Speaker 27 (01:28:05):

Think that's A-G-F-O-A best practice.

(01:28:08):

Well, thank you tonight again, Rochelle Matthews, director of finance and I wanted to take the opportunity to set this up tonight and talk about what we're going to do. Our presentation is broken into three sections, starting with an asset management updates from our MSO colleagues, followed by kind of a CIP master plan overview, followed by a final section by Baker Tilly on Capital Finance. We'll take a small pause in between each section if there's questions you might have or we can save them to the end. And so with that, I'll hand it over to Brandon Bayless to start the asset management.

Speaker 28 (01:28:41):

Thank you very much. Again, my name is Brandon Bayless and I work for our asset and technology group in the MSO department. So appreciate the opportunity to share these updates tonight. I'm going to go through a quick agenda of what we're going to talk about. We'll do a quick what and why of asset management, so just a refresher of what we've talked about in the past and then focusing on a few highlights related to investing in the lowest cost of ownership for our assets. So we'll have Nick Hoyt talking about the collection system cleaning program as well as the southwest conveyance corridor optimization program. And then we'll finish up with the street maintenance PCI updates.

(01:29:24):

So again, the what and why of asset management. We're focused on really understanding what assets we own as a city own and maintain as well as where those assets are located. So that's a big focus that we're working on towards that. When it comes to asset management, we're also wanting to better understand the age, so when were assets installed and what is the age of those assets as well as the condition. So we're going to be talking about the street PCI Condition index. That's one of the things that we focus on specifically for streets, but we're really trying to understand that for all of our assets. And then we're also trying to understand and better dive into the service levels. So levels of service that we're hoping to achieve with various asset groups. And really all of this is going towards the goal of making data-driven decisions and really focused on the overall goal of having lowest cost of ownership for those assets. It also helps us work on trying to prolong the life of our assets through maintenance activities, preventative maintenance activities, and then hopefully decreasing our emergencies related to those assets and our ability to respond and understand how we can get out there and respond to those assets. And then in the end, we're really trying to understand how we can increase the stability and compliance with regulatory requirements.

(01:31:01):

So this all feeds back into our goal of the city strategic management, strategic management plan when it comes to sound fiscal stewardship. So all the work we're doing towards asset management is in support of that. And then giving some timeline. So these are the areas that we've been focused on the last couple of years, current and future. So we started out with our maintenance operations groups, street traffic, water distribution, wastewater collections, and stormwater. We're currently going through the process with our transit parking facilities and park recreation groups. And then we'll be moving on to our plant operations and solid waste. So give you an idea of the timeline and how much time it takes to work through some of these groups. So that's just an overview of what we're going into and I'm going to pass it on to Nick Ho to talk about some of our collection systems cleaning. Thank you, Brandon.

Speaker 29 (01:32:08):

Hello, my name's Nick Hoyte. I'm an engineering program manager with the MSO department and I'm excited to be here today to talk about two successes we've recently had with asset management. If I could just kind of put asset management in a nutshell, I'd say it needs two things. One, it needs a lot of information, but you also have to organize that information. So if you put all the information into a school locker like my boys in middle school, it's not going to do you much good. So you need a lot of information, you need it organized so you can kind of sort through it. So we're going to go through two examples. One is a very micro example about a specific activity that our field crews do and that is our cleaning program, sanitary sewer cleaning program. So to explain that, I got to kind of go back to the late nineties when that program started.

(01:32:57):

And this graph here is a graph of yearly sanitary sewer overflows. So there in the late nineties we're in the hundreds close to 200 when I started working for the city. And I would talk to the people that had been around here a while, they would talk about when it rained three or four inches back then you would just get hundreds of calls. People might get a response, they might get a door hanger, but there really wasn't much we could do. And I would estimate that that 181 number was greatly. And the other thing to think about there is each one of those 181 might be multiple basements filling with sewage and lots of bad gross things in each little section of that bar graph. So that was obviously not an ideal situation and that was not meeting the city's level of level of service.

(01:33:50):

So one of the first things we did is we started a sewer cleaning program, which cleaned every sewer every four years. Immediately from the late nineties into the two thousands. You just saw this immediate huge drop off in that sanitary sewer overflows and other things too of similar calls to the city during wet weather and things like that. And so very evident that that was a successful program and that really happened before we ramped up our rehab program and some of the other things we're doing. But the bad news with that when something starts working, working, if there's still a problem, you just keep doing it more. So I've talked to other cities and they all kind of have this list, the list and that list grows every time there's a problem. And what should we do? We should clean it more, clean it more, clean it more.

(01:34:45):

So then over decades, we built this higher preventative maintenance list where instead of cleaning it every four years, we were cleaning it once a year, six months, three months, and even every month just to make sure that it wasn't clogging with grease and it wasn't roots blocking it. But that got to a point where it was a huge level of effort, probably a week every month of a crew just cleaning these same sewers over and over again. It was effective, but it cost a lot of money. So we got into COVID and we got into a situation where our crews were, you had the isolation and they couldn't be here for two weeks and you had to separate this, that and the other thing. And it really put a stress on our labor availability and it came to a point where such a huge portion of our staff time was spent cleaning these same sewers month after month after month.

(01:35:46):

So then we kind of started talking like, well, why do we clean this one? Why do we clean that one? And we really didn't know, but we really weren't confident to move it back, right? We didn't really know why it got there in first place. So estimated cost to clean these sewers once a month, $690,000, that includes the staff time, the vehicle, vehicle depreciation, gas, all that good stuff. That's a huge cost. So we contracted with Trek design group to basically we would clean the sewer once and then instead of cleaning it repeatedly, they would CTV inspect the sewer monthly and then three months and then see how that grit and grease built up and then try to get that specific sewer on the correct maintenance schedule. So that was mainly in 2023 and the results from that were quite effective. So a couple things to note here.

(01:36:46):

One is none of these 112 high maintenance sewers didn't need a special cleaning. They were all, one was 18 months, but most of them were in the 12 to three months range. About a third of 'em did actually need the one month cleaning. So we were hovering over the target where we needed to be, but just to get that right, we're looking at close to $400,000 a year saving in staff and equipment time, which then allows us to take that staff and put in focus on other places. So we consider this a huge success today on the consent agenda, we're doing something similar with our three month cleaning where we're going to contract with Trek and have them TV that and make sure that's right on the right preventative maintenance schedule, but not quite as much low hanging fruit and cost savings, we're only cleaning every three months instead of one month. So that's a micro example of a win. The next one is about the southwest conveyance corridor, which this is somewhat complex. So I'm going to kind of go down a nerdy way and hopefully you guys can follow me.

(01:38:02):

The City of Lawrence collection system like most Midwestern cities is pretty complex. And that is because generally the wastewater treatment plant is along the river and over decades and decades and decades, the city grows away from that. And you never want to build a hundred year system. So it's like every 20 years or so there's a major improvement to get the new development that flows to the treatment plant. So over decades, there can be diversions and parallel interceptors and multi routes where all the water can go. Lawrence is a little unique where our growth has really bound over the last 50, 60 years straight west. Currently we have two treatment plants on the east side of town. So as we grow west, there's always this, every couple of decades you got to re-figure out how much growth is out there, how much wastewater are they making, and then how do you get that flow back to the east treatment plants.

(01:38:59):

In 2018, we built the, coming from the 2010 master planning effort, the main project that came out of that was in 2018, pump station 10 at 31st and Louisiana was built, which then pumped to a new treatment plant, the WUSA treatment plant southeast of town that was needed, but it also made the system even more complex. Now there's kind of two endpoint for all the flow to go, but coming out of that, we knew that the next major conveyance problem was going to be in southwest Lawrence because basically from sixth Street South all drains to the south. So that's like as we've been growing west, it's a big chunk and it almost all of it flows through pump station nine, which is a big pump station, but it also has storage there where there's giant concrete tanks that store the flow during wet weather. So coming out of when we built the Walker Roo treatment plant, we had three projects in the CIP expand pump station nine and basically build conveyance downstream of pump station nine basically through 31st street and then also add conveyance upstream of pump station nine.

(01:40:16):

And I mean, I think those were kind of placeholders and we knew we needed more conveyance there, but as we got closer to that and started looking into it, it was like, well, if we do these projects, we're just going to make downstream going to be bigger. Is this the right way to spend our money? So in the 2022 CIP, basically that same money was reorganized into a program Southwest Lawrence Conveyance corridor program, and it's like at that point, we don't know exactly what we're going to do, but we know we need to spend money there on that southwest part of town to get the flow from the new development to the east part of town. The first thing in that program was to do a study and build a model, and that's what consultants generally like to do. The model from 2010 didn't quite have the detail in it.

(01:41:08):

We needed to make good decisions, so we built a whole new model that started with over the previous five or six years, we had a flow monitoring program where we put a flow meter in the sewer and then rain gauges and then when it rains, we know how much water's there. So we calibrated the model and then calibrated it to those storm events that we recorded. Majority of that was from 2019, which was a very wet year. So it was a very conservative model. Then the planning development services just came out with new population growth estimates through 2040. So we took where they were saying that population was going to be, and we put that on our existing system. So each one of these blue dots is where the projected population growth was going to be. Most of it right there on the west side of town right there crossing K 10.

(01:42:06):

The next thing we are going to do is then we have a whole citywide model, and we're going to take about a quarter of it, that southwest part of town, and we're going, this is a complex thing. We're going to create a multi objective evolutionary evolutionary algorithm, which is really complex, but basically what it does is it puts the model in the cloud and it tries to run the model over and over and over again to find the best solution. So in a traditional engineering sense, you might five, six people sit in a room and we come up with, let's say four alternatives, and then we model the four alternatives and come up with a cost estimate and try and figure out the best of the four alternatives. What we're trying to do with this model is throw thousands of alternatives against the wall and have the model show us which is the best.

(01:42:59):

So there's about 20 specific projects that we put in the model of upgrading different pump stations, reroutes, expanding storage, adding storage, all that type of stuff. And then every pipe is able to get bigger as the algorithm runs. So in this here, every.is a specific model run with each being a different solution and it's multi objective. So the two objectives are to reduce overflows. That sounds good, and do it for the least amount of money possible. So if we were to do nothing and we take that 2040 population and put it on our existing system, we're at $0, but we're close to 10 million gallons of overflow for a 10 year design storm. The other thing is on the left hand side to get to zero overflows, the cost is almost going infinite there. It's going straight up and down. So what we did is that the model would run, let's say 5,000 times.

(01:44:11):

We'd really focused in on the blue dots, which were kind of that front, which was showing cost effective solutions, moving it reducing overflows without greatly increasing the cost. And then we really focused in on that knee of the curve where this is where we're getting the best banging for our buck before the cost just goes straight vertical into the hundreds of millions of dollars. So we ran that several times and some with more of a conveyance focused alternative, some with a storage focused alternative. We got our selective alternative group, which is right there, that kind of green dot, but that it's a complex kind of output from a model. So the next thing we had to do is break that into projects. So here my red circles, my circles got a little off from the map, but that's all right. So we created a whole list of projects and we were able to see which ones had to happen for 2030, what had to happen for 2040.

(01:45:15):

We also got pretty lucky because right about the same time we were working with Kdot of what sewers on that southwest part of town had to be moved for the highway project and what sewers on the southwest part of town needed to be extended to provide service west to K 10. So right now we have three projects in construction that's part of the K 10 project, and those red circles are moved from where they're supposed to be. And then there's three more projects in design that will be coming in the next couple years. There's also the other projects that we know need to happen, and we have detailed information and cost estimates on that. So going back to the 2019 CIP, two things jump out to me. One is the force main, the yellow, what's circled in yellow there. Pump station nine, force main to PS 10 wasn't really needed.

(01:46:09):

The algorithm is really saying in the 2030s, we need to add more storage at pump station nine. So that saved us 6 million of putting a new pipe down 31st street and tearing that whole place up. And then once we would've done that, we would've had to add more capacity downstream of that. The other thing, the lower Yankee tank project, $8.6 million, which is to the west of pump station nine, that wasn't actually the most critical part that was needed. It was farther upstream than that, more closer on the west side of Lake Alvamar. So we studied the bejesus out of it, but we were really able to come to a really good solution, very cost effective over the long term. So it took a long time, but I think it was very worth it. And I think with that, I'm going to hand it over to Mr. Cronin with the talk about some pavement. Thanks,

Speaker 2 (01:47:06):

Nick.

Speaker 23 (01:47:06):

Thank you Nick.

Speaker 30 (01:47:08):

Hello, Dave Cronin is the engineer in MSO. I'm going to talk a little bit about our pavement maintenance program and how we're using asset management. So we've talked about this before, but our pavement is measured with a pavement condition index, and that's a standard measure that we use to assess the surface condition of the pavement. On a scale of zero to 100, the target is a 70. And so that kind of represents the point where preventative maintenance is the most cost effective. So pavement that's in the good or satisfactory range there you can see on the table on the left, should receive it's best to receive just the preventative maintenance to extend its life at a relatively low cost. And then when you start dipping below 70, the costs of repairs start to increasing and requires more expensive rehabilitation treatments like mill and overlays. And then further below that into the 40 and below ranges where we're looking at where reconstruction is often the most recommended option, but it's the most expensive option.

(01:48:18):

So the graph on the right that illustrates how pavement condition declines over time, and it's an example of good asset management and how the cost of repairs increases exponentially as the condition worsens. So if you were to look into the detail of the graph there, spending about $2, say a square yard for preventative maintenance early on can prevent the need to expend 12 to $16 in this example per square yard of rehabilitation soon after. So really the key takeaway in this is just investing in timely preventative maintenance is really the key to extend, to save money and extend our pavement life.

(01:49:06):

And so a little bit about how we're using asset management. We have a team with our GIS staff and Brandon's team, our field operations staff that's out there seeing our street condition every day and making repairs. And then our engineering staff. And we meet every couple of weeks to see where we're at, what projects are planned where, what pivots we may need to make to address situations to address streets earlier than maybe we thought. But so what we kind of do is as we're looking at our model and the data that we have is that overall every three years now we drive all of the streets in Lawrence and now we have 923 lane miles of streets. We drive them all really almost the same point in time, get an overall PCI, which is great. That kind of tells us where we're at. And so we do that every three years.

(01:50:06):

But then every year in between we are inputting the work history that we do, also inputting any new streets that were constructed with new subdivisions as those come online and starting to use the model to track degradation rates and kind of give us a point in time of where our PCI is at and how we're trending. And so some of the inputs that go into that, we look at degradation rate. And so of the 923 lane miles of streets, we've got about 4,000 unique segments. And all of those streets kind of our little unique, depending on when they were built, the materials that were built with their age, the traffic they see day to day. So they all have their own unique degradation rate, but we look at that and how they're degradating over time. We update annually our treatment costs, so to reflect current pricing and account for inflation, since construction materials change every year we look at our decision criteria, and that's kind of how we define what kind of treatment each street should get and how effective each type of maintenance is expected to be when we do the treatment on that street.

(01:51:20):

Then once we update that, we run the model, it simulates funding strategies, then we take some time to verify some of those results. And ultimately it gives us a recommended funding level to increase the PCI. And as I said earlier, really our goal is to get to a 70.

(01:51:40):

So another thing that the model helps us do, it does help tell us these are the streets in this given year, in the next day five years, that we should plan on doing this treatment level to continue to maintain it. So there's some that is great to have the model, but it also takes, we do use staff time to go out and kind of verify, is it the model telling us to do the right streets at the right time? And then with our limited budget, how do we best use the funding that we have to use? We do some preventative maintenance and some major rehabilitation. It's trying to find the right mix of that and the strategy behind that. So where are we at now? So our last overall condition, when we drove the streets in 2023, we were about a 63.1. And so there on the left, you can see it broken down by street classification.

(01:52:42):

We're down slightly I think in what we're projecting in 2025. Again, that's just a projection until we conduct the next full assessment cycle, which is down slightly, but we are really doing really well on arterial streets. So this is assuming all of the work that is getting done this year gets done. We're looking to be at around arterial 74, which is really excellent. Those are the streets. 23rd Street, Iowa, sixth Street, walk Castle, those streets that are major arterial see a lot of our traffic, high volume traffic, high truck traffic, bus traffic. And so that's something we're really proud on and proud of and that we've really caught up in that area. And so Collector Streets a little less, we're at a 64 now and then local streets is really the area that we need to be focusing on here, and that's kind of what we're planning on really in the next five years.

(01:53:43):

So overall, as we look at these different funding scenarios and models, we're in the range of 85 million to $105 million in backlog. And that would be the amount of money to increase. If we had that money today and spend it, we could really get up closer to the 70 mark, but that's obviously not realistic. So it's making incremental progress over time to keep increasing our PCI. And so another thing that I will say with this is that some of the streets that we've done are major reconstruction projects on. We're seeing less degradation rate per year. I think on average, just on average across the city, we're around 2.5 points per year if we don't do anything. But some of the major work that we have done is starting to decrease that degradation rate. So this graph on the right kind of puts those, gives us an idea of those different condition categories. About 42% is 70 or above, about 42% is in that major rehab area below 70, and then about 16 or so percent is very poor or in very bad condition.

(01:55:03):

So looking forward to our five year street maintenance funding that's in the CIP right now running with our models. We projected that if we had 19.2 billion in 2026 and continued that funding, assuming that that increases by 3% inflation over 20 years, that would be the amount that it would take to get to A-P-C-I-F 70. So you can see in the chart there is what is currently funded in the CIP the next five years. So the green bar is the street maintenance program, which is the bulk of that funding. CIP projects do also represent some funding that's going to street maintenance. So in 2026 we're looking at reconstructing Bob Billings between Castle and Monterey Way, which is really the only street that we've identified of a major arterial street that needs to be fully rebuilt. It is in really bad shape and we continue to do maintenance on that.

(01:56:11):

So that one is going to be, is going out to bid here this fall, and we're looking forward to doing that next year. But other than that, most of the street maintenance money is through that street maintenance program that's in the CIP. So next year we do have a very high funding level. It's really one of the highest that we've had. So we're hoping with that, that we can make some progress and then continue as we continue on in outer years of the CIP and budget cycles that we find funding to continually improve our street condition.

(01:56:47):

And this slide shows, it shows that last slide with the assumptions of the green line being if we had a fully funded program, and this is over 10 years from 2026 to 2036, our trajectory moving towards A PCI of 70. So you can see there on the far left, the first dots in 2026, we start bumping up in 27 and 28. I think realizing some of the planned improvements that we're really investing on here in the next year or two. And then we look into those outer years of the five year CIP 29 30 starts to drop a little, and that's that delta of the unfunded amount where we anticipate inflation to go up. And if we don't keep up with some of the funding, we may start to see this slide a little. So I would say just overall funding is a key component to increasing the PCI.

(01:57:48):

But in addition to that, it's running these asset management models to also do the right treatments at the right time. So that's another strategy where we can decrease the cost per lane mile per year overall across the city. And so that over time, as we continue to do this and it's an iterative process, that we may be able to make some more improvements in PCI without a fully funded program, but it's a combination of the funding and some of the strategies. So I believe that is my last slide. So with that, I'll stand for I guess any questions for me or Nick on any of our slides or information.

Speaker 2 (01:58:39):

I think you alluded to it, but I want to make sure you maybe kind of finish it out for me. You talked about treatment methods that might help to allow or extend the useful life of the pavement that's put down. How much money would you say is the best way to approach the PM or the preventative maintenance cycle or continuously stay on it? Does that end up costing us much less in the near term if we spend say this amount over a period of time just to help get the roads, keep them going along or get them by for a period of time? And then is there some point in time where these treatment methods are no longer useful and then you got to go to a full mill and overlay? Or is there a theory that they get to this point, then you stop with the treatment methods and you get to the full adept repair or something along those means? Can you make me understand that a little bit? Yeah, that's

Speaker 26 (01:59:38):

My favorite slide to show that.

Speaker 2 (01:59:40):

Yeah,

Speaker 30 (01:59:46):

That's the one. Yeah, so that's the graphic on the right, but overall, like I mentioned, every street's different and unique. So 70 is really that cutoff point where we're doing lower cost preventative maintenance. Can you do it a notch or two under 70? Sure. But once you get much below that, that's when we get into more expensive treatments. So we really spend our funding across all three maintenance strategies between preventative maintenance, major rehab and reconstruction. So we've had a backlog in streets that needed reconstruction. So when we reconstruct Iowa this year, we're spending a lot of money on five lane miles of streets, but it needs to be done. And once we get that done, we're not going to be spending that much money on that street for decades. I mean, we'll have major, we'll have minor ceiling we may need to do, but some of these streets we've rebuilt are going to stand up for a long time.

(02:00:55):

So it's really a mix of the different strategies and talking with our field folks, and I didn't have a slide on this, but have, we are tracking the potholes and the costs that we spend on patching potholes. One of the projects in the CIP, that's not an arterial street, but that will be reconstructed I think in 28 is Harvard between Monterey Way and Castle. That's, we've spent a significant amount of money on just routine street maintenance that we saw. Well, we were going to do a mill and overlay on the street and we're like, well, we got to take up the street and redo it. So it's really a mix of those strategies. And so it's not like spending it all on preventative maintenance this year and then major rehab, but it's kind of just looking at the trends. Then we also, we want to do different areas at a time.

(02:01:53):

So you're looking at some neighborhoods and this street may be at a 75 and this may be a 65, but sometimes it makes sense to do the same treatment on the streets because it's within a range. So a lot of those things go into how we develop the program as long as looking at other projects where we're doing water projects, storm sewer projects and timing those. So sometimes we wait sixth street between Iowa and downtown that we did a couple of years ago that we should have done it a year or two before, but we wanted to hold off and do storm sewer and waterline and do it all at once. So there's a lot of different factors I guess, that go into some of the decisions that we make on the streets, but really it's across the board. I don't think we'll ever really get every street over a 70. That's not realistic and it costs a lot of money to improve all the streets at once, but then you're maintaining, then you have all the streets deteriorating at the same rate or similar rate. So it's kind of an incremental strategy to continue funding as we see costs go up and our PCI kind of stay in level or decreasing a little. So I think you answered

Speaker 2 (02:03:24):

My question. Thank you,

Speaker 19 (02:03:26):

David. Oh,

(02:03:27):

Go ahead. Thank you. To kind of follow up on that, I was wondering if you had any information of how far we were behind before we kind of installed this asset management plan, how far below that 70 we were and where we're getting to the point where we're always paying for preventative maintenance where it was not making being fiduciarily responsible, whereas it might've been more responsible just to go ahead and attack it and reconstruct it or something like that. I was wondering if you had any of that prior history or if you had an idea of what excess money or percentage of money that we overspent doing in that preventative maintenance as opposed to getting it done when we needed to get it done.

Speaker 30 (02:04:13):

Yeah, I would say, I don't know if I have an amount of money, but I could say we've been raid the streets for over 20 years. We kind of changed the method in 2020 or 20 19, 20 20 where we drove all the streets at once. We started investing more time with our asset management group and reviewing models versus just saying, oh, this street needs this treatment. And so overall, I think after 2026, I'd be able to answer that question a little better. Once we've had three data points or three cycles of driving the streets and getting a new PCI. Overall, we've been in the lower to mid sixties

(02:05:05):

For the last 10 plus years, but I am an optimistic person and I think that a lot of the investment that we've made, we are going to start seeing some increase over time. We're not going to jump up right away, but I think we're going to be getting there. Especially like I mentioned, we spent so much money on arterial streets. What's a big, big chunk of money when we can spread that out into the local streets, do some lower cost treatments to keep those up, that we're going to be doing more surface area. So not that we want a false PCI, but you can do spend some money on huge surface area and then drive the streets and get a really good number. But that may not be the case three years later. So hopefully it answers your question. But I think really we've been kind of hovering in the same range. I think in 2020. We were around a 65, 20, 23, 63 0.1, and then what we're looking right now is a 62 as a projection. So Gotcha.

Speaker 19 (02:06:26):

That's kind of Thank you. I appreciate that.

Speaker 30 (02:06:29):

The arterial streets, that is the one, the 70.1 in 2023 and now to 74, that's never been higher. I mean that was historically been low and we've been reconstructing streets over the last 15 years to really improve those. So there's been a lot of work there. So that's something where yes, we're down a little overall, but arterial streets, they get driven the most and that we hear most about that we in the past for a lot more about from the public was improving those arterial streets. Thanks

Speaker 23 (02:07:07):

Dave. I just had a quick clarifying question. Between slides 28 and 29, so in 28 at the bottom you say there's a backlog of about 85 to 105 million. Then on the five year street maintenance funding on the piece where it says to get to a 70, it's that funding with the part of inflation. I dunno why everybody's struggling tonight with inflation could take over 20 years. Does that statement include the backlog amount into that? So you're saying that the 19.2, if we stayed with that funding, it would take us roughly 20 years to get to that 70. Does that account for the backlog? That is noted on slide 28.

Speaker 30 (02:07:53):

This being slide 28, I don't have the numbers.

Speaker 23 (02:07:55):

Okay, just go back one.

Speaker 30 (02:07:57):

This is 28.

Speaker 23 (02:07:58):

That's 28 and that's 20 and then the next one's 29.

Speaker 30 (02:08:00):

Yeah, well, I would say the backlog is a portion of that this, these red numbers and continuing that over 20 years. So that's just five years. And so you're looking 30 ish million there over five years. And so it's a range. It's really that number. If we had 105 million, I feel confident we could get pretty close to a 70 if we wanted to next year. So that's kind of want to say the backlog when we run the models, the model is saying that's in today's dollars, that is the deficit that we're at between like a 70 and a 63.

Speaker 23 (02:08:51):

Gotcha. So we'd be making headway, but we'd still be playing catch up for lack of better word.

Speaker 12 (02:08:58):

Yeah. Okay.

Speaker 30 (02:08:59):

Yep.

Speaker 12 (02:09:01):

I got a question, Dave. Are we using LIDAR to evaluate the streets at this point?

Speaker 30 (02:09:08):

We are the trucks that drive the streets every three years. They use lidar, they have cameras.

Speaker 12 (02:09:15):

How long have we been using that to do the evaluations?

Speaker 30 (02:09:18):

We've done two cycles. We did it end of 20 19, 20 20, and then in 2023. So we've done two like called three year cycle. So we'll do that again at the end of 2026 and going into 27.

Speaker 26 (02:09:34):

What's lidar?

Speaker 30 (02:09:36):

Lidar? It uses cameras to get images.

Speaker 4 (02:09:41):

That's

Speaker 30 (02:09:41):

The, but yeah, it can pinpoint down to a millimeter. So these vans or trucks have different cameras that point to the ground. They can measure cracks with the cameras and then ultimately that there's standard testing and measurement procedures that results in A PCI value.

Speaker 12 (02:10:02):

So it's data that's scientifically gathered versus historically didn't the engineers go out and just evaluate the streets?

Speaker 20 (02:10:10):

Correct.

Speaker 12 (02:10:10):

By look, so now we've actually got hard data that we're using to give us a better evaluation. Correct.

Speaker 20 (02:10:16):

That's

Speaker 12 (02:10:16):

Part of our asset management. That's good. Thank

Speaker 3 (02:10:18):

You.

(02:10:21):

I have a question for Nick, but before I do that, can you just, one of my favorite pages to send people to is the PCI page, the website, because people, sadly, people say, well, my street has to be the worst street in the city. And I'm like, well, let's look it up and see if your street really is the worst street in the city. And sometimes it's close, but other times they see, well quay, maybe I'll not so bad. But it also lays out the work we're doing, which I think people are always interested in. When's my job anyway? Maybe just mention that for the people watching how we maintain that and what people can find on that page.

Speaker 30 (02:11:01):

Sure. Yeah. We have a street maintenance webpage, so if you go to our webpage and get to the street maintenance webpage, there's different links. So there's the link that you mentioned that has the PCI for each street in the community. So you can go log in, click on the street segment, it'll tell you the PCI. We also have our 2026 to 2030 street maintenance plan with the funds that we anticipate to have and what streets we will be doing in those years. The outer years are a little less certain. I would say that we've already got our plan for 26 done. We're working on bid documents and plans right now for the work in 26 to start that early next year. And now we're kind of focused on really looking at 27, but you can see 26 through 30 by year what streets and what treatment is anticipated.

Speaker 3 (02:12:05):

And like I said, I think I use this a lot. And for example, my local street is in the 2030 plan, so I tell my neighbors not to count on it, but it's coming. It's at least on the plan that they know when to look at it. So I think it's a very helpful page. Thank you. But I did have a question for Nick. Did I hear you right when you were talking about the cleaning cycle, you gave us the example of the 112 lines we look at. We will previously cleaning once a month. Now we have another set that we've previously been doing every three months.

Speaker 29 (02:12:48):

Yes.

Speaker 3 (02:12:49):

And how many of those,

Speaker 29 (02:12:52):

I think it's a similar number. I know that both groups are around 20,000 feet of sewer. I don't know if it was 112 segments, but it's very, very similar size group. And it's not on this slide 20 sewers were moved to the three month. It's not that group because that group's already been analyzed. So it was the previous three month preventative maintenance cycle that we're going to take a look at with the contract that was on consent today.

Speaker 3 (02:13:20):

And is there another group after that? Is there a six month group or how many groups do we have?

Speaker 29 (02:13:26):

Well, I think we'll want to see how the three month turns out because the farther to the right you get the less low hanging fruit there is, right? If there's not that huge cost of cleaning it once a month, it's harder to make up the cost of constantly TV it. So we'll see what the three month project turns out and if that was really cost effective, I don't see it being like a six month payback because instead of spending 700,000 a year, we're probably spending somewhere like 200,000 or 300,000 a year. So if half the sewers move to the right, it can't pay itself back as quick. But I know that from Scott down through the crews, they all really liked the project and the program of let's just stop cleaning constantly and make sure we're doing that on the right schedule.

Speaker 3 (02:14:25):

And again, that is a in-house crew that that cleaning has for use just because I'm interested. What else does that crew do?

Speaker 29 (02:14:35):

CCTV inspection generally we're trying to TV every sewer in town every 10 years since we did this project, we've been able to spend a lot more time on the larger interceptors, which TV and those, which those kind of have been, I don't want to say neglected, but not scrutinized as much. And then when you have a problem there, it gets very messy really quick. What else, Scott, do they do? Do you want to Yeah, come over here and tell us what other things that those crews do?

Speaker 31 (02:15:15):

Good evening, Scott Fs, general manager, field operations for SO. Yeah, so this is really, we don't give Nick enough credit. We're very excited about this and the hours that is freed up, but again, not neglected, but the interceptors have been ignored for a while for sure, down some of our major thoroughfares and things like that. But we're behind on a lot of manhole adjustments, things in people's yards that are sticking up, things like that. They've just been ignored, a lot of buried manholes, things like that. So that's really where we're focused. And again, we were probably not probably, we were getting behind on our four year cleaning program as well that was starting to stretch into needing a fifth quarter. So it's allowed us to catch up on a lot of that stuff.

Speaker 3 (02:16:01):

Okay. Well thank you. Thank you.

Speaker 2 (02:16:08):

Thank you. I think any other questions before we move on to the finance part of our presentation? I

Speaker 27 (02:16:24):

A spider over here. All right. Good evening again, Rochelle Matthews, director of finance, and I'm going to spend a little bit of time here talking through some of the master plans and guiding documents that then feed into our capital improvement planning and process, as well as some details on the CIP. And so here on the screen are some examples of the guiding documents that shape these things. These play a vital role in making sure our projects align with the strategic goals, and these are the framework documents that we use both to prioritize projects and highlight to our community. Not only are we providing community services, but we're planning for infrastructure in the future. And I think a really key point of the presentation that was just put up is our base asset management skills and processes inform these documents just as much as these documents inform those practices, and it's an ecosystem that helps each other.

(02:17:22):

I think it's also important, this is not an exhaustive list of all of our master plans, that there are many sub plans and supporting documents and smaller items attached to this, similar to some of the camera scoping and analysis that goes into that. A really good example is the citywide strategic plan that houses all our outcomes of the work we do and our commitments of how we do that. And that document is supported by governing body policy such as the fund balance, capital improvement plan and investment policy that help guide how to execute and plan and put that document into the future. I mean, similar to the asset management program, I think one highlight on here that we don't talk enough about is the MSO technical operations and technical resources that help guide people who are building expanding here of what they need to do in order to build to fit where our C's going, such as the Transportation 2050 plan. Each one of these plans is hyperlinked on here. So for anyone who wants more information, these hyperlinks will take you directly to the policy to learn more about those.

(02:18:33):

The CIP process, I know we've seen this slide before, but with our base asset management practices and those development and application of those guiding documents really then brings us into the drafting of the capital improvement plan. And so what you're seeing here is the standard process that the city goes through where we start taking requests in January and February and then they move through the various stages. We're almost on a monthly basis, a specific task is applied to this process. And on my next slide, I'd like to take a couple of minutes to focus on the pure approval scoring process and then the financing plan. So here is a visualization of the prioritization scoring matrix. So when a requester puts forth a project, whether that's a staff member or a community member, they have to score their project to alignment with all of these categories, either from a zero to three or a zero to six number when they submit that.

(02:19:32):

And then there is a robust review by our champions as well as technical experts to review the project details and the scores for these areas to affirm them, update, amend them to get to a final score kind of in the yellow box, which then we apply a weight to based on the strategic plan and guidelines we put forth to get to a final total score, which then is reported to you all in the CIP plan. So there's a very robust review in that March to April timeline where we're developing, for example, I am the sound fiscal steward champion, and so in my area we're asking questions like, what is its impact on resources? Would this project generate new revenue? Or conversely, what is the impact on resources from a budgetary perspective? Would this project potentially save budgetary cost or would this project need additional operational support?

(02:20:32):

So we're identifying those as part of the process when we're looking at the process to then when we give us decision points and data to move on to the next section. So for these, we're specifically looking at the debt service fund, which is a budgeted property tax mill Levy used to pay for general obligation debt. So we heard a lot about some water utility projects. Those are revenue bonds. This would be more of the streets and Dave's PCI, this is a 10 year look back at the mill levy that we have budgeted in that fund. You'll see a slight increase in 2018 where we specifically set mills aside to construct the new police department building and then leveled out. And in 2023 we did move mills into the general fund for general operation support. And pretty much since then we've held the mill levy flat.

(02:21:24):

So once we have a CIP document that's been reviewed and a list of projects, we then have to compare those needs against the funding level. In the case of this fund, we take this mill rate and the assumed assessed valuation to generate what's a revenue amount that we can budget against and staff work collectively as a review team with the CIP committee, city management commission input. And we separate those projects into the funded unfunded, so that very much that chart that Dave showed earlier with what can we fund and what is unfunded trying to capture our true needs of the infrastructure for the city. And so then we can bring forward to you all sections of the CIP have those projects outlined across by years of funding and then also the unfunded portion. So once we get to there, that is how we build A CIP that fits into the financial forecast. For example, here in the debt debt service fund, once we get through community input, public hearings and the final adoption, we would then take that plan and move towards the capital financing phase that our friends at Baker Tilly are going to talk about. But I would pause here for a minute to have any specific questions on these.

Speaker 2 (02:22:45):

Any questions? None for me.

Speaker 23 (02:22:49):

Rochelle, question slash comment, but mostly a question. I know that we've had several conversations, or at least it's been brought up about why don't we forecast mill levy or certain things out five years, 10 years and whatnot. In your opinion, in your expert opinion, why is that a practice that we could do, we should do concerns cautions if we do move forward with something like that?

Speaker 27 (02:23:20):

Sure. So it's very easy. I think Dave alluded to this point, the five-year window when we know the projects and we have a certain level of confidence and we know what assessed valuations growth is going to be, we can estimate general inflation on both sides of the income statement. And so that is part of the process. Before the budget team and I bring you a CIP, we complete that over a five year window and even a 10 year window and we've provided that in the past CIP process and we can excel as a wonderful tool. We can go out any number of years, but the cone of uncertainty starts to open up of, we can make some assumptions about not promising everyone's streets are going to get done in these certain years making some assumptions about inflation, about population growth, assess valuation. We can make those. It just the certainty becomes less and less. And so you then have to discount that information for planning purposes. So we do perform five year and 10 year lookouts when we're preparing these kinds of things and when we're evaluating projects. So it is a practice to put these forecasts out. It's just the tenor of what is our level of risk we're willing to accept for going out when we're having to make bigger and bigger assumptions about future years.

Speaker 4 (02:24:45):

Thank you. Thank you. I think you're good. Thanks. So

Speaker 12 (02:24:58):

Could we take a short break?

Speaker 2 (02:25:00):

You bet. Before we get into the finance break, 10 minutes or five minutes. How much?

Speaker 12 (02:25:05):

10 minutes fine.

Speaker 2 (02:25:05):

10 minute break. We'll be back in 10 minutes at 7 29 or seven 30. We just know you're going to talk a long time. We will not buddy.

Speaker 1 (02:25:14):

He said that I did it. Put your sweater. I

Speaker 19 (02:35:14):

Was going to make it all the way through, but nope.

Speaker 1 (02:35:15):

Yes.

Speaker 2 (02:35:16):

Okay. I think 10 break is over and please proceed. Tom

Speaker 32 (02:35:22):

Mayor commissioners Tom Calico with Baker Tilly municipal advisors. So just to kind of put this into context, you've heard tonight about how decisions are made in terms of what capital

(02:35:34):

The city needs to invest in. You've heard some discussion about how the city decides how they're going to fund it, what they're going to fund. We're going to talk briefly about how that gets the actual financing of it and talk some about how some impartial third parties view the city's success in financing its capital improvements. So just for your benefit and the benefit of those who may be listening in a little bit about Baker Tilly. Baker Tilly is a large accounting and advisory firm, one of the largest in the nation within Baker Tilly, there is a group of us who focus specifically on the public sector.

(02:36:18):

Our little part of Baker Tilly is called Baker Tilly Municipal Advisors. We are a regulated industry. We are municipal advisory under the Dodd-Frank Act became a regulated industry. We're regulated by the Securities Exchange Commission and the Municipal Securities rulemaking board. Under that, we have a legal fiduciary responsibility to our clients. That means that we are legally bound to put our client's financial interests before our own, which makes us a little bit different in the municipal consulting world. Baker Tilly, because we're big, we're the fourth largest municipal advisor in the nation. We are oftentimes contributors to both at the state level and the national level, the field of public finance.

(02:37:13):

So for purposes of the tonight's discussion, I'm actually going to sit down here in a minute, so you're not going to hear from me. You're going to hear from one of my colleagues who's with me tonight, David Erdman. And I wanted David to come in because he really is one of the leaders, if not the leader within the firm in terms of kind of thought leadership on public finance and financing of capital improvements. And I wanted to share with you briefly his bio. He's a managing director with Baker Tilly municipal advisors. He has more than 30 years of public finance experience at a major state level issuer. He's an active advocate for leadership and municipalities and municipal bond market. Anecdotally, I like to point out to people, every industry has its trade publication and we have one too. It's called the bond buyer. When the bond buyer needs a quote for something they call David, he is part of our national larger large issuer group that supports the Midwest.

(02:38:17):

He has extensive relationships with the regulatory agencies that I alluded to earlier with significant experience in all types of credits and transactions. He was a member of the state of Wisconsin Capital Finance Office from 94 to when he retired in 22, starting in 2015, he actually led the state of Wisconsin's capital finance office. He's a past chair of the state Debt Management Network and he's a past member of gfo, the Government Finance Officers Associations Committee on Governmental Debt and management. So I'm going to turn it over to David to take you through the balance of the presentation. Thank you.

Speaker 33 (02:39:06):

Good evening. Thanks, Tom for all those kind words. The one thing, I did a lot of stuff at the state of Wisconsin at the state level, but it's meetings like this which are more rewarding. Personally, I'm involved quite a bit at my local government in Stoughton, Wisconsin. I share my utilities commission. I'm a volunteer EMT firefighter work, the polls board of appeals. So I really like getting to local government matters. So it's really great to come and share some insights with local governments. So I appreciate the opportunity. Three things we're going to cover tonight mostly is looking at the interim financing and capital projects, looking at that third party rating, agency credit opinion of the city, and also looking at what underwriters and investors feel about the city's credit and then just offer some conclusions and open it up for questions.

(02:39:52):

So currently the city does a two phase financing. They do the annual issuance of those one year notes and then a year later they take it out with the issuance of fixed rate bonds either that year or the year after and so forth. It's been a practice that's been going on for a while, and I believe it provides the city and the city staff some flexibility. It allows for final budget numbers to get finalized before you do the long-term borrowing allows for certain changes in the capital improvement plan before the long-term borrowing is issued. So it does provide some flexibilities, but when I started looking at this, I also identified some costs and risk. You're going through two transactions rather than one. You have some market and credit risk, you shoot the temporary notes and a year later you have to take it out With fixed rate bonds.

(02:40:34):

What if interest rates go up quite a bit? You could have locked in a lower interest rate in the first year. What if there's some economic event where we go into a recession where interest rates go up a lot because of that or you're locked out where you can't access the market. So there's a different risk out there that kind of offsets the flexibility. So as we discussed this with the city, we discussed that we probably just need to have some time to review the use of temporary notes and alternatives to address both the city's needs and goals, but also address some of those risks. Options include internal borrowing using some cash, and we reimburse the city after the period the projects are completed. Doing multi-year interim financing. Some people actually will use those short-term notes, but more to diversify their debt portfolio, not the kind of plan for budgeting purposes.

(02:41:16):

But hey, rather than having all fixed rate bonds, I might have some short-term debt in my books. So there's different ways to go about that. Typically the temp notes is usually called bond anticipation notes or tax anticipation notes, and you typically see it when you don't have money to repay the debt like you're building a sewer system. You need some time there to build the sewer system in order to collect the revenues, then issue the debt. So there's different ways in which we could probably balance some of the risks that are out there. Some of the projects that the city goes through might be beneficial due to temporary notes, but there's probably some projects that might just be easier to do fixed rate bonds right off the bat and avoid the use of interim financing. It'll make some of those risks. So we'll work with the city.

(02:41:53):

We're proposing to work with the city to look at different alternatives as to the financing structures they use. The other thing too is the official statement for the city's general obligations. One thing I noticed is that the official statement includes a listing of all the projects that are getting financed, and this is a general obligation of the city. Typically, you don't see that in a general obligation official statement. The credit or the security for those bonds is the full faith and credit of the city. So whether that project's successful, whether that project goes over or that project goes under, the city still has to pay that debt service. Typically, you don't see projects listed to this extent unless it's a revenue bond like a toll road. Obviously someone who's investing in toll roads wants to know if the bridge is going to get fixed or if the roads are going to be good.

(02:42:34):

So usually you list those projects out for those kinds of official statements, but not typically for a general obligation. So one alternative to balance these risks will also be to take a look at kind of disclosure practice of the city, maybe to move that transparency from the bond offering document to a different place in the city's website and eliminate some of the information that's out there for the bond disclosure. So that's the first area we looked at. The next area we want to talk about is rating agencies. Obviously everyone thinks the rating agencies are important and they provide an assessment of the city's credit. The other misnomer about rating agencies is that often people tie a bond rating to outstanding debt. The more debt you have, the lower the ratings should be and vice versa. This slide I have right now really talks about the different four angles of ratings that Moody's and other rating agencies use, and you'll see leverage in the middle there.

(02:43:23):

It's 30% is just a portion of what rating agencies actually look at. The other two components they look at is economy, financial performance such as reserves and liquidity, and then what's called institutional framework, which is the lowest factor that looks at management of the city. It also looks as to what your local ordinances are, what your past practices are, what state laws do you have that impact what you can do here at the local level. As Tom said, I come from Wisconsin and in the state of Wisconsin we have some very tight caps on what governments can do. So a lot of governments in Wisconsin, local governments in Wisconsin don't score well here because they can't raise taxes to what they need to in order to address some of the concerns that are going on. So this 10% will take a look at that as to how it impacts the city's overall rating.

(02:44:08):

So what their agencies do is they look at all these different factors, gather information in from your audit, financial statements, other disclosure, other information, capital improvement plans as we discussed earlier. And they basically do a scorecard where they say, okay, based on all these factors and all these waitings here, here's where we can get to a final rating in the next slide. We've done that based upon the city's 2024 afer and a lot of small numbers here, but the bottom of the page, the key thing is that based upon their metrics, the city comes out at a AA two, which is a AA even rating. Moody's has a double A. One is AA plus, AA three is a AA minus. So AA two per the Modi scorecard is where they come out. For the city of Lawrence, you will recall that the city's actual general vacation rating is AA one. So there's some notching that goes on. And one notch that the city gets an advantage of is the presence of the University of Kansas, which is the pre stabilized institution here in the city. Other factors that are part of the notching process is demographics, financial controls, management, ESG, risk, cybersecurity, different things that really you can't add a number to based upon information in the act for, but other information that they can take into consideration to get to the final rating.

(02:45:22):

A AA one rating for a city is good. This chart here just shows from Moody's back in April, 2025, the distribution of their ratings. And you'll see fewer communities have actually a AAA rating. Lawrence, that AA one and the medium for all city ratings is AA two. So ahead of the curve. Often we get some questions about AAA rating. Obviously it's pretty impressive. It sounds good. It's an expensive luxury to have to get to a AAA rating. You have to make certain commitments. The bigger issue is maintain that aaa because you have to lock in certain reserves, meet certain levels. As I've often told people kind of sarcastically from aaa, there's only one way to go, it's down.

(02:46:06):

So it's pretty expensive and we'll get into it later, but this is just an opinion of a rating agency. It's not really the important opinion for the city as to the cost of their borrowing just for information, we looked at Moody's information for other Kansas municipalities that are similarly rated and just provided a bunch of data here as to how Lawrence compares to some other communities. I'm not going to go over all of it, but I think you'll see that some have a lot of debt, some don't have much debt, some have a lot of reserves, some don't have reserves. And these highlights again that the rating of a municipality takes into account more than just outstanding debt.

(02:46:45):

So that's for the general obligation. I guess before I jump into the utility, I just want to read a statement, and I'm not sure if you've seen this, but Moody's has rated the city twice in the last year and a key paragraph that is included in the rating report for both credits to the general obligation and the recent water revenue credit is this, the stable outlook reflects the expectations that continued economic expansion, utility rate increases and formal financial policies will enable the city to maintain its strong financial position and manageable long-term liabilities while implementing the capital improvement plan. So in short, the rating agencies, Moody's is aware that there is some additional debt coming through the city staff us, its Baker Tilly have shared with the rating agencies and they understand that there is capital improvement costs, there's unforeseen situations. I have a client right now outside of Milwaukee, which needs $40 million to build new public works building.

(02:47:42):

They normally issue about five, 6 million a year. So at $40 million, it's like, oh my goodness, the rating agencies are aware that stuff happens and it's part of the planning and you just don't want to surprise a rating agency. You want to make sure they're aware of what's happening. I think there's been good communication here for the Moody's to understand what's going on in Lawrence. Again, that's for the general obligation or what we considered to be the city's rating. Now looking at the water and sewage revenue credit, same thing. It's not just that, it's multiple factors. And this page here, there's actually five or four different categories. The system characteristics, which is like the water sewage system, the financial strength, debt service, coverage management, and legal provisions such as additional bonds, tests, rate covenants and so forth. So different criteria than the city's general obligation or Moody's general obligation.

(02:48:26):

And we did the same thing using the fer from 2024, come out with a double A three rating based upon the different way the information flows through. You'll see the management has a pretty good rating. The financial strength has some aaas and single As it's all weighted. And again, this scorecard comes out with a AA three notched up to AA two. And that difference between the general obligation and the water credit is something that sometimes will show some strengths of the utility or weaknesses of utility. And having just that one notch from AA one to AA two, it's pretty consistent and highlights that it's a pretty good managed utility in our perspective.

(02:49:07):

As for the AA two, how does that relate to other municipalities? Similar chart? Right now you're in the category of most of the other ratings. The median actually has a AA three. So similar to the general obligation, the city's water credit is higher than the median of other utilities across the United States. So that's just again, the third party from our agency's perspective, it's important. People always talk to it. But the key thing is Moody's doesn't buy your bonds. Investors do underwriters do. So it's their opinion, it's important it they may use that Moody's information to formulate their investment decision, but they also make their own investment decision. The world's a different place. Now, the internet AI investors can get this information without going to Moody's. So it's actually the underwriters and investors, which is an important part to look at. So one way we kind of gauge as to the strength of the credit is well, what is the interest from those communities?

(02:50:02):

So looking at your general obligation sales from the last three years, this is a lot of numbers here, but I want to point you to the column called spread, which is the middle column for each set of numbers. And that's the spread over the index in which the bonds were sold. And you'll see for 2025 for example, it started up at five basis points and increases upward, but nothing here is alarming to us. These are spreads that we find are pretty consistent with a double eight one rated credit. So from this we're like, well, your bonds are pricing in line with the rating you have, meaning that the investors are sharing the same opinion as Moody's. The next thing we look at is, okay, when you go out to a competitive bid of your bonds, how many bids are you getting? Who's all interested? And you'll see here that the number ranges, I think from eight to 11 as to firms that are interested in your bonds.

(02:50:48):

When I try to explain municipal bonds, sometimes I go back to cars and how you sell cars, and this is an example, you have a car, you want to sell it, you put an ad out or you put it on Facebook marketplace or whatever you do these days. And obviously if you just get one interest in that car, you're going to be like, Hmm, is that car really worth anything? Only one person's interested in it, but if you get like 10 replies or 12 replies, a lot of people are interested in that car. And likewise now they're starting to fight over the price of that car. The same thing kind of happens with municipal bonds. More underwriters and more investors that are interested in help the city get a better cost of capital in their borrowings because more people are interested in the bonds. And here again, we see eight to 10 bids, which is very good for a AA one credit rated credit. That's where the general obligation credit, similar information for the AA two rated water credit. The spreads are a little bit wider because it's the lower rated credit, but also getting good interest from the underwriters. Eight 12 bids here too. Highlight that the Baird winning bid back in 2024, there was actually 26 different underwriters that participated with Baird net bid. So while we're only showing possibly eight or nine different bids here, you probably had close to 40 different underwriters interested in those obligations when they sold back in 2024.

(02:52:06):

So this summarizing why I just said based upon the number of bids that you're getting, it just seems that there is good interest in the city's credits. Next slide. I'll actually show you some other numbers. From a base perspective, the only requirement out there is from a Texas M to law standpoint is that you really need to get three bids in order to meet some tax exempt law provisions. So anything over three is a bonus.

Not saying three is the minimum, but that's just one number that's out there. The other thing that we look at is just the spread between the bids and just going backwards for a little bit, this bid from that I mentioned about Baird, you'll see the winning bid was a 4.036, the second bid was a 4.0377 pretty close. That means a lot of investors, a lot of underwriters shared the same credit opinion about the city and they bid aggressively to get these bonds in order to have this spread very close like that.

(02:52:55):

So that's something else we look at that kind of gauge some strength as to the city's credits, how many bids are good? Here's just some information that we pulled from the MSRB. Tom mentioned how we're regulated and one of the regulators that we have is the municipal securities rulemaking board and they do some market information and one thing they looked at was the number of competitive bids from 2009 to 2019 and for the size of transactions that the city normally issues during that time period, the range was probably five to seven bidders and I showed that the city is getting from 8, 9, 10 different bids, so you're above the average. You may say that's an old study from 2009 to 2019, but they did a follow-up study in 2020 and that still was around that five to seven range. So getting more bids than what the national averages show.

(02:53:45):

The final way in which we kind of gauge investor settlement is when you sell bonds, they get bought by an underwriter and an investor and those are remarkable securities. So after a certain amount of time, whoever purchased those bonds may say, Hey, I want to sell these in the secondary market. Going back to the car example, Hey, I bought that car, I want to get rid of it. What's the value of that car? And we looked at the 2025 transaction, just saw what kind of activity happened after we sold those bonds in April, 2025. And the spread to MD column here is the one I wanted to highlight is that six months after that the bonds were still selling in that 11, 14, 16 spread. That maturity when we sold it in the primary market was actually 20 spread. So actually pricing through the primary market, not saying that investors have a stronger opinion about the city right now, but what we watch is to make sure that you're not losing value with the investors. So another way in which we kind of just gauge as to what's going on with investors and interests in the city's bonds.

(02:54:43):

So covered three things quickly. I talked fast first, the national rating agency, it really has no concerns. I read to you what they say in their statement. One thing I want to highlight is that using the 24 results I mentioned that the city's underlying geo rating was a AA two notching up to a AA one last year. That spreadsheet actually came in at AA three notching up to a AA one. So from a Moody's perspective on that spreadsheet, they were saying, Hey, it's a little bit underlying stronger credit here, and it's because of the strengthening local economy. Underwriters and investors continue to show interest in the city's obligations based upon the numbers they showed you. No concerns that we're seeing right now from rating agencies and underwriters, obviously transparency, sharing information with the rating agencies, sharing information with investors, making sure they're all aware what the plans are for the future is important to help keep that investor relations and credit agency opinions going forward. And then finally related to the process, again, we just think there's probably some more discussion that's needed to look at how we balance that interim financing process that's currently being used. Questions.

Speaker 2 (02:55:50):

Thanks David. Any questions?

Speaker 4 (02:55:55):

Okay, anybody?

Speaker 3 (02:56:03):
Thank you.

Speaker 33 (02:56:04):
Thank you. Thank you.

Speaker 3 (02:56:05):
Always afterwards.

Speaker 4 (02:56:06):
Thank you.

Speaker 2 (02:56:17):
All right. Is that the end of our presentations this evening? I want to make sure. Anything else that you wanted to add after all this was put forward? Well, appreciate everything that was provided. It was very educational and I still want to know why they bump us up or down, but I had the idea that we're looking like we're financially at least the community is looking better than it was a year ago, which is always good news.

Speaker 23 (02:56:45):
Mayor, I have a quick question I wanted to ask in regards to, I know you had spoke to some of the restrictions that local governments, local governments or municipalities have in Wisconsin just because of state statute or whatnot and not trying to do apples to apples or apples to orange comparison. What could potentially be some red flags for us that could be passed down from legislation from Topeka that could impact how we move and our forecasting and credit scores?

Speaker 33 (02:57:25):
But they said they wouldn't hear me unless met the mic. That could be various means. I think your local government trade organizations, whether it be legal cities or municipalities organization, I mean they'll be aware and they'll see this when it comes up in Wisconsin, we can only increase our tax levy by our capital improvement in the area, so like 0.3%. So we're really restricted as how we can increase our tax levies. So that's the example from Wisconsin. But I think the key thing is, is that it will be so dramatic on all the communities that the trade organizations that represent you will see this happening, raise some flags, let you know that to say, hey, you need to call and let people know this is bad for them.

Speaker 26 (02:58:08):
Okay.

Speaker 23 (02:58:09):
Alright, thank you.

Speaker 26 (02:58:12):
Just to expand on that while we have you here, are there some states that have put some policies in place that affected municipalities that are coming to your attention that did affect the credit worthiness of the municipal bonds?

Speaker 33 (02:58:25):

The one that I'm well aware of just because we have a large presence in that state is Indiana and Ohio is also taking a look at what Indiana did, passing some provisions that, in my explanation, underlie just the general credit strength of a sub entity in that state. So are some of these changes related to politics? Unfortunately, yes, but Indiana is the one right now that I'm aware of that has happened. That's getting a lot of press and concerns. I mean, to the extent, and we talked about the risk about the temporary notes and issues to general obligations. There was a time period, I think we might still be in that time period where governments in Indiana couldn't issue bonds because people hadn't digested yet what the change in statutes were in the state of Indiana. Yeah,

Speaker 26 (02:59:11):

There are unfunded unfunded pension liabilities at state levels. I know that have affected some of the other states that I've been in where we just couldn't get the increased bonds

Speaker 2 (02:59:31):

Public comment on this item. Oh, you got, I'm sorry. Did you know the question?

Speaker 23 (02:59:37):

It's a legislative question, but I'll wait. I'll let us get the public comment. Sorry. It can wait.

Speaker 34 (02:59:52):

Hello? Hello? Mandy Enfield. Could you pull up my image?

Speaker 5 (03:00:22):

Did you cut? Set her? Yep. Okay, sorry. That's all right. Just making sure.

Speaker 34 (03:00:29):

Thank you. Thank you for discussing the city's debt financing with your municipal advisors tonight. They concluded that the city's debt is sustainable based on its credit and the demand for city bonds. However, their analysis looks backward. The coalition, the Coalition for Collaborative Governance has been asking the commission to discuss how the city plans to pay for the substantial debt it already has and the additional debt it is taking on in the next few years. The city's current credit rating reflects 429 million in debt as of the end of 2024, but for 25 and 26, the city has approved another 264 million in debt funded projects bringing the total to about 653 million. By the end of 2026, a 52% increase over the level used for the current credit rating between 2027 and 2030. Another 104 million is already approved and that number often grows over time. Can you pull up my second image?

(03:01:42):

Since March, our coalition has asked for details about how the city will pay for this future debt. Five months later, the city finally released partial payment plans, one for property tax funded debt, and another just yesterday for debt paid through utility fees. Together these documents show that by 2030 annual debt payments will rise by about 20 million, a 64% increase in just five years. Can the city afford those higher payments when it had to make 6.6 million in cuts just to balance the 2026 budget? And can our residents afford to pay 20 million more per year than they do today? The city plans to cover some costs with cash reserves, but most will come from continued utility rate increases. Utility fees have risen every year since 2020, and the city plans another 44% increase between 2025 and 2030 with more beyond that, the city's credit rating may stay strong because it will keep collecting more revenue, but our coalition believes the more important question for the commission is this, do residents have the financial capacity to absorb these ongoing increases? Thank you.

Speaker 3 (03:03:01):

Thanks man.

Speaker 35 (03:03:06):

Christina McKenna 6 6 0 4 6. The Coalition for Collaborative Governance supports the city's effort to evaluate its use of one year temporary notes and appreciates this step in improving former practices so we may have a better way forward. Together we're allies for good stewardship and as taxpayers who fund city operations and capital planning, we also rely on clear and accurate disclosures of funds throughout all stages of planning and project execution. I have spoken to you before about how the city's documentation of reissued temporary notes has obscured how much new debt the city is taking on each year and how much the city's debt payments are each year. Along with the concerns this raises currently the practice of reissuing one year notes blends of funds returned unspent from the previous temp notes, along with the relevant principle and interest inflating reported expenses. It then combines a new amount where they have have reborrowed proceeds and new temp note issuances, inflating reported revenue.

(03:04:02):

As of now, the city returns unused funds from previous temp notes and blends this with the principle and interest payments they make, which inflates their reported expenses. The city then combines the amount of the reborrowed temp note proceeds with new temp note issuances inflating the reported revenue. This obscures tens of millions of dollars in annual debt activity and conflicts with the city's stated commitment to providing transparent, easy access to relevant, accurate data for budgeting and decision-making, making the documentation difficult to comprehend and reconcile. To resolve this, we recommend issuing a single temporary note for the duration of each project. So revenue and expenses are recorded once providing more accurate budgeting information and monetary savings when also considering closing costs. If the city continues annual reissuance, we request you please provide plain language, breakdowns of debt, issuances, repayments, and usage in the public budget. Debt should remain tied to specific projects with documentation that allows comparison of approved budgets to actual costs along with exactly how the funds were used.

(03:05:02):

Finally, we ask the city not give ear to the statement on one of the slides that the city can reduce project details and official statements. As the city came in transparent with other avenues as the lack of clarity and transparency we already have from the city to the community at large is what is so frustrating, and we find those details to be essentially yet already lacking. We offer these requests in partnership to help the city deliver the transparency and fiscal accuracy residents expect and deserve, along with allowing for truly collaborative governance and support by the constituents who voted for you to represent them. Thank you. Thank you.

Speaker 5 (03:05:45):

Can you grab, pull up Holly? Sure. Thank you.

Speaker 36 (03:05:54):

Thank you for discussing the city's debt practices and credit rating this evening. The Coalition for Collaborative Governance hopes that this discussion can also address the city's long-term plans for paying their debt and the impact this debt will have on your constituents. Just yesterday we received up-to-date information about the city's plan to pay for their revenue bond debt, and it shows that the city plans to increase utility rates every year through 2042. The end of the chart. I previously shared with you how changes to the city's utility rates would affect an average Lawrence household and Commissioner Sellers suggested that it would be more transparent to show how these rate increases will impact different types of households. City staff had never provided baseline data for different sized households before. So Melinda Harger assistant MSO Director, kindly and promptly helped us find the information needed to do this analysis. Our analysis demonstrated that between 2020 and 2028, the city will have increased their utility rates and average of six to 8% per year for eight years in a row with a cumulative increase of 57 to 80% or even more depending on household type and size. Would you display my second image?

(03:07:07):

This chart shows how these utility fee increases have and will affect single family and multifamily households with one to five people in them during this eight year. A household of four in a single family home should expect to pay 1,276 more in 2028 than they would've paid in 2020. While a single resident in the same type of home would expect to pay $520. More families in multifamily homes should expect slightly lower increases and very low income. Elderly residents receive a 65% discount on these bills. Increases in some of the utility fees have a greater impact on larger households, so a household of four and a single family home would see an 80% increase in this eight year period while a single resident in a similar home faces a 67% increase. These rate increases are likely more than double inflation, which can be expected to be around 33% over this eight year period.

(03:08:05):

While other Kansas utility companies have raised their rates this year, none have done so repeatedly. Black Hills hadn't raised their rates in more than 10 years and ever. G has only raised their rates one other time in the last eight years. An important goal in the city's strategic plan is to provide access to affordable housing, yet rising utility fees reduce housing affordability and members of our community struggle financially. A survey recently released by Harvard shows that 40% of people under 30 are barely getting by. As you consider the city's long-term plan for paying off their debt, I ask that you evaluate how the city's debt decisions are impacting the affordability of our community housing. Thank you.

Speaker 2 (03:08:56):

Any other public comment in the room? Sherry? I think there's one hand raised. Yes. Okay. Thank you.

Speaker 4 (03:09:14):

Jeffrey

Speaker 5 (03:09:15):

Ler.

Speaker 37 (03:09:20):

Hey y'all. Jeffrey LER 6 6 0 4 4. Can you hear me? Thumbs up?

Speaker 2 (03:09:24):

Yes, sir.

Speaker 37 (03:09:25):

Awesome. I just want to say I really appreciate all the information presented tonight. I learned so much. This is pretty incredible. Happy to hear about the sewer cleaning program that's been happening and that's been very much improving the situation and that we're using good data to inform updating that maintenance schedule. And so we're using good data to inform good governance. I just want to state out the blue, we need systems that are prepared for climate resilience as far as street maintenance goes. I love that we're using lidar. That's so cool. I want to ask what other innovative technology or solutions are we using or we might adopt to reinforce any weak points or the actual construction of these streets that we're investing so much money into? I know this is a major portion of the budget and I understand it's a loud issue and I did see that there seemed to be room in that maintenance curve that was showed earlier. Finally, for the streets, I look forward to hearing about any collaboration that could happen between MSO and the streets to inform the data and data collection and making models to increase that PCI number. They were hoping to achieve the CIP sound like you could commit, the public could submit projects to it as long as it got a high score. So I'm going to look into that and see if I or others can contribute to that process. That's really encouraging to hear. I suppose that's all for now. Thank you.

Speaker 2 (03:11:29):

Thank you Jeff. That's it, mayor back. Ed, does anybody have any questions after hearing the public comment or do you want to provide any feedback after what we heard tonight?

Speaker 19 (03:11:55):

I had a question just kind of similar to what Mr. Heppler was referencing, but not quite. I was just curious if Dave is around just on the streets themselves, how the level of degradation has decreased over years. If you have any information on how more efficient we've become in building city streets and if they can last longer so that we won't have to address them as much.

Speaker 30 (03:12:28):

Yeah, I don't have any good data I would say, but there's been some things that we've done over the last 20 years with specifications and materials that have improved the longevity of streets. The big thing that was done about 20 years ago is treating the base, the soil underneath the streets. We have a lot of fat clay in Lawrence that shrinks and swells with water. It turns into Play-Doh if you don't treat it. And so we had a lot of streets built 20 years before we started using treatment that were built on this bad dirt and then we have to, they cost more money. So I wish I had some good numbers to say, well, these streets built in this decade or whatever, whatever are lasting longer. I don't know if we're there yet. We have, like I said, we have 4,000 segments. It is tied to the work history that we've done on those segments when they were built.

(03:13:36):

So those are things that we're continuing to try to, those are things that we're working on I would say. So those are good, I guess good things that we need to keep thinking about. Same thing with concrete. We've been using durable aggregate and concrete the last 20 years, which concrete that was poured before that had older limestone in it that shrunk and swell and broke up and it didn't last very long. So streets that we've built with concrete or curb and gutter in the last 20, 25 years is lasting significantly longer than just 10 years before that. So those are a couple of examples. And then other things just in the realm of technology and speaking about lidar, AI is getting a big footprint into street maintenance as well in different communities and different softwares that are able to really look at high level scenarios and fundings.

(03:14:41):

A lot of it from talking to other communities that have done trials or companies. It's not completely there yet where you still need to have the human element and being able to do a lot of inputs into that to train it. But I think that the future, there's a lot of, if the future is moving quick in technology and innovation in a lot of areas, but street maintenance as well. So LIDAR is cool too, but there's cars now have smart technology where even cars report data back to the manufacturer on bumps and there are trials that are going on in academics and with other communities for cars that are reporting that kind of data. And so like I mentioned, we plan on driving the streets once every three years while in the future there's going to be more live data that will be out there from just people driving the streets that we may have access to keep getting more iterations and things like that in our modeling. So we're monitoring a lot of these technologies and having conversations and talking with other communities that have done trials of different materials or softwares and just because things that are interesting to me and I think things that are, it's really the future of asset management. So

Speaker 19 (03:16:18):

Cool. Yeah,

Speaker 30 (03:16:19):

That's

Speaker 19 (03:16:20):

Good to hear. Thanks.

Speaker 30 (03:16:20):

Well, there's probably a lot of things I just was mentioning, but hopefully that answered some of the

Speaker 19 (03:16:26):

Oh no, it did. I was kind of curious. I'm glad Mr. Heppler mentioned that I was kind of curious myself to see exactly what kind of innovation, other innovations we were thinking about or were on the table.

Speaker 26 (03:16:37):

We should say bike ped and transit services, reducing rides, traffic too. Two.

Speaker 2 (03:16:50):

Alright, any other questions or comments?

Speaker 3 (03:16:54):

I just make a couple comments. Thank you for the presentation one, I enjoyed that presentation. Learned a lot. And remember when we first saw the asset management plan a couple of years ago, it was very exciting and we had seen that similar chart that Nick presented earlier talking about how we're doing some of our stormwater projects. And I still use that in some and the talks I give around the community because it's a very interesting tool. A couple things I would add, I was joking when we had outbreak, when I joined the law firm in 1999, 2000, the first time I tried to sue the city was for the sewer backup because back then people's houses got backed up all the time and Jerry Cooley was defending the city at the time and for anyone knows Jerry, he did not settle very quickly, let's say that. But back in the day, back in the early two thousands as that report said, I mean it was a common occurrence for people to have damage in their house, to lose family photos, to be very mad with the city. So it's not just saving time of our workforce. I mean it was saving time all over the place and obviously good for the community, but I remember that. But I would say a couple things.

(03:18:31):

We had talked about several of these charts, but the chart on the bond, the mill rate on our debt that we dropped that in 2023, about a million and a half, and I'd kind of forgotten about that until looking back at that. But we talked about this before in 2023, we had a 26 million balance in that account and revenue over expenses was $6 million. And I think at that point we decided well, we could slow down the increase on that. And even after that reduction, we've been bringing in about two in 2024, about two and a half million and 20, 25 million in 2026, not quite so much revenue over expenses and have that balance in the 34 million range. And so we've talked about this before about the ability to pay on go bonds obviously have all sorts of things, but one of that is what's our mill levy and we've been able to keep it in this long range plan of our debt service in that 10 year chart that the coalition put up there. That's assuming we keep the mill levy at the 7.9%, which is the lower rate that we've kept since 2023. And I think that's something to be proud of, not the higher rate. And so I was interested to see that.

(03:20:17):

The other thing I would comment, which Rochelle talked about, you can do all sorts of things with spreadsheets and yeah, I mean one of the things you do with spreadsheets is what's the increase in our operating budget every year going forward? And when you look at our revenue model, we put in there 4% when we're talking about increase in salaries, increase in health insurance, increase in inflation to have that 4% increase. So to talk about what the increase is going to be over a 10 year period, well you're going to have those higher costs. And so the real question is these, obviously what we intentionally did a couple of years ago and plan to do for the next couple of years is what's that amount above the 4% that seven, eight, 9% that we have intentionally put into place so that we could do these major projects?

(03:21:15):

And so no question, it's expensive. No question people are paying for it. But obviously as we talked about what we're getting for it, that's the trade off. And the last thing I'd say about this, and I always like to remind people about this, don't forget that KU and nonprofits and churches pay wado, they don't pay property taxes. I think, I think we saw that a couple of weeks ago. KU plays something like two and a half million dollars a year or something in Wado more than that, that's a low number, much more than that. But to be able to our asset management planning where we make sure we're allocating those costs between property tax based and revenue based, it's important to make sure places like KU and our nonprofits, our hospital, our school district, our county who don't pay property taxes, they do pay for wado that we sell and they do pay those fees. And so it's very important to make sure we're capturing those because that is a benefit to the property tax holder. That's all I have to say.

Speaker 4 (03:22:34):

Yeah, good

Speaker 19 (03:22:35):

Point.

(03:22:37):

Commission. Yeah, this is all, I'm really glad and this information was put forward to us, especially regarding our asset management plan and kind of giving folks an idea of what goes into it, the planning, the innovation, and kind of the data that we're pulling from to go ahead and make informed decisions. And then regarding our debt, kind of what Vice Mayor Finkel die said, this is part of the larger plan, especially regarding the debt service fund and the mill levy in that regard to go ahead and keep it as flat as possible, but also with the utility rates, kind of what we voted on a couple years ago was to not have those wide swings as well, is to make sure that it's as stable as possible.

(03:23:29):

And all this is to make sure and all this funnels into what we do in our asset management plan, in our infrastructure to go ahead and have the lowest cost of ownership, which is ultimately important. Kind of why I asked some of the questions with Dave is where we were at years before when we were just paying kind of, it's almost like a car when you've got a car that's falling apart and you just keep paying for repairs as opposed to paying for a new car because eventually the repairs build up until it's worth more than the car itself than it would be if you went and got a new car. And that's kind of where we analogous to where we were. So now we're trying to get back on the path where we're trying to break a little bit more even and get to that lowest cost of ownership where we're making the most use of our investments and being the most fiduciary responsible that we can be. So I was really glad to see this information. So thank you all for presenting it and all the hard work that went into it. Yeah, thanks. Thanks, mark.

Speaker 12 (03:24:32):

Yeah, I want to just thank staff for all the information provided. These were some really excellent presentations tonight and I really appreciate it very much. And information from Baker Till was very good too, and I appreciate what the work that's being done on that end and that we're constantly looking at better ways to do things. Appreciate it.

Speaker 2 (03:24:51):

Yeah. Thanks Lisa. Mr. Sellers, you want anything to add?

Speaker 23 (03:24:55):

Yeah, I just wanted to hit on a few points, protocol example. Happy. Thank you. Thank you. All the thank yous have been said, which I do believe this was a very timely presentation. I think a lot of the information that came out of this I think kind of circles back to a couple of questions that have come up in several different meetings that doesn't necessarily, it speaks to the work that the city that we're doing through the strategic plan and also some of the goals and expectations that we hear from community members. And so one of the words that I heard tonight, and I heard it through all our presentations, and I think it speaks to the work that is being done, is that this is a big complex network and that there are, I've talked about competing values and there are lots of competing values in all of this work.

(03:25:51):

It's competing values of assets, which ones do we do? What do we do? How do we get to these different ratings and whatnot? We have rates and different rate models and utilities and its impact. We have CIP and what projects, what are funded, partially funded, unfunded, and how do those projects feed into what the community believes that we had a strategic plan that was informed by the community saying, these are the things we want to focus on. And then another layer to that is, okay, well now we're focusing on them, but I don't like how much you're putting towards it or maybe not put so much. And so what that tells me is that one, we have a good plan in place because creating dialogue and it's challenging, it's doing a lot of challenge on the city's part. And equally there's challenges on the community site as we talk about mill levy increases property taxes, taxes in general.

(03:26:44):

And so what all of this showed me is that there is no apples to apples comparison. And I think we try to do that a lot. And I think what we need to recognize is the nuance of all the things that we do, there are things that can be scaled and fit that other communities do that we could do. And if that's a good practice, then we should do it. That is an authority that, again, I always talk about the authority that the commission has. We have the authority to do these things, not doing 'em repeal and all those. It's a matter of whether or not we choose to act upon it and have consensus to do it. So I do believe that there are some opportunities that was shared to us this evening that the commission can act on and we can be able to tighten up some things that I don't think, this was not about a gotcha presentation.

(03:27:31):

This was a presentation of saying we've done some good things, we got some good credit out there. I don't know how many people here can say they got good credit, but we have good credit and it's afforded us some opportunities to do some things that maybe we didn't have the opportunity to do 10 years ago. Maybe they didn't want to do it 10 years ago, but we're doing it now. And so I understand how that gets things tense to the point of when you have to get something done. Now if you've procrastinated on it or you've neglected it, it's going to cost you. You know that with your car, if you wait till all, you have two tires that are balled out. If you wait till all four are balled out, you got four tires you got to pay for instead of two. Those are the, but you have to expect that expense.

(03:28:12):

And if you don't, then you either got to borrow it from someone, you got to ask someone, can I hold some money until I get paid? Or you can klarna or all the other different flex payment things that they have now you can do that as well. Those are tools and opportunities. So I think where all of this conversation has kind of come to head to for me is that it has showed that we are in a time where we have a community that desires to know a lot of complex things about their city, about their community, and that we have to kind of change the way we engage in that. But there's also some things where we can move towards and we can find consensus on, and there's other things that we're going to do that we're just going to continue to do. And that doesn't mean that we're not listening to the community and it doesn't mean we're not paying attention or that we know better than they are in that case.

(03:29:06):

I think there are just things that are sound that are more sound practices then what we can hypothesize in a group. But I think having that dynamic and having that conversation tonight has and having this presentation come in front of us, but also to the community speaks to that. And I love Rochelle's analogy of the cone of uncertainty. I don't ever want us to do something where I am putting that pressure, financial pressure on a commission that I may not be on 20 years from now. And I think there's so much that we can balance in that and that we're figuring it out and we're figuring out as things and move and evolve with us. And so a lot of the things that we talk about in regards to funds and rates and whatnot, there are things that we can control, but there are also things that are outside of our control that could equally benefit other members in our community. That's getting a little bit existential. I talked about it, whether you want to talk about capitalism, how much people pay for housing, housing policies and all the other things, cost of food and all that. Those are also things that impact communities. And so it becomes a balance of if I want streetlights that work, I don't want my yard, I don't want my basement to flood, I want to be able to go down to the park and do all of these things. What is that cost?

(03:30:30):

Because the environment that we live in and until there's some sweeping radical or something that changes, that's how it functions. So how do we create a common understanding and knowledge and education around that, which is kind of what we're doing right now and how we're kind of pedaling through it. And I think this was a year that was, I think it tested and stretched all of us and I think it made us better and it's going to continue to make us better. And we have good supports from our consultants that are helping us with that. And I feel more comfortable and I feel more confident about that. And I do want the community to continue to come out, not in a sense of challenging that the city is doing something nefarious, but that we are trying to make sure we are being good stewards. We put it in our strategic plan to be good stewards of your money, our money.

(03:31:27):

So I think tonight's presentation, I hope tonight's presentation help everyone see that so that we can continue to have this engagement, hear from the community and be able to address the concerns in a way that is not adversarial. One of the things I thought of as we're talking about the strategic plan and looking at our different outcomes, maybe giving it a little bit more visual, and I know I'm kind of cheating a little bit into something, but we know that our strategic plan has been in play for a little over five years and maybe looking at it in a way that's a visual presentation of different bubbles and how input, whether it's our connected city prosperity and economic security and the interest and the weight of that is symbolized by the size of the bubble. Because what I'm seeing and what I've seen all year is that people have spoken to the things in the strategic plan, but it just seems to be the translation or the interpretations are different as far as the value.

(03:32:37):

And so I think that's some work in the next iteration of the strategic plan that we can give that work back to the community to say, alright, so all of these things that are under connected city, what is their value to you? And to have those dialogue conversations around the value and the mechanism that produces that. Because a way of educating folks on a little bit on the funding piece of the very thing that they want, because I can list all the things I want, whether or not I have the job, the marriage, the inheritance to pay for them, that's left to be said. So I feel like this presentation in itself gives me some ideas on how we as a community, but also as the commission can help usher some of these engagement but also communicate and challenge our community to be more solution creators with us instead of problem articulators.

(03:33:37):

And I don't say that in a bad way, it's just saying that we got to get to a point where we know that these things may be wrong, kind of wrong, not all the way wrong, but how do we get to a solution that shows the bigger picture so that we're addressing the real concern and needs of the community. And so that was a lot, but just this was so much and I really do appreciate it. I do. I don't want to say thank you. I really do from the bottom of my heart, appreciate this presentation and what the team was able to do today and tonight.

Speaker 2 (03:34:07):

Yeah, thanks. Tonight's kind of like showing your work in a test. I think we all understand the result is the budget, but how we got there and how we're managing our expectations and our finances are a whole different thing. And I just appreciate you illuminating what's happening behind the scenes as we manage our finances, but also extending that to the technical details that people may or may not care about. But I do, and I think all of our commissioners appreciate that. So we did this for many reasons, but for me it helped me, I think kind of illustrate all of the things that are going on at one point. And there's so many moving parts that the sit and analyzer to critique one aspect of how we are doing things and to ignore the end result is kind of unfair. So I feel like tonight in illuminating all of these things, we can kind of enjoy how well we've done in how we present ourselves to others.

(03:35:06):

We can pat ourselves in the back for how much effort and money we've chosen to invest in our community and taking that big risk and step to do so and not poo-pooing it, but actually committing to that CIP that all of you put in place that I walked into mainly and I feel really comfortable with now. So I thank you for having those leadership qualities to move forward through that. Today we're talking about paying for those, and I think we are well in a position to pay for these things. We just have to explain to people how we're going to do it. And I think today was a good step in making sure everyone knows we're paying attention and we're doing the hard work to make sure that we're not going to get a bill at the end of the five or 10 year period with some debt or unpaid expenditures that we're going to put the community on the hook for.

(03:35:51):

So I think if anything, we're shifting expenditures to now instead of to other commissions and to other members of the community, our children, our children's children, and doing those things today. And I think that's hard to do, but I'm proud of the work that you all have done and getting us here. And of course, the people that are really doing the work in commanding the respect of the community and of the auditors and of the financial world. So I'm glad that we can sell our bonds. I'm glad that we have people willing to pay the best rates possible. And that doesn't happen by accident. And I appreciate Dave coming in from Wisconsin and giving us a little bit of a pep talk and how we could do things better, but more importantly, I think it showed just how many other things we're doing really well. So thank you for that. And I don't get to say this very often, but it makes me happy to be spending this money because I know we're doing it in a fiduciary or financially sound way. And for me, that's what I worry about every day, our job. And I just appreciate your work and also the details on how we're spending the money. So thank you. And I don't think we have to have to take an action, but I appreciate your time this evening, so thank you. Thank

Speaker 3 (03:37:00):

You, thank you.

Speaker 2 (03:37:03):

Commission items, and you can clear the room if you need to. I have no offense, but I want to make sure we got some business to do after this. So any commission items?

Speaker 19 (03:37:18):

I don't think

Speaker 2 (03:37:18):

So. Okay. Anything to talk about on our future agenda? I know, Bart.

Speaker 19 (03:37:25):

Yeah.

Speaker 2 (03:37:27):

Are you gone next week? Is that right? Yeah,

Speaker 19 (03:37:28):

I'm going to be gone next week. Okay,

Speaker 2 (03:37:30):

So you're going to miss selling some of that fun.

Speaker 3 (03:37:33):

I'm going on the 20 folks.

Speaker 2 (03:37:34):

Yeah. Hey, so I don't have anything else there. Anything to add? Commissioners on the calendar. All right. And then we'll move to city manager's report,

Speaker 26 (03:37:58):

Just two of our standard reporting items. I would note that we're adding some analysis from the police department that we get to do when we see the trend and data. And so it's a report that we started, they've started providing and it's nice to see the trends. So

Speaker 2 (03:38:13):
Yeah, it's good

Speaker 26 (03:38:14):
To answer any

Speaker 2 (03:38:15):
Questions. Thank you. Any questions for the city manager on his report? Any public comment on the city manager's report? None in the room. Sherry?

Speaker 4 (03:38:26):
None.

Speaker 2 (03:38:28):
Okay. And then ex parte conversation again, I think we review that. Any comments or questions? Alright, commission calendar. It's pretty light. Okay. Is there any general public comment in the room?

Speaker 19 (03:39:04):
I make got to read the thing before you go to public.

Speaker 2 (03:39:07):
Oh yeah, sorry. Thank you. Former mayor, the public is allowed to speak that issues are items not scheduled for discussion on the agenda? Comments should be limited to issues and items germane to the business of the governing body. The commission will not discuss or debate these items, nor will the commission make decisions on items presented during this time. Members of the public will be limited to three minutes of comments.