ADMINISTRATION & HUMAN SERVICES
STANDING COMMITTEE MINUTES
Monday, November 15, 2021

The meeting of the Administration & Human Services meeting was held on Monday, November 15, 2021, at 6:28 p.m., via Zoom or on-site. The following members were present: Commissioner Markley, Chairman; Commissioners Bynum, Ramirez, Kane, and Philbrook. The following officials were also in attendance: Emerick Cross and Melissa Sieben, Assistant County Administrators; Patrick Waters, Deputy Chief Counsel; Henry Couchman, Senior Counsel; James Bain, Assistant Counsel; Kathleen VonAchen, Chief Financial Officer; Ashley Hand, Director of Strategic Communication; Wilba Miller, Director of Community Development; Amy Loch, Museum Manager; Carol Godsil, Deputy UG Clerk; Monica Sparks and Allie Facio, UG Clerk's Office.

Chairman Markley said before I call this meeting to order, I want to announce that due to COVID-19, some committee members, staff and public are attending remotely via Zoom, as well as on site. All participants joining by phone should mute their phones when not speaking to avoid background noise.

During the meeting, please make sure you announce yourself by name and title every time you speak so the public that's observing knows who is speaking. This is critical given the number of remote participants and is current guidance from our Kansas Attorney General.

The public is allowed to participate by Zoom or submit comments by email prior to the meeting and those comments will be included in the record of the meeting. The public may also indicate their intent to provide remote public comment by contacting the Clerk's Office by 5 p.m. the Thursday prior to the meetings. The public also will have an opportunity to provide brief comments, either by telephone or via Zoom from the lobby of our Municipal Office Building.

Chairman Markley called the meeting to order.

Roll call was taken and all members were present as shown above.

Chairman Markley said, we have one revision to tonight's agenda, the addition of Item No. 4, a resolution approving the agreement to release and assign the Unified Government's Opioid Litigation Claims to the Kansas Attorney General. That will become Item No. 4.

Chairman Markley said, our first order of business is the minutes from our July 26th and September 27th meetings.

Action: **Commissioner Kane made a motion, seconded by Commissioner Bynum, to approve.** Roll call was taken and there were five "Ayes," Philbrook, Kane, Ramirez, Bynum, Markley.

Committee Agenda:

Item No. 1 – 211147…RESOLUTION: PARTNERSHIP AND GRANT AGREEMENT FOR BANK ON PROGRAM

Synopsis: An agreement between the UG and Credit & Homeownership Empowerment Services, Inc. (CHES) to support the Bank On program, which promotes financial stability through access to banking accounts, submitted by Patrick Waters, Deputy Chief Counsel.

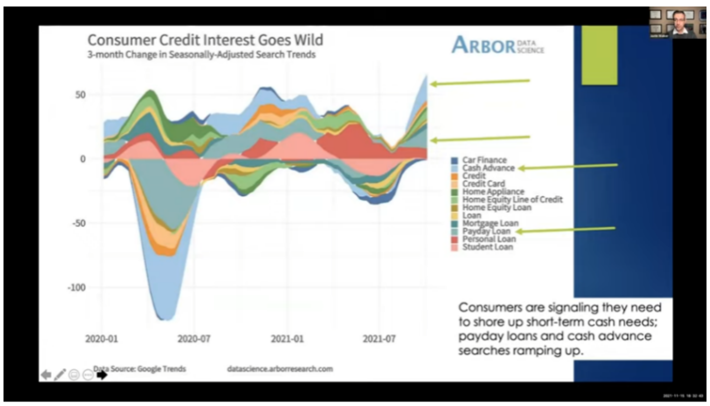
Patrick Waters, Deputy Chief Counsel, said, tonight, we would like to talk with you about a potential partnership with an organization that is committed to helping people secure financial stability through access to banking services. Specifically, we'd like to talk about the Bank On Program, whose goal is to ensure that everyone has access to a safe and affordable bank or credit union account.

Justin Walker, CHES, Inc. Business Development Director, said, we are a local nonprofit that operates on both sides of the state line. At our core, we are HUD certified housing counselors, which means we help individuals get credit-ready and successfully on a path to homeownership.

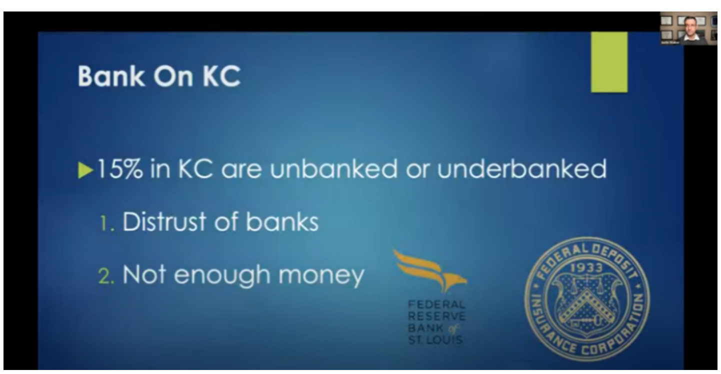
Included under our umbrella are a number of other programs, including the Main Street small business incubator Porter House KC; the online repository for all things financial inclusion, Money Smart KC; and Bank On, which is most recently added to our program list and what I'm here to share a little bit more about with you this evening.

Bank On is a national initiative by the Cities for Financial Empowerment focused on helping un-and-underbanked individuals get into safe, affordable bank accounts. Including Kansas City, there are roughly 90 coalitions across the country and over 100 certified products that are available through financial institutions.

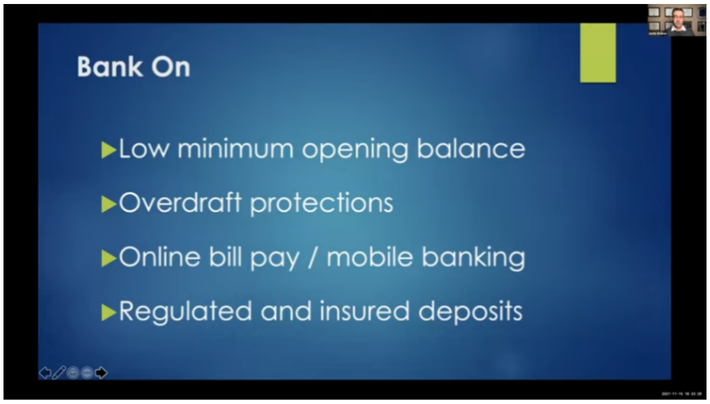
Why is banking an important item to be talking about now? From the chart here, we can see that the individual savings rates have really roundtripped during the pandemic, well off of their dramatic highs in April of last year.



We're also getting some signals that consumers are looking to shore up their short-term financial positions with Google searches increasing for things like cash advances and payday loans, which are really expensive, predatory financial tools that are outside of the main street.



We also know that looking at Kansas City as a whole, we're talking about the entire 12 county MSA, roughly 15% of our population is either unbanked or underbanked. From the most recent survey from the FDIC, the top two reasons for this are that one, there's a distrust of the banks; and two, people don't believe that they have enough money to even bother with a bank account.



So, the national account standards have been set up in such a way that they really address many of these consumer concerns, including a very low opening balance, overdraft protections, many of our financial partners also have some sort of mobile application that makes it easier to access your accounts, and most importantly, CFE does not certify any product that's not FDIC, OCC, the fed, or NCUA bonded and insured and regulated.

What we're looking to do is really take advantage of Kansas City's unique position of one city that shares a state line. Bridgette Cobbins of UG has already been a tremendous advocate and partner in getting this coalition up and running, making introductions, and helping with some of the structure for our coalition. What you have before you this evening is really a simple MOU that will allow our two organizations to share resources and be able to push outreach into the community even deeper and further than we would be able to do individually by ourselves.

One such area that we're really excited about diving into more is KCK's Municipal ID. I had the honor a couple of weeks ago of meeting with the officers who are implementing this program and have already relayed some exciting things back to our financial partners at the KBA–the Kansas Bankers Association–about this ID and helping individuals who are either in the mental health system or just getting out of the prison system or are homeless and getting off of the streets into safe, certified bank accounts that are available already to many individuals in Wyandotte County.

Because our coalition is so new, we don't have a website just yet, but it is being built and we expect that to launch sometime around the Thanksgiving holiday. For the time being, Money Smart KC is up and running and if there's any individuals that are interested in seeing what accounts are available right now, they can go to CFE's website, which is joinbankon.org. Click on the state of Kansas, and it will give you a list of all of the banks that are participating.

With that, I wanted to say thank you again, and if there are any questions, I am happy to entertain those now.

Commissioner Kane asked, where else are you located at? What other municipalities are you working with? You say you're not online yet or you're not set up yet?

Mr. Walker said, the website is not yet set up, Commissioner, and I'll start taking the questions backwards. We are working with CFE now to build that so that it mirrors the other coalitions' websites across the country, so there's a very consistent look and feel and messaging that will be available to Kansas Citians.

Commissioner Kane asked, when is that going to happen? **Mr. Walker** said, we're hoping right around the Thanksgiving holiday.

Commissioner Kane asked, and what other municipality are you working with?

Mr. Walker said, we are currently in conversations with Kansas City, Missouri. We've also got explorations with Raytown, Lees Summit, and Belton.

Commissioner Kane asked, how many do you have a contract with, or how many have approved this already?

Mr. Walker said, we don't have any other contracts with municipalities at this point, sir.

Commissioner Kane asked, how many other municipalities have you shared this with? **Mr. Walker** asked, shared the Bank On? **Commissioner Kane** said, yes.

Mr. Walker said, several. Without going through the entire list, our targets really are local governments, other financial institutions, community development organizations, and other nonprofits that that are really the practitioners in the KC Metro.

Kathleen VonAchen, Chief Financial Officer, said, this is a program that is sponsored by the Federal Reserve and it's—many municipalities across the entire United States have participated in this program. We're taking the approach of partnering with CHES, Inc. because the two of us have some unique capabilities that, combined, will make our program more successful.

Mr. Waters said, if I could just talk briefly about some of the details. What we're looking at is basically a one-year commitment to ensure that we like the program, that it's working for us. Two payments of $20,000 that would fund a half-time position at CHES that would work with Unified

Government. Other than the two $20,000 payments, really the only commitment from the Unified Government is to provide meeting space and to help with promotional efforts.

Ms. VonAchen said, and those Unified Government payments are coming from ARPA funds, just so you know.

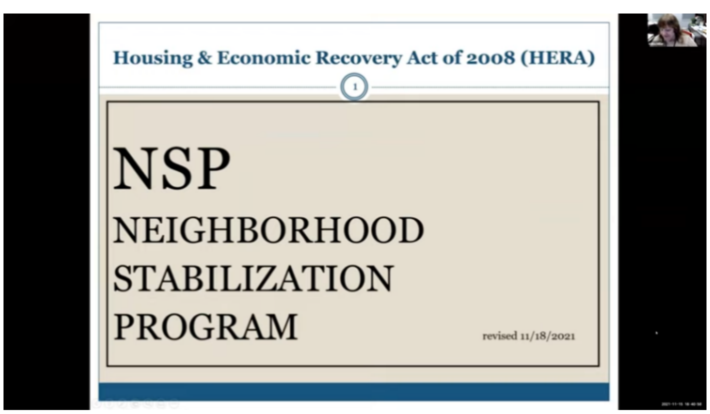
Action: **Commissioner Bynum made a motion to approve.**

Commissioner Markley asked, are there any other questions from the commission or any comments from the public, or Clerk, do you see any hands? Any of those things. If there are any other comments, now would be the time to speak up. **Allie Facio, UG Clerk's Office**, said, no comments were received.

Action: **Commissioner Ramirez seconded the motion to approve.** Roll call was taken and there were five "Ayes," Philbrook, Kane, Ramirez, Bynum, Markley.

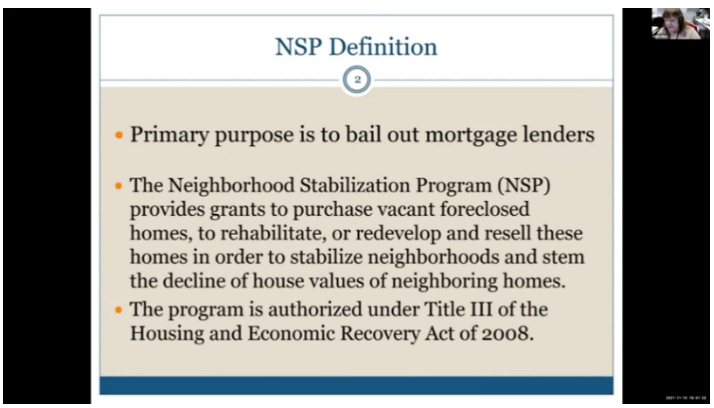
Item No. 2 – 211161…REQUEST FOR PUBLIC HEARING; NEIGHBORHOOD STABILIZATION PROGRAM (NSP1) CLOSEOUT

Synopsis: Request to conduct a public hearing on November 18, 2021 to complete the close-out of the Neighborhood Stabilization Program (NSP1), submitted by Wilba Miller, Director of Community Development. The public hearing is required by the State of Kansas Department of Commerce. It is requested that this item be fast tracked to the November 18, 2021 full commission meeting.



Wilba Miller, Director of Community Development, said, this is a closeout of a 2008 or 2009 program and we are asking that this be fast tracked to the November 18th to set a public hearing that evening, and to get the Mayor to sign some closeout agreements so that we can close this out. This is a requirement by the state of Kansas, so I'm going to do a real quick slideshow of what I intend to also show at Thursday night's meeting.

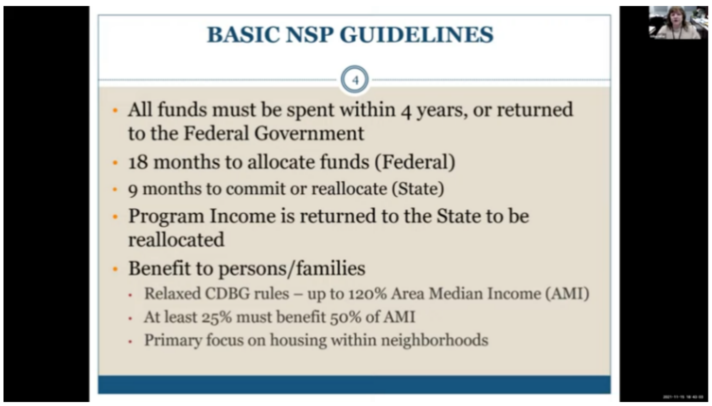
The UG was awarded Neighborhood Stabilization Program funds in the amount of $3.6M from the state of Kansas Department of Commerce on April 15, 2009. It's called the NSP1 State Program, and it was funded under the Title 3 of the Housing and Economic Recovery Act of 2008 or HERA.



The primary purpose of the program was to bail out mortgage lenders by providing grants to purchase vacant foreclosed homes to rehab or redevelop and resell these homes, in order to stabilize neighborhoods and to stem the decline of house values of neighboring homes.

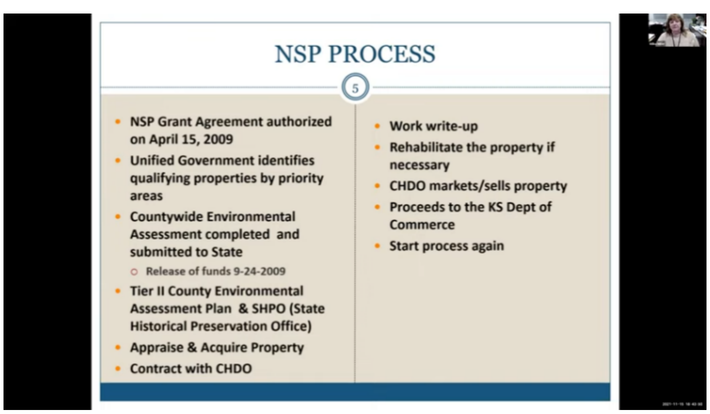
The appropriation for the whole HERA Act was $3.95B. The state of Kansas received $20M. They awarded $3.6M plus to Wyandotte County. This is significant in that this was for all of Wyandotte County, this wasn't just for the city of Kansas City, Kansas.

The funds could be used for five uses: to acquire and rehab foreclosed vacant residential properties; a financing mechanism to purchase rehabbed and foreclosed homes; demolition of blighted foreclosed single-family houses; redevelopment of demolished foreclosed property and for Land Bank foreclosed property.

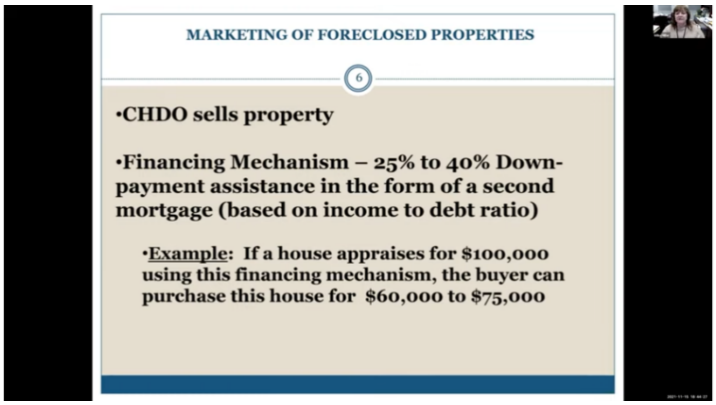


The basic guidelines at that point in time were the funds had to be spent within four years or returned to the federal government. These guidelines were for the state of Kansas, not to the Unified Government. 18 months they had to allocate funds, 9 months to commit funds.

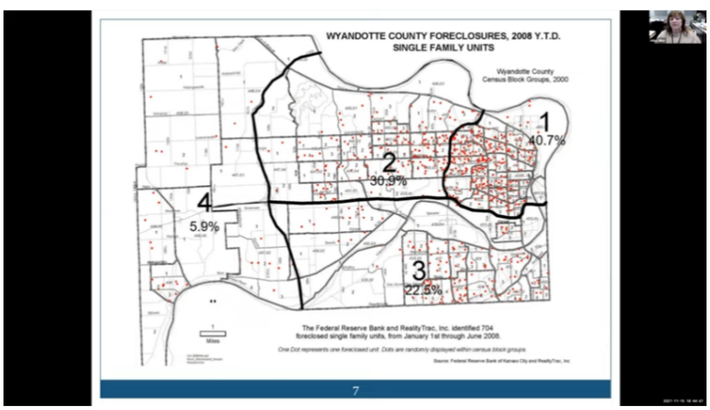
The program income is all returned to the state to be reallocated and the benefit to persons and families was they relaxed our regular CDBG roles. Normally, they're up to 80% and went up to 120% of the Area Median Income. At least 25% of our funds must benefit 50% of low and mod clients and the primary focus was on housing within neighborhoods.



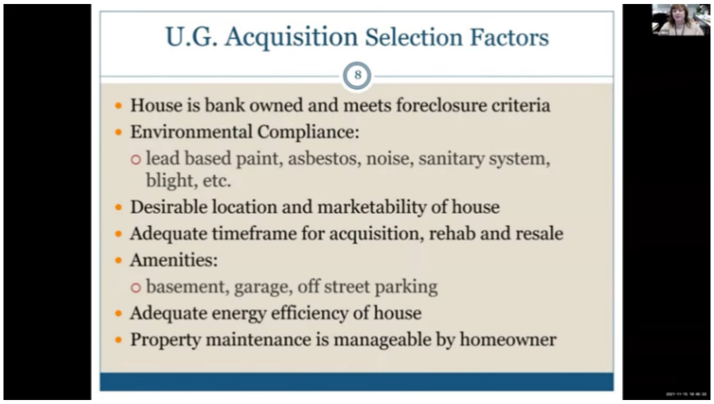
We started a grant agreement in April 2009. We identified qualifying properties by priority areas, we did our environmentals, then we started appraising and acquiring properties. We contracted with our CHDOs, who at the time were City Vision Ministries, Community Housing in Wyandotte County, and Mt. Carmel Redevelopment Corporation. They did work write-ups, they rehabbed the property, if necessary, they marketed and sold the property, and any proceeds went back to the Kansas Department of Commerce. Then, they started again on another property.



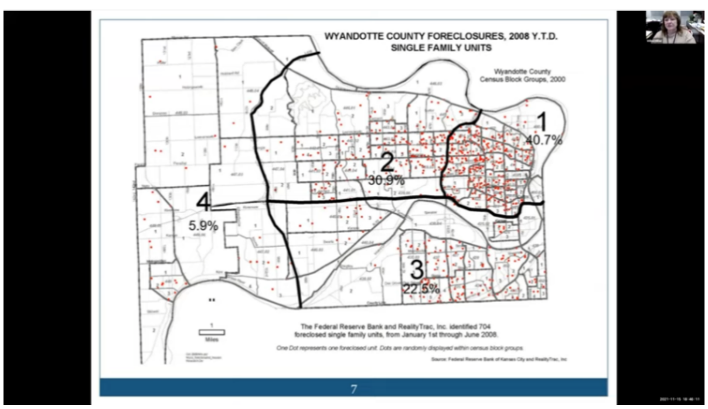
The financing mechanism was 25% to 40% down payment assistance in the form of a second mortgage. This was based on their income-to-debt ratio. So, if a house appraised for $100,000, using that mechanism, the buyer could purchase that house for $60,000 to $75,000.



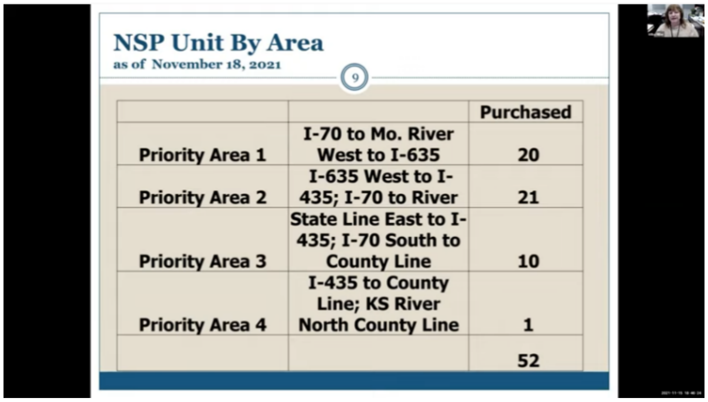
The FDIC presented this map to us with all of the little red dots and then told us that we had to identify the properties ourselves because information about these properties was private homes and private foreclosures. So, we got this divided map and as you can see, Priority Area 1 which is I-70 to the Missouri River, west to I-635. Priority Area 2 was 635 west to I-435, I-70 to the river. Priority Area 3 was State Line east to I-435, I-70 south to County Line. Then, Priority Area 4 was I-435 to County Line, Kansas River to the north County Line.



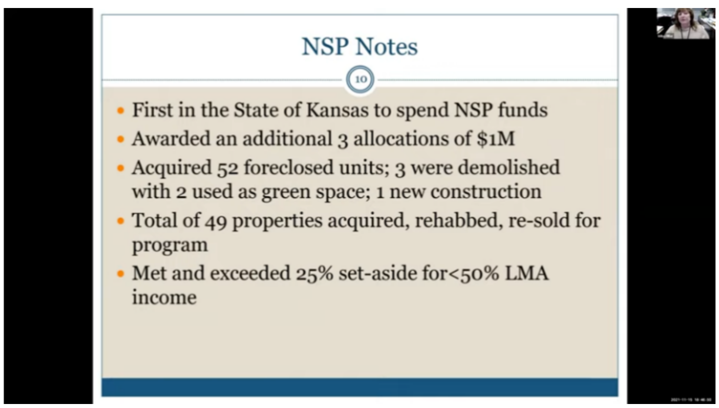
These were the criteria: the house had to be bank-owned and meet foreclosure criteria; it had to be environmentally compliant for lead based paint, asbestos, noise, sanitary system, etcetera; it had to be a desirable location and marketability of the house; adequate timeframe for acquisition rehab and resale; and we were looking for amenities: basements, garages, and off-street parking. We addressed the energy efficiency of the house and when we were done, the property maintenance would be manageable by the homeowner.



So, if I go back to the map, you can see that the largest portion is in District 1 and 2, with 3 and 4 being less foreclosed properties.

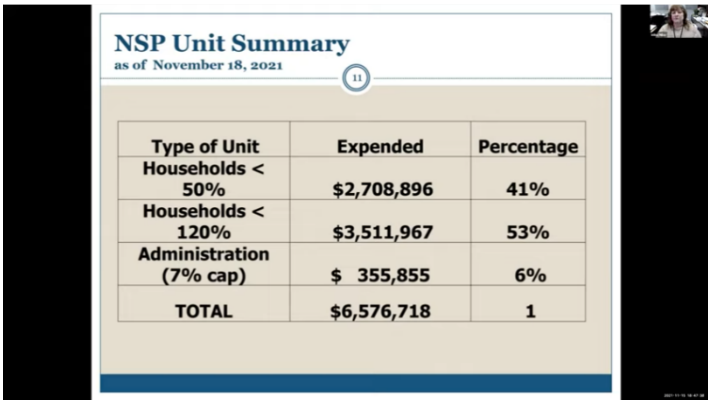


We did purchase 20 in Priority Area 1, 21 in 2, 10 in 3, and only 1 in Priority Area 4. Please remember that we had to go out and we took calls from neighborhood groups, we went out and looked for signs from banks and called banks, we called HUD. It was a project just trying to find properties to do.



We were the first in the state of Kansas to spend our NSP funds. We were awarded an additional three allocations of $1M each. We acquired 52 foreclosed units, three were demolished with two being used as green space and one was new construction that we used HOME funds with Habitat. Of that, a total of 49 properties were acquired, rehabbed, and resold for the program.

It's important to note that 16 of those properties were put through a lease-purchase because of the people's—either their credit or their low amount of income because again, 25% had to be set aside for anybody under 50% low or moderate income.



NSP Unit Summary
as of November 18, 2021
11

Type of Unit	Expended	Percentage
Households < 50%	$2,708,896	41%
Households < 120%	$3,511,967	53%
Administration (7% cap)	$ 355,855	6%
TOTAL	$6,576,718	1

Here you see that we met our 25%, we actually did—41% of our funds were spent on households under 50%. 53% were under 120, and only 6% of the cap of 7% for admin.

So, that was the end of the presentation. Again, we're asking for this to be fast tracked and I would put on a presentation, the same one you saw, and ask the Mayor to sign the closeout agreements for NSP1. As a side note, we will be doing NSP3 soon, also. Some of you may have been here when this first started and I feel like this was successful even though it was controversial.

Commissioner Bynum said, I just want to make sure I'm understanding. I think it predates my time on the Commission, the allocation of the money and then the four-year time period. So, the money that was provided to Community Development was provided such that we could purchase these homes, which means we paid the banks for the homes. Is that correct?

Ms. Miller said, we paid, yes, the banks and/or HUD because we did buy some HUD foreclosures also. They were foreclosed properties.

Commissioner Bynum asked, so, we paid whoever was holding the note and then took possession of the… **Ms. Miller** said, yes.

Commissioner Bynum said, and then handed them off to community housing organizations such that they could rehab, remodel, resell. **Ms. Miller** said, yes.

Commissioner Bynum said, and those housing organizations did that for what? What did they get out of the deal?

Ms. Miller said, well, they did get a developer fee. I'll be honest about that. Understand that they had to do work write-ups, they had to market the properties, they had to maintain the properties while they were rehabbing them. At the time, I'll be honest and say that I had just probably started as the director. I was getting ready to retire and they made me stay, no. I took over the application for this program. I believe the previous director was—not only was there that housing bubble as we all know or housing, whatever we want to call that. The CHDOs were having difficulties and I believe that part of his intent was to help them get some stability out of this, too. We were not the only community that used the CHDOs. I think a lot of other entitlement communities in the state of Kansas and other states use their CHDOs to do this program.

Commissioner Bynum said, I think that's fair enough because as you're making your presentation, I'm thinking well who takes on a project like that without getting paid for it? So, absolutely, you know, it makes sense that these organizations would be paid something for the work that we basically asked them to do on our behalf, it sounds like.

We put new homeowners in homes, that's a good thing. It just strikes me odd that it was all basically part of the bank bailout, if I'm not mistaken, but the good end of the story is 49 new homeowners and hopefully still there enjoying their homes and being an important part of their neighborhoods. So, what you need from us tonight is basically just an approval to closeout all of your program reporting requirements, is that right?

Ms. Miller said, I need you to fast track and set a public hearing for the November 18th meeting and approve the—well, I think the Commission that night will approve the Mayor's signature, but I need the Mayor's signature on a couple of closeout documents. Commissioner, out of the 49 units that were out there, there have been some resales–nine, as a matter of fact–but most of those have been happening in the last year or so.

Commissioner Bynum said, well, that's really nice to know. I appreciate that you know that.

Action: **Commissioner Bynum made a motion, seconded by Commissioner Kane, to approve and fast track to November 18, 2021.**

Commissioner Kane said, as always, Wilba, you've done a good job. I remember when this came out—I'm one of the old dogs that's still around. I remember when it came through and, you're right, Commissioner, it was part of the bailout for the banks that went whacko back then. It was important then, it's still important that we house as many people as possible in Wyandotte County.

Roll call was taken and there were five "Ayes," Philbrook, Kane, Ramirez, Bynum, Markley.

Item No. 3 – 211034…PRESENTATION: MUSEUM UPDATE

Synopsis: Departmental update on the Museum, submitted by Amy Loch, Museum Manager. For information only.

Amy Loch, Museum Manager, said, tonight, I just want to do a brief update on what has been happening at the museum.

I have been in my position here since June of 2019 and it's been an interesting time to be in museums. Clearly, the last year and a half has been very trying times for anybody trying to bring people in and connect with their community, but I think we've been doing a great job here in Wyandotte County. The first slide I have to share with you tonight is just kind of some overall goals that I feel are really important for a successful, modern museum. These are things we've all been working on at the museum to try to really engage with the community.

Number one is sharing unique stories. I feel this is a fundamental part of being a strong county museum is sharing those stories that the community connects to and are unique to that place.

Number two goes hand in hand with number one. We can't tell the unique stories without community connections and the community doesn't trust us if we're not telling personal stories. So, I think a great example of this is the 1951 Flood exhibit we did this year. As soon as we announced that was the topic, we had people coming out of the woodwork sharing objects they had, sharing stories and throughout that entire exhibit, people continued to add and build that story that will ultimately be part of our permanent exhibits in the future.

Number three, being a community resource is really a lot of our research and archival materials, as well as answering questions and providing input for a lot of different community product.

Number four, staying adaptive and responsive. I think this is big key right now. As the world keeps changing, we try to respond as quickly as we can. We've done some virtual things; we've responded to a wide variety of community requests that would like to partner with the museum. So, I think these are all things we're working on, and we definitely have room to build on at our museum.

The next slide I have here just kind of will help me remember some of the things I want to touch on. So, new exhibits, I think, is a big key. This is the bread and butter of what brings people to museums and this year alone we had the 1951 Flood exhibit, which has probably been our greatest attended exhibit for the last probably 20 plus years. Unfortunately, we didn't have real strong record keeping of attendance for the last number of previous years, so we do have the numbers to compare from 2019 to today. We know we're doing significantly better than 2019 and a lot of the other museums I've talked to are not anywhere near their number for 2019. So, we're really pleased with that. This is actually the last day of the Mexican American Softball exhibit, which was well attended and brought a lot of three-generational families into the museum.

This week we're installing our next one that's called More Than Memories and it's really focused on sharing a lot of those recent collections and donations we've got in this last year. For 2022, we have three great exhibits coming up that's major anniversaries in the county, so we're doing Celebration of Rosedale in the spring, the Original Kansas City, Kansas in the summer, and then Fairfax's 100th Anniversary will be the fall of next year. Along with that, we're also working on updating our modern history gallery, so that's another big part.

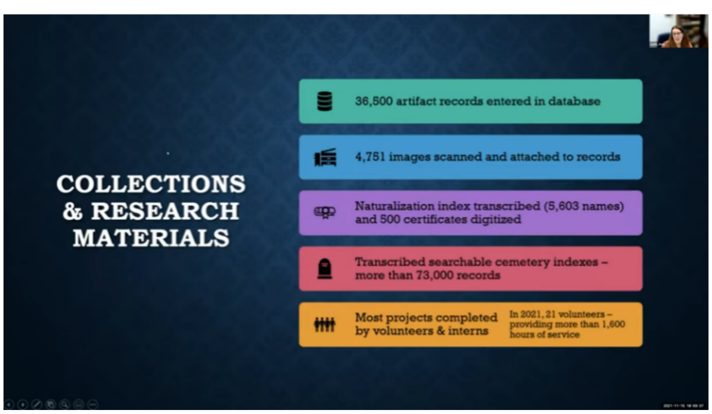
Something else is virtual classroom programs. Clearly, this is a big component of the new virtual world and we partnered with Prep KC, so we're starting to get a lot more virtual classrooms in and schools are discovering the museum existed, which we're hoping will really serve us into the future.

Community presentations is a big part of what every museum strives to do. It's not something we've done quite as much in the last year, just because of the way the world is, but we're gearing up to be able to take more content out of community and the world allows that.

The next thing is our outreach displays and this is something that's really been a community demand. So, right now we have one on the flood, the Fairfax Industrial District, and Native Americans that are making the rounds through the libraries and community facilities.

From the social media front, especially since the pandemic, we've really grown our social media audience. We have almost 7,000 Facebook followers that are really engaged and share a lot of great comments that allow us to tell greater stories.

The last thing is really reaching out into the community and asking what do they want? So, we have a number of surveys we've done, and we have something called Share Your Heritage, which is a link that anybody can leave their story about any topic related to Wyandotte County history. We will either follow up with that, or we will preserve that.



The last slide I have tonight really just touches on the foundation of what makes a museum function, and that's really our collections and research materials. About three weeks before the pandemic began, we got a brand-new database, and we were able to use a number of virtual volunteers as well as UG employees early on to help transfer records. So, since that time, we've transferred over 36,000 records into the system. We've uploaded more than 4,000 images, and now we have in-person volunteers scanning naturalization records. We've also transcribed our cemetery indexes, and they're now available online and are very searchable.

So, overall, we've had more than 21 volunteers in 2021 alone that have provided more than 1,600 hours of service, allowing us to do these kinds of projects. The museum does have a small staff. We have three full time employees and a VISTA, so volunteers are really a key part of how we take care of a lot of our basic functions to be able to focus more time and effort on community programs and growth. That's all I have for you this evening if anybody has any questions.

Commissioner Markley said, I think, at least in my memory, this is the first time that we have had a museum update to this committee. So, I'm excited to have you here and to hear what's going on at the museum.

Commissioner Bynum said, I follow the museum and I'm in the building frequently. I'm so appreciative of everything you and your staff did, especially during the pandemic. It really was quite remarkable to watch our locations that cater to visitors, whether they're local or from out of town, sort of reinvent themselves during that pandemic and you certainly did that.

If I'm not mistaken, you had an annual recognition this year from our Convention and Visitor's Bureau and you certainly deserved it. So, I wanted to make sure folks knew that you had been actually given an award for all of the innovation you showed. So, I appreciate you and everything that's happening at the museum.

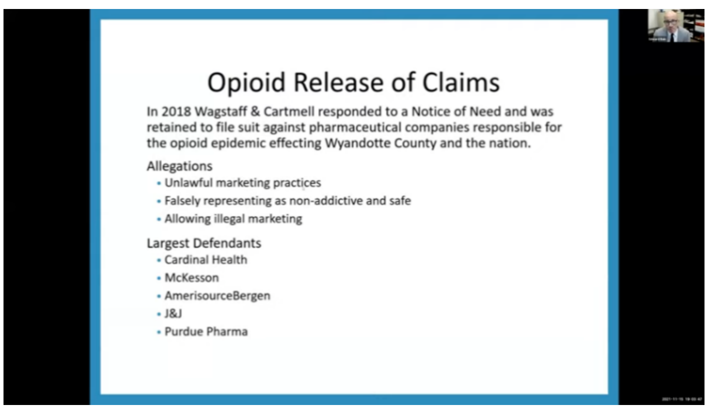
Ms. Loch said, thank you, Commissioner Bynum. I appreciate you pointing that out because yes, we were given an award from the Kansas City Visitor Bureau for outstanding, I believe it was, inventiveness for the year. For a pandemic year in the museum field, I really feel that we held our own and we've really grown, and I think in the future a lot more people are going to be aware that the museum existed and our foundation is set for future great things.

Action: **For information only.**

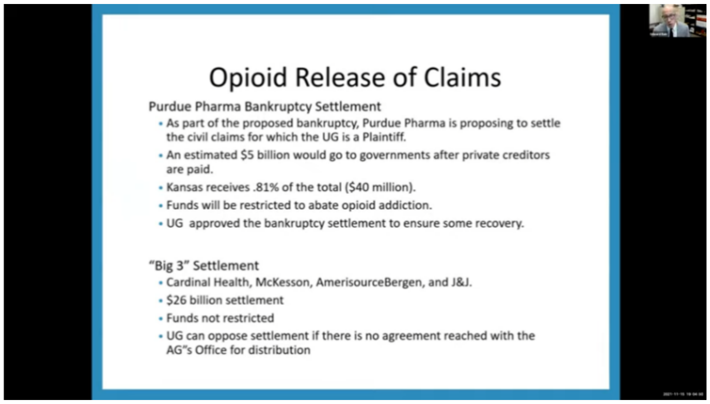
Item No. 4 – 211180…RESOLUTION: APPROVING EXECUTION AND DELIVERY OF AGREEMENT TO ASSIGN UG OPIOID CLAIMS TO KANSAS ATTORNEY GENERAL

Synopsis: A resolution approving the execution of the agreement to release and assign the Unified Government's Opioid litigation claims to the Kansas Attorney General, submitted by James Bain, Legal Counsel.

James Bain, Assistant Counsel, said, we'll go through the background of the opioid litigation, and I know we've talked about this a few times, but it'll be nice to refresh everybody's memory. We'll give an update on the settlements as there hasn't been some updates recently, and we'll talk about the resolution tonight and what we're asking for.



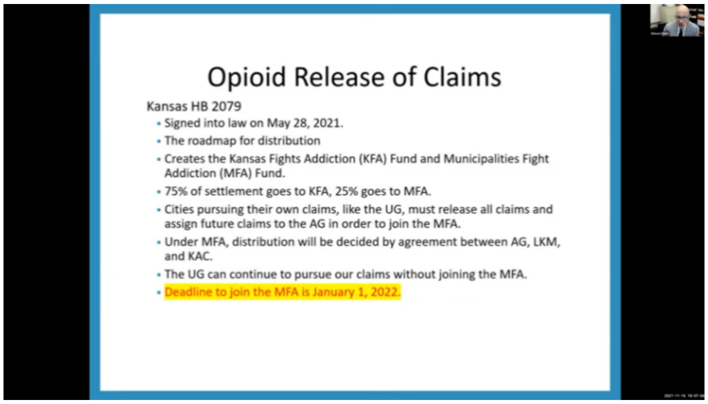
So, as background, in 2018 the Unified Government joined hundreds of other municipalities, states, counties throughout the United States that entered litigation against the largest opioid manufacturers and distributors in the country. There were several allegations revolving around the fact that the pharmaceutical companies marketed the opioids as safe, not addictive, when in fact they knew the entire time that they were addictive and that the companies would make what turned out to be billions of dollars by addicting unsuspecting individuals on opioids.



So, recently there has been a couple settlements that you all probably heard about on the news. The first one was Purdue Pharma. Their settlement came through bankruptcy, so the company itself was going through bankruptcy, but the owners and shareholders had significant cash. So, typically in a company going bankrupt, an individual shareholder's wealth would be protected. A company's bankruptcy could not attack someone's personal bank accounts.

In this case with the lawsuits, the shareholders of Purdue Pharma agreed to pay into the civil settlement $4.5B when they did not have to, but in exchange, the rest of their personal wealth was protected from the civil lawsuit. So, the Unified Government, along with our outside counsel, voted to approve the bankruptcy settlement to get a piece of this $4.5B. Otherwise, there was a chance there would have been zero dollars in settlement, or in funds coming in from the shareholders of Purdue Pharma because their personal bank accounts would've been protected from the bankruptcy.

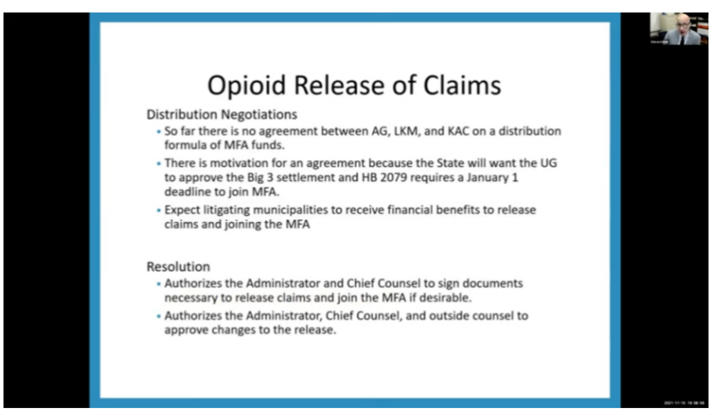
The second settlement came from the Big 3. Johnson & Johnson, $26B came into the plaintiff's fund from that settlement. The vote has not taken place yet on this settlement, so the UG still holds out hope, some power, and we'll talk about that, to vote against the agreement and potentially place some of the state of Kansas' recovery—place some of it in jeopardy.



So, we'll talk about some motivation that the AG's office has to come to an agreement with the Unified Government and the litigating counties. In May, when the legislature and AG's office kind of became aware that these settlements were going to happen, the legislature and Governor signed into law House Bill 2079, and this is kind of the road map for the distribution of these funds that the legislature and Attorney General were expecting.

So, under HB 2079, all of the settlement funds come to the state under the settlements and under this law. So, the state would receive all of Kansas' share and the municipalities of Kansas' share, and then that money would be further split. 75% going to the KFA, which is Kansas Fights Addiction, and that's the state fund, and then 25% going to Municipalities Fight Addiction, which is the municipalities fund that would be distributed to the cities and counties in Kansas.

So, in order to participate in the MFA, the cities that were litigating their own claims–like we are–must release all claims and assign our future claims to the Attorney General's office. We have a choice. We can continue to pursue our own claims without joining the MFA or we can join the MFA. In that case, we have to release our claims. The deadline to make this decision is January 1, 2022, under HB 2079.



So, let's talk about the distribution and what being in the MFA means. Right now, under the HB 2079, the League of Kansas Municipalities and the Kansas Association of Counties are responsible for working with the Attorney General to create a distribution formula. The distribution formula is expected to give litigating municipalities a benefit to release our claims and this leads into kind of the incentive the AG office has. If we do not agree to the settlement, the dollars coming into the state of Kansas would be lower because they would be losing our population voting for the settlement.

So, the state of Kansas wants us at the table, wants us approving the settlement because they don't want to lose our share. Our share would be pulled out, of course, because we would be pursuing our own claims and the pharmaceutical companies are not going to pay the state of Kansas for us and at the same time litigating with us. So, there is motivation to get the Unified Government to agree to the settlement and agree to distribution of the MFA. Right now, there is no agreement and that brings us into the resolution tonight.

What we've proposed is a resolution that authorizes the Administrator and Chief Counsel to sign documents necessary to release claims and join the MFA if that is desirable. It authorizes the Administrator and Chief Counsel, and our outside counsel to approve any changes to the release before it is signed. So, the reason—it just comes down to this timing of January 1st and I've highlighted that in the prior slide, that we have to have this decision made by. So, just the timing of commission meetings and standing committee meetings, we need to bring this forward tonight and of course bring this to the full commission in December. Then maybe we'll have more answers and more specific distribution, but right now that agreement of distribution does not exist.

So, what we're asking for is authorization to move forward if it becomes desirable for us to enter the MFA and we still have this opportunity to litigate claims on our own potentially without the rest of the state or without the rest of the hundreds of other cities involved in the litigation. Of course, I can answer any questions anyone has.

Commissioner Markley asked, questions, commissioners? I know that was a lot of legal for the very last item on the very last agenda of the evening. Basically, the request is for us to authorize staff to make decisions on our behalf on this matter that has a time limitation going forward. Questions?

Commissioner Bynum said, Commissioner Markley, you are the attorney among us, and I have faith in our UG Legal staff and then in your ability to comprehend and make sure we understand. So, I look to you if there is any further explanation you think we need to understand.

Commissioner Markley said, you know, I really think that, as James said, this is really a timing issue. Ordinarily, this is something that would come back to us when there's the right information to make the best decision. They'd say pick this or that and we would choose. In this case, we're not going to get a chance to say pick this or that when we have all the information in hand because there is a deadline, it's external to the UG that they need to meet. They're still waiting on some information to come in and to be able to make the decision that's in our best interest. We could try to make a decision tonight, but then we might accidentally make a bad decision not having the information in hand.

Mr. Bain said, if I could add on to the motivation piece of it. So, along with us, we have Overland Park, Wichita, so we have the biggest cities in Kansas that are in this litigating category that the state wants us to agree with them. So, I think that's important to note that we are working with the biggest cities in Kansas, and we know that does bring us some power to get this incentive that we think is coming. This incentive to agree. So, there is that to consider, to know that we do have large city partners in this with us.

Commissioner Markley said, so, I'll maybe say it more bluntly. There's some leverage for us in not agreeing to an option tonight and then letting Mr. Bain and his team come to an option down the road because if we choose an option tonight, then the state no longer has incentive to incentivize us to be their friends. So, we're trying to give our staff some leverage so they can negotiate us a better deal.

Commissioner Bynum said, Commissioner Markley, based on what you just said, I'm unclear as to what a motion would read as.

Commissioner Markley said, I think the motion needs to be to give—well, is there a specific person, or just to execute an agreement in our language? So, we make a motion to execute an agreement or to give staff the ability to execute an agreement to release and assign the opioid litigation claims.

Commissioner Kane asked, is that a motion from the Chair?

Henry Couchman, Senior Attorney, said, I believe there's a resolution that's been prepared for the committee. James can correct me if I'm wrong, but I believe you'll be voting on approving that resolution.

Commissioner Markley said, so the motion can simply be to approve the resolution included in our packet?

Mr. Couchman said, I believe so. James, is that correct? **Mr. Bain** said, yes. That's what we're asking, to have the resolution in the packet approved.

Action: **Commissioner Markley made a motion, seconded by Commissioner Kane, to approve.** Roll call was taken and there were five "Ayes," Philbrook, Kane, Ramirez, Bynum, Markley.

Adjourn:

Chairman Markley adjourned the meeting at 7:17 p.m.

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