



Unified Government of Wyandotte County and Kansas City, Kansas

## Economic Development & Finance Standing Committee

Fifth Floor Conference Room  
701 N. 7th Street Trafficway, Kansas City, KS 66101

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***Chair Commissioner Melissa Bynum***

*Commissioner, District 1 - Jermaine Howard, Commissioner, District 2 - Bill Burns  
Commissioner, District 5 - Carlos Pacheco, Commissioner, District 7 - Chuck Stites  
Commissioner, District 8 - Andrew Davis, BPU Board Member David Haley*

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# AGENDA

**Monday, March 2, 2026**

**5:00 PM**

- 1. Call to Order/Roll Call**
- 2. Revisions to March 2, 2026 Agenda**
- 3. Approval of standing committee minutes from January 13, 2025.**
- 4. Committee Agenda**
  - 4.1 PRESENTATION: 2025 QUARTER 4 INVESTMENT REPORT**

Synopsis: A summary of the investment report for Quarter 4, 2025, covering the period of October 1, 2025, through December 31, 2025.

*For Information Only*  
Tracking #: 21111
- 5. Public Agenda**
- 6. Adjourn**

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Some commissioners, staff, and the public may attend remotely via Zoom or by phone. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, all speakers are asked to please announce yourself by name and title every time you speak so the public that is observing knows

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who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General.

El Gobierno Unificado del Condado de Wyandotte y Kansas City, Kansas, proporcionará ayudas y servicios auxiliares necesarios y razonables, como traductores de ASL, copias legibles por máquina de los materiales de la reunión o interpretación de idiomas en el lugar. Las personas que requieran ayuda o servicios auxiliares deben comunicarse con la Oficina del Secretario del Gobierno Unificado enviando un correo electrónico o llamando al UGclerkrequest@wycokck.org o al 913-573-5260 al menos 48 horas antes de la reunión.

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To raise your digital hand from your PC or Mac, click the button labeled “Raise Hand” at the bottom of the window on the right side of the screen.

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Unified Government of Wyandotte County and Kansas City, Kansas



**Economic Development & Finance Meeting**  
5<sup>th</sup> Floor Conference Room  
701 N. 7th Street Trafficway, Kansas City, KS 66101

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***Commissioner Tom Burroughs, Chair***

*Commissioner Gayle Townsend – Commissioner Chuck Stites – Commissioner Bill Burns –  
Commissioner Phil Lopez – Stevie Wakes, BPU Board Member*

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**MINUTES**

**Monday, January 13, 2025**

**5:02 PM-6:53 PM**

**Attendance:**

**Committee Members Present:**

- Commissioner Burroughs (Chair)
- Commissioner Burns
- Commissioner Stites
- Commissioner Lopez
- Commissioner Townsend
- Mr. Wakes (BPU Board)

**Committee Members Absent:**

- None

**Staff Present:**

- Brittnie MacDonald (Clerk)
- Angel Ferrara (Parks and Recreation Director)
- Vince Belacci (Parks Manager)
- Chelsea Chism (Economic Development Director)
- Dr. Shelley Kneuvean (Chief Financial Officer)

**Call to Order:**

Commissioner Burroughs called the meeting to order at 5:02 PM.

**Revisions to Agenda: (Discussion Begins 4:38)**

No revisions to the agenda were reported by the Clerk. Chairman Burroughs noted that items 4.7 and 4.8 were previously addressed at the full commission meeting and were removed from the agenda.

**Approval of Previous Minutes: (Discussion Begins 5:00)**

BPU Board Member Wakes moved to approve the minutes from the March 4, 2024, meeting. The motion was seconded by Commissioner Burns.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None
- Absent: None

**Committee Agenda:**

**Item 4.1 - RESOLUTION: AMENDING 2024 PARKS AND RECREATION DEPARTMENT BUDGET (Discussion Begins 5:35)**

The 2024 Parks and Recreation Department budget amendment was presented by Angel Ferrara, Parks and Recreation Director, and Vince Belacci, Parks Manager.

Key Points

- Request to use \$184,179 from 2024 reserve funds for repairs at Wyandotte County Lake due to a severe windstorm on May 19.
- Damages included: marina roof (\$101,000) and dock cabling/anchors (\$82,179).
- After repairs, \$15,821 would remain in reserves, representing 23% of the budget.
- Temporary repairs (tarping) have been in place but are not sustainable; full repairs are necessary to prevent further damage (like leaks and mold).

The Chairman opened the public hearing. No comments were received. The Chairman closed the public hearing.

Commissioner Townsend moved to adopt the resolution. The motion was seconded by Commissioner Stites.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None
- Absent: None

**Item 4.2 - ORDINANCE: APPROVING EXECUTION OF SECOND AMENDED & RESTATED STAR BOND PROJECT PLAN AND AMENDED & RESTATED DEVELOPMENT AGREEMENT (AMERICAN ROYAL) (Discussion Begins 24:42)**

The Ordinance approving execution of the second amended and restated Star Bond project plan for the American Royal project was presented by Chelsee Chism, Economic Development Director.

Key Points

- The project’s scale has significantly increased from the original 2016/2017 agreement, now totaling up to \$450 million (including potential festival grounds), or \$375 million without them.
- The new facility, a 1 million square foot Food and Agriculture Education Center, expected to attract over 2 million visitors across 20 years, with over \$525 million annual economic impact and at least \$220 million in private investment.
- Star bond request increased to \$155 million (from \$80 million in 2017). Community Improvement District (CID) funding estimated at \$30 million, and an origination fee of \$15 million will be paid by the developer for relief on BPU payments.
- The project includes a private placement bond structure initially (lower risk for the Unified Government), with the potential for public bond issuance and refinancing in several years after facility completion and demonstrated sales.
- The “Plaza at the Speedway” TIF sales tax increment (about \$45 million over 20 years; \$25 million present value) is pledged to support project bonds. The inclusion and commitment of this previously anticipated local tax revenue was a major point of commission concern.
- The American Royal aims for nonprofit/tax-exempt status for relevant property, but this is subject to Board of Tax Appeals (BOTA) approval.
- Local benefit provisions include maintaining the American Royal headquarters on-site, community/civic engagement, ticket/event access for the Unified Government and Wyandotte County Fair, and partnership with the Agricultural Hall of Fame.

The Chairman opened the public hearing. Comments were received from the following:

- **LaVert Murray, Chief Economic Development Advisor to the Mayor’s Office (Comments Begin: 1:34:37)**

The Chairman closed the public hearing

Commissioner Burns moved to approve the ordinance. The motion failed due to a lack of a second.

**Item 4.3 - RESOLUTION: SETTING PUBLIC HEARING AND GIVING NOTICE OF CREATING A COMMUNITY IMPROVEMENT DISTRICT (AMERICAN ROYAL COMMUNITY IMPROVEMENT DISTRICT) (Discussion Begins 1:44:44)**

No action was taken by the Committee.

**Item 4.4 - RESOLUTION: AMENDING PREVIOUS RESOLUTION OF INTENT TO ISSUE INDUSTRIAL REVENUE BONDS (AMERICAN ROYAL PROJECT) (Discussion Begins 1:44:50)**

The resolution amending a previous resolution of intent to issue industrial revenue bonds for the American Royal Project was presented by Chelsee Chism (Economic Development Director).

Key Points

- The resolution extends the existing authorization for issuing up to \$250 million in IRBs for the American Royal project.
- The main purpose of the IRBs is to provide a sales tax exemption on construction materials, furniture, fixtures, and equipment (FF&E) for the ongoing project.
- The existing resolution was set to expire at the end of January 2025; the extension continues the benefit through December 31, 2025.
- Including FF&E in the IRB request was noted as unusual by one commissioner but confirmed as consistent with other Kansas-side projects by legal and financial staff.
- Extending the IRB intent ensures the American Royal project maintains sales tax exemption eligibility for ongoing and future construction purchases.

The Chairman opened the public hearing. No comments were received. The Chairman closed the public hearing.

Commissioner Burns moved to adopt the resolution. The motion was seconded by Commissioner Lopez.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None
- Absent: None

**Item 4.5 - RESOLUTION: SETTING PUBLIC HEARING AND GIVING NOTICE OF CREATING A COMMUNITY IMPROVEMENT DISTRICT (BUC-EE'S FAMILY TRAVEL CENTER COMMUNITY IMPROVEMENT DISTRICT) (Discussion Begins 1:46:59)**

The resolution setting a public hearing creating a community improvement district for the BUC-EE's Family Travel Center project was presented by Chelsee Chism (Economic Development Director).

Key Points

- The CID is part of the Buc-ee's 74,000-square-foot travel center project, with 120 gas pumps and electric vehicle charging stations, located south of the speedway.
- The total project budget is \$95 million.
- Incentives include:
  - A. TIF (Tax Increment Financing) up to \$3.3 million for 15 years
  - B. CID: 1% additional sales tax, up to \$10 million for a maximum of 20 years
  - C. IRBs for a sales tax exemption on construction materials (no property tax abatement)
- The incentives are pay-as-you-go and capped at 20% of project costs; the actual public/private ratio is closer to 15% public, 85% private.

Commissioner Stites moved to adopt the resolution scheduling the hearing for the February 27, 2025, Board of Commissioners meeting. The motion was seconded by Commissioner Lopez.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None
- Absent: None

**Item No. 4.6 - RESOLUTION: PROVIDING PUBLIC NOTICE OF THE ADVISABILITY OF CREATING A REDEVELOPMENT DISTRICT (BUC-EE'S PROJECT) (Discussion Begins 1:53:16)**

The resolution setting a public hearing creating a redevelopment district for the Buc-EE's Family Travel Center project was presented by Chelsee Chism (Economic Development Director).

Key Points

- The resolution establishes the redevelopment (TIF) district for Buc-ee's Travel Center project, a 74,000-square-foot facility south of the speedway.
- The TIF incentive is up to \$3.3 million over 15 years, supporting public infrastructure investment such as road repositioning and a roundabout.

- TIF and CID incentives are both pay-as-you-go and capped at 20% of the total \$95 million project cost; actual public/private ratio is about 15% public, 85% private.
- No property tax abatement is included; IRBs (industrial revenue bonds) are limited to sales tax exemption.
- The process for establishing the TIF district is statutory, requiring a public hearing set for March 6, 2025, and will proceed to full commission on February 27, 2025, per the developer's scheduling request.

Commissioner Stites moved to adopt the resolution scheduling the hearing for the February 27, 2025, Board of Commissioners meeting. The motion was seconded by Commissioner Lopez.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None
- Absent: None

**Adjournment: (Discussion Begins 1:53:49)**

BPU Board Member Wakes moved to adjourn the meeting. The motion was seconded by Commissioner Lopez.

Vote: Motion carried 6-0

- Ayes: Wakes, Lopez, Burns, Stites, Townsend, Burroughs
- Nays: None
- Absent: None

The meeting was adjourned at 6:53 PM.

MLS



## Report to Economic Development & Finance Standing Committee

MEETING DATE	PRESENTER	DEPARTMENT
	<div data-bbox="584 386 1036 478" style="border: 1px solid black; padding: 2px;">Andrea Vinyard, Director of Revenue/County Treasurer</div> <div data-bbox="584 478 1036 571" style="border: 1px solid black; padding: 2px;">Michelle Wooten, Deputy Treasurer</div> <p data-bbox="584 613 899 722">avinyard@wycokck.org, mwooten@wycokck.org x8226, x8176</p>	Treasurer
<b>AGENDA ITEM #4.1.</b>		
<b>PRESENTATION: 2025 QUARTER 4 INVESTMENT REPORT</b>		
<b>BACKGROUND</b>		
<ul style="list-style-type: none"> <li>• No policy changes are required for this item.</li> <li>• Per the Unified Government’s Cash and Investment Policy, a summary of the investment report will be provided quarterly to the Economic Development and Finance Standing Committee.</li> </ul>		
<b>RECOMMENDATION</b>		
For information only		
For information only		
<b>BUDGET IMPACTS / FINANCIAL CONSIDERATIONS</b>		
<ul style="list-style-type: none"> <li>• Cost of the item: Zero cost, report for information only</li> </ul>		
<b>LEGAL/ POLICY CONSIDERATIONS</b>		
No issues to be aware of		
<b>ATTACHMENTS</b>		
2025 Q4 Invstmt Report Presentation - FOR ED&F, R-102-25		

Approved by Mayor/Administrator to add to agenda.

Unified Government of WyCo/KCK  
Cash and Investment Policy Overview  
& Quarterly Investment Report  
Fourth Quarter 2025  
October 1, 2025- December 31, 2025

Presented by:

Michelle Wooten

Deputy Unified Government Treasurer/Cash Manager

&

Andrea Vinyard

Unified Government Treasurer

RESOLUTION NO. R- 102-25

**A RESOLUTION ADOPTING THE CASH AND INVESTMENT POLICY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS FOR 2025-2026**

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas generally has the authority under state law to invest temporarily idle funds;

WHEREAS, the Unified Government has maintained its expanded investment authority through an annual review of its Cash and Investment Policy by the Kansas Pooled Money Investment Board's (PMIB);

WHEREAS, in the 2025 legislative session, the Kansas Legislature significantly amended state investment law by passing HB 2152, which adopted the "public moneys pooled method"; and

WHEREAS, the Unified Government's Cash Management Committee reviewed the previous Policy approved by the Board of Commissioners November 21, 2024, and is recommending changes for 2025-2026 to reflect upcoming changes to Kansas law made by the passage of HB2152, which was signed into law by Governor Laura Kelly on April 3, 2025, and with substantive sections made effective January 1, 2026.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:**

**Section 1.** The Board of Commissioners of the Unified Government hereby approves and adopts the Cash and Investment Policy, as set forth in Exhibit A, attached hereto. The Board of Commissioners finds that the attached Policy sets forth procedures which will allow the Unified Government to invest funds in a manner that will meet daily cash flow demands while providing a reasonable rate of return with the maximum security in conformity with all Kansas statutes governing the investment of public funds.

**Section 2.** The County Administrator and all other employees and agents of the Unified Government are authorized to take all actions and to approve all instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

**Section 3.** This Resolution shall be effective upon adoption by the Unified Government Board of Commissioners.



Unified Government of Wyandotte County  
and Kansas City, Kansas

Last Adopted:

**Cash and Investment Policy**

**Section 1. General Purpose Statement**

The Board of Commissioners has authority to invest all funds held by or belonging to Wyandotte County/Kansas City, Kansas ("Unified Government" or "UG"). The purpose of this Cash Management and Investment Policy is to identify the policies and statements of the Unified Government regarding the safe and responsible management of the Unified Government funds; and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy objectives.

**Section 2. Legal Authority**

The Unified Government Board of Commissioners is granted the authority to invest temporarily idle funds, i.e. those funds which are not immediately required for the purposes for which the moneys were collected or received and the investment of which is not subject to or regulated by any other statute, under K.S.A. 12-1675 and 12-1677b which also identifies the types of investments the Unified Government may purchase.

**Section 3. Policy Statement**

The policy of the Unified Government is to invest its funds in a manner which will provide a reasonable rate of return with the maximum security while meeting the daily cash flow demands of the Unified Government and conforming to all statutes governing the investment of such funds.

**Section 4. Scope**

This Cash Management and Investment Policy shall apply uniformly to all officials, employees, departments, agencies, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the Unified Government's idle funds. All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials will conduct themselves as good stewards of public funds that will promote public confidence in the Unified Government's ability to govern effectively.

This Cash Management and Investment Policy applies to the Unified Government's cash management and investment activities primarily focused on idle funds and general obligation bond proceeds held by or under the control of the Unified Government. Debt service funds, reserve funds, and other financial assets held by various fiscal agents and trustees as provided under various bond ordinances are invested at the direction of the Unified Government but are not held by the UG nor under the direct control of the Unified Government Treasurer.

**Section 5. Adoption and Annual Review**

This Cash Management and Investment Policy shall be adopted by resolution of the Board of Commissioners. The Policy shall be reviewed on an annual basis by the Cash Management Committee.

## Key Notes

- We have authority to invest the funds that are being held or belong to the UG
- Identify the policies and statements of the Unified Government regarding managing the UG funds
- Board of Commission must review & approve any changes

The Cash and Investment Policy includes the policies and procedures for responsible management of UG Funds

Annual review required for submission of State of Kansas' Expanded Powers Application

The Cash and Investment Policy is formally adopted by the Board of Commissioners.

# Key Take Away Policy Items

1. Purpose of Cash and Investment Policy
2. Annual Review Requirement
3. Cash Management Committee Members
4. Diversification Rule
5. Local Emphasis
6. Collateral Requirements
7. Expanded Investment Authority



**Unified Government of Wyandotte County and Kansas City, Kansas  
Investment Portfolio Compliance Report**

December 31, 2025

**Key Metrics**

- Avg Yield – 2.89%
- DTM – 180 days, down from 198 DTM in Q3-2025

**Portfolio Components**

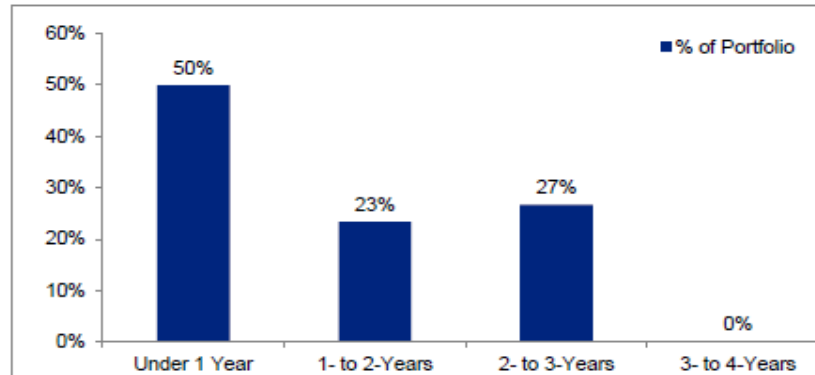
- Cash –58%
- Invested – 42%

**Investment Summary - Aggregate Portfolio By Type of Investment**

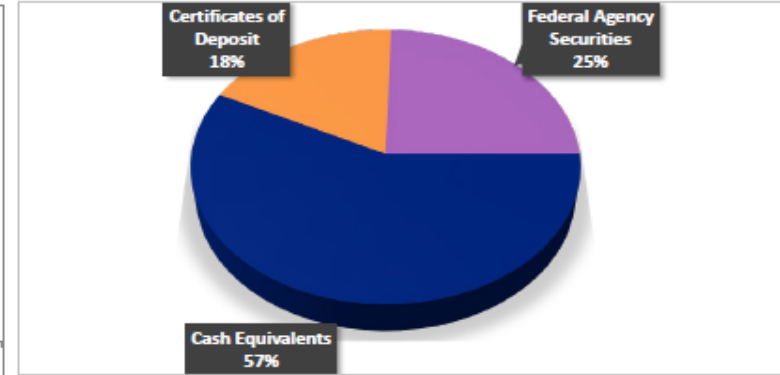
Security Type	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	Within Target Benchmarks	Weighted Days to Maturity <sup>3</sup>	Weighted Average Yield <sup>3</sup>
<b>Property Tax Held for Entities<sup>4</sup></b>	\$98,414,010	\$98,414,010	\$98,414,010	na		✓	-	2.33%
Cash Equivalents	\$175,275,990	\$175,275,990	\$175,275,990	58%	100%	✓	-	2.33%
<b>Total Liquidity</b>	<b>\$175,275,990</b>	<b>\$175,275,990</b>	<b>\$175,275,990</b>	<b>58%</b>			<b>-</b>	<b>2.33%</b>
Certificates of Deposit	\$55,000,000	\$55,000,000	\$55,000,000	18%	100%	✓	216	4.12%
Federal Agency Securities	\$73,481,373	\$74,704,231	\$73,481,373	24%	50%	✓	582	3.29%
<b>Total Securities</b>	<b>\$128,481,373</b>	<b>\$129,704,231</b>	<b>\$128,481,373</b>	<b>42%</b>				<b>3.64%</b>
<b>Total Portfolio</b>	<b>\$303,757,362</b>	<b>\$304,980,221</b>	<b>\$303,757,362</b>	<b>100%</b>			<b>180</b>	<b>2.89%</b>

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent. Recorded at time of settlement to reflect holding investments to maturity.  
 2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.  
 3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.  
 4. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value. The cash being held in trust is presented here for informational purposes.

**Total Securities Maturity Distribution**



**Sector Distribution**





Unified Government of Wyandotte County and Kansas City, Kansas  
 Investment Portfolio Compliance Report  
 December 31, 2025

**Key Metrics**

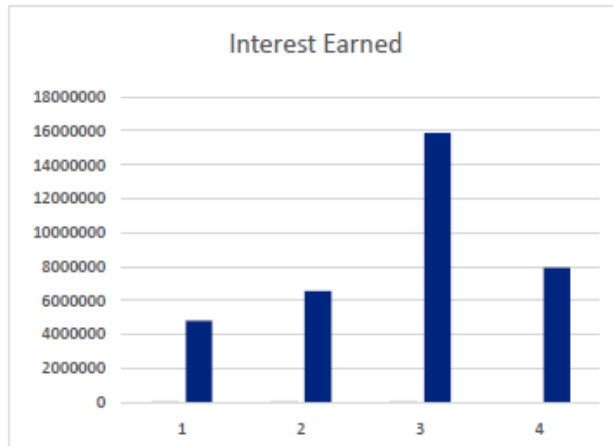
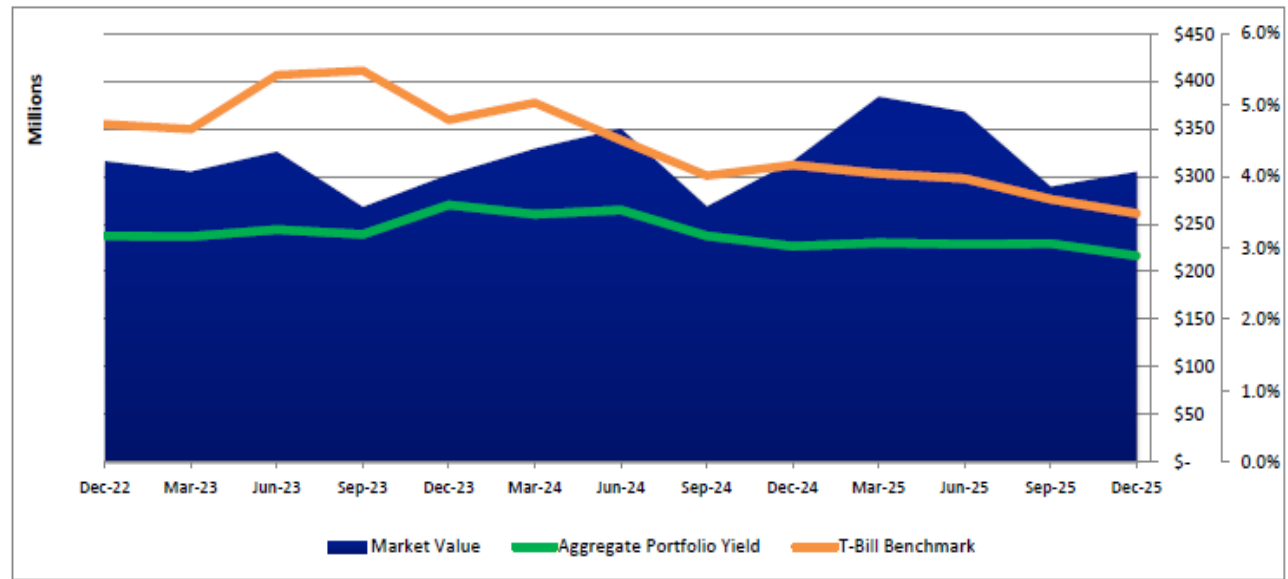
- Avg Yield – 2.89% down from 3.06% in Q3-2025
- Below our target T-Bill benchmark of 3.48%
- Total interest earned for Q4'25 \$1.9M

**Target Benchmarks**

	Yes	No
Liquidity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Permitted types of investments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 6 months	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits within investment categories	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits within single agency/institution	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits relating to maturity	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Historic Portfolio Size**

**Aggregate Yield vs. US T-Bill Benchmark**



\_\_\_\_\_  
 Dr. Shelley Kneuvean  
 Chief Financial Officer

December 31, 2025  
 \_\_\_\_\_  
 Date

# Types of securities in our investment portfolio?

Of the \$304 M total, \$55 M or 18% - CDs fully collateralized per investment policy and State Statute and \$74M or 24% - US Agencies Securities.



## Unified Government of Wyandotte County and Kansas City, Kansas Investment Portfolio Compliance Report December 31, 2025

### Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value <sup>1</sup>	% of Portfolio <sup>3</sup>	% Permitted by Issuer	Within Target Benchmarks <sup>3</sup>	Weighted Average Maturity Days <sup>2</sup>	Weighted Average Yield <sup>2</sup>
<b>Property Tax Held for Entities<sup>3</sup></b>	<b>98,414,010</b>	<b>98,414,010</b>	<b>na</b>	<b>See note 3</b>	✓	<b>0</b>	<b>2.33%</b>
UMB, Operating Fund	151,650,990	151,650,990	50%	25%	✓	0	2.02%
UMB, Health Reserve Fund	23,625,000	23,625,000	8%	25%	✓	0	0.31%
<b>Cash Equivalents</b>	<b>175,275,990</b>	<b>175,275,990</b>	<b>57%</b>		✓	<b>0</b>	<b>2.33%</b>
Capitol Federal Savings	35,000,000	35,000,000	11%	25%	✓	153	2.65%
Security Bank	20,000,000	20,000,000	7%	25%	✓	49	1.47%
<b>Certificates of Deposit</b>	<b>55,000,000</b>	<b>55,000,000</b>	<b>18%</b>		✓	<b>216</b>	<b>4.12%</b>
US Treasury	23,542,325	25,094,197	8%	50% of total portfolio	✓	97	1.03%
Agency	49,939,047	49,610,035	16%		✓	530	2.81%
<b>Federal Agency Securities</b>	<b>73,481,373</b>	<b>74,704,231</b>	<b>24%</b>		✓	<b>582</b>	<b>3.29%</b>
<b>Grand Total</b>	<b>303,757,362</b>	<b>304,980,221</b>	<b>100%</b>			<b>180</b>	<b>2.89%</b>

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.

2. Averages shown are weighted averages calculated based on original cost for the respective investment categories. Average maturity is shown as days.

3. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value for investment reporting purposes. The cash being held in trust is presented here for informational purposes.



Unified Government of Wyandotte County and Kansas City, Kansas  
 Investment Portfolio Compliance Report  
 4th Quarter 2025 -October 1- December 31, 2025

**Quarterly Transactions Detail - Aggregate Portfolio**

Settlement Date	CUSIP	Issuer	Coupon	Interest Rate <sup>1</sup>	Maturity Date	Par	Overnight Repo Balance Variance
Thru Q4	NA	UMB, Operating Fund		2.330%	12/31/2025	12,277,578	12,277,578
Thru Q4	NA	UMB, Health Reserve Fund		2.330%	12/31/2025	2,088,000	2,088,000
<b>Cash Equivalents</b>						<b>14,365,578</b>	<b>14,365,578</b>
<b>Calls/Maturities</b>							
12/31/2021	343011506	Commerce Bank		1.120%	12/3/2025	(5,000,000)	(5,000,000)
12/31/2021	343011507	Commerce Bank		4.875%	12/3/2025	(5,000,000)	(5,000,000)
12/31/2021	343011508	Commerce Bank		4.200%	12/3/2025	(5,000,000)	(5,000,000)
12/31/2021	343011509	Commerce Bank		5.070%	12/3/2025	(5,000,000)	(5,000,000)
						<b>(20,000,000)</b>	<b>(20,000,000)</b>
<b>Purchases</b>							
12/9/2025	3133ETZ83	Agency		3.625%	12/1/2026	5,004,253	5,004,253
12/9/2025	3133ET3G0	Agency		3.500%	12/9/2027	9,982,725	9,982,725
12/9/2025	3133ET2S5	Agency		3.375%	11/28/2028	4,972,731	4,972,731
						<b>19,959,709</b>	<b>19,959,709</b>
<b>Total</b>						<b>14,325,286</b>	<b>14,325,286</b>

1. The cash equivalents interest rate is provided by UMB based on our contract. The interest rate will be the prior day's US Fed Funds Effective rate minus 131bps

What transactions occurred in Q4 2025?

RESOLUTION NO. R-102-25

**A RESOLUTION ADOPTING THE CASH AND INVESTMENT POLICY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS FOR 2025-2026**

**WHEREAS**, the Unified Government of Wyandotte County/Kansas City, Kansas generally has the authority under state law to invest temporarily idle funds;

**WHEREAS**, the Unified Government has maintained its expanded investment authority through an annual review of its Cash and Investment Policy by the Kansas Pooled Money Investment Board's (PMIB);

**WHEREAS**, in the 2025 legislative session, the Kansas Legislature significantly amended state investment law by passing HB 2152, which adopted the "public moneys pooled method"; and

**WHEREAS**, the Unified Government's Cash Management Committee reviewed the previous Policy approved by the Board of Commissioners November 21, 2024, and is recommending changes for 2025-2026 to reflect upcoming changes to Kansas law made by the passage of HB2152, which was signed into law by Governor Laura Kelly on April 3, 2025, and with substantive sections made effective January 1, 2026.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:**

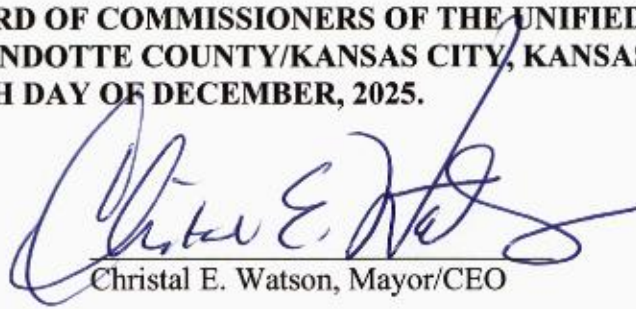
**Section 1.** The Board of Commissioners of the Unified Government hereby approves and adopts the Cash and Investment Policy, as set forth in Exhibit A, attached hereto. The Board of Commissioners finds that the attached Policy sets forth procedures which will allow the Unified Government to invest funds in a manner that will meet daily cash flow demands while providing a reasonable rate of return with the maximum security in conformity with all Kansas statutes governing the investment of public funds.

**Section 2.** The County Administrator and all other employees and agents of the Unified Government are authorized to take all actions and to approve all instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

**Section 3.** This Resolution shall be effective upon adoption by the Unified Government Board of Commissioners.

*[Balance of page intentionally left blank]*

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED  
GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS  
THIS 18TH DAY OF DECEMBER, 2025.

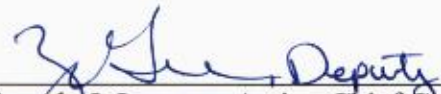
  
Christal E. Watson, Mayor/CEO

Attest:

  
Monica Sparks, Unified Government Clerk



Approved as to Form:

  
Angela J. Lawson, Acting Chief Counsel  
Wendy Green



Unified Government of Wyandotte County  
and Kansas City, Kansas

## Cash and Investment Policy

**Commission Resolution:**

**Last Adopted:**

### **Section 1. General Purpose Statement**

The Board of Commissioners has authority to invest all funds held by or belonging to Wyandotte County/Kansas City, Kansas ("Unified Government" or "UG"). The purpose of this Cash Management and Investment Policy is to identify the policies and statements of the Unified Government regarding the safe and responsible management of the Unified Government funds, and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy objectives.

### **Section 2. Legal Authority**

The Unified Government Board of Commissioners is granted the authority to invest temporarily idle funds, i.e. those funds which are not immediately required for the purposes for which the moneys were collected or received and the investment of which is not subject to or regulated by any other statute, under K.S.A. 12-1675 and 12-1677b which also identifies the types of investments the Unified Government may purchase.

### **Section 3. Policy Statement**

The policy of the Unified Government is to invest its funds in a manner which will provide a reasonable rate of return with the maximum security while meeting the daily cash flow demands of the Unified Government and conforming to all statutes governing the investment of such funds.

### **Section 4. Scope**

This Cash Management and Investment Policy shall apply uniformly to all officials, employees, departments, agencies, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the Unified Government's idle funds. All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials will conduct themselves as good stewards of public funds that will promote public confidence in the Unified Government's ability to govern effectively.

This Cash Management and Investment Policy applies to the Unified Government's cash management and investment activities primarily focused on idle funds and general obligation bond proceeds held by or under the control of the Unified Government. Debt service funds, reserve funds, and other financial assets held by various fiscal agents and trustees as provided under various bond ordinances are invested at the direction of the Unified Government but are not held by the UG nor under the direct control of the Unified Government Treasurer

### **Section 5. Adoption and Annual Review**

This Cash Management and Investment Policy shall be adopted by resolution of the Board of Commissioners. The Policy shall be reviewed on an annual basis by the Cash Management Committee

and shall be reviewed and approved annually by the Board of Commissioners. If it deems it necessary, the Cash Management Committee will recommend changes to this Policy to the Board of Commissioners. Any recommended modifications to the Policy must be reviewed and approved by the Board of Commissioners.

**Section 6. Cash Management Committee; Delegation of Authority**

A Cash Management Committee shall be established. The Cash Management Committee (CMC) shall consist of the following voting members: Unified Government's Chief Financial Officer, the Clerk, the Unified Government Treasurer the Chief Counsel or designee and the following non-voting members: the Legislative Auditor or designee, Accounting Manager, Cash Manager and one member from the municipal advisory firm of the Unified Government. The Chief Financial Officer shall serve as the Chairperson of the CMC.

Responsibility for the operation of the investment program is delegated to the CMC which shall establish procedures and internal controls for the operation of the investment program consistent with this Policy.

Daily and routine investments of Unified Government idle funds will be made by the Chief Financial Officer or designee, under the guidelines set forth in this Policy and as recommended by the CMC.

**Section 7. Investment Procedures**

This Policy is administered through a separate set of written Investment Procedures, which should be referred to in conjunction with this Policy. The Cash Management Committee is hereby authorized to adopt written Investment Procedures consistent with this Cash Management and Investment Policy. Such Procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the Procedures adopted by the Cash Management Committee. The Unified Government Treasurer shall be responsible for all transactions undertaken and shall establish a system of internal controls to regulate the activities of subordinate officials.

In the development of the system of internal controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority, limitations of authority, and custodial safekeeping.

**Section 8. Staff Qualifications**

- A. The Unified Government shall hire a Cash Manager or shall retain an outside manager to manage investments. The Cash Manager will have the necessary qualifications to perform investment duties as outlined in the Cash Management and Investment Policy and the Cash Management and Investment Procedures and will be supervised by the Chief Financial Officer or designee.
- B. Duties of the Cash Manager position include the following:
  - 1. Management of the short-term and long-term investment portfolios in accordance with K.S.A. 12-1675 and 12-1677b and amendments thereto, with any other applicable statutes or ordinances or resolutions, and with this Cash Management and Investment Policy and the Cash Management and Investment Procedures and amendments thereto;
  - 2. Tracking investment transactions; ensuring accuracy and security of investments, monitoring record keeping of investments;

3. Performing inspections on safekeeping receipts held as collateral to cover investments; alerting banks regarding insufficient collateral;
  4. Prepare cash flow forecasts;
  5. Generate investment performance statistics and activity reports; and
  6. Other duties as assigned by the Chief Financial Officer or the Unified Government Treasurer.
- C. Specific qualifications include a bachelor's degree in Finance, Accounting, Economics, Business, or Public Administration and two years of progressively responsible investing or accounting experience, or any equivalent combination of education and experience sufficient to successfully perform the essential duties of the job. If the individual appointed to the Cash Manager position does not possess the requisite investment experience, the individual will attend government investment training approved by the Chief Financial Officer within one year of appointment.

### **Section 9. Investment Advisor**

The Chief Financial Officer, with the approval of the Cash Management Committee, may appoint, as needed and determined by CFO, an independent Investment Advisor registered with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940 and the rules adopted thereunder, or a "Municipal Advisor" as defined by Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, amending Section 15B of the Securities Exchange Act of 1934, and interpreted by the Securities and Exchange Commission in its final rules adopted September 10, 2013, to advise the Unified Government on investment activities. The Investment Advisor will be selected through a competitive process under the Unified Government's Procurement Code. The terms and conditions of such relationship shall be set out in a contract. The duties and responsibilities of the Investment Advisor at a minimum shall include the following.

1. Providing advice and analysis on the Unified Government's Investment Policy, portfolio management techniques, portfolio structures, and new investment securities and products;
2. Assistance in developing or improving and implementing cash flow modeling;
3. Providing advice on investment benchmarking and performance reporting;
4. Evaluation of the capabilities and usage of software utilized in management of and accounting for the investments;
5. Assisting in any investment related presentations to the Cash Management Committee or Board of Commissioners; and
6. Providing analysis, advice, and assistance on other investment-related matters, including investment of bond proceeds.

### **Section 10. Standards of Care**

#### **A. Prudence**

The standard of prudence to be used by investment officials shall be the "prudent person standard" and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering first the safety and liquidity of their capital

and next the probable income to be derived. If outside investment professionals are retained, they shall be held to the "prudent expert standard," that is, they shall exercise the judgment, care, skill, prudence and diligence, under the circumstances then prevailing, which persons of prudence, discretion and intelligence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments so as to minimize the risk of large losses, unless, under the circumstances, it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

The Chief Financial Officer, other investment officials, and the members of the CMC, when acting in accordance with the written Investment Procedures and the Cash Management and Investment Policy, and when exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**B. *Ethics and Conflict of Interest***

Unified Government officers and employees authorized to perform investment duties shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial decisions. For purposes of this Policy, "officers and employees" means voting members of the Cash Management Committee and the Cash Manager; it shall not mean elected officials.

No officer or employee shall use his or her official position or office to obtain direct or indirect personal financial gain for himself or herself, his or her family, or any business in which the officer or employee has a financial interest. Officers and employees are governed by this Policy, the Unified Government Code of Ethics, and any applicable laws.

Investment staff shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Unified Government.

Officers and employees shall disclose annually to the Legislative Auditor and to the Ethics Administrator any financial interest in financial institutions with which the Unified Government conducts business or any benefit which the officer or employee obtains from any Unified Government contract or from placement of an investment of Unified Government funds. For purposes of this Policy, "financial institution" means banks, savings banks, or savings and loan associations as defined in K.S.A. 12-1675a and amendments thereto. For purposes of this Policy, "financial interest" means (a) ownership or any interest or involvement in any relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than \$5,000 per year, or its equivalent; (b) ownership of such interest in any property or any business as may be specified by the Ethics Commission; or (c) holding a position in a business such as an officer, director, trustee, partner, employee, or the like or holding any position of management. Financial interest does not include household operating accounts or a depository relationship with a financial institution.

Each financial institution in which the Unified Government deposits funds and each investment manager and each consultant retained by the Unified Government shall be notified of this

section of the Policy and shall conform to its provisions and shall not participate in any violation of this section or in any effort to influence any officer or employee to breach the standards of ethical conduct set forth in this section.

### **Section 11. Objectives**

The primary objectives of the Unified Government investment activities, in priority order, shall be:

**A. Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

**1. Credit Risk**

Credit risk, the risk of loss due to the failure of the security issuer or backer, will be minimized by:

- a. Limiting investment to the safest types of securities;
- b. Pre-qualifying financial institutions, broker/dealers, intermediaries, and advisors with whom the UG will do business; and
- c. Diversifying the investment portfolio so that potential loss on individual securities will be minimized.

**2. Interest Rate Risk**

Interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, will be minimized by:

- a. Structuring the investment portfolio so that the securities mature to meet cash requirements of the general operating fund, thereby avoiding the need to sell securities prior to maturity; and
- b. Investing general operating funds primarily in shorter-term securities.

**B. Diversification.**

**1. In General**

It is the policy of the Unified Government to diversify its investment portfolio so as to protect its funds from material losses due to issuer defaults, market price changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

**2. By Institution**

Investments will be diversified so that reliance on any one issuer or financial institution will not place an undue financial burden on the Unified Government in the event of default. Accordingly, no more than 25% of the total investment portfolio shall be with the same financial institution or issuer, except US treasuries, unless it would be prudent to do so under prevailing circumstances. If the above limit is exceeded, the Chief Financial Officer will notify the CMC.

3. *By Instrument Type*

Market and credit risk will be minimized by diversification among investment types. The following are maximum limits for the percentage of Unified Government investable funds to be invested in each investment type.

a.	Certificates of deposit	100%
b.	U. S. Treasury bills, notes or bonds	100%
c.	U. S. Government agency obligations	50%
d.	Kansas Municipal Investment Pool	50%
e.	Repurchase agreements	25/100%*
f.	Bank trust department municipal pools	25%
g.	Temporary notes or no-fund warrants	10%

Because of distortion created by deposit of proceeds from the sale of temporary notes issued by the Unified Government, measurement of the maximum limits on investments by institution and by instrument type for purposes of this subsection 11.B. shall occur at least one week after the deposit of such proceeds.

\* NOTE: Investments in short term securities shall be limited to 10% of investable funds, and investments in repurchase agreements shall be limited to 25% of investable funds, except as set out below. While it is not the goal to invest 100% of investable funds in either short term securities or repurchase agreements, the ability to invest the maximum limit in these two investment types is recognized as an option in certain market circumstances when these investments offer higher returns than other investment types at minimal risk. The option to invest more than the 10% or 25% limit respectively will be used only when the Cash Manager determines, with the concurrence of the Chief Financial Officer and the Unified Government's municipal advisory firm, that it is advantageous and prudent to do so.

C. *Liquidity.*

1. The Unified Government's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated without incurring material losses by structuring the portfolio so that securities mature concurrent with anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.
2. The Unified Government understands the importance of having sufficient funds invested in overnight sweep accounts to meet weekly payrolls, accounts payable, scheduled debt service, and extraordinary expenses that may occur, which may range from 10% to 25% of available investment funds.
3. It is important for a county government to have the necessary funds for the scheduled tax distributions to other governmental entities. In particular, liquidity is essential for the January and June tax distributions. Therefore, it is the policy of the Unified Government that such funds be held liquid to provide assurance as to the availability and

safety of these funds held on behalf of the other governmental entities under the Unified Government's trust.

**D. Maturity.**

1. All investments shall be made to mature in accordance with cash needs identified in regularly prepared and updated cash flow forecasts. The Unified Government recognizes that the laddering of investments is a sound approach to mitigate short-term interest rate fluctuations. Additional considerations in the structuring of investments shall include:
  - a. Review of economic and financial indicators, such as Federal Reserve monetary policy position statements and the U.S. Treasury yield curve; and
  - b. Input from the Unified Government's municipal advisory firm.
2. The Unified Government has adopted the following maturity target ranges for its core investment portfolio. Core investments include all operating funds of the Unified Government excluding active funds or bond proceed funds held by a bond trustee for the purpose of project construction, debt service payments, debt reserves or other escrow requirements.

a.	0 – 12 months	30% to 60%
b.	12 – 24 months	20% to 40%
c.	24 – 36 months	15% to 30%
d.	36 – 48 months	10% to 20%

The maturity targets are provided as a guideline. Notwithstanding the above maturity target ranges, cash flow requirements and existing interest rate markets may dictate the need to adjust the timing of investment maturities.

4. The sale of securities before maturity shall require the prior approval of the Chief Financial Officer based on the following reasons:
    - a. A security with declining credit quality may be sold early to minimize loss of principal.
    - b. Liquidity needs require a security to be sold.
    - c. It is advantageous to the portfolio to sell such securities.
    - d. Financial failure of the issuer is likely.
  5. As long as this Policy continues to be approved by the State Pooled Money Investment Board, the maximum maturity for investments shall be four years. Otherwise the maximum maturity for investments shall be two years.
- E. Return on Investment.** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the UG's investment risk constraints, state statutes, cash flow characteristics of the portfolio, and

prudent investment principles. As a benchmark for risk-free investment transactions, the U.S. Treasury Bill rate for the Unified Government's total portfolio weighted average maturity term will be the minimum standard for the portfolio's rate of return. Return on investment is the last in importance compared to the safety, diversification, liquidity and maturity objectives described above.

**Section 12. Performance Evaluation and Reporting**

Investment performance shall be continually monitored and evaluated by the CMC. Investment performance statistics and activity reports will be generated by the Cash Manager. Summary investment reports will be provided quarterly to the Economic Development and Finance Standing Committee of the Unified Government Board of Commissioners, with copies to the County Administrator, the Unified Government Commission, and the Cash Management Committee.

Reports shall include but not be limited to information on interest received, interest earned, investment yield, types of investments, distribution by type of investments, maturity schedule by month, weighted average days to maturity, evaluation of portfolio to selected benchmark, and any other information deemed necessary by the Chief Financial Officer or requested by the County Administrator or the Board of Commissioners.

**Section 13: Eligible Financial Institutions**

**A. *Minimum Qualifications for Depositories***

1. In order to ensure the safety of principal, the Unified Government shall deposit funds, including those designated for investment purposes, only in eligible financial institutions which meet the minimum criteria set forth below. Financial institutions failing to meet the minimum criteria shall not be considered eligible.
2. Financial institutions must meet the following minimum qualifications:
  - a. The deposits of the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC).
  - b. The financial institution meets the criteria for eligibility under state law for active or idle funds as appropriate.
3. If a financial institution loses its eligibility under state law after Unified Government funds are deposited or invested, no additional funds shall be deposited in such institution. Funds shall be removed as quickly as is prudent under the circumstances, but funds invested with a prescribed time for maturity need not be withdrawn before such maturity.

**B. *Depositories for Active Funds***

1. *Security Required.* If a financial institution is designated as an official depository for active funds, before any Unified Government funds are deposited, satisfactory security must be obtained for such deposits. Satisfactory security is as described in K.S.A. 9-1402, as amended, and this Policy.

2. *Selection Criteria.* In addition to the required criteria listed above, the Unified Government may also consider the following when selecting a financial institution as a depository for active funds:
  - a. Full service capabilities
  - b. Submission of financial statements and availability schedules
  - c. Acceptable staff experience
  - d. Statement of equal opportunity employment practices
  - e. Extent of reinvestment of deposits in Wyandotte County.
3. *Competitive Selection.* The Chief Financial Officer shall solicit proposals prior to the designation of one or more depositories. The Unified Government's purchasing policies shall be followed when obtaining proposals on the Unified Government's depository specifications. Selection of the depositories shall be based on the capacity of an institution to perform the services required and on the most favorable terms and conditions for handling of Unified Government funds.
4. *Governing Body Designation.* K.S.A. 9-1401, as amended, requires the governing body of the Unified Government to designate by official action the financial institution or institutions, which shall serve as depositories of its active funds.

**C. *Idle Funds***

1. *In General.* Idle funds shall be invested only in the manner set out in K.S.A. 12-1675 and 12-1677b, and amendments thereto, and in this Policy. Investment transactions shall only be conducted with:
  - a. Qualified financial institutions which meet the minimum requirements contained in this Section 13 and the criteria for eligibility under state law; or
  - b. Qualified primary government security dealers and broker/dealers as set out below.
2. *Certification.* In order to be qualified for investment of Unified Government idle funds, a financial institution, securities dealer, or broker/dealer must certify in writing that the person responsible for the investment has read and understood and agreed to comply with this Policy.
3. *Competitive Selection.* Investments of idle funds will be offered to all approved institutions and dealers who have requested to be on the list of interested bidders. Investments will be awarded through a competitive process involving solicitation of bids from qualified institutions and dealers.

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved primary government security dealers and broker/ dealers.

4. *Primary Government Securities Dealers and Broker/Dealers.*  
Investment transactions may be conducted with primary government securities dealers which report to the market report division of the Federal Reserve Bank of New York or any broker-dealer which is registered in compliance with the requirements of Section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to K.S.A. 17-12a401, and amendments thereto.

In order to be qualified to conduct investment transactions with the Unified Government, broker/dealers must meet the minimum requirements for credit worthiness established by the Kansas Pooled Money Investment Board, including minimum capital requirements and years of operation, and must be approved by the Cash Management Committee.

All broker/dealers who wish to become qualified for investment transactions must supply to the Chief Financial Officer on an annual basis the following items as appropriate:

- a. A copy of the most recent audited annual financial statement;
- b. If requested by the Unified Government, a copy of the most recent, unaudited annual financial statement;
- c. Proof of Financial Industry Regulatory Authority (FINRA) certification;
- d. Proof of state registration with the Kansas Securities Commission;
- e. Completed broker/dealer questionnaire (non-primary dealers only);
- f. Business resume of individual assigned to UG account; and
- g. Notice of any regulatory action taken against the broker/dealer.

5. *Safekeeping and Custody.*  
All security transactions, including collateral for repurchase agreements, shall occur on a delivery versus payment basis. This ensures that securities are deposited in the eligible financial institutions prior to the release of funds. Safekeeping and custody agreements will be maintained with third-party financial institutions. All securities, including those acquired by repurchase agreements, shall be perfected in the name of the Unified Government and shall be delivered to a third-party custodian designated by the Unified Government and evidenced by safekeeping receipts.

#### **Section 14. Authorized Investments**

##### **A. *Idle Funds***

The investments authorized for the idle funds (those funds not immediately required for the purposes for which the moneys were collected) under this Policy shall be in conformance with K.S.A. 12-1675, K.S.A. 12-1677b, and amendments thereto, and any other applicable statutes or ordinances or resolutions and amendments thereto. As long as this Policy continues to be approved by the Kansas Pooled Money Investment Board, the investments permitted by K.S.A. 12-1677b shall be authorized investments under this Policy. For purposes of this Policy, "investment rate" means a rate which is the equivalent yield for United States government securities having a maturity date as published in the Wall Street Journal, nearest the maturity date for equivalent maturities. The 0-90 day rate shall be computed on the average effective federal funds rate as published by the Federal Reserve system for the previous week.

If for any reason this Policy is not approved by the Kansas Pooled Money Investment Board, the investments permitted by K.S.A. 12-1675 shall be the only authorized investments under this Policy until such time as this Policy obtains the approval of the Kansas Pooled Money Investment Board.

As long as this policy continues to be approved by the Kansas Pooled Money Investment Board, the following are authorized investments, pursuant to K.S.A. 12-1675 and 12-1677b. The maximum maturity for investments under this subsection shall be four years.

1. *United States Treasury and Agency Securities.* Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States government-sponsored enterprises that under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities. Investments under this paragraph shall be limited to securities that do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, "interest rate risk" means market value changes due to changes in current interest rates.
2. *Interest-bearing Time Deposits.* In any banks, savings and loan associations, and savings banks that have a main or branch office in Kansas.
3. *Repurchase Agreements.* With banks, savings and loan associations, and savings banks which have a main or branch office in Kansas or with a primary government securities dealer that reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government-sponsored enterprises that under federal law may be accepted as security for public funds.
4. *Temporary Notes Issued by the Unified Government.*
5. *Municipal Investment Pool Fund.* The fund established in K.S.A. 12-1677a and amendments thereto and managed by the Kansas Pooled Money Investment Board.
6. *Multiple Municipal Client Investment Pools.* Managed by the trust departments of banks which have offices located in Wyandotte County or with trust companies incorporated under the laws of Kansas which have contracted to provide trust services under K.S.A. 9-2107, and amendments thereto. Moneys invested under this paragraph shall be secured as provided in K.S.A. 9-1402, and amendments thereto, and this Policy.

**B. *Local Emphasis***

1. Subject to the other requirements of this Policy, funds available for investment under this section will be offered first to eligible financial institutions with a main or branch office located in Wyandotte County. If such financial institutions cannot or will not make the investments available at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, or if such financial institutions are limited from bidding on the investment by the diversification requirements of this Policy,

then the funds may be offered to other eligible financial institutions or entities permitted under this Policy.

2. Notwithstanding any other requirements of this Policy, the Unified Government will offer \$235,000 to every financial institution with a main or branch office located in Wyandotte County if such financial institutions will make the investment at interest rates equal to or greater than the investment rate as defined in K.S.A. 12-1675a, and amendments thereto, at a maturity term to be determined by the Unified Government.

**C. *Investment of Bond Proceeds***

The Unified Government will invest proceeds of bonds (other than industrial revenue bonds for which the Unified Government is merely a conduit issuer) and temporary notes in conformance with K.S.A.10-131, and amendments thereto. The following lists the investments, which the Unified Government will consider, and which shall be authorized for the investment of bond proceeds:

1. Investments authorized for idle funds by K.S.A. 12-1675 and this Policy.
2. The municipal investment pool established pursuant to K.S.A. 12-1677a.
3. Direct obligations of the United States government or any agency thereof;
4. Temporary notes issued by the Unified Government.
5. Interest-bearing time deposits in commercial banks located in Wyandotte County.
6. Obligations of the Federal National Mortgage Association, Federal Home Loan banks and Federal Home Loan Mortgage Corporation.
7. Repurchase agreements collateralized by direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or the Federal Home Loan Mortgage Corporation.
8. Investment agreements with or other obligations of a financial institution, the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation;
9. Investments in shares of units of a money market fund or trust, the portfolio of which is comprised entirely of direct obligations of the U.S. government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.
10. Receipts evidencing ownership interest in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

11. Municipal bonds or other obligations issued by any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same.
12. Bonds of any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.
13. No moneys shall be invested in a derivative as that term is defined in K.S.A. 10-131, and amendments thereto.

**D. Arbitrage**

The Internal Revenue Code provides that on a periodic basis the Unified Government is required to compute rebate on each bond issue. Rebate is the calculated dollar amount representing the difference between what the issuer actually earned from the investment of certain funds related to the bond issue and the amount the issuer would have earned had those same funds been invested at an interest rate equal to the yield on the bond issue. Absent an exception to rebate, the Unified Government is required to pay or "rebate" to the United States the dollar amount representing these excess earnings.

For each bond issue, rebate must be calculated and paid at least once every five years and within 60 days after the last bond of the issue is paid. Payment of rebate is a condition to maintaining the tax-exempt status of each bond issue, and failure by the Unified Government to comply with the rebate requirements may cause the interest on an issue of bonds to become taxable, retroactive to their date of issuance.

The Unified Government's investment position is to pursue the maximum yield on investments without jeopardizing the tax-exempt status of the bonds. To the extent possible, the Unified Government will seek to comply with applicable exceptions to rebate and when necessary rebate any excess earnings to the United States. The potential rebate of excess earnings will not influence the Unified Government's investment policies.

**Section 15. Collateral Requirements**

- A. **Full Collateralization Required.** All Unified Government deposits shall be fully insured or collateralized at all times.
- B. **Initial Placement.** Moneys to be deposited in financial institutions shall not be released until the financial institution has executed and adopted a security agreement and required custodial agreements.

- C. **Allowable Collateral.** Acceptable collateral for Unified Government deposits, including idle fund investments, as permitted by K.S.A. 9-1402, and amendments thereto, shall be limited to:
1. Except as otherwise set out in this subsection C.1., the financial institution may pledge or assign securities owned directly or indirectly by it, the market value of which is equal to 102% of the total deposits at any given time. The following are allowable securities:
    - a. Direct obligations of or obligations that are insured as to principal and interest by, the United States or any agency thereof.
    - b. Obligations including letters of credit and securities of United States-sponsored corporations which under federal law may be accepted as security for public funds, subject to the following restrictions:
      - (1) The letter of credit must be in the format acceptable to the Unified Government Treasurer.
      - (2) The Unified Government must be designated as the irrevocable and unconditional beneficiary of the letter of credit.
      - (3) The issuer and the depository bank must notify the Unified Government Treasurer by certified or registered mail at least 45 days prior to the cancellation or the non-renewal of a letter of credit.
      - (4) The issuer may not provide letters of credit for any one depository bank in an amount which exceeds ten percent of the issuer's capital and surplus.
      - (5) If a letter of credit issued by the Federal Home Loan Bank is to be pledged as collateral, the amount of the letter of credit shall be equal to 100% of the deposits to be collateralized plus the interest expected to be received by the Unified Government upon maturity of the investment.
  2. The following securities may be used as collateral only if the financial institution pledges or assigns them in an amount, the market value of which is equal to 102% of the Unified Government deposits. Not more than 5% of the Unified Government's total idle funds portfolio may be collateralized by the following securities.
    - a. Bonds of any Kansas municipality which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a

bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States.

- b. Bonds of the State of Kansas.
  - c. General obligation bonds of any Kansas municipality.
  - d. Revenue bonds of any Kansas municipality if approved by the state bank (or savings and loan) commissioner and which are rated at least Aa by Moody's Investors Service or AA by Standard and Poor's Corporation. Bonds secured by revenues of a utility which has been in operation for less than three years will not be accepted as collateral.
  - e. Temporary notes of any Kansas municipality which are general obligations of the municipality issuing the same.
  - f. Warrants of any Kansas municipality, the issuance of which is authorized by the State Court of Tax Appeals and which are payable from the proceeds of a mandatory tax levy.
  - g. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.
3. For overnight repurchase agreements in which the Unified Government is the buyer, the seller shall deliver the following securities to the custodian for the Unified Government in the amount of 102% of the market value of the securities on the purchase date:
- a. Direct obligations of or obligations that are insured as to principal and interest by the United States or any agency thereof, or
  - b. Obligations and securities of U.S. government-sponsored enterprises which under federal law may be accepted as security for public funds, subject to any restrictions contained in Section C.1.b. above.
- D. **Peak Period Agreements.** Peak-period agreements permitted under K.S.A. 9-1403 are not permitted under this Policy.
- E. **Collateral Substitution.** Collateralized investments often require substitution, additions and/or deletions of collateral. Any financial institution requesting these actions must contact the Chief Financial Officer or the Unified Government Treasurer. Substitution of collateral shall be required whenever, in the opinion of the Unified Government Chief Financial Officer, the collateral no longer satisfies or complies with the security requirements established under this Policy.
- F. **Valuation of Collateral.** For purposes of compliance with this section, all collateral shall be priced on a market value basis no less than monthly. Collateral requirement is

defined as the outstanding amount of Unified Government funds deposited plus accrued interest thereon less federal deposit insurance coverage.

- G. **Collateral Compliance Report.** Each financial institution with Unified Government deposits shall submit monthly to the Chief Financial Officer or the Unified Government Treasurer, or more frequently if requested, a report documenting the institution's compliance with the collateral requirements of this Policy.
- H. **Custodial Agreement.** Each depository bank depositing securities with a custodial bank shall enter into a written custodial agreement with the custodial bank and the Unified Government for the safekeeping of the securities.
- I. **Failure to Meet Collateral Requirements.** If a depository bank fails to meet requirements established by this Policy, the depository bank shall be offered the following options:
  - 1. Close the account and return to the Unified Government all principal and accrued interest without penalty; or
  - 2. Convert the deposit to a repurchase agreement under terms acceptable to the Unified Government.