Economic Development and Finance Committee

Standing Committee Meeting Agenda

Monday, August 14, 2017
5:30 PM

Location:
Municipal Office Building
701 N 7th Street
Kansas City, Kansas 66101
5th Floor Conference Room (Suite 515)

Name	Absent
Commissioner Brian McKiernan, Chair	
Commissioner Hal Walker	
Commissioner Gayle E. Townsend	
Commissioner Ann Brandau-Murguia	
Commissioner James Walters	
David Alvey, BPU Member	

I. **Call to Order/Roll Call**

II. **Revisions to August 14, 2017 Agenda**

III. **Approval of standing committee minutes from May 1 and June 5, 2017**

IV. **Measurable Goals**

V. **Committee Agenda**

Item No. 1 - PRESENTATION: STORMWATER RATE TRANSITION ANALYSIS

Synopsis: Presentation of the Stormwater Rate Transition Analysis being conducted by Black & Veatch. The analysis will look at an impervious surface area calculation to determine stormwater fees. Presentation will include purpose, analysis approach and anticipated timeline, submitted by Jeff Fisher, Public Works Director.

For information only.

Tracking #: 171232

Item No. 2 - REPORT: SECOND QUARTER BUDGET REVISIONS
Synopsis: Second Quarter Budget Revision Report, submitted by Reginald Lindsey, Budget Manager.

For information only.
Tracking #: 171227

Item No. 3 - REPORT: SECOND QUARTER BUDGET TO ACTUAL
Synopsis: Second Quarter of Fiscal Year 2017 Budget to Actuals Report, submitted by Kathleen VonAchen, CFO and Reginald Lindsey, Budget Manager.

For information only.
Tracking #: 171229

Item No. 4 - REPORT: SECOND QUARTER INVESTMENT REPORT
Synopsis: Second Quarter Investment Report, submitted By Debbie Pack, Treasurer, and Lisa Nolan.

For information only.
Tracking #: 171228

Item No. 5 - PRESENTATION: LOCAL BANK EMPHASIS INVESTMENT POLICY
Synopsis: Presentation of the Unified Government's Investment Policy, Local Bank Emphasis, Section 14B, submitted by Kathleen VonAchen, CFO.

For information only.
Tracking #: 171230

VI. **Public Agenda**

VII. **Adjourn**

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, May 1, 2017

The meeting of the Economic Development and Finance Standing Committee was held on Monday, May 1, 2017, at 6:15 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Walker, Townsend (via phone), Murguia, Walters, and BPU Board Member Alvey. The following officials were also in attendance: Doug Bach, County Administrator; Gordon Criswell, Assistant County Administrator; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Finance Director; Debbie Pack, County Treasurer; Lisa Nolan, Treasurer's Office; Reginald Lindsey, Budget Manager; Angela Harshbarger, Economic Development; Alan Howze, Chief Knowledge Officer; and Officer Bryan Rausch, Sergeant-At-Arms.

Chairman McKiernan called the meeting to order.

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

Chairman McKiernan said just to make sure that everyone is aware we originally had a blue sheet and then a pink sheet. Some information has come out after this agenda was initially published. The first thing we had was an addition of Item No. 6 to our committee agenda which was a resolution to set the public hearing for the Argentine Fast Food Shops. We got some additional information regarding that item that came out at about five till five tonight.

There have been some additional items and those should be what were distributed to everyone here with the pink sheet. We should have now on the table, and I have on my computer, all the additions for the Argentine Fast Food Shops which is now Item No. 6. The other change to our agenda is that Item No. 4, the presentation by KC Digital Drive is going to be postponed. Unfortunately Mr. Deacon had a family matter that prevented him from being here tonight. He will get together with Mr. Howze, our Chief Knowledge Officer, and they will come up with a date when he can come back to present to us. As of right now, Item No. 4 has been struck from our agenda.

Commissioner Murguia asked does that mean the fast food deal is the only thing on the agenda. **Commissioner Walker** said no. **Chairman McKiernan** said no. It now moves from No. 6 up to No. 5. **Commissioner Murguia** said okay.

Approval of standing committee minutes from January 30, 2017. **On motion of Commissioner Walker, seconded by Commissioner Walters, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

Item No. 1 – 171090…REPORT: BUDGET REVISIONS

Synopsis: Budget revisions greater than $50,000, submitted by Reginald Lindsey, Budget Manager.

Reginald Lindsey, Budget Manager, said financers reporting budget revisions that exceed $50,000 that are considered emergencies that have recently been completed. There were four budget revisions that were completed that were over $50,000. One was in the Election Office, one was in the Police Department, and two was in the Sherriff's Department. They total approximately $332,000. Are there any questions about any of the transactions?

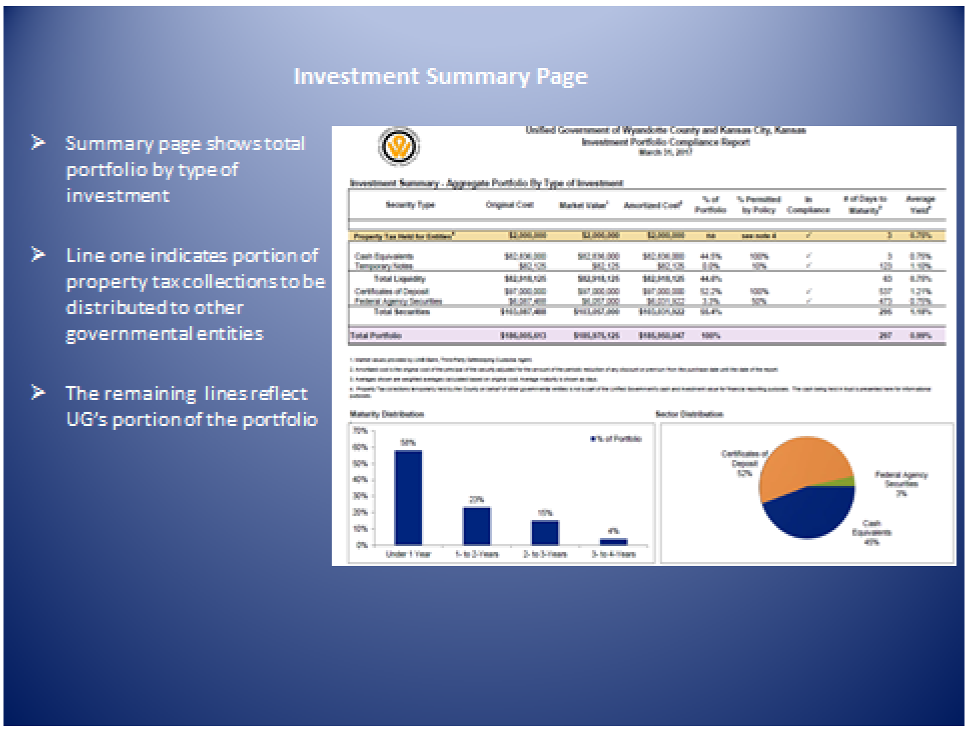
Chairman McKiernan asked these were all budget neutral, they were transfers within department? **Reginald Lindsey, Budget Manager**, said yes. **Commissioner Walker** asked do we approve this. **Chairman McKiernan** said no, this is for our information only. At last month's meeting we had asked that we get more timely notice of these budget revisions so that they don't get saved into a quarterly report, that we know about them early so just in case there are any questions that we have or direction that we might have for staff, we can give that earlier. At this point in time if there are no questions or comments, we thank you for bringing the information to us.

Action: Information only.

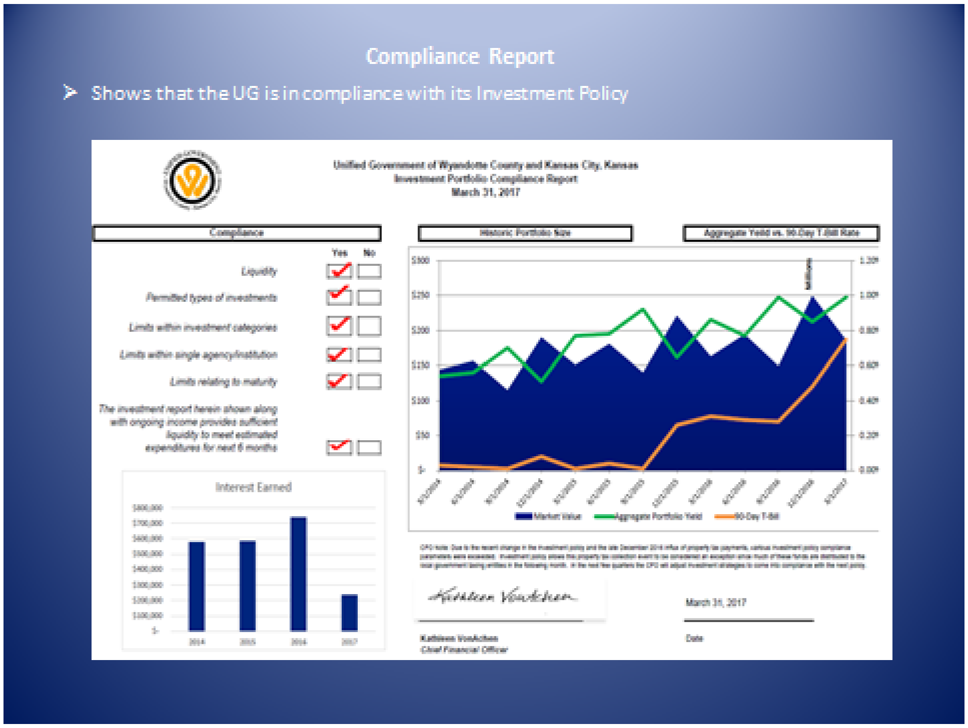
Item No. 2 – 171102…REPORT: QUARTERLY INVESTMENT REPORT

Synopsis: Summary of invested revenues for First Quarter 2017, submitted by Debbie Pack, Treasurer, and Lisa Nolan, Deputy Treasurer.

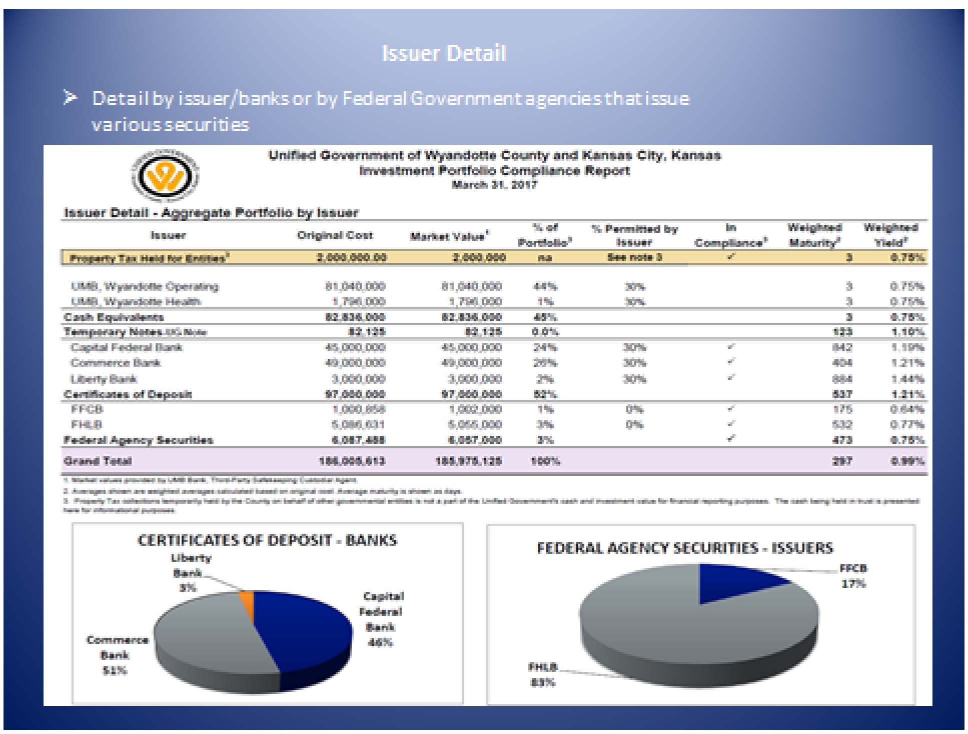
Lisa Nolan, Treasurer's Office, said I'll be giving a summary of the First Quarter 2017 Investment Report.



The first slide is just the investment summary page. It summarizes the total portfolio by type of investment. Line 1 where you see the $2M that is the property tax collections to be distributed to other entities. The remaining lines reflect the UG's portion of the portfolio.



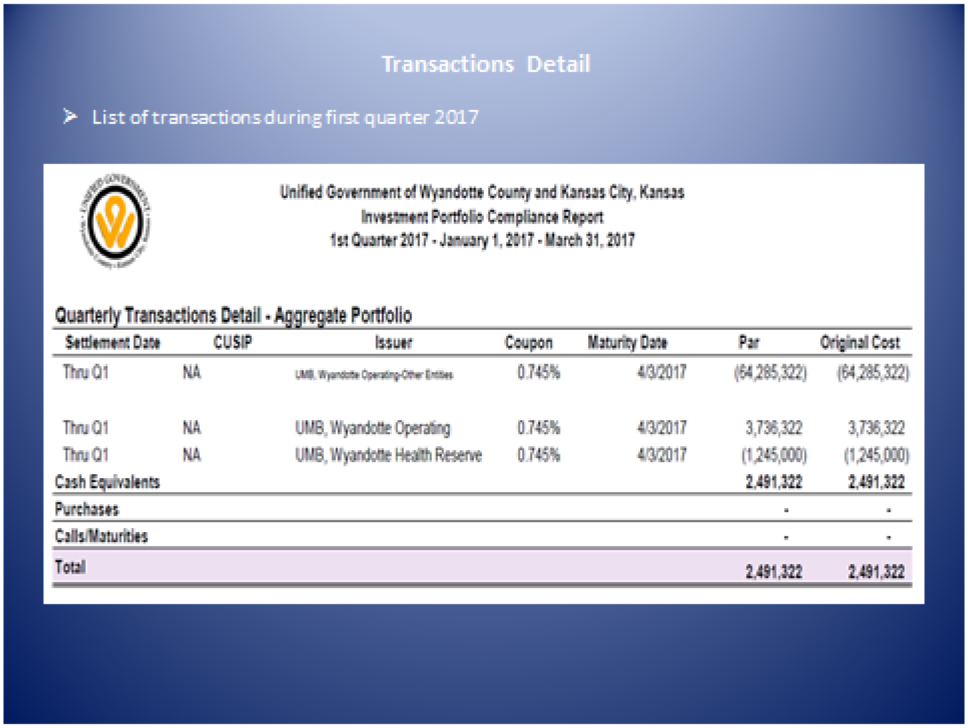
The next page is the Compliance Report that shows that we are in compliance with our investment policy.



Issuer	Original Cost	Market Value[1]	% of Portfolio[2]	% Permitted by Issuer	In Compliance[2]	Weighted Maturity[2]	Weighted Yield[2]
Property Tax Held for Entities[3]	2,000,000.00	2,000,000	na	See note 3	✓	3	0.75%
UMB, Wyandotte Operating	81,040,000	81,040,000	44%	30%		3	0.75%
UMB, Wyandotte Health	1,796,000	1,796,000	1%	30%		3	0.75%
Cash Equivalents	82,836,000	82,836,000	45%			3	0.75%
Temporary Notes UG Note	82,125	82,125	0.0%			123	1.10%
Capital Federal Bank	45,000,000	45,000,000	24%	30%	✓	842	1.19%
Commerce Bank	49,000,000	49,000,000	26%	30%	✓	404	1.21%
Liberty Bank	3,000,000	3,000,000	2%	30%	✓	884	1.44%
Certificates of Deposit	97,000,000	97,000,000	52%			537	1.21%
FFCB	1,000,858	1,002,000	1%	0%	✓	175	0.64%
FHLB	5,086,631	5,055,000	3%	0%	✓	532	0.77%
Federal Agency Securities	6,087,488	6,057,000	3%		✓	473	0.75%
Grand Total	186,005,613	185,975,125	100%			297	0.99%

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodian Agent.
2. Averages shown are weighted averages calculated based on original cost. 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 financial reporting purposes. The cash being held in trust is presented here for informational purposes.

Page 3 is a detail by issuer or banks or by federal government agencies that issue the various securities.



Transactions Detail

- List of transactions during first quarter 2017

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
1st Quarter 2017 - January 1, 2017 - March 31, 2017

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q1	NA	UMB, Wyandotte Operating-Other Entities	0.745%	4/3/2017	(64,285,322)	(64,285,322)
Thru Q1	NA	UMB, Wyandotte Operating	0.745%	4/3/2017	3,736,322	3,736,322
Thru Q1	NA	UMB, Wyandotte Health Reserve	0.745%	4/3/2017	(1,245,000)	(1,245,000)
Cash Equivalents					2,491,322	2,491,322
Purchases					-	-
Calls/Maturities					-	-
Total					2,491,322	2,491,322

Page 4 is a transaction details listing the transactions that occurred during the first quarter 2017. There were no new purchases or there were no calls or maturities either. There were the overnight investments is what you see on this page. Is there any question about the quarterly report at this point?

Commissioner Walker said I have a question. Maybe it's for Ms. VonAchen. What is the total of our Idle Funds at this point? **Kathleen VonAchen, Chief Financial Officer,** said the total of our what? **Commissioner Walker** said idle funds. **Ms. VonAchen** said so you would go three slides up. **Commissioner Walker** said what you call Idle Funds. **Ms. VonAchen** said I didn't hear the word Idle. The total is $186M as of March 31st.

Commissioner Walker asked are these funds committed for expenditure. **Ms. VonAchen** said yes they are, either current expenditures or future or for reserves. **Commissioner Walker** asked would you and Mr. Lindsey arrange through my secretary a meeting with me. It doesn't have to be this week but over the next couple of weeks. I have a number of questions and I have some budget issues that I intend to raise. I'm receiving input regarding money and I want to get clear. **Ms. VonAchen** said okay. **Commissioner Walker** said whenever it is convenient for you and Mr. Lindsey.

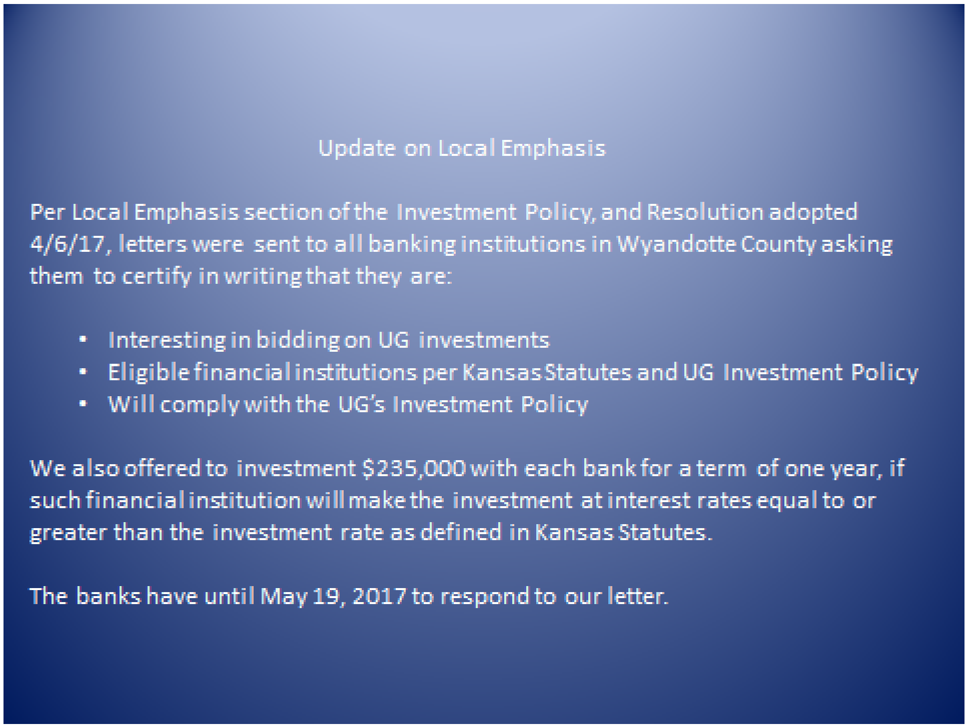
Chairman McKiernan said any other questions or comments regarding the investment report. I guess I would just ask, actually I have just two questions. The first one would be just thumb nail assessment. The reports are great, but what is you assessment of our investment position today compared to last month, same or better? **Ms. VonAchen** said overall we had a great deal of more money.

We are also in charge of holding the funds related to property tax that we collect on behalf of the other entities in our county. This past month that distribution went out so as a result the total cash level dropped by, if you look on the left slide, it dropped by about $64M. Those are the distributions that went out to the other entities like the school district, Community College, Bonner Springs and other cities.

Chairman McKiernan said my other question is, is this a treasury thing**? Debbie Pack, County Treasurer**, said yes it is. Today is a red day, the last day of the month or the first day of the month, as you know Motor Vehicle is a little bit busy, so this is an initiative in the Treasury office to motivate staff to kind of pull us all together as a team. The supervisor bought shirts for the staff that we can kind of encourage them to do things the way to do it.

Chairman McKiernan asked so it's part of an overall customer service improvement initiative? **Ms. Pack** said yes a motivation. **Chairman McKiernan** said I love it. **Ms. Noel** said employee motivation which of course turns into customer satisfaction. **Chairman McKiernan** said I love it.

Ms. Nolan said one last thing, I wanted to give an update on the Local Emphasis per the Local Emphasis section of the Investment Policy and the resolution adopted at the April 6th Commission Meeting.



Letters were sent to all banking institutions in Wyandotte County asking them to certify in writing that they are interested in bidding on UG investments; that they are eligible financial institutions per Kansas Statute and the UG Investment Policy; and that they will comply with our Investment Policy. We also offer to invest $235,000 with each bank for a term of one year if they will make the investment at an interest rate equal to or greater than the rate defined in Kansas Statutes. Those letters went out a couple of weeks ago. They have until May 19th to respond.

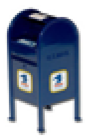
Commissioner Walker said I for one have been an advocate of the local banks, especially banks that are headquartered here and I'm glad to see this. I hope they take advantage of it, but I have no idea of how bankers think. **Ms. Nolan** said I've had a few responses but they've got a couple weeks still. **Commissioner Walker** said well at least they've had the opportunity.

Action: Information only.

Item No. 3 – 171091…BRIEFING PROPERTY TAX PAYMENT OPTIONS

Synopsis: Briefing on various options available to residents and businesses for paying property taxes, submitted by Debbie Pack, Treasurer.

Debbie Pack, County Treasurer, said I've had a lot of questions from you and from other people on what are the options for people to pay their taxes. We're trying to make this customer service more friendly, we're trying to keep our delinquencies down. I just want to present this. Give you an idea of what we have now and things that we're looking at because there are a lot of things going on right now.



Mail
- Current or delinquent
- Anytime
- Any amount
- Check or Money Order

In-Person (Downtown or Annex)
- Current or delinquent
- Mon-Fri 8:00am-5:00pm
- Any amount
- Cash, Check, Money Order or Credit Card
- Credit card fee is paid by taxpayer (2.5%)

www.wycokck.org
- Current or delinquent
- Anytime
- Lesser of amount due or $100
- Credit Card fees paid by UG

It's basically we want to give everybody an option; they can decide how they want to pay. Right now we have three options. They can pay by mail. The mail process, they can pay current or delinquent taxes. They can pay any amount any time by check or money order.

The second option they have is to come into the office, downtown or the Annex. There again they can pay current delinquent. They can pay anytime between 8am and 5pm any amount they want. They can pay check cash money order or credit card. The caveat of paying in the office is that there is a 2.5% fee on a credit card usage.

The third option right now is to pay online. You can pay anything current or delinquent online, you can pay anytime 24/7. We have set a limit on the online just for simplicity models. The lesser of the due amount or a $100 was the minimum they set many years ago. The credit card fees here, because these are all credit card payments now, are absorbed by the Unified Government.

LOOKING TO THE FUTURE

2017 Goal - implement Escrow functionality currently in the CIC Tax Administration Software

- Allow taxpayers to prepay taxes to be held for future tax bills
- Allow UG to print payment books

Timeline-

2Q-3Q17	Explore functionality
	Set up test accounts
4Q17	Implement to public
	Send notice of option with tax bills

The theory here was that we wanted to push people to the website. Looking into the future we like to call we love escrow. Our tax system actually has a functionality of escrow collection. Just like you would pay your mortgage company, we have the ability to set people up on monthly payments that would allow them to make monthly payments on their current or their future taxes. Again, in the escrow functionality they can pay by mail, they can pay in hand or we can do an ACH that will pull from their account as often as they want.

Right now the timeline for this is that we're looking into the functionality and doing some testing in the second and third quarter of 2017. We hope to implement this by the 4th quarter of 2017 which will be when the next tax roll comes out. We're hoping by that time we'll be able to send notice to the taxpayers in their bills giving them this option. We've had this request from a lot of people especially as they pay off their mortgage. It gives them the benefit that we can help them do that saving part for themselves and not have to come up with it in the tax time twice a year.

Payment App
- Exploratory stages
- Ability to pay taxes on a phone app
- Payment options same as any other app

The other thing we're looking at is a payment app on your cell phone. We're in exploratory stages right now. We've talked to a couple of different vendors. This will give ability for people just the same as anything else to pay on their phone. The payment options would be the same with any other app. Your credit card, your checking account or anything like that. We have a lot of opportunities for people and we do have a lot of technology coming out. Are there any questions about that?

Commissioner Walters asked do I understand correctly that when people are delinquent and they make payments it automatically goes against the oldest due bill? **Ms. Pack** said no. About two or three years ago this Commission, this body passed an ordinance that we collect delinquent tax on the most current delinquent year which eliminates people. The tie we were in people would pay their third year back taxes and then they would always have those two or three rolling years of taxes. When that ordinance was passed we flipped that calendar around and now if you're delinquent you have to pay the most current one. Let's say you owe '13, '14 and '15 taxes, when you come in the door to pay your taxes, your delinquent taxes, we'll take '15 first. So in order for you to get off a tax sale eligibility you would have to pay '15, '14 and '13 to get yourself out of that bind. **Commissioner Murguia** said that's brilliant. **Ms. Pack** said does that make sense. **Commissioner Walter** asked has that been effective. **Ms. Pack** said it has been very effective because people want to get out of the tax sale.

Chairman McKiernan said I will say I took advantage of the online payment over the weekend myself and it worked flawlessly. Just exceeded the limit I had already set on my debit card so I had to use my credit card. The process itself was really very seamless and very quick and the notification I got back in terms of my receipt was well done. Good job on the online.

Commissioner Walker asked are we looking at an app that the Unified Government develops and owns or are we looking for a commercial app that someone else is the owner of the software. **Ms. Pack** said the app that we're looking at, Technology is actually looking at it for us. It's a company outside of the Unified Government but we would own what was on that app. We could develop what was on there, they could pay court cost and taxes. The state of Kansas just signed a contract with a company to do this for the state and we're hoping that that contract will help us help our citizens be able to do everything in one place.

Commissioner Walker said I've not had all the seamless experiences that apparently Mr. McKiernan has with apps and telephone. **Chairman McKiernan** said I didn't use the app, I used the website. **Commissioner Walker** said oh, well. My point being that we need Legal or someone with–what you would call what's the word that I'm looking for, someone that does that type of legal work. We need to look very carefully at putting apps on phones that pay bills to us which could be misused. Who bares the responsibility for the misuse? For now, not too long ago my American Express card was hacked and all of a sudden there was like 40 Uber charges in New York City. I have no idea how they got it to use it, but they had to have gotten it because I've done something on the internet paying a bill. Fortunately for me American Express eats that liability. I don't want to be in the position of us eating the liability for misuse. Maybe I don't understand the concept correctly so maybe that's not even an issue. Somebody needs to sign off that we don't bear the responsibility for having to eat someone's taxes because somebody was able to use our app and hack it and extract money. **Ms. Pack** said I can answer that from the website perspective. Our website, the payment is processed through Bank of America. They are responsible for making sure that data is not–it goes through their system. We do not get credit card information into our system. We only get the last four digits. We have to be compliant with what they require us to do.

Commissioner Walker said the app will be the same kind of system. **Ms. Pack** said yes. It has to be PCI compliant which is just a technical term and that company would have to provide that. **Commissioner Walker** said it just concerns me. **Ms. Pack** said I understand. C**ommissioner Walker** said you've alleviated my concerns for now. I'll still probably pay mine by mail.

Action: Information only.

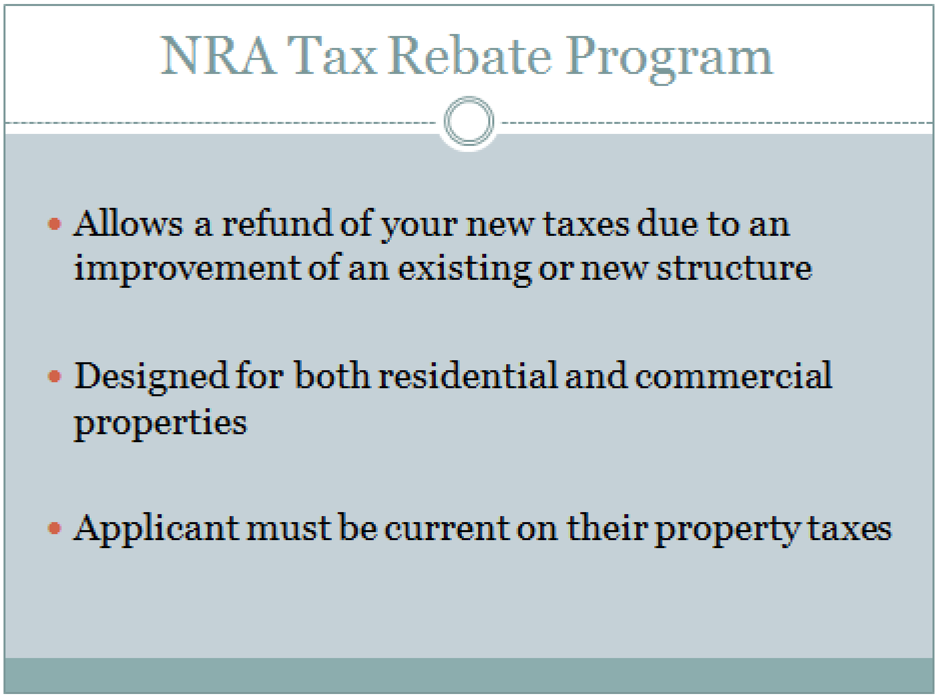
Item No. 4 – 17968… PRESENTATION: KC DIGITAL UPDATE
Synopsis: Update by Aaron Deacon, Executive Director of KC Digital Drive, on activities and objectives of KC Digital Drive and how they are working with and supporting the UG priorities, submitted by Alan Howze, Chief Knowledge Officer.

Action: Removed.

Chairman McKiernan said since Item No. 4 has been removed tonight, Item No. 5 moves up to the No. 4 slot. This is the first of two items on which there is a request for some action on our part.

Item No. 5 – 171098…PRESENTATION: PROPOSED 2018-2020 NEIGHBORHOOD REVITALIZAITON ACT TAX REBATE PROGRAM
Synopsis: Presentation of the proposed 2018-2020 Neighborhood Revitalization Act (NRA) tax rebate program plan, submitted by Angela Harshbarger, Economic Development.

Angela Harshbarger, Economic Development, said we're here to discuss the proposed changes for the 2018 to 2020 plan. Our current plan for 2015 to 2017 will expire on Dec 31st. We're targeting January 1, 2018 as our start date for the proposed plan if it's approved.



Before we begin, just a quick review of the NRA tax rebate program. It's a program that does allow owners to receive a rebate based on the incremental increase in taxes that is due to new construction or improvements of property. We do have both a residential and commercial component to the program and criteria for both. For an applicant to be eligible to participate in the NRA program, they do have to be current on all property taxes.

We have eight proposed changes for you this evening. The first being language regarding a filed contract for deed with the Register of Deeds office. Page 4 of the policy currently speaks about residential projects requires that they be owner occupied.

We would like to add language where those properties that a contract for deed has been filed with the registers office would also be eligible under this program. We've had some discussion with developers who have expressed interest in assisting individuals to become homeowners whether it's first time buyer or returning to homeownership and they just feel that this is a component that can be helpful with that.

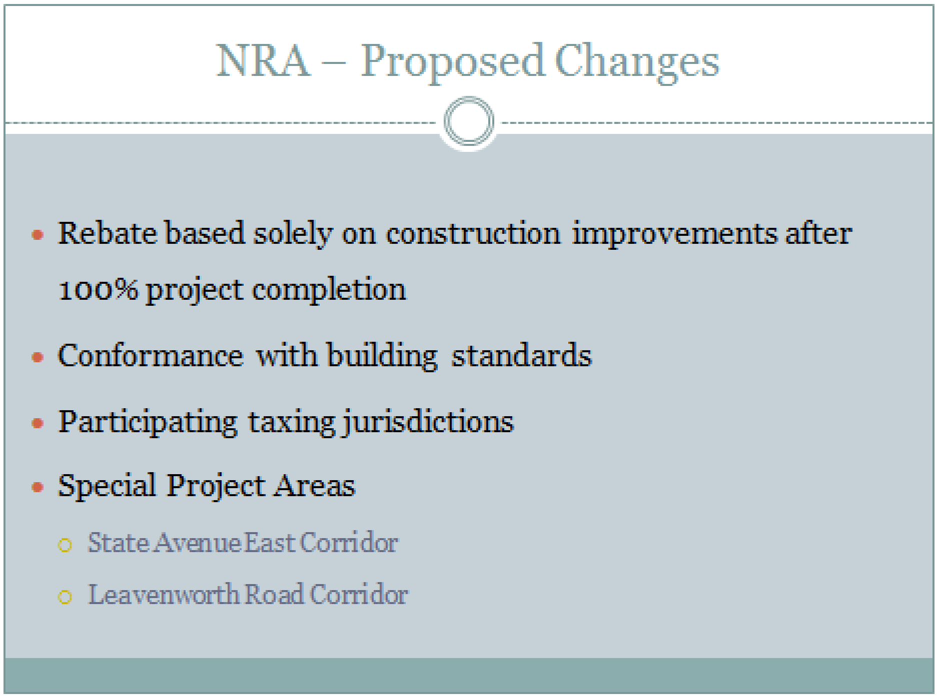
Next step is a language change with regard to based land values. Policy currently states base land value will be greater, the existing use or the proposed use. After discussion with the Appraiser's Office they had explained that the base land value is actually determined by the current use as of January 1. We just want to change the language to reflect the actual practice.

Our next change is inclusion of language regarding ineligible businesses for the NRA program. It has always been our practice not to include any liquor stores, bars or establishments that sell alcohol of less than 50% food sales. We would like to include that language now in policy just to make it consistent with our other economic development policies.

Also, we're proposing adding a project completion date within 24 months of application approval unless otherwise approved by staff should there be any issues or concerns that we would be able to visit that on case-by-case basis. We just want to ensure that those projects are being completed in a timely manner. **Commissioner Walker** asked what happens when a filed contract for deed that fails to fulfill the–the general assumption is that most contract for deeds in this county are subterfuge to avoid landlord registration? You have this contract for deed, now you're going to have it required to be filed and they become eligible for NRA. What happens when that contract for deed fails within the ten year period? **Ms. Harshbarger** said then they would no longer be eligible for the NRA program and be removed. **Commissioner Walker** said what happens when–because I have sold this property to Jim and he fails and he moves away and I get my property back, you only get one eligibility per property? What happens when I sell it to the next guy and it's still going to be an NRA eligible area? **Commissioner Murguia** said I actually know the answer to this I think. **Commissioner Walker** said good.

Commissioner Murguia said because this happened with the Dollar General Store in Argentine. They were going to make application for the NRA, the developer was, but then he intended to sell the property after it was built and up and running and after lengthy discussions it would have been worthless for him to do that because the minute the property was sold that NRA would have went away. You can't have an NRA and sell the property.

Doug Bach, County Administrator, said that's correct. It's non-transferable. The only exception to that is residential housing comes in, that then we allow the developer to start under a NRA program and then they can transfer that to the first homeowner that buys it. After that time period goes, if somebody gets it then five years down the road you don't sell it and sell the tax rebate program as well.

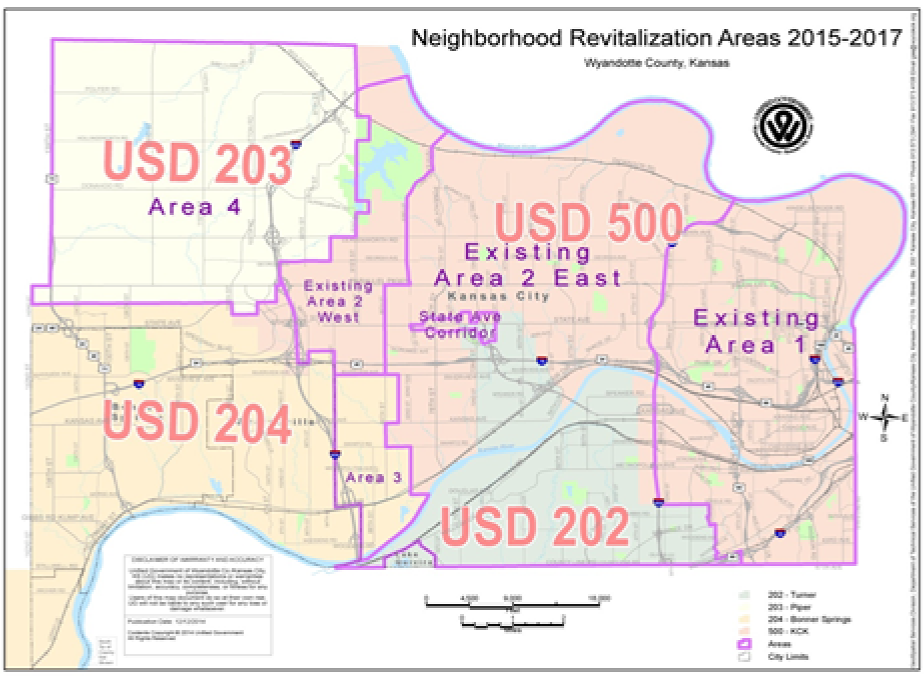


Ms. Harshbarger said just a few more proposed changes. We do want to clarify that the rebate is based solely on the construction or the improvement and the project has to be 100% completed to receive the rebate. For instance, if you had a property where it was purchased based on the sale value you have increased the appraised value of that property, well the threshold is 15% increase in assessed value. If the land sale has met that 15% under the current language it could be perceived that you would be rebate eligible. We want to clarify that you're rebate eligible based on the improvements or the construction.

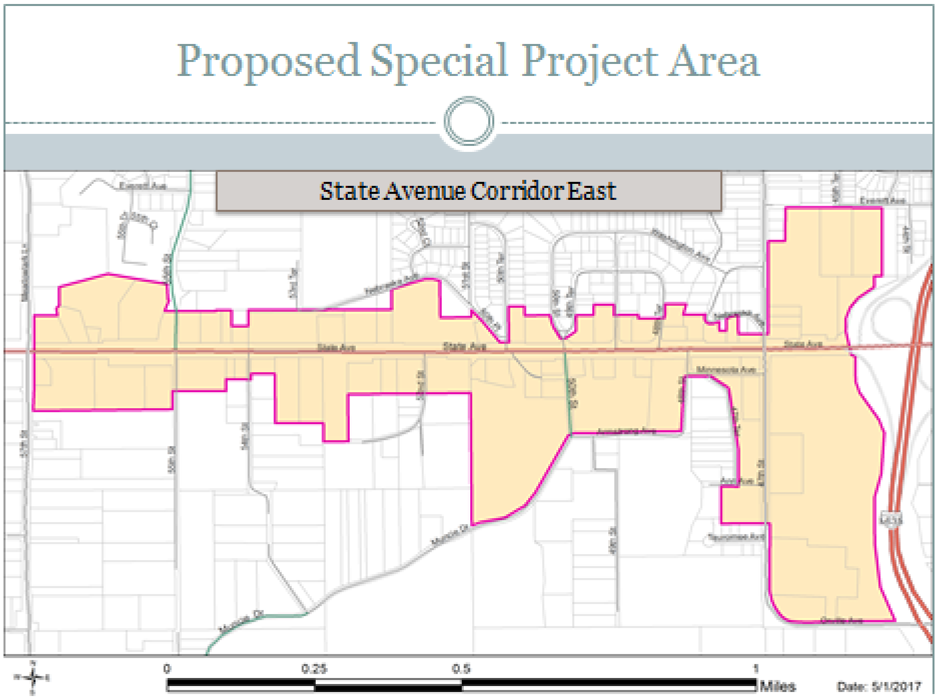
We also want to add some language regarding conformance with building standards. We do currently have language that speaks to compliance with codes, regulations and ordinances. We want to also just include now the language that states that there is conformance with the building standards that are in existence at the time of the construction project. We want to make sure that there is some consistency with things like fencing and landscaping to ensure that the projects are actually improving the property and keeping it consistent with the standards that we would like to see in an area.

Also, language regarding participating tax jurisdictions, there is an example that's provided in the policy of roughly how your tax rebate might look like, what that estimate might look like. We found that it's confusing people because when they sit down and try to follow that example and when they find their rebate doesn't match how that example works, then phone calls, can you explain this to me. We want folks to understand that the rebate is actually based on participation of the taxing jurisdictions. It will actually be the Treasurer's Office that determines the rebate amount. We just want to encourage folks to follow through and contact them if they do have questions regarding their rebate amount.

Then the last piece that we have for you, we're proposing two new special project areas. We do currently have two special project areas. One, existing Area A, is considered a special project area and then we have that State Avenue Corridor there in the middle. For those areas, if it is a product that is retail in nature; if there is a historic designation or if there is environmental contamination, that project may be eligible for a 75% to 85% tax rebate for a period of up to 20 years.

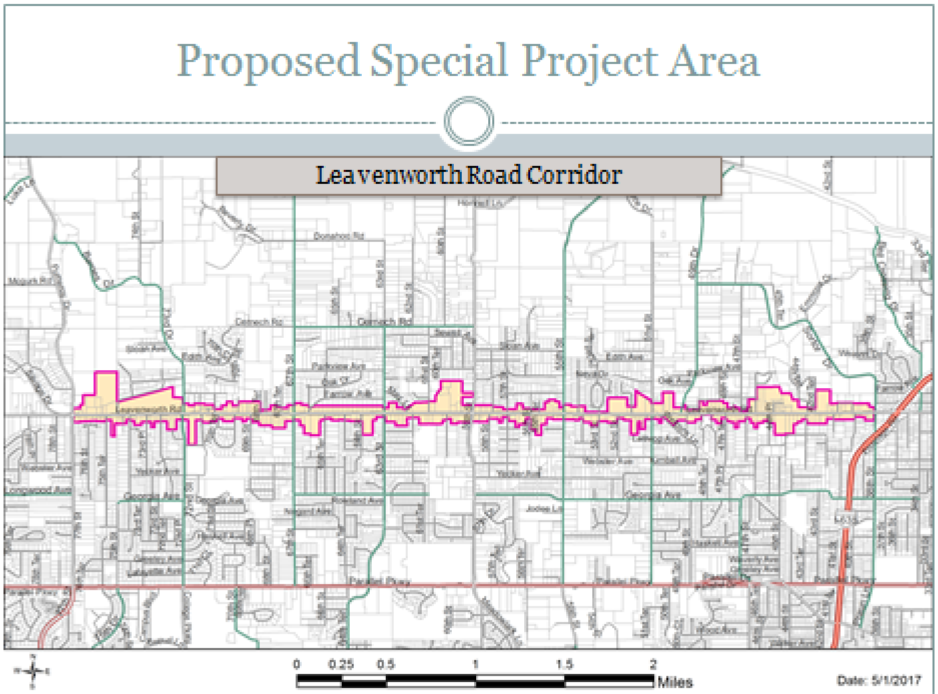


We would like to propose two other corridors that have the same terms to encourage commercial and retail development in those areas.



Our first is our State Avenue Corridor East. You saw that we did have a State Avenue Corridor up there. We're going to call that one west for our purposes this evening. What we're proposing is an area from 635 to approximately 57th St. and it's just those properties that actually have frontage on State Avenue other than you'll see all of Indian Springs is encompassed here.

David Alvey, BPU Board Member, asked how do we establish these areas as special project areas. Is this something that the commissioner would ask for who represents the area? Is it businesses who would come forward and say we want to be a special project area? **Ms. Harshbarger** said in this case it was a discussion amongst staff talking about a targeted approach to advancing development in certain areas.



Mr. Alvey said I'm looking at, for instance, west of 635 which would be the Highland Crest area, 3000 single-family homes, 2/3 of them are probably rental properties. What would precipitate that area being designated a special project area? **Ms. Harshbarger** said well these again are just for commercial development. So we're wanting to encourage retail growth.

Mr. Bach said I'll say that the reason we went after this is we're obviously working on the Indian Springs area. When we did the special project area out around the Wyandotte Plaza area, resulting impact was a $30M development that came into that sight. In trying to get that redevelopment through that area so we looked at this and thought we probably won't use the tool so much on Indian Springs, but the related property around it might make sense. Then of course we already have everything east of 635 as eligible. It's just kind of picking niche properties on the western side where the tool may come about. We don't have anything planned for this. Actually we are going to go through the whole redevelopment process or planning process for it. That's why we came about and said here's where we go with this and then the other one that you'll put up is where we are doing Leavenworth Road, so we're spending millions of dollars there. It's like if we're going to invest in it, maybe there's the opportunity much like State Avenue that we would pick off some areas. I wouldn't see it happening all up and down the area, but there would be some nodes within it that would make sense, since we're coming in with redevelopment dollars. That's the strategy of where staff came about these recommendations and we're open to any kind of input or thoughts you have.

Commissioner Walker said I'm going to give you some input. I don't like it one damn bit. I don't like the idea that you've picked out two corridors in the north part of the city when Strong Avenue in Argentine, except for what the commissioner has precipitated, you can't buy an ice cream cone. Why is Strong Avenue not there, why is the little corridor in the Turner area not even considered? I don't like this without a full-fledged Commission discussion over what should be. I'm not necessarily opposed to the entire length of Leavenworth Road or State Avenue, but my God we have put tons of money into State Ave., tons of money.

I'd like to see a fraction of that put into the Turner community and put into the Argentine area. You're too young and there's probably not a handful of people, maybe RJ and myself, that remember when Argentine, you could go down there and do everything you needed to do. Yes, you too, Jim Walters. Even Ann can't remember that. There's no reason that we can't give some kind of benefit to that area because that area used to service all of the southern, I will say below the river, south of the river as we call it, the forgotten waste land, where you can go to a grocery store, toy store, TG&Y, hardware stores and auto repair, everything you needed was there before the vast interstates allowed you to get over to the other area.

So I'm a little hot that this has not had any consideration or input from the Commission about any other area other than the two major thoroughfares that are in the north half of the city. **Mr. Bach** asked your referring to the area in Argentine from 635 over to 18^{th} St.? **Commissioner Walker** said Strong Avenue actually ends from 42^{nd} to 22^{nd}, I believe. **Commissioner Murguia** said 24^{th}. **Mr. Bach** said that entire area is in the special project area. **Commissioner Walker** said show me. **Mr. Bach** said everything east of 635.

Commissioner Walker said if I'm looking at that map, it looks like the whole damn county is in the special project area. **Ms. Harshbarger** said these are actually just our plan areas so we do have an Area 1, 2, 3 and 4. Area 1 itself has been designated as a special project area. **Commissioner Walker** said alright, well then I'm sorry. **Mr. Alvey** said I guess the question I was trying to get to is, what would it take? I know for instance Representative Frownfelter and Commissioner Markley had been looking at the Highland Crest area to see what could be done to raise the standard of that neighborhood.

Is this something that has to be led by a commissioner, is it something that's brought, I mean how do these things come about? **Mr. Bach** said you can just tell us what area you think it would work good to come into. The emphasis behind the special project area has been driven more by retail. That's where you really get the benefit from it more so than a residential area. We can go with that, we haven't done one for a residential area, to take it out 20 years. **Mr. Alvey** said probably if you said, let's say you would select out Highland Crest in that area and you would, since most of those are rental homes, single-family detached, you would not probably incentivize, we would not want to incentivize landlords, large land owners utilizing the program to upgrade their properties and then continue to rent them. That would not be a purpose of this, correct?

Ms. Harshbarger said currently we do not allow–**Commissioner Walker** asked well how is this different? I'm looking at a map that would suggest to me that Leavenworth Road is already in an existing area, both 1 and 2 and so is State Avenue. You're highlighting those narrow bands with something special called a special project. I don't see any special project areas south of the river. Where am I wrong on this? **Ms. Harshbarger** said no, you're correct Commissioner. These have just been some initial discussions that we have. Tonight is not a final plan that's being presented by any means. We're bringing it for discussion so that we can next take proposed changes out to the school districts. We actually will not plan on coming back for a final version of this until sometime in September and October and have lots of opportunities to explore some of those other corridors. **Commissioner Walker** said well you got my input tonight.

Mr. Bach said to be clear though, existing Area 1 includes authority to do a special project area within any area in Area 1. That's the key issue that you're not seeing outlined. It's because, if you go into Area 2, you can't do a special project area just anywhere. You can only do it in the little outlined area around State Avenue Corridor around Wyandotte Plaza. If you go into Area 1 we can pull out, we can come down around KU, we can do it around Strong Avenue, we can go up into the northeast area. We can designate that anywhere within that area. That's how our rules call out and say procedures allow for us to do that and designate it within any area. We've looked at it a few different times but it hadn't come out to be the right tool at that place. **Commissioner Walker** said Commissioner Alvey is still correct though that's in USD 202, Board Member Alvey, where the line zigzags or detours away from 635, that's Turner that's Shawnee.

I live in that little square between, no I live just west of 635, right at the County Line boarder. In that area for there to be a special project area we would have to designate like Gibbs Road or Metropolitan or one of the major thoroughfares through the southern part of the county. **Mr. Bach** said that is correct and I'd probably add to, you're talking more about residential. Probably the different thing you might want to consider rather than, because in Area 2, we only offer five years. In Area 1 we can do up to 10 years for residential. In Area 2 it's only a five year 95% so to add an added incentive in the Highland Crest area for homeownership, not rental, you would look at maybe carving out an area there and say we'd like to make this a ten year area rather than a five year area. In saying that, I'll also note and it's, things change, but previously the Turner School District was not receptive to that. In fact when we did this, and I probably go back a couple iterations of this plan, there was some resistance to it. The last couple times they've been very welcoming to it and found where it's been useful.

The school districts are not always jumping up and down about it because you realize when you do build it there and causes them infrastructure increases, then they got to go build something. If they are not getting tax dollars from those houses for ten years but they're getting new students then it's a different play on them immediately. That had not been the case in USD 500 where we've had existing facilities. Now they're seeing a growth. So far they've supportive of it still being that way.

Mr. Alvey said would it be possible, let's say going back to the Highland Crest neighborhood, if this were to be a special project area that you would then go to Gary Brown or Gary Smith is probably the largest property holder in that area has lots and lots of homes for rent. Could he or could they make use of this if the development agreement would require them to put it up for sale as a single-family dwelling? Can it be done to move it from rental housing to single-family? **Commissioner Murguia** said yes that's what I was going to clarify for you. Tell me if I'm right David, what you're trying to say is that the Highland Crest area has been a priority area for south side for a long time and in conjunction with what they're proposing here for commercial corridors you are potentially proposing an 80% property tax rebate on owner occupied residents that lie within the boundaries of Highland Crest. **Mr. Alvey** said and wondering whether this could be a way to–you could not have someone that is renting it out and then take advantage of this. **Commissioner Murguia** said right, it has to be owner occupied so the way to do that is simply with marketing as property come up for sale in Highland Crest or as renters approach their landlords about buying property, their incentive would be that if they bought they'd get an 80% property tax rebate if they took the initiative.

Also, what it does is empowers the people as opposed to organizations and bigger business. It's an incentive for the people, just the regular common Joe to go out there and buy property and move to that area. It's really just marketing and designating an area like what they are doing for the commercial areas. I agree with you. I think it's a beautiful situation for Highland Crest because I know Commissioner Markley really cares about that area. **Ms. Harshbarger** said since it is residential in that area it would be a 95% rebate.

Commissioner Murguia asked, Doug, has Turner School District been concerned about these kinds of districts or project areas in the past because that lies in the Turner district.

Mr. Bach said I'd probably go back two renewals ago. They expressed a fair amount of concern about the value of the program and whether or not the tax, if somebody was going to build whether this was truly incenting somebody to do something different. What you're talking about in Highland Crest would probably be more of reinvestment within the existing houses. To add in, if you get a couple of new ones built within it, that'd be great because that means somebody is really demoing out of it and then building a new house within it.

We can draw a box around the Highland Crest area and make it subject to the rules that are in existing Areas 1, which would then make it be able to participate for a 95% 10 year rebate program. The incentive there would be it does have to be homeowner occupied and you have to have–if it's an existing structure, you have to have 15% so the investment into it has to be 15% of the value of it. You only get it on the incremental increase but you can go in and make a substantial improvement to those homes or if you demo something and take it back down then you're getting a much more significant when you come into it.

Commissioner Murguia said for me that's really in the weeds. It's a great explanation; I deal with it so I'm very familiar with the program. If you don't deal with it, it can be very confusing. When the program was originally set up existing Area 1, which was east of 635, because of the significant amount of blight, code issues and income levels of the people that lived in those areas the program was set up with greater incentives.

Area 2 had a little less incentive and then Area 3 a little less in area for a little less than that and that way we weren't competing with one another. We're just basing it on what the current market was. I think what you and Hal are saying is that the Highland Crest area is more comparable, even though it's in Turner which is an Area 2, a higher income level but Highland Crest has such a deep concentration of poverty and the volume, the density is so great there that they could benefit from being designated in Area 1 which are all those benefits he's talking about for a special project area on State Avenue which I would say I think it's a good idea. If you're asking for feedback tonight and not any kind of action, I would absolutely support that. **Mr. Alvey** said I think I would defer to Commissioner Markley and actually to Representative Frownfelter who had been working on this issue in Highland Crest to see how this would fit into things they have been looking at over the years. I'm not suggesting that. I think that ultimately could play out that way. I'm not proposing that you add that right at this moment. I would like to see it as part of a larger effort to rehabilitate that area.

Chairman McKiernan said, Commissioner Murguia, did you have some other comments or discussions you wanted. **Commissioner Murguia** said my comments were just the same as Hal and it wasn't exclusive to just south of the river. It's just that I hope that we're taking a look at all of Wyandotte County and special areas and areas of opportunity. I don't disagree that State Avenue Corridor area is a good project area. I just think like Mr. Alvey and Commissioner Walker said, I think there might be other areas that could benefit from a special project area. That's all. **Mr. Bach** said I don't disagree.

Chairman McKiernan said there were eight items of change that you brought forward tonight in the NRA. **Ms. Harshbarger** said correct. **Chairman McKiernan** said I really do like the way instead of redlining and the strike out you just outlined current language and proposed language. It's actually easier to read than redline and strike outs so I do like that.

What I have heard so far is really no concern about seven of those eight items. The concern is the one that is No. 2 on your list, special project areas, and the clarification that everything in Area 1 is eligible for a special project area. **Ms. Harshbarger** said correct.

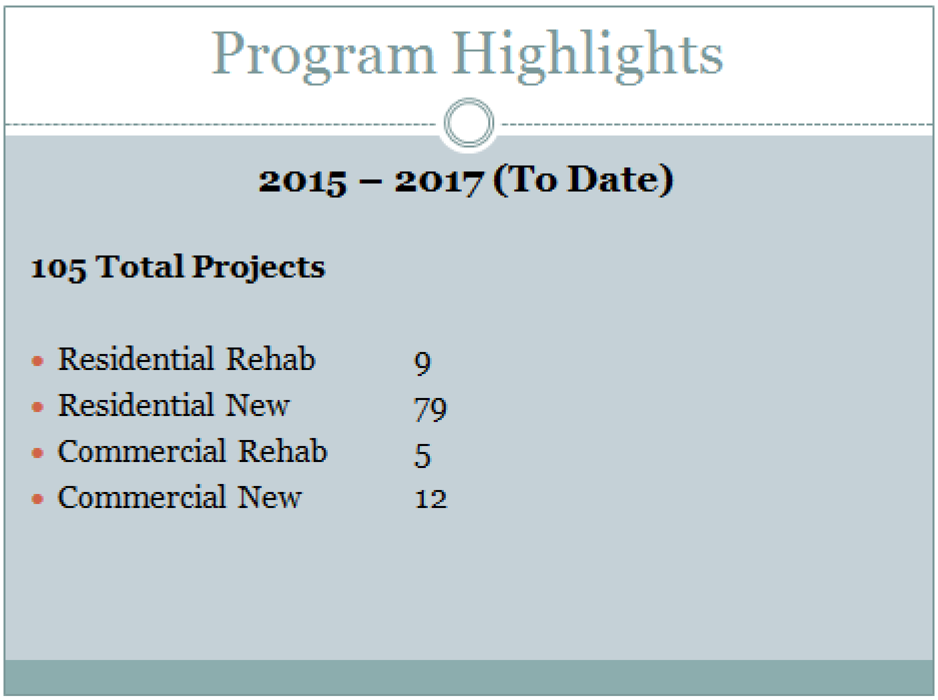
Chairman McKiernan said you're proposing in addition to State Avenue West, you're proposing State Avenue East and Leavenworth Road. Based on the discussion tonight we're going to investigate highland crest as a further specified special project area. **Ms. Harshbarger** said yes.

Chairman McKiernan said that now commissioners know that if there's any reason for them to ever think that a special project area would be a benefit to a geography of the city, that they can just simply come to staff, request that and make that happen or at least get it to be considered to make it happen. **Ms. Harshbarger** said please, we would welcome that feedback.

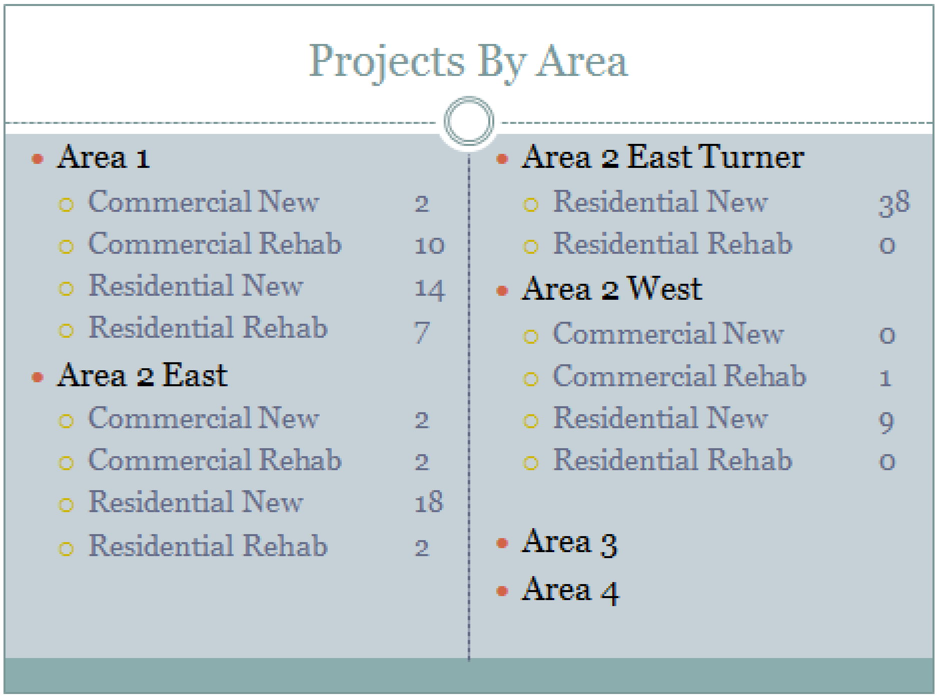
Commissioner Murguia said, Doug, can you make sure that this is just half of us, can you make sure that you touch base with the other half of the Commission to make sure that they are aware of this before its start of sprung on them. **Mr. Bach** said yes. **Commissioner Murguia** said it is startling at first when you hear the presentation until you get into the details.

Mr. Bach said one thing to remember to on all the special project areas, unlike NRA one of the things that developers and it works well with residential is that once you give us authority we can make it happen. It doesn't have to come back before you and I will say that makes it an extremely popular tool. Special project areas we have to come back before you. I can't just go out and award some 20 year deal based on what's said tonight. This just gives us authority to work it saying that's an area that can play into this. Then we can come back, essentially the other taxing jurisdictions have blessed it, but they're saying you all can make that decision if you determine this is an appropriate node within that certain area.

Commissioner Townsend said I just have one question about the proposed removal of the example. I think this is Item No. 8. What was the rational for wanting to remove that example? It seems like it would be in its present form more constituent friendly and easy for people to get a general example of how the increase is supposed to work and what the rebate is paid on. **Ms. Harshbarger** said the concern has been is that it's not a true representation of the tax rebate and how that it's calculated because it's dependent upon the participation of the taxing jurisdictions. If an individual were to try to apply that same example to their particular rebate, they would find the numbers may not match up so while it might be a rough estimate that could be provided we would rather refer the owner to the Treasurer so they can get a true representation of what their rebate is going to be. **Commissioner Townsend** said why don't we just say that in addition to the example that's there. I just found it simpler to understand what the difference is going to be paid on. Just add to the language instead of taking it out, that's just how I understood it. **Ms. Harshbarger** said we can certainly do that Commissioner. Are there any other questions regarding the proposed changes or comments? **Commissioner Murguia** asked is that your presentation? **Ms. Harshbarger** said just a couple more slides to give you. An idea of where we're at in term of our 2015/2017 plan to date.



We currently have had 105 total projects during this plan. You can see primarily it's being utilized for residential new construction.



We wanted to break that down for you further by area to see what type of use for what areas. You'll notice that we do have Area 1, Area 2 East. Area 2 East Turner, there is a different criteria for residential for that community and so that's why those numbers are separated out. You'll notice we do not have anything listed in Area 3 or Area 4, those areas were added as of this plan, however; we've not received any applications so far in those areas.

Mr. Alvey said could I ask, residential rehab in 7 on Area 1, 2 and Area 2 East, none in Area 2 East Turner, none in Area 2 West, is our folks aware of the availability of this? It would seem to me that if more people knew that this was available that they might, I've added on to my house twice. I've added on to my family five times. It seems to me that there would be an advantage if you knew about this and you could plan your rehabilitation, your addition, there might be more of this happening. **Ms. Harshbarger** said absolutely, that's a great question and that's one of the things that we're going to target this year. We want to come up with a marketing plan for the NRA program. We're finding right now word of mouth is helping as the appraisers have been out doing, their staff doing evaluations; they've been working with homeowners, business owners. We do want to have a more targeted effort to get this information out there.

Mr. Bach said I will comment that probably one of our best partners and Greg Kindle is here from WYEDC and they've probably been one of our best partners in getting the word out through the reality of that is WYEDC doesn't have a lot of interaction with the residential person doing rehab. You have a new developer doing new development so they can put that in to interact with them, or the commercial side of it. Getting to the average citizen outside of the material that we put out or what the media picks up and we do post it out at Building Inspection. When someone comes in for a permit, the argument there to us has been well if someone is coming in any way they're going to do it. We still have the information there so that may encourage them to do a little bit more, take it over, apply for it and take advantage of the program.

Commissioner Murguia said but it's still cash on the table, its free money. If there coming in to build, I mean that doesn't make any sense. If you're coming in to build a house and you're going to say no, don't give me 80% of my property tax back, I want to pay it to the Unified Government, that's not happening.

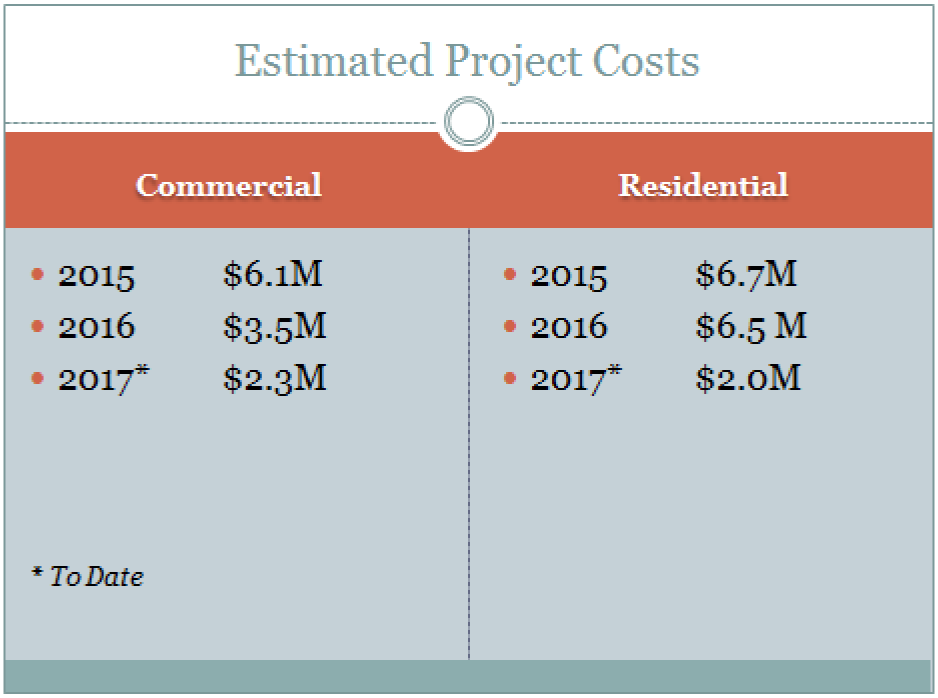
So clearly what I think is happening, which is more realistic, is that it's too good to be true. Is that the builder comes in to pull the permit and sees the thing and thinks there must be some fine print associated with that and that's really not what's happening. 80% property tax rebate is not possible. At first when I tell people about it and I promote it all the time, the first reaction I get is how much paper work do you have to fill out? What really, at the end of the day is your refund, is it really 80%? What do you mean by the improvements on the property?

I really think it's a fantastic program. You guys do a great job on staying up and keeping the pieces of it in really good order. I just think its marketing and its believability because it's such a great program. **Mr. Bach** said actually for us, when you say government; it's really one of the more simple programs to go through. We're pretty straightforward and it's 95% again on the residential in most areas. You keep saying 80%, but on that residential they can get the 95% so it's a really strong program that if somebody spends that additional money. Maybe in cases you got to look at what's your percentage of it. If you just go and spend $500 on your house, there's nothing that's going to come from that. You have to put an investment in that's equal to 15% or more of the current value of your home in order to get something back out of it. After that, it's where you are appraised at after that too. You become eligible once you spend the 15%.

Mr. Alvey said I'm just thinking an individual, he and his wife have a plumbing company and he has within two blocks of my house has purchased and renovated four properties. We would be outside that area; we're just west of 635. I think if he had been able to access this program, he would be looking for even more properties and he really did do much more than 15%. Two of these, one of them had been condemned, I'm almost certain of it. Generally he's pretty savvy about these things. I think he would have known about it, but again we're outside the area. I understand why we want to go back. **Commissioner Murguia** said no, David, you're not outside the area. You're outside of Area 1, but you have Area 2, you just have less of a benefit than Area 1 does. **Mr. Alvey** said I see. **Commissioner Murguia** said you still have a program and it's a good program in Area 2. **Mr. Alvey** said I don't know that he was aware of the program. He might have taken advantage of it. He might still be doing more, looking for other opportunities and there're other opportunities on 49th St. for sure. **Ms. Harshbarger** said if he is, please have him give me a call. **Mr. Alvey** said I will do that.

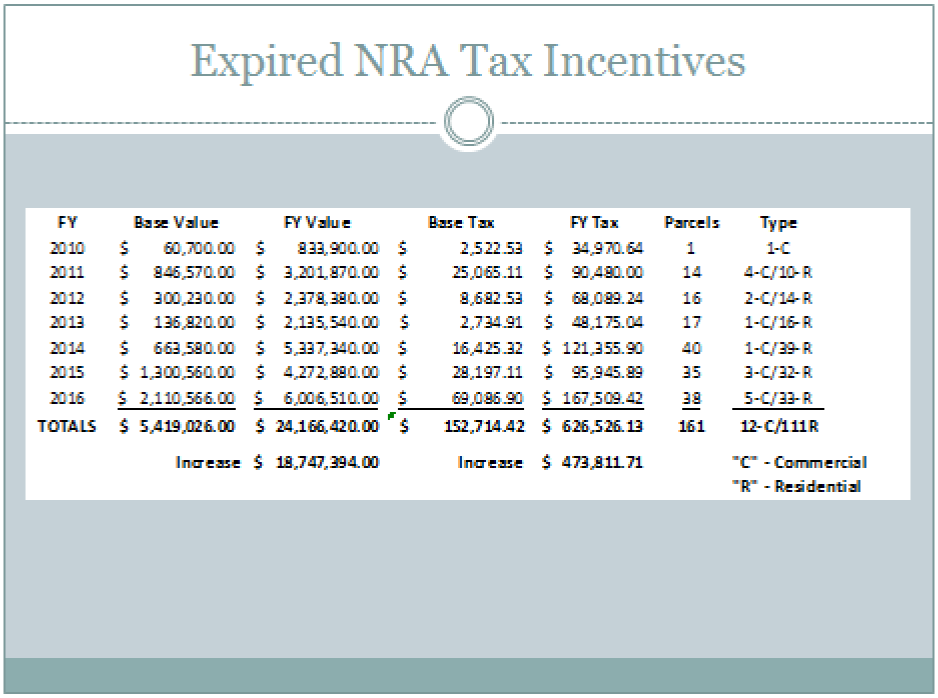
Mr. Bach said with our Land Bank and now that we're taking homeownership and obviously we're marketing strong there that's part of the bang for the buck, come in and you take over this dilapidated property, here's your value which is almost nothing at this point, maybe it's $10,000 or something and as they bring it up to a $100,000 home or something and then there getting 95% off that for five or ten years.

Ms. Harshbarger said just a couple more pieces of information for you here.



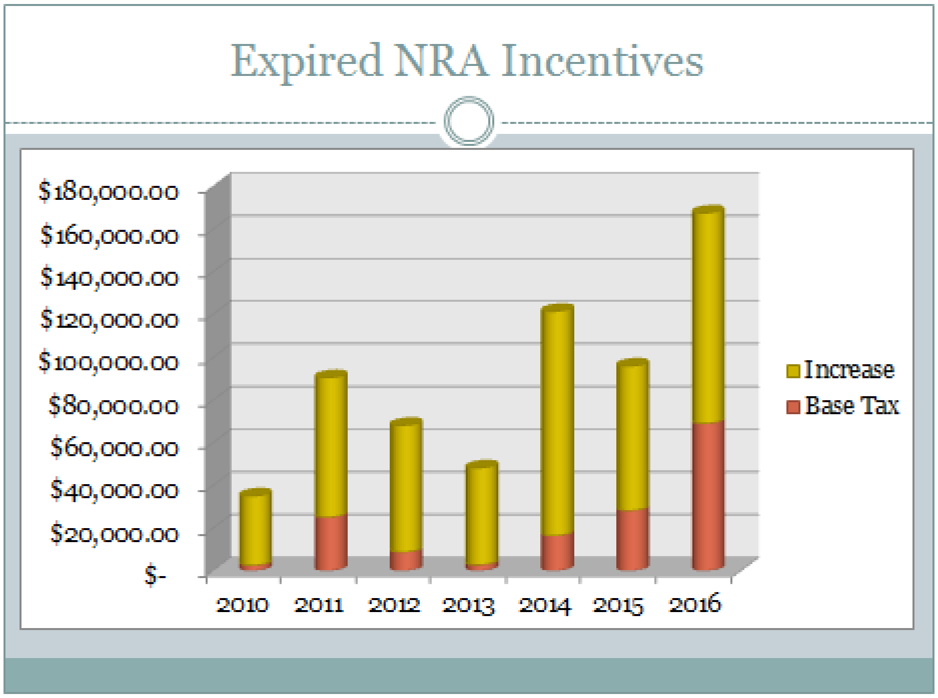
These are the estimated project costs at the time we receive the application. These are the amounts the developers are telling us that the construction will cost. We wanted to give you a rough estimate of what the program is looking like for 2015, 2016 and 2017 at least to date. So you can see for commercials it's an estimated $6.1M in construction and residential for 2015 is $6.7M. You'll notice a slight decrease, a little more than a slight decrease for 2016 for commercial but there is a difference.

We had seven commercial projects in 2015. We actually had eight in 2016. 2015 was all new construction whereas 2016 was all rehab and renovation. So that accounts for that difference. Then you can see where we are at in terms of 2017. Back in January Charles Brockman and Brittany Moore in our office provided an update on expired tax incentives, expired incentives.



FY	Base Value	FY Value	Base Tax	FY Tax	Parcels	Type
2010	$ 60,700.00	$ 833,900.00	$ 2,522.53	$ 34,970.64	1	1-C
2011	$ 846,570.00	$ 3,201,870.00	$ 25,065.11	$ 90,480.00	14	4-C/10-R
2012	$ 300,230.00	$ 2,378,380.00	$ 8,682.53	$ 68,089.24	16	2-C/14-R
2013	$ 136,820.00	$ 2,135,540.00	$ 2,734.91	$ 48,175.04	17	1-C/16-R
2014	$ 663,580.00	$ 5,337,340.00	$ 16,425.32	$ 121,355.90	40	1-C/39-R
2015	$ 1,300,560.00	$ 4,272,880.00	$ 28,197.11	$ 95,945.89	35	3-C/32-R
2016	$ 2,110,566.00	$ 6,006,510.00	$ 69,086.90	$ 167,509.42	38	5-C/33-R
TOTALS	$ 5,419,026.00	$ 24,166,420.00	$ 152,714.42	$ 626,526.13	161	12-C/111R
	Increase	$ 18,747,394.00	Increase	$ 473,811.71		"C" - Commercial
						"R" - Residential

The NRA program was part of that presentation. You've seen the figures fiscal year 2010 through 2015. We wanted to add 2016 and bring that back for you tonight just for your information. What you are seeing there, base value, fiscal year value on the left, that's actually the increase in the appraised values. Next to that you have the base taxes and the fiscal year taxes so the increase in taxes as well. These are between the base year of the project and when the tax incentive expired.



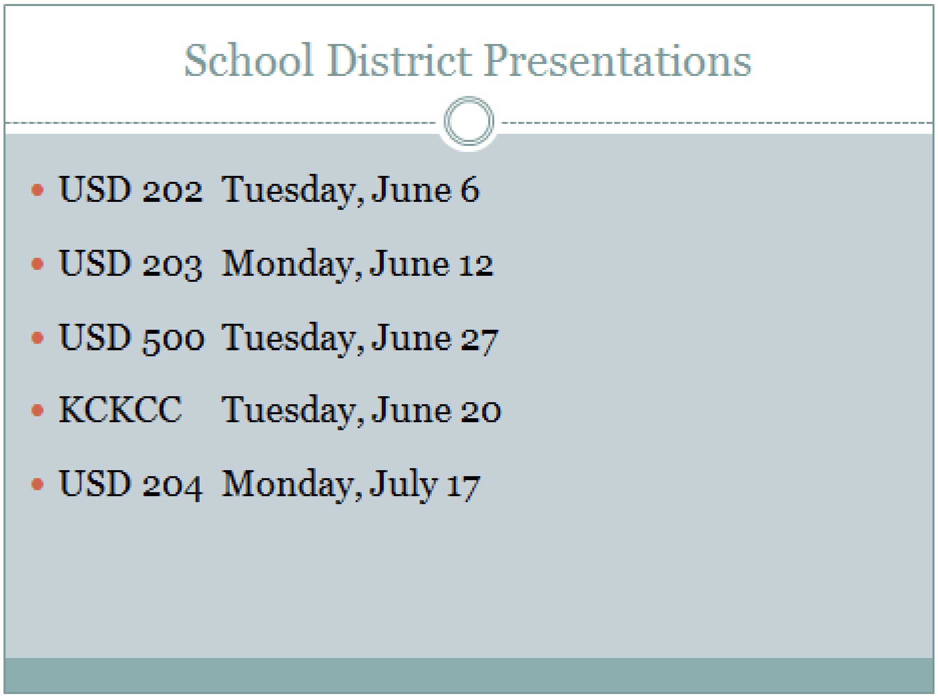
Chairman McKiernan said this is the piece that we sometimes forget about. We think about, I always think about this. It's the ten years I'm not getting that. I forget after ten years we really do get a substantial influx into especially our property taxes. That's a half million more every year. We always have to remember when those terminate. **Ms. Harshbarger** said just a graph with the same information for you.

We did want to share some of the success stories. We have some examples here of residential rehab, so the before and after, you've got before on top and after on the bottom there.

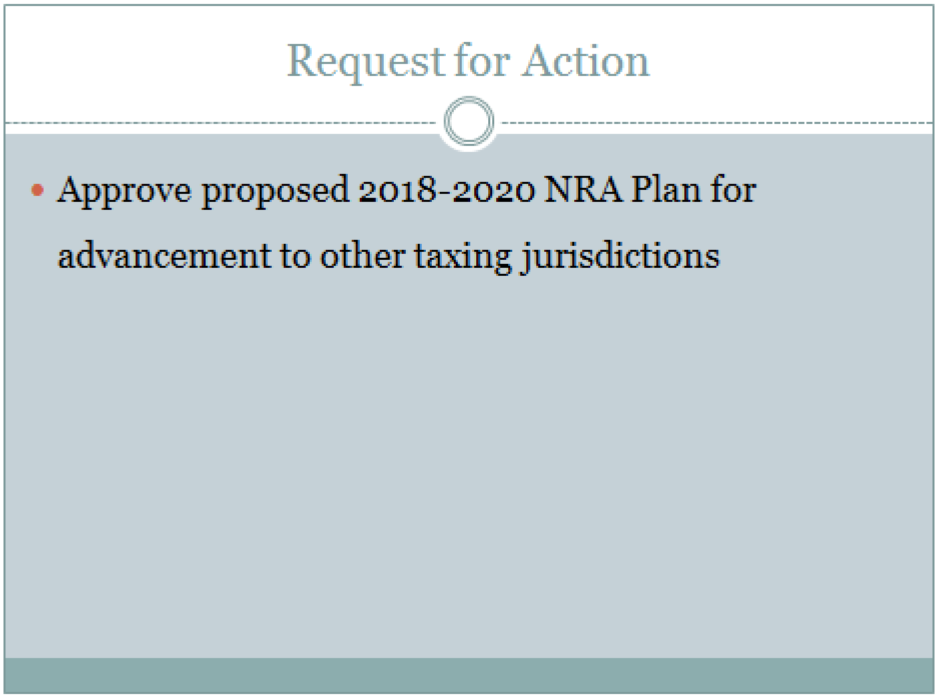
Residential new, we've gone from vacant lots to new homes.

Commercial Rehab, you have your before on the left and your after in the middle and to the right.

Then commercial new, again a vacant lot to a new commercial building.



We do have some tentative dates scheduled to take this presentation to the school districts. I have those listed here for you.



What we're asking is approval to now take the proposed 2018 to 2020 plan to those jurisdictions for consideration. **Chairman McKiernan** said so you are asking for approval of the eight changes to the NRA as you proposed it tonight, taking into consideration the discussion we've had on Item No. 2, special project areas? **Ms. Harshbarger** said yes. **Chairman McKiernan** asked so you're asking us if we would approve you taking this forward for discussion with the school district. Then you'll circle back to us after those discussions for final approval of changes to the NRA, did I get all that right? **Ms. Harshbarger** said that is correct.

Mr. Bach asked, Angela, when did you have the one with Turner School District? It's right away? **Ms. Harshbarger** said right. These are tentative; we can make changes if necessary. **Mr. Bach** asked if we are going to look at the Highland Crest area then I wouldn't want to go to that district without already having that built in is what we're coming to recommend. **Mr. Alvey** said, again, I'm not suggesting you recommend it. I think it has to be part of a larger effort in a more coherent plan. I think that could be done, but I think if you would lay it out as an example. If we were to, let's say, choose an area, let's say in the Turner School District, as a suggestion look at Highland Crest. Everybody is familiar with it and say this is the potential that we could realize with this. **Mr. Bach** said we could probably get to the other standing committee on the 22nd of May. We can take the same presentation to them and get their input.

I guess the question would be from this group, if there's more input to say, lets add it. Would you be good with that or then we could go to that other committee and get their input on it and see if they're there. Or would someone like Commissioner Markley be opposed to it. **Chairman McKiernan** said I'd be comfortable with taking all of our discussion here to the other standing committee, to the other five commissioners prior to taking it out to the school districts. **Ms. Harshbarger** said yes, okay.

Mr. Alvey said since it's going to another standing committee I think it can go through the process to put it on a standing committee. **Mr. Bach** said you're giving us direction. We're taking it to school districts. This is the plan we're working with obviously as we go through with all those districts, all these different taxing entities, we've got to come back with one approved. **Chairman McKiernan** said I just wanted to make sure that we didn't need to actually take action other than give direction. **Mr. Alvey** said just give direction to send it to the other standing committee, I think, like Doug said.

Action: Information only

Item No. 6 – 171125…RESOLUTION: SET PUBLIC HEARING FOR ARGENTINE FAST FOOD SHOPS

Synopsis: Resolution submitted setting the public hearing date of June 15, 2017, to consider the advisability of adding area to the Metropolitan Avenue Redevelopment District, submitted by Jon Stephens, Interim Economic Development Director.

Commissioner Murguia said I am recusing myself from this vote. I am the Executive Director of the Argentine Neighborhood Development Association. We are making a $1.2M donation to this project. It was a stipulation in order to be able to get it on the agenda for Commission review. I'm just going to sit back there, but I do know that there are people here. **Chairman McKiernan** said can't you still sit here and just stay out of the vote. **Commissioner Murguia** said I'd rather not. **Chairman McKiernan** said okay, fair enough. **Commissioner Murguia** said there are people here from the public that have stuff to say. **Mr. Bach** said we updated some things to the presentation. I was just giving you Jon's new update. It came out to you electronically**.** **Chairman McKiernan** said was that the one that came out that Rocki sent out right before. **Mr. Bach** said yes. **Chairman McKiernan** said there it is. I have it.

Mr. Stephens, welcome to our standing committee. We're ahead of schedule, usually we wouldn't get to you until later. **Mr. Stephens, Interim Economic Development Director,** said oh, wow, I feel honored, thank you. As Commissioner Murguia said I also want to recognize John Davis with Ferguson Properties who is the developer, as well as Kevin Lee with Polsinelli representing the client, Argentine Betterment Corporation. **Mr. Bach** said, Jon, they're welcome to come up. If you two want to come up and join Jon at the mic, that's fine. **Mr. Stephens** said what we are here for tonight is to discuss a resolution to set a public hearing for the expansion of the Metropolitan Avenue Redevelopment District and directing staff to negotiate development agreement terms that will be advanced into a development agreement. The expansion dubbed Project Area 3 will include two quick serve restaurant facilities.

The proposed site as you can see with the red star is on the southwest corner of 18th & Metropolitan Ave. I will also point out between the Walmart Neighborhood Market and the Save-A-lot in the center there, there's some land clearance. You can see that is the South Patrol.

Here is another view of that site, once again, the southwest quadrant of 18 St. Expressway just south of the Save-A-lot and the Dollar General. Now I'd like to turn it over to the developer to give you an overview of the actual site plan.

Kevin Lee, Polsinelli Law Firm, said I'm here on behalf our client Argentine Betterment Corporation, the post owner of the project and also have Micah King from Argentine Betterment Corporation, and John Davis from Ferguson Properties, which would be the developer of the project.

What's the opportunity that we're talking about here tonight? What you see here is an early site plan of the project which consists of approximately 5,800 sq. ft. of quick serve restaurant uses. That's situated on two lots, comprising just about two acres in the aggregate. Two separate buildings which you've got to the north on the northern lot is the dual flag, quick serve restaurant. That's the Pizza Hut and Wendy's hybrid combination that you might be familiar with or other combos that you've seen elsewhere in the region. To the south you've got the approximately 1800 sq. ft., Dunkin Donuts quick serve restaurant. That's the project that we're talking about here this evening. On the left you've got some prototype concept elevations of what these might look like when they come to fruition. That's the project. I would think it's a great project and one that is very important to the neighborhood as evidence in part by the many folks who have now devoted several years to this project. I'll let John continue with the presentation and we're here to answer any questions that you guys have.

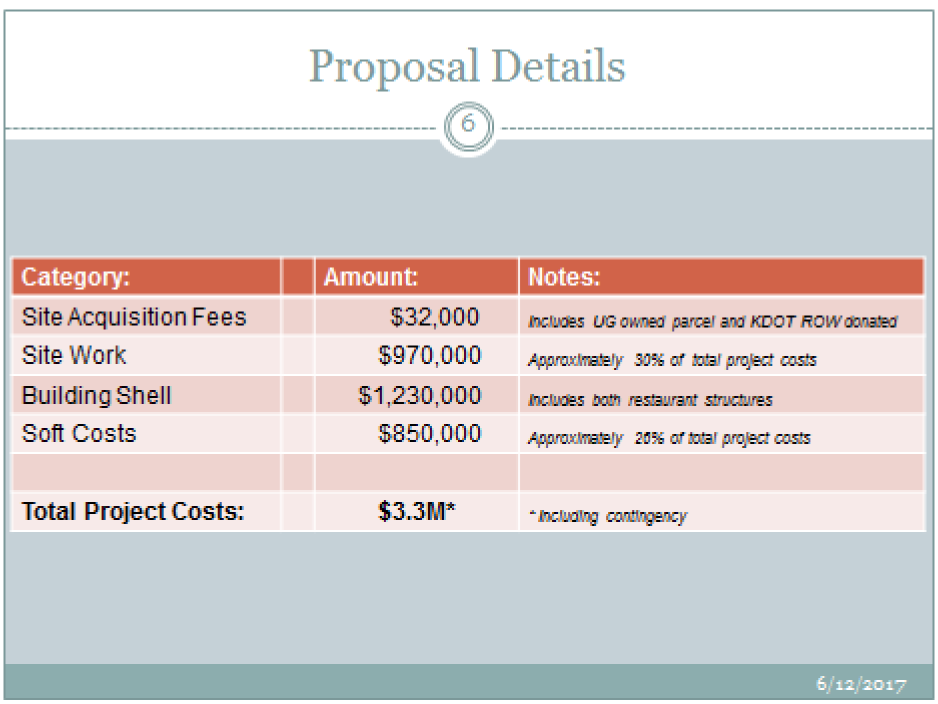
John Davis, Developer with Ferguson Properties, said really we're here to answer any questions that you may have, but as it was mentioned, we spent a lot of time and energy really working through this site, trying to figure out ways to maximize visibility, maximize access, the sorts of things that attract these sorts of retailers. At the same time strategically avoid existing utilities, minimize cost to make this thing possible. I stand ready to answer any questions you have.

Mr. Alvey said I know the site very well. It's right adjacent obviously to 18 St. Expressway. There are pad sites on La Plaza but this is preferable because of the visibility and the accessibility. **Mr. Stephens** said yes sir, that is correct. **Mr. Alvey** said driving one extra block is just enough to discourage some people from taking advantage of these businesses. **Mr. Stephens** said that's what we're heard. When we've gone to the retailers, they ultimately pick where they want to go. This is the site they expressed interest in. We are limited in pursuing the options that seem viable in the near term here and now as opposed to what may come on those pad sites later, but that is definitely what the market has told us. **Mr. Alvey** asked these would actually be visible form 18 St. whether traveling north or south? **Mr. Stephens** said correct. **Mr. Alvey** said whereas if it was a La Plaza on the pad sites, it may not be? **Mr. Stephens** said yes sir.

Action: **Commissioner Walker made a motion, seconded by Commissioner Walters, to approve the resolution for setting the public hearing.**

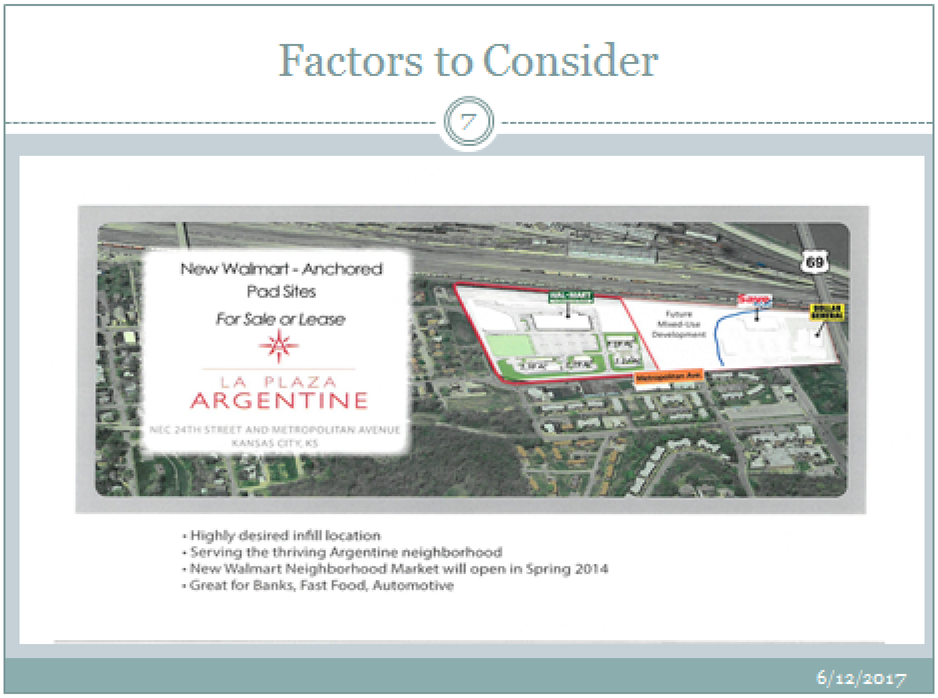
Chairman McKiernan said there is a motion and a second. Is there any further discussion or any other further presentation? **Mr. Bach** said we have the development deal we were going to explain to you. We were asked to come back, bring back the terms of the deal I think when we had or not before we came back. We have the terms of the deal we wanted to go through. **Commissioner Walker** asked is it any different from what you put out in this? **Mr. Stephens** said yes, it is what's in this. **Commissioner Walker** said if you feel a need, then go ahead. **Mr. Bach** said well only do what you need. **Commissioner Walker** said I want to make sure.

Mr. Stephens said I'll continue based on Commissioner McKiernan's affirmative.



Category:		Amount:	Notes:
Site Acquisition Fees		$32,000	Includes UG owned parcel and KDOT ROW donated
Site Work		$970,000	Approximately 30% of total project costs
Building Shell		$1,230,000	Includes both restaurant structures
Soft Costs		$850,000	Approximately 26% of total project costs
Total Project Costs:		**$3.3M***	* Including contingency

To give you an idea on some of the proposal details, this includes the total project cost of $3.3M. That includes the UG owned parcel and the KDOT Right of Way being donated.



You can see factors to consider are related obviously to the Walmart Neighborhood Market and the Save-A-Lot grocery that opened in the Spring of 2014.

Metropolitan Avenue Argentine TIF (Existing & Proposed)

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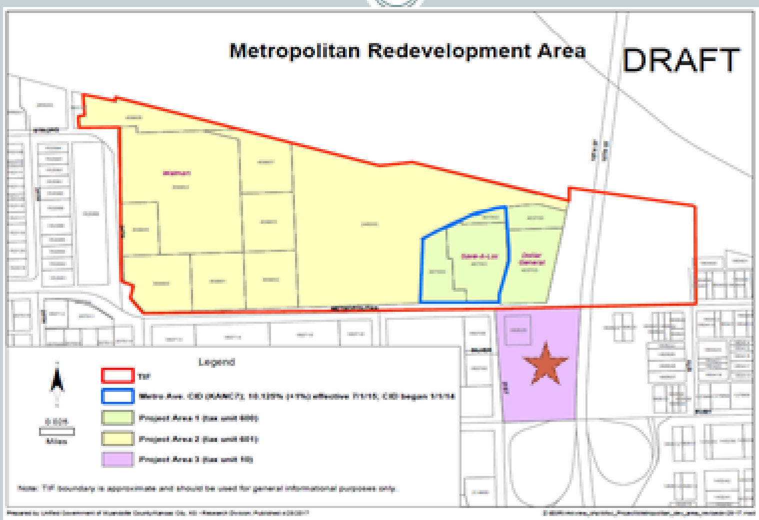


6/12/2017

As the board member Mr. Alvey mentioned, you can see the parcels. Project Area 1 and Project Area 2 and this would be extending to accommodate Project Area 3. I will turn it over to Kathleen to cover some of the financials.

Existing TIF – Issued GO debt

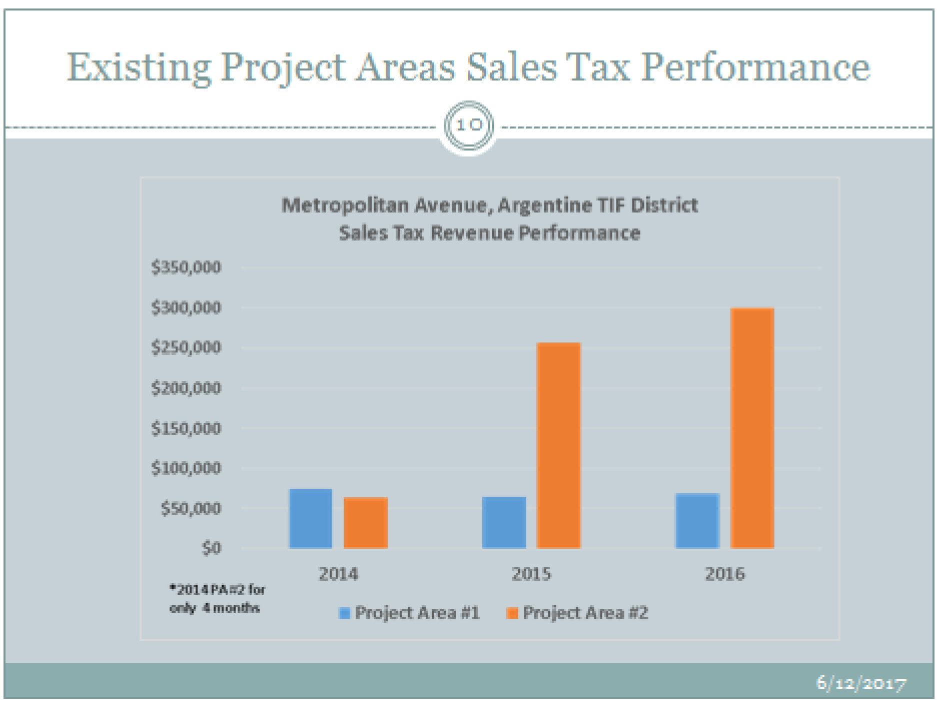
9

- Issued $1.6 M in G.O. bonds in 2013 for Save-A-Lot (Project Area #1):
  - Property Tax TIF - $650,000
  - Sales Tax agreement - $950,000
- Issued $3.7 M in G.O. bonds in 2014 (Project Area #2):
  - $1 million to UG for public infrastructure (road)
  - $2.7 million for grocery store
  - Undeveloped outlots exist within Project Area 2

6/12/2017

Kathleen VonAchen, Chief Financial Officer, said we felt that we needed to go over some of the financing of the Project Area 1 and 2. So Project Area 1 is the top bullet. We issued $1.6M in general obligations bonds in 2013 to assist in the financing of the development where the Save-A-Lot is right now. $650,000 of it was to be paid back by or paid the debt for service to be paid for by property tax TIF. The other $950,000 from the sales tax agreement.

The second project area, that development project cost $3.7M general obligation bond done a year later roughly. The issuance was done a year later and it comprised of a $1M in general obligation bond for a road improvement to that area and then $2.7 million for a grocery store. Finally there some undeveloped outlots that exist currently in Project Area 1 or 2, sorry. As you can tell these project areas are relatively new so we don't have a lot of data, but I know there was a lot of talk about the financial performance of these project areas. You know how much sales tax did we collect in that area?



The first year is 2014 and of course that's only for about four months. Then we have a full year of 2015 and a full year of 2016. The blue is Project Area 1 and then the orange is Project Area 2. You can see that the comparison between 2015 and 2016 was substantial so this is the amount of sales tax that we're collecting.

Revenue Performance– Project Area 1*

11

	Debt Service	Revenue	Net
1. Property Tax TIF	$ 47,000	$ 100,000	$53,000
			x 15 years
Projected Excess			$735,000
Projected Years Until Payoff			2021 (in 5 years)
	Debt Service	Revenue	Net
2. Sales Tax Home Rule	$ 70,000	$ 68,000	($2,000)
			x 15 years
Projected Deficit			($30,000)

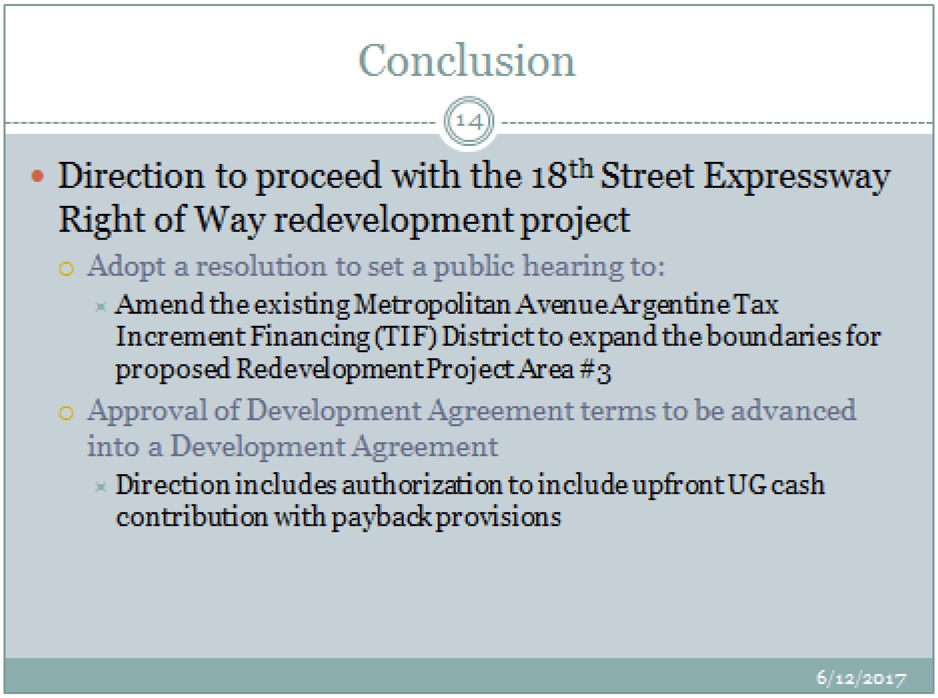
6/12/2017

There was some discussion about the revenue performance of these respective areas. Currently in Project Area 1 it has two revenue sources. I segregate them separately here. If you look at, for example, property tax and the sales tax, that's the level of debt service for those various general obligation bonds. The third column over is revenue. That's how much money has been collected. This is just in 2016 by the way.

You can do the math and you can see the net and if you multiply it by the number of years that are remaining on the bond issue, you come out with an amount of money that is in excess of the amount that is required in order to meet debt service. If you just do the math, you can see that roughly that this project area is expecting to be paid off relatively soon. This one is five years. This one it's in seven years, performing very well.

Mr. Stephens asked any questions related to that.

The requested incentives for this project include a CID 1% sales tax add-on, a TIF District, property tax and sales tax. The federal grants which you will notice are the grants awarded to ANDA with commitment of all proceeds of those contributed to this project. Then the Economic Development upfront cash contribution from the Unified Government up to $500,000. That includes payback financing structure with the UG recovering that investment.



In conclusion, we're seeking direction to proceed with a resolution that would set a public hearing to amend the existing Metropolitan Avenue TIF District, to expand the boundaries to include the affirmation Project Area 3. Then direction to advance the development agreement terms into a development agreement and direction on the proposed upfront contribution from the UG with associated payback provisions.

Action: **Commissioner Walker** said my motion includes both to adopt the resolution for the public hearing and to approve the terms or to advance the proposed terms into a final development agreement. **Commissioner Walters** said second.

Commissioner Townsend asked on the final presentation–or the page that was shown about the $500,000, would that zero out that fund? It seems like we had some discussion before about that, will that zero that out? Is that; are there more individual funds available? **Mr. Bach** said no, we still have money within that account. Probably going to take it and restructure as we come forward with our projected budget that we come forward with and move some of it into 2018. We originally had come out and put $1M into 2016 and $2M into 2017. We'll have the $500,000 here and then we'll probably push it. So it leaves some left in this year and then put more of it, probable move more of it into 2018 because projects like this as they come along take a while to get there so before we would actually need the funding. Now that's not all cash that's out there. That was more of a number that I came to you with and said why don't we go after this to go after projects and if we want to use it for GAP funding. It's not like there is $3M in cash just sitting there waiting to be expended.

We do have this structured that we're going to use. This is from a cash allocation that we will put forth here. We're not going to go issue the debt. It is important to note on this project that as Kathleen went through a performative with the developer, within the 20 year timeframe we get our $500,000 back. I think he calculated at a couple percent. Calculate it like we would if we issued bonds because that's otherwise where we would have the money come from.

Commissioner Walker said since we're going on with discussion after the motion and the second; let me ask a question that I have not been told the answer to. Do we have in this development agreement a continuous operation clause? I don't necessarily mean that it has to be the same people operating, but somebody has to continue to operate these businesses for the 20 year period. Say Dunkin Donuts wants to bail in 10 years, before they can bail on their obligation they have to find a purchaser who will step into their place. Do we have any kind of provision like that in this agreement? **Mr. Bach** said we don't have the development agreement negotiated through yet, but it is an excellent point commissioner and one that we've had some discussion on, but I don't know if we have it firm, if the developer wants to speak to that now.

Mr. Lee said I think it's certainly something that we can consider and discuss as we negotiate. **Commissioner Walker** said I'd like you all to discuss it very closely because if we're putting up this kind of tax incentives and the nature of the business is not necessarily one that I've heard of that gets tax incentives and public donations, I think the reciprocal obligation ought to be that someone fulfills the–you know if Dunkin Donuts doesn't work there, something else will work there. Put the burden on the ownership of the developer or the franchise to find the purchaser or fulfill the commitment until they do. I don't think that is an unreasonable point of discussion and I'll leave that to Doug and your team to hash that out. I think continuous operation on Economic Development where big incentives are should always be in an agreement. **Mr. Lee** said I understand the concern and opened options that Doug and them come up with. Can't quote the exact text that'll be right here, but definitely open to that conversation. **Commissioner Walker**

said I'm not saying they won't be. None of this works for us if seven years down the road one of these franchises goes out and we have an empty building or we have a mom and pop operation doing tenth of the business that the franchise will bring to the table. **Mr. Stephens** said we will put that in as a key point of discussion as we move to the development agreement.

Chairman McKiernan said I have a couple of things that I want to bring up and then I wanted to see if there were members of the public who did want to address the standing committee and offer that opportunity explicitly.

I will say that the first time that this came to us, and Mr. Stephens you weren't here then, it came in an unusual way. Here is a real deal but we're just going to have a policy discussion about it and that was not necessarily satisfying on any level to any of us. I had some concerns that night and one of them has been allayed in that when we initially discussed this gap fill it was a one-way investment. It was UG money going one way. Now you have amended it so it actually is a funding source that gets repaid. That to me is a beautiful way even if it is our money. That is a great way to fill a gap. Get something of value in the community and not necessarily have it be just a one-way on that. I really do appreciate the way you've worked this.

One of the discussions that we had early on, we decided we would just have a pilot project this first time around was for this UG contribution with payback, which is now what we're calling this option. Are there criteria? I would suggest that one the things you should think about as we move forward and as people see this and go wow that's a great option, I should take advantage of that, we should be able to say is it simply open season and any project that comes forward gets funded in this UG with payback or are there criteria. For example, is the UG funding limited to a certain percent of the total project cost? Does the total project have to cost over some sort of threshold? Are there other criteria that we would consider nonstarters for this type of investment with payback? If there are, I think we should be clear about those up front. If really there aren't and if we learn from this that you all as an economic development team can evaluate on a case-by-case basis and make this work, then so be it. If there are certain criteria, I think we should begin to formulate those to give directions to future projects that might want to take advantage of this money.

Commissioner Walker said as they say, location, location, location. I think the reason I find this acceptable and I'll say, well there are a number of reasons why, but what we have come to call out urban core which is generally considered 635 east, maybe the criteria is different. I would not approve this kind of project out west at the Legends obviously. **Chairman McKiernan** said so there's one of your criteria.

Commissioner Walker said how you define what part of the community merits this is part of what Doug's challenge is and your challenge is as the economic director. I would not agree to this in many areas of the community because there's not that incentive–there's not the poverty, there's not the need for the jobs or the people that would take advantage of the jobs. I'm not going to define the location, but I want some location criteria. **Mr. Stephens** said as far as part a larger discussion on this issue we will certainly bring that up and discuss that as a staff as to how we look at criterion.

Chairman McKiernan said we're moving this forward for it says a public hearing on changing the TIF. Does the CID also need a public hearing and will that be part of the TIF realignment discussion. **Mr. Stephens** said traditionally the CID does not move concurrent to the TIF hearing, so that would be an additional. **Mr. Bach** said they would actually have to file a petition to, which is kind of getting the whole project area in. They have to file a petition that comes forward to say everything within that property will be there. Then we could put it on line. We may be able to get it on track where we get it approved shortly or right behind this project.

We are agreeing within our development agreement that'll be a tournament that you still have to have a public hearing on a TIF. Then we will put that forward and advance it. Then that can still happen based on a public hearing for the CID but since they will be the owners of the developers of all the properties within it you'll have 100%, assume, sign on the petition to participate in it. **Mr. Lee** said the only thing I would add is that like Jon mentioned the TIF is really a two-step process where you come and you have the district creator in this case amended and then come back with a project plan and so it's very common to run the CID concurrently with the project and it will require a public hearing.

Chairman McKiernan asked what's the date we are targeting to move this? **Mr. Bach** said we're looking to come back to the Commission on May 11th to set the public hearing for June

15th. That'll change the TIF District then its moving forward with the plan. Then that will be, well probably have set another public hearing following that and then the TIF plan that will follow that. At that point we'll be approving the development agreement. They'll be plenty of time for this committee to get to see a final vetted out development agreement to come back before you while we're going through the TIF process that'll just keep moving consecutively along over the next couple of months. **Chairman McKiernan** said I just confirmed with Commissioner Walker, those were exactly the dates he had included in his original motion. **Commissioner Walker** said those are to be included in my motion.

Chairman McKiernan said did any member of the public who is here wish to make any comment to the committee before we bring this up for a vote.

R. J. Samuels, 3729 Metropolitan Ave., said as a person that has owned 17 restaurants I agree with Commissioner Walker that 7 or 10 years later you don't know what's going to happen in that building. However, I will tell you this, of the restaurants I owned none of them are empty to this day. I don't own any of them at this point. Somebody's in there, you can rent them out that's for sure. It is a concern especially if you are holding on to the property and if there is a gap in there. There is no gap when you are an owner that just went out of business or moving on.

Also, in this very room there was a study done by University of Kansas students, an exhaustive study about what was needed in Argentine. Hardware Store was a big one, fast food, any food and although we're not a food desert at this time because we do have Save-A-Lot, Walmart, which is fantastic and their doing fantastic business; we have one restaurant, Pepe's. They're open on Saturday and Sunday. I just want to thank you for your efforts here. I've lived in Argentine for 17 years. My grandparents have been going over there for 70 years now. I think this is going to be a great thing and I hope it pays off in spades for all of us especially the neighborhood and the 70 jobs that it's going to bring to our neighborhood, walking distance from your constituents.

Chairman McKiernan said there is a motion and a second before us to move forward as outlined in the resolution.

Roll call was taken on the motion and there were five "Ayes," Alvey, Walters, Townsend, Walker, McKiernan. Commissioner Murguia recused herself.

Adjourn

Chairman McKiernan adjourned the meeting at 6:40 p.m.

mbb

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, June 5, 2017

The meeting of the Economic Development and Finance Standing Committee was held on Monday, June 5, 2017, at 5:30 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Walker, Chairman; Commissioners McKiernan, Walters, and Johnson (Substitute). Commissioners Townsend and Murguia were absent. The following officials were also in attendance: Doug Bach, County Administrator; Gordon Criswell and Melissa Sieben, Assistant County Administrators; Chris Slaughter, Land Bank Manager; Kathleen VonAchen, Chief Financial Officer; Patrick Waters, Senior Attorney; Reginald Lindsey, Budget Manager; Alan Howze, Chief Knowledge Officer; Emmit Lockridge, Administrative Coordinator; and Officer Doug Bailey, Sergeant-At-Arms.

Chairman McKiernan called the meeting to order.

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

Approval of standing committee minutes from March 27, 2017 meeting. **On motion of Commissioner Walker, seconded by Commissioner Walters, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

Item No. 1 – 17968…PRESENTATION: KC DIGITAL DRIVE UPDATE

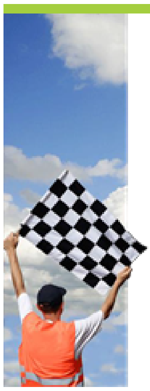
Synopsis: Update by Aaron Deacon, Executive Director of KC Digital Drive, on activities and objectives of KC Digital Drive and how they are working with and supporting the UG priorities, submitted by Alan Howze, Chief Knowledge Officer. This item was originally scheduled for the May 1, 2017 Economic Development and Finance Standing Committee and was postponed to the June 5, 2017 meeting.

KC DIGITALDRIVE

Making Kansas City a Digital Leader

June 5, 2017
Unified Government of Wyandotte County and Kansas City, Kansas
Economic Development and Finance Standing Committee

Alan Howze, Chief Knowledge Officer, said this is an informational presentation. I wanted to bring before you KC Digital Drive. They have not spoken before this committee but have been very active in the community on a number of different areas for a number of years and wanted to just give you a brief update on some of their activities. They have been a partner with the UG on efforts around everything from digital inclusion to connectivity to economic development. They spoke to the Administration and Human Services Committee back in February and I wanted to get them in front of this committee and give you the update as well.



PLAYING TO WIN

in America's Digital Crossroads

A playbook for capitalizing on ultra-high-speed fiber in Kansas City, Kansas, and Kansas City, Missouri

A successful Internet economy is 90 percent sociology and 10 percent technology.

Aaron Deacon, Executive Director of KC Digital Drive, said I'm going to give you a short history for those who don't know who we are and where we came from. We came out of the Mayors Bi-State Innovation team that former Mayor Reardon and Mayor James appointed when the cities were looking at what to do with Google fiber. Out of this Mayor's Bi-State Innovation team came this Kansas City's digital playbook, *Playing to Win in America's Digital Crossroads*.

Timeline

2011-2012 Community-based planning, organic growth, MBIT, playbook

2012-2013 Establish a brand, identity and track record working with MARC

2013-2014 Create a stand-alone 501c3 non-profit

2014-2015 Articulate strategy, programs and brand of the organization

2015-2016 Replicate projects, and grow sustainability to prove the model

2016-2017 Refine organizational structure and continue growth

That sort of set us on a trajectory in starting a new civic organization called KC Digital Drive. We nearly spent a couple of years kind of getting our bearings. We incorporated as a standalone, 501c3 non-profit in 2013-2014. Over the past three or four years we've really dubbed quite a broad soft programing and activities and network building that I get into a little bit more throughout the course of this presentation. Over the past probably year and a half or two, we have kind of taken that sort of scope of work as it were and used that as a foundation for how we start to reorganize. I don't have a lot even in the presentation about that, but happy to take questions on that. I know, Commissioner McKiernan, you've been a big part of our work from the beginning, although, have lost contact a little bit as reorganizations happen and part of that is with Allen coming on board and getting some other points into the city.

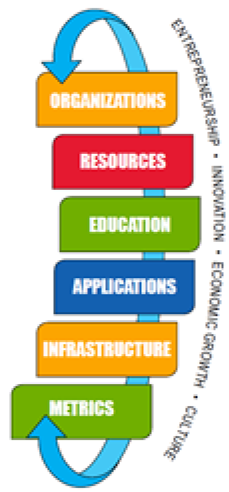
New Civic Capacity

- Regional, to compete in a global economy
- Network-based, nimble, opportunistic
- Top down + bottom up
- Technology change management
- Ecosystem model

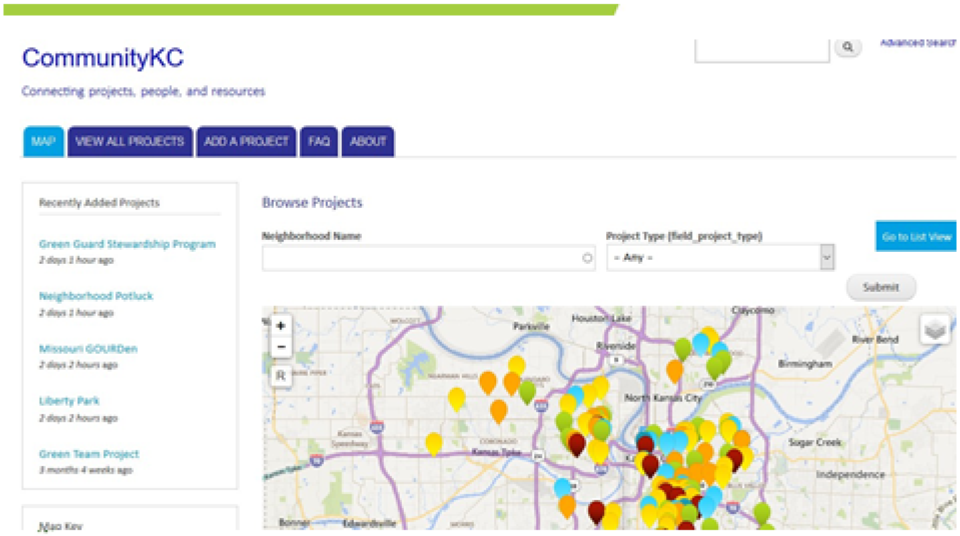
We're really about building new civic capacity in both cities along with the Chamber of Commerce and other civic organizations. We have recognized that as technology changes, we need to develop some new civic capacities to adapt more quickly both to technology opportunities and to the innovation economy. That's really what our wheel house is. We're really a civic platform for launching new kinds of projects and opportunities that explore technology infrastructure.

Building an Ecosystem

Area of Impact	Community	Projects
Digital Divide	KC Coalition for Digital Inclusion	mmWave (infrastructure) Getonlinekc.com (app) Survey (metrics)
Health Care	Health Innovation Team	SafeAssist (app) Telemedicine coding workshop (edu)
Education	Gigabit Community Fund	Gigabots (app) CERN + KC (app)
Civic Tech	Code for KC	Community KC (app) Address API (app)
Smart City	Gigabit City Summit, US Ignite, MetroLab, GCTC	Digital Town Square (inf) PlanIT Impact (app)



We take an ecosystem approach and we spend a lot of time cultivating the community and the ecosystems around things like the digital divide, the healthcare, digital health ecosystem, education ecosystem, and the Smart City ecosystem because you need that broad-based community support in order to identify and push forward projects within those areas. There is a community building aspect in what we do and then really a sort of project management project execution phase to what we do.

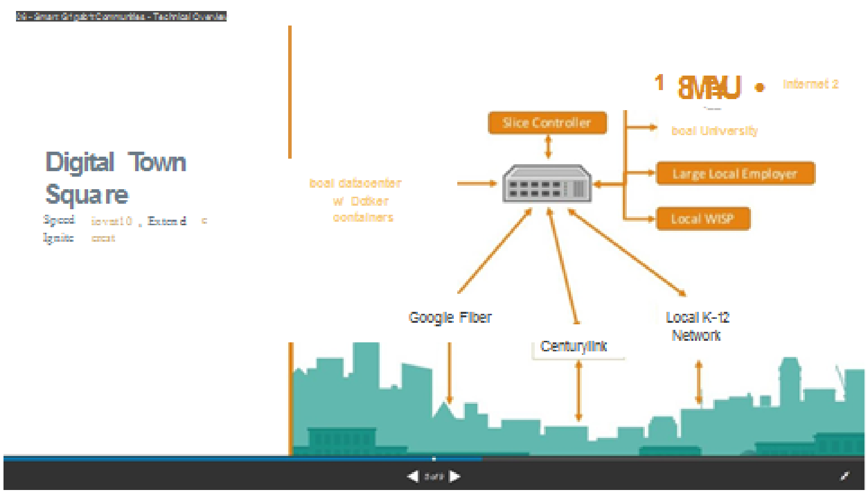


These are some of the examples of the communities and the projects that have happened within these areas on this ecosystem model. Just to highlight a couple of specific kinds of projects because it's a pretty good beret of the kinds of things that I include in projects. This is a website that has been built through code for KC, this is a weekly hacker meet up; hacker is a little bit of a loaded term; weekly developer meet up where people get together and sort of build projects for civic good.

This is highlighting things like community gardens, neighborhood potlucks, other neighborhood improvement initiatives on the idea that a lot of times people in the neighborhood want to take on a new project but don't have access to other people, or other people have done similar things throughout the metro area. Working with Community Capitol Foundation, we've helped to create this map that is populated and updated on a regular basis.

This is a gigabit project, kind of going back to our roots and thinking about how do you leverage next generation internet and gigabit fiber. This is a project led by a teacher in the Turner School District, Laura Gilchrist, that is working with CERN, which manages a big, super collider over in Geneva, Switzerland. They're actually running pilot projects here with students in the Turner district, under Laura's leadership, along with another guy Anurag Patel, who was recently at KU Med, looking at how do you use gigabit internet in the home to do distributed supercomputing. You can ask me more questions actually if you want to know what that means. It's a pretty cool opportunity.

They've both been over to London once and I think are arranging another trip to Geneva and working with some KU professors to scale that program.



This is a more of an infrastructure project. This is something called a Digital Town Square. Part of the advantage of having all of the different gigabit to the home internet providers that we have here is that we can allow them to talk to each other and keep that traffic local without having to go necessarily to data centers in Dallas and Chicago.

This is a real light sketch model of something called the Digital Town Square that allows us to keep that gigabit traffic local. It also allows us to be able to have more seamless connectivity to other cities with gigabit connections to end users like Chattanooga or Burlington, Vermont, San Diego and Phoenix are among the others.

I'll talk a little bit more about US Ignite, the organization that's made this possible. I don't know for sure; I just got back from vacation last night, but we were supposed to hook up with the Kansas Research and Education network while I was gone, so I think we should be live with our first connection in Kansas on this network.

Mr. Howze said it took me a while to get my head around what this concept is of a Digital Town Square. Essentially, if you sort of think about it, most of the internet traffic when you go online goes to say, California and then goes back even if its crossed state lines to Missouri, or goes to the east coast or goes to Chicago, somewhere like that. There's a latency built into the system that makes it difficult for some workloads, in computing terms, to work as well as they could or should.

Part of the evolution of the internet is, how do you localize, in a sense. We have a worldwide resource but in some cases we really want to localize that traffic. Rather than hitting servers or other places in California we're keeping it local. To put it in an example, music is one that people think about. If you actually try to play music with somebody who is on the other side of town out by Village West, for example, or in Missouri, there's enough latency in the internet now that it would just be off. Your ear would distinguish it. Something like this and, again, this is a very basic example; you would keep that traffic local. You would actually be able to have a virtual musical session where you wouldn't have any of that latency. You would feel like you were literally sitting in the room with that person, getting to the cutting edge of what is the potential for some of these next generation applications in use of really high speed internet.

Mr. Deacon said to follow on that last example, there's the opportunity to do that across cities too. One of the emails that was waiting in my inbox this morning when I got in was a request from Adelaide, Australia, to do a real time jazz session. There was a jazz musician there so we're going to try to hook up sometime later this summer, a jazz musician in Kansas City and somebody in Adelaide to do a virtual session simultaneously over this kind of network.

Commissioner McKiernan said give me an example of where the local data center might be located. **Mr. Deacon** said it's at 1102 Grand. We have a cabinet at 1102 Grand. We've gotten a switch, a gigabit switch from National Science Foundation through US Ignite. Our work now is to get as many people hooked into that as we can so that they can exchange traffic locally.

We've got genie servers, which is another piece of the infrastructure here: one on the UMKC campus and one on the KU Lawrence campus.

Commissioner McKiernan said I have a geeky question I'll ask you later about how do you insure the traffic goes to your slice controller without going out to the internet and then coming back to it. How do you keep it local? Anyway, I'll ask you that later. **Mr. Deacon** said I'll probably send you to Jonathan Wagner, who's the guy who would be able to answer that question. **Mr. Howze** said part of this is that it hasn't really been done before. We're helping to try and work through some of those questions while Digital Drive is putting this effort together. It really is kind of getting into the cutting edge of what the internet can do.

Mr. Deacon said I'll come back on this program in a minute. There's a little bit more to say on US Ignite. The reason I picked these three projects, not just because they've got a presence here in Wyandotte County, but it's a hint of the breath of kinds of things. One was kind of building an app or a website. One was a more pragmatic build. This is an infrastructure build.

We probably got 50 or 60 projects at any given time throughout our network that we are working to support.

Convening

- KC Coalition for Digital Inclusion
  - 100+ individuals, 30+ organizations, 50+ meetings, 2 summits
- Health Innovation Team
  - 40+ monthly meetings, 7 community forums, 50+ organizations
- Code for KC
  - 775 meetup members, 50 hack nights/year, 10 apps in the pipeline
- US Ignite
  - 30 Steering Committee members, 5 hackathons, 300+ attendees, at least 2 businesses
- PAWR
  - 72 people across 3 workgroups

As I said, a lot of what we do is to bring people together so we host a number of meetings. We've created or continue to maintain a number of ongoing work groups, steering committees and such within the community.

We also spend a lot of time trying to elevate that work here and expand the Kansas City brand, the regional Kansas City brand, as well as Kansas City, Missouri/Kansas City, Kansas, our other city partners here on a national stage. There's a lot of attention right now on Kansas City. It's important to us, in particular, since we are founded by Kansas City, Kansas, and Kansas City Missouri, to make sure both of those cities get the credit they deserve and the opportunities to be innovating included.

This US Ignite, which is support of the Digital Town Square, was about a $300,000 grant. Over a few years it supported the hardware that goes into the Digital Town Square, as well as some staff time to answer the questions that you were just asking and build this out. Joe Connor came down last year and accepted the—I should have brought our little flame statue, that's one of the inaugural Smart Gigabit Communities that were part of this grant.

Metro Lab Network is a collection of 38 city university partnerships that we worked here to establish locally between KCMO, KCK, UMKC and KU. It really fosters both within the metro area, the opportunity for researchers and cities to be able to partner on active projects. We've been able to, through this partnership, send people out to some broader convening. Trenton Foglesong, from Public Works, went to a green water workshop last October and talked a little about some of the stormwater work you're doing.

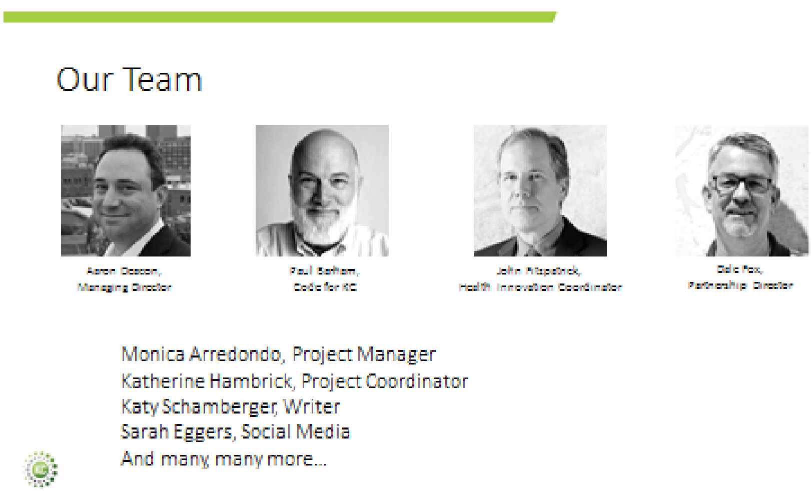
Gordon and Crystal from Municipal Court went to a big data in Human Services convening. This is something we don't think every city in Kansas City needs to have its own liaison to this network and to all these convenings, but we do want to make sure that the cities who are engaged have an opportunity to go. We think it's important that we have multiple cities as representatives in this network and the region, and we're proud to be able to have Kansas City be one of the partners in this network. Their national meeting is in Atlanta, I think in September, with Georgia Tech.

With Global City Teams Challenge, is another kind of National Smart City, International Smart City's network, sponsored by the National Institute of Standards and Technology. We've sponsored several action clusters, which is kind of their project unit. You'll notice all these networks for the most part are project-based, which is a nice fit for us. We're helping to lead with Allen, the healthcare super cluster. Through this, they've got collections of projects across cities in different areas, so we're working on healthcare and some Smart City issues.

Then, of course, we do the Gigabit City Summit here in Kansas City. We bring several hundred people to Kansas City. This will be our third year coming up in August. We have a local event, a one day event. People who don't want to spend three days necessarily but do want to understand more about how all these national networks intersect with what's going on in Kansas City. Westport, Commons, on June 16. We certainly invite you or anyone on your staff or your network to come and join us to learn a little bit more about out programs here.

Next Century Cities is another national network. It's about 150 or 175 cities that are really interested in broadband issues and broadband leadership. They do a lot to highlight mayors. We helped to get Mayor Holland and Mayor James both to sign a recent letter around municipal broadband access that got some publicity locally and nationally as well.

It's not easy to necessarily explain what all these networks do in detail and in a short time, but there are a lot of things happening nationally and Kansas City's really gotten to be at the forefront of a lot of them.



As we build up our local portfolio of work, we were willing to share that and be able to bring ideas back from other places in the country to Kansas City and continue to share what's happening here. We've got a very small staff. It's really a network-based organization, so we've got a lot of network organizational partners, some volunteers and a few staff people. We had one other full-time staff that left about a year and a half ago but supplemented that with a number of contractors and support staff and some grant funded staff.

Funding

- $200k initial investment by KCK and KCMO, through MARC (2012-2014) -- $50k per city, per year
  - ~$1M total invested directly into KCDD since 2012
  - Additional $1M in support direct to project partners
- Additional revenue from grants, donations, and earned income
- KCMO resumed $50k annual commitment in 2016
- Target budget $450k yearly (government, corporate, philanthropic)

This kind of gives an overview of what our funding has been and where we are now. As I mentioned in the beginning, we were started by the cities by Mayor James and then Mayor Reardon. We've gotten some ongoing city funding from time to time. We've got some grant funding; we've gotten some corporate sponsorship money. The Gigabit City Summit helps us to earn some income as well.

Big Opportunities for 2017-2018

- Gigabit City Summit National (August 1-3), Local (June 16)
- Platforms for Advanced Wireless Research (PAWR)
- Infrastructure Innovation Consortium
- FCC Broadband Deployment Advisory Committee
- Smart City Overlay on Healthy Campus
- National/international conferences for 2018
  - Meeting of the Minds
  - Smart Cities Connect
  - IEEE International Smart Cities Conference

Just wanted to close with a few of the things that we have going forward that I think are pretty exciting. I talked a little bit about the Gigabit City Summit coming up, which is a nice opportunity for Kansas City. We've been spending a lot of time on this platform for advanced wireless research. This is an NSF solicitation for a wireless research test bed so they're offering to seed four different national test beds at about $20M a piece. We submitted our pre-proposal with KU as the lead applicant about a week ago. Alan's been involved in that work group.

We've got some opportunities for Wyandotte County, possibly downtown, certainly on the KU Med's Center Campus to be included within that. We're working as part of this; we set up an infrastructure innovation consortium with Mid-America Regional Council. The Greater KC Chamber of Commerce has foundational members so that we can evaluate opportunities like this power grant on a more systematic basis.

A lot of these things kind of come through our door that we end up often times having to re-create from scratch, the partnership network that we go to and say, oh, are you interested in this? We want to become a little bit more systematic about how we do that.

I was recently appointed to one of the working group for FCC's broadband deployment advisory committee. That gives us a chance to kind of weigh-in on how federal policies are made around broadband access issues.

We continue to work on a digital health component to the Smart City Healthy Campus project that Mayor Holland's been pushing downtown and has gotten a lot of interest from KU and partnering on that. Through all this, we've been able to do work at bringing several other convenings to town to keep drawing attention to Kansas City.

Not all these are public yet, but Meeting of the Minds I believe, which is the oldest Smart City conference in the US, will be here next year. Smart City's Connect, which Joe and I went down to last year, I think, will be here next March. We've got the IEEE International Smart City Conference that we're planning for next September. There's also a potential Living Cities event that will be here this fall. Some exciting things are happening.

Chairman McKiernan said thank you for the update. It really looks like you've been doing a lot of work.

Commissioner Johnson said I won't pretend like I understood everything that you talked about or even half of it, but I do think I understand economic impact. I see a lot of projects that you all have that you're working on. Can you talk about what the potential economic impact of these projects is in terms of our overall Metropolitan area, maybe even KCK? Is there kind of a dollar figure that you can attach to other things that we're working on somehow? **Mr. Deacon** said I can talk about economic impact. I'm always reluctant on the dollar figure piece. I've worked with some economic developers who have their plans and they come up with their formulas. There are so many steps a lot of times between what we do and how and they get those. That gets a little fuzzy to me. I will say a few different things that I think are at least the paths to economic impact. One is just business creation.

We've got a company, for example, Planet Impact, which came out of a hackathon that we did three years ago, has gotten a couple of grants from the Mozilla Gigabit Community Fund and from US Ignite—was recently accepted into the Smart City Works Accelerator in Virginia, but they're not moving. They are going to come back. They've had a pretty nice growth projectory. It's one of a handful of businesses that have been started through kind of the hackathons we've done. I think the attention and continuing to be on sort of the Kansas City stage and all these Smart Kansas City conferences I think is really valuable; really working to build Kansas City as a place where companies that are in that space want to come and grow.

One of the thoughts behind the infrastructure innovation consortium is to really brand the Kansas City region as kind of the place that builds the world infrastructure. We've got a lot of companies that do that here. BHC Rhodes is one of the companies that's a big sponsor of the big Gigabit City Summit for the past couple of years. We see an opportunity and it's hard, frankly, for a lot of the engineering companies sometimes to kind of figure out what the right model is to incorporate all the technology into their infrastructure.

We want to make sure that Kansas City captures that and so even growing, whether it's BHC Roads or Burns and Mc, Black and Veatch or anybody in between, being able to grow those businesses and attract new businesses that are in those spaces here, we see as a strong opportunity. Then we work a lot with the startup community more broadly, Kansas City Startup Village and some people at Kauffman Foundation to create fertile ground for that ecosystem. I'd say kind of the last point on that, one of the things that we do when we talk about economic development is to cultivate the demand side for technology innovators.

In healthcare we've got 100—we've got healthcare startups all over the place. People say I'm going to try to do something with electronic medical records or new devices, but the buyer community isn't always ready to receive those things. What we do is we bring together the digital health innovators from the health system side. We have the KU Meds and the

Children Mercies and the Truman's to think about it really from kind of the buyers' side and help get them ready and make matches that are meaningful so that people can go forward.

Chairman McKiernan asked will all the other commissioners get a copy of the presentation and slides. **Mr. Deacon** said yes. **Chairman McKiernan** said excellent. We'll make sure they get those. Thanks for the update. I appreciate your work and we look forward to more great stuff in the future. **Mr. Deacon** said great, thank you.

Action: Information only.

Item No. 2 – 171148…REPORT: FIRST QUARTER 2017 BUDGET TO ACTUALS
Synopsis: First Quarter 2017 Budget to Actuals Report, submitted by Kathleen VonAchen, Chief Financial Officer.

Kathleen VonAchen, Chief Financial Officer, said I'm happy to have my Budget Director Reginald Lindsey here next to me. We're going to go over the Q1 or First Quarter Report of our budget compared with actual spending for the Unified Government's General Fund. The second agenda item we're also going to touch on any kind of budget revision that exceeded $10,000 as well as maybe one or two that may have been higher than that, over $50,000.

In the agenda packet, we submitted the First Quarter Report. As you know, we provide these four times a year. The First Quarter Report doesn't have a lot of information, but we're happy to talk about it in more detail. At this point, I just want to give you an opportunity if you had any questions.

Commissioner Walker said I have always been curious over my many years here, especially in light of technology today, here we are in June almost to the end of the Second Quarter. I don't mean this as a criticism; some of it may be scheduling, putting it on the agenda and so forth. It would seem like to me that at the close of business March 31, you have either taken in a certain amount of money as of that date at midnight or you have spent a certain amount of money. There may be all kinds of things in process, but it isn't paid until it's paid and it isn't received until it's received.

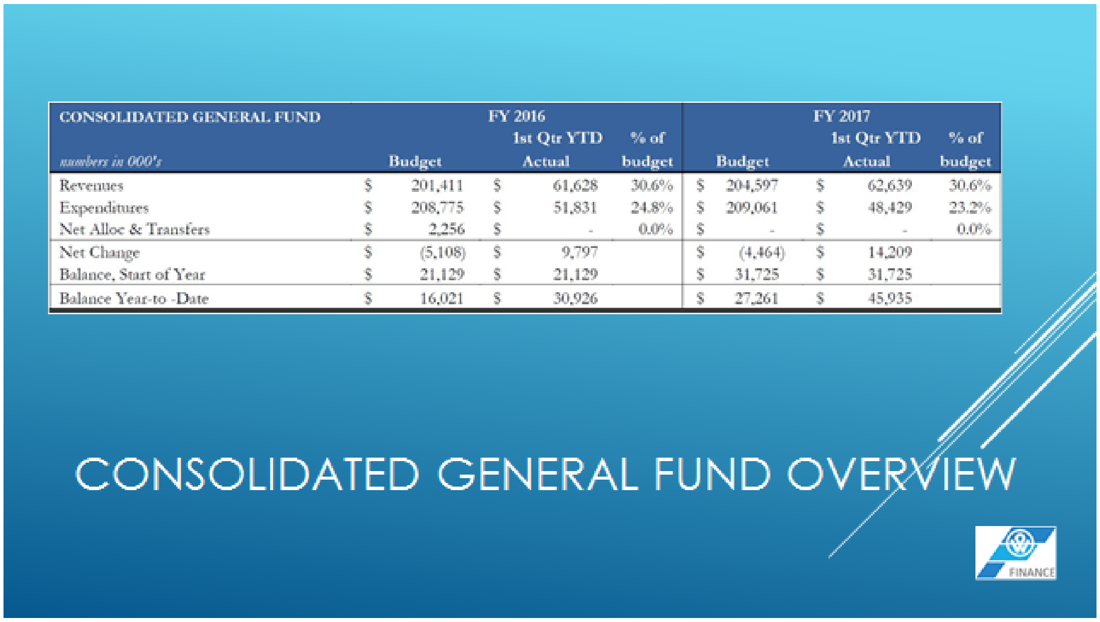
Can you explain to me why on April 1 or July 1, or within a day or two of the close of the quarter, we can't get a very close, if not precise, what we spent as of that date? Why you can't just go to the computer and say spit it out and there it is? What am I missing about our technology, which from when I began is like light years ahead, that we can't get a First Quarter Report before almost the end of the second quarter? **Ms. VonAchen** said to answer your question, there are hundreds of thousands of transactions that are recorded throughout daily. Those revenues are recorded by our Treasurer's office. On a daily basis, we, in effect, balance the checkbook by doing a bank reconciliation. Those typically take quite a few—they're usually about a week or two behind because it takes a while to make sure all the transactions have been properly posted in the right account and that we know where they all are. There's a closing period that takes about two, three or four weeks in order to make sure that everything is recorded in the proper place.

The other thing that happens is with this committee, as staff, we're required to submit the report two weeks before the actual committee meets so there's kind of a time lag there. Then it usually takes a couple of weeks for us to actually prepare the report. The fact that we were in the middle of budget put a little bit of delay on it, because we implemented a new budget system during this time.

Commissioner Walker said don't take it as a criticism because it's not. It seems to me that if there is a problem that develops in the first quarter or the second quarter, by the time we get it, we're really too late in many cases to act upon it as a Commission. Maybe staff is equipped to deal with it. **Ms. VonAchen** said I actually have some ideas for speeding up our bank reconciliation process. Those are some internal, administrative functions that we're going to be looking to streamline in the future. For the most part what we are going to be doing in terms of this report is, we're going to try to get it out as quickly as we can. I hope that for the second quarter, I hope, to have it out sometime in August. Let's keep our fingers crossed.

Commissioner Walker said I prefer to think that probably the reason it's late is because of Mr. Bach. Mr. Bach wants to carefully review it before we get it, but maybe I'm wrong about that. Just kidding, just kidding for the TV audience I am just kidding. Thank you. It just seems like to me that with the amount of money we've spent on technology over the last 15 years at least, we ought to be able to spit this thing out within a week of the close of the quarter. **Ms.**

VonAchen said I hear you. **Commissioner Walker** said that shows, perhaps, how little I know about technology.



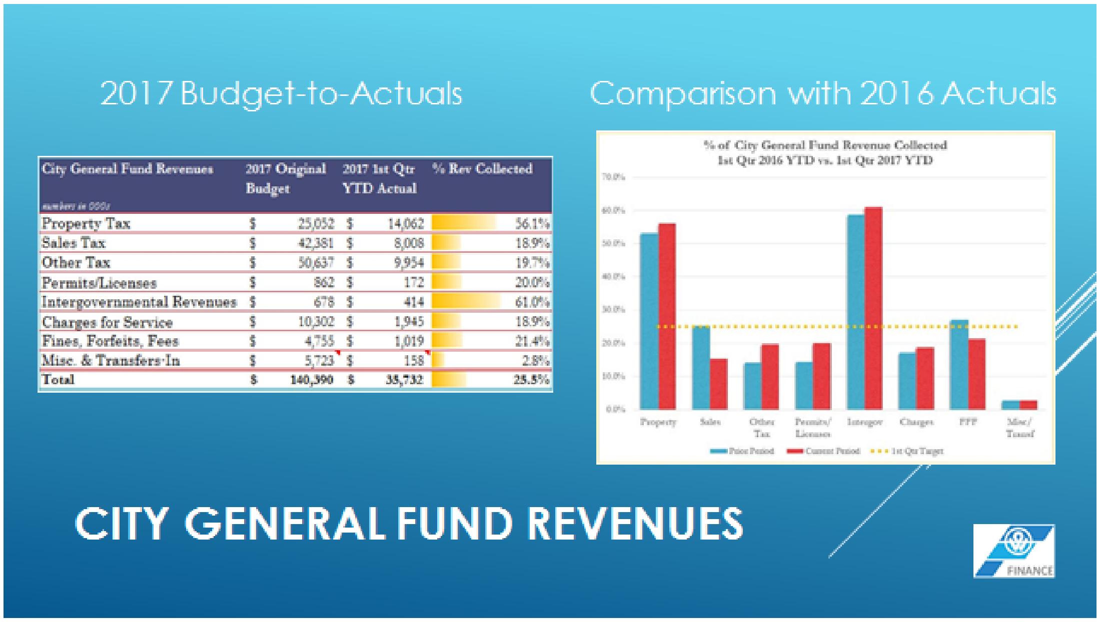
CONSOLIDATED GENERAL FUND	FY 2016			FY 2017		
numbers in 000's	Budget	1st Qtr YTD Actual	% of budget	Budget	1st Qtr YTD Actual	% of budget
Revenues	$ 201,411	$ 61,628	30.6%	$ 204,597	$ 62,639	30.6%
Expenditures	$ 208,775	$ 51,831	24.8%	$ 209,061	$ 48,429	23.2%
Net Alloc & Transfers	$ 2,256	$ -	0.0%	$ -	$ -	0.0%
Net Change	$ (5,108)	$ 9,797		$ (4,464)	$ 14,209	
Balance, Start of Year	$ 21,129	$ 21,129		$ 31,725	$ 31,725	
Balance Year-to -Date	$ 16,021	$ 30,926		$ 27,261	$ 45,935	

Ms. VonAchen said these are for transactions that occurred between January 1 and March 31 for the General Fund. As you know, there are three funds that are considered the Consolidated General Fund: the City General Fund, the County General Fund, and the Parks Consolidated General Fund. The total budget for the three general funds for Fiscal 17, on the expenditure side is $209M; on the revenue side its $204.5M. As you can see, what we've got here is actuals in the next column and then a percentage of the budget. The revenues have come in at $62M so far through March 31, which represents 30% of the total budget. Because it's the first quarter, you would expect if revenues came in evenly throughout the year, you would expect revenues to be at only 25%.

You can see that we're doing pretty well here. We've got 30%. The reason for this is because property taxes come in, they pretty much come in half in the first quarter and then the other half in the third quarter. That property tax variance is the explanation for why our revenues seem higher at this point in time.

On the expenditure side, you see that we spent $48M, which represents 23% of the total budget. That's less than the 25%. We're doing pretty good so far. You can see that those percentages are pretty consistent with the prior year.

The following three to four slides here are just comparisons broken down by the different funds.

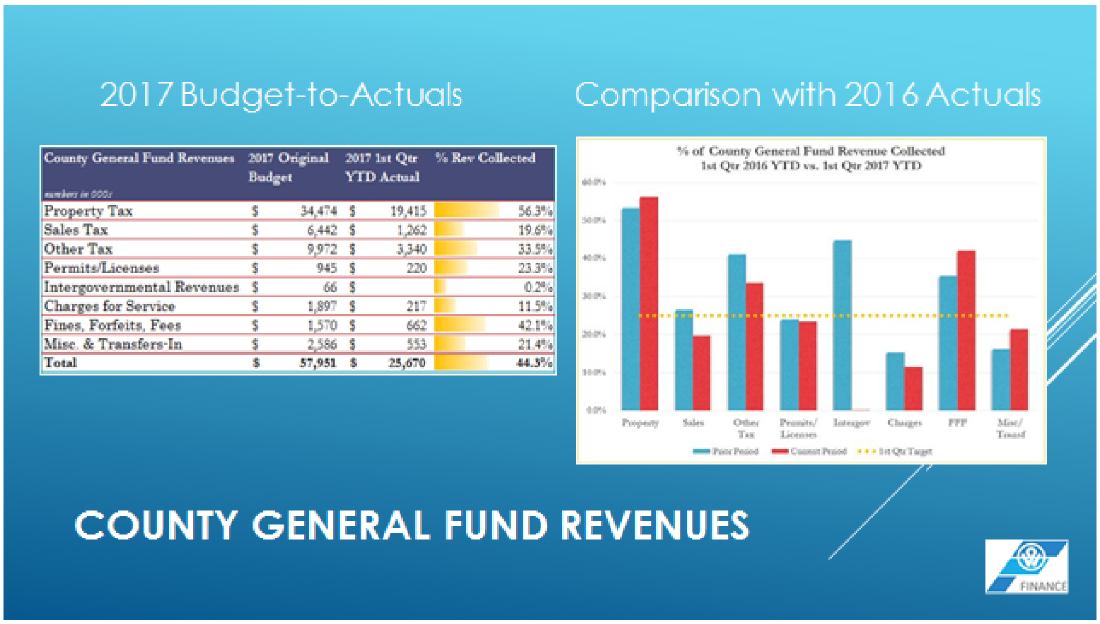


On the revenue side for the City General Fund, you can see the breakout. Here's property tax, sales tax, and all other types of revenues. As you can see there, so far the revenues collected for property tax represent 56% of the total. For sales tax, it's only at 19% of the total. As you know, this represents a period after Christmas where the sales tax may be lagging a little bit. Other taxes at basically 19.7%, I believe, and permits at 20%, and intergovernmental revenues are at 61%. Overall, revenues for the City General Fund are at 25%, which is right on where we expect them to be. The graph shows also how they compared with the prior year.

Commissioner Walters said so the sales tax is down from the prior year. Am I seeing that correctly? **Reginald Lindsey, Budget Manager**, said yes. **Commissioner Walters** said then the second two-thirds of what it was last year. **Ms. VonAchen** said yes it is down. My guess is part of that—in fact, I do know why that is. There was a little bit of a lag in the recording of our distribution for sales tax because we were waiting to come to a final conclusion on what was the soccer base. What we call the soccer base in our Finance Department is actually that $12M that everyone keeps talking about, the Legends, as a result of the payoff of the STAR bonds.

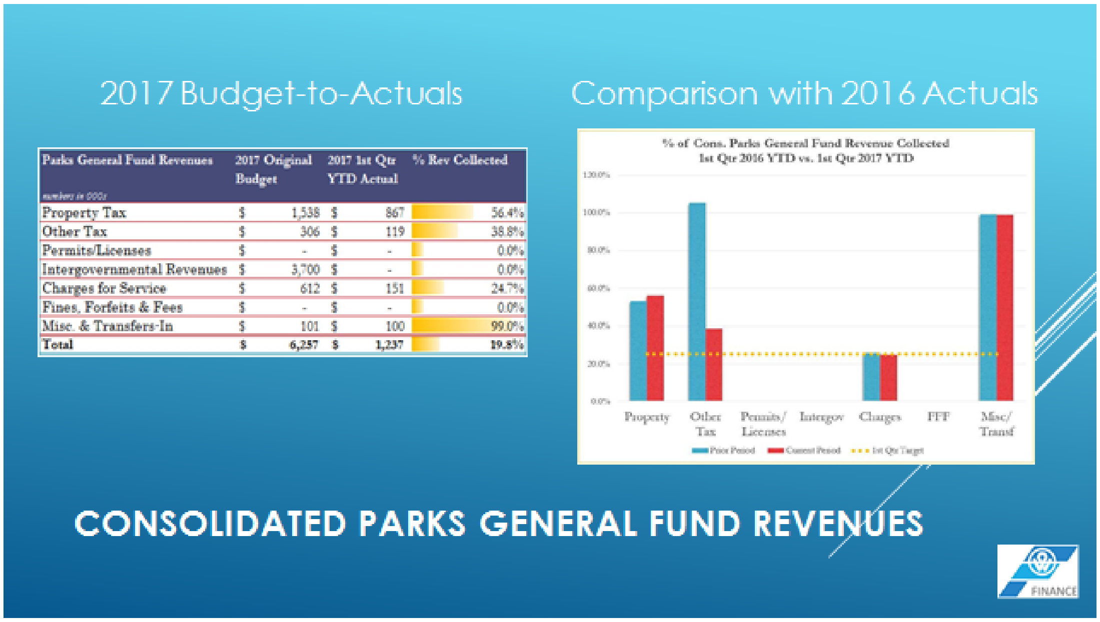
What we needed to do—and it took about a month for us to really go through and comb through all the data and make sure that we absolutely had that amount precisely calculated. As a result, those activities, the money could not be released until we all agreed to that number and that it was certified. That didn't take place until April. There was some money, quite a bit of sales tax money held up in a trust until we could record it in April. That's part of the reason why it's down; that's part of the distribution.

Ultimately, the STAR bond payoff amount, the amount that we're now going to be collecting every year as a result of the STAR bond payoff has been calculated to be $12.4M.

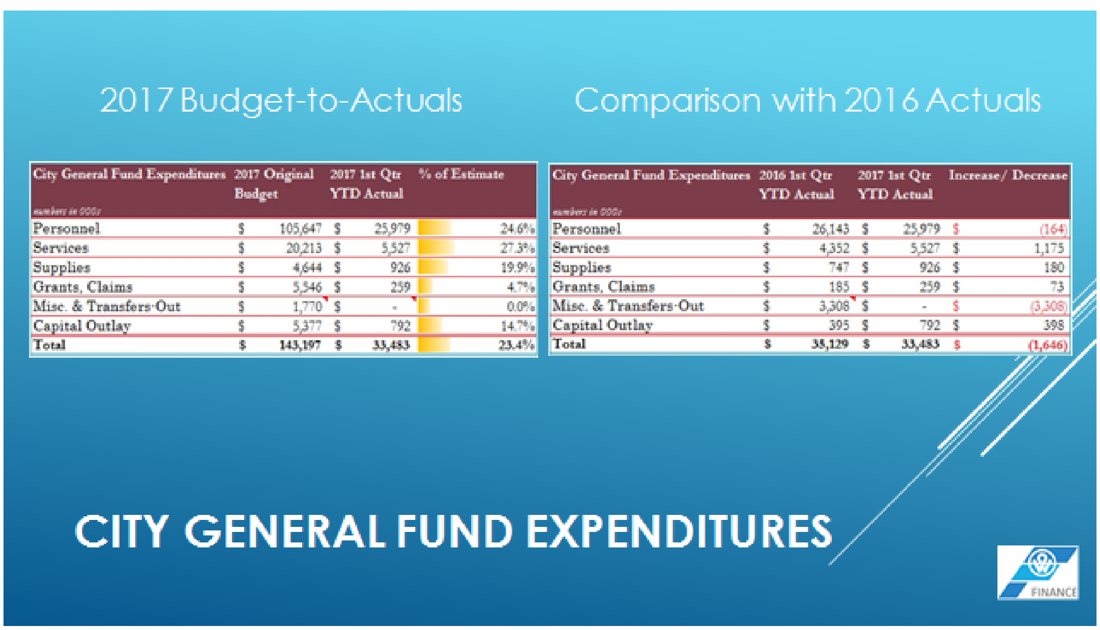


County General Fund Revenues *numbers in 000s*	2017 Original Budget	2017 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 34,474	$ 19,415	56.3%
Sales Tax	$ 6,442	$ 1,262	19.6%
Other Tax	$ 9,972	$ 3,340	33.5%
Permits/Licenses	$ 945	$ 220	23.3%
Intergovernmental Revenues	$ 66	$	0.2%
Charges for Service	$ 1,897	$ 217	11.5%
Fines, Forfeits, Fees	$ 1,570	$ 662	42.1%
Misc. & Transfers-In	$ 2,586	$ 553	21.4%
Total	**$ 57,951**	**$ 25,670**	**44.3%**

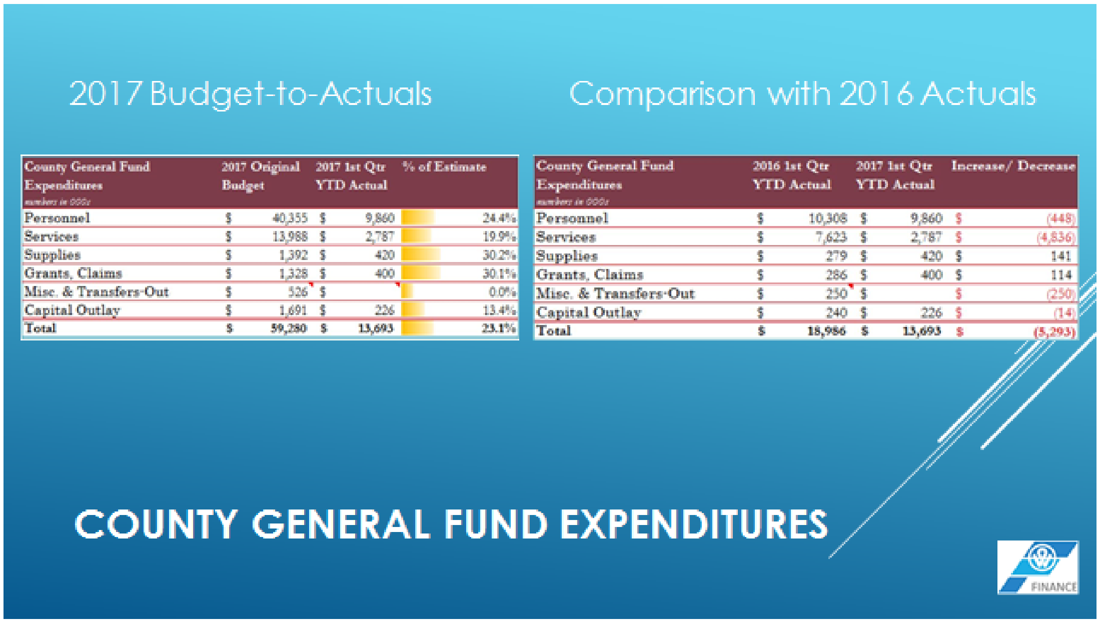
The county revenues same categories: property tax representing 56%, the same kind of financial indicators for the county except the county's at 44%. The reason that that percentage is higher is because property tax makes up a greater proportion of the total revenues in the County Fund. Its early collection causes the higher percentage.



Consolidated Parks is not too big of a fund. It's only $6.2M. You see the same collection level, property tax is 56%. You are only seeing 19.8% of the total year-to-date collections and that is because we typically don't enter the intergovernmental revenue on a quarterly basis. You see how that $3.7M, it looks like there's a zero there for year-to-date, that's because the $3.7M, which is actually a transfer from the City General Fund to this fund, to basically subsidize a lot of the activates related to consolidated parks. That's missing the quarterly transfer payment.



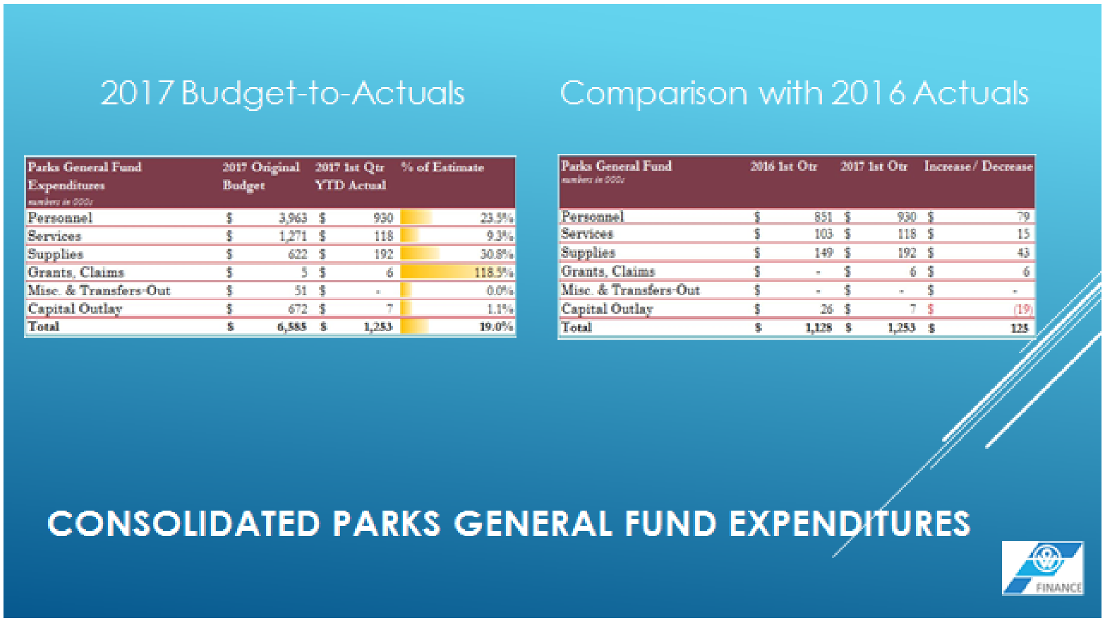
Mr. Lindsey said on the expenditure side of the City General Fund, you see we spent like 23.4% of our budget. Under 25% is a good rule of thumb. It means we're in positive territory with the expenditures at this point in time.



County General Fund Expenditures *numbers in 000s*	2017 Original Budget	2017 1st Qtr YTD Actual	% of Estimate
Personnel	$ 40,355	$ 9,860	24.4%
Services	$ 13,988	$ 2,787	19.9%
Supplies	$ 1,392	$ 420	30.2%
Grants, Claims	$ 1,328	$ 400	30.1%
Misc. & Transfers-Out	$ 526	$	0.0%
Capital Outlay	$ 1,691	$ 226	13.4%
Total	$ 59,280	$ 13,693	23.1%

County General Fund Expenditures *numbers in 000s*	2016 1st Qtr YTD Actual	2017 1st Qtr YTD Actual	Increase/ Decrease
Personnel	$ 10,308	$ 9,860	$ (448)
Services	$ 7,623	$ 2,787	$ (4,836)
Supplies	$ 279	$ 420	$ 141
Grants, Claims	$ 286	$ 400	$ 114
Misc. & Transfers-Out	$ 250	$	$ (250)
Capital Outlay	$ 240	$ 226	$ (14)
Total	$ 18,986	$ 13,693	$ (5,293)

In the County General Fund, we spent 23.1%. We can see we have different categories: personnel, services, supplies, grants, claims and capital outlay. Supplies, we have spent over the 25%. Generally what happens is some of the departments go out and buy up some of the supplies that they need early in the year, but overall, the budget is at 23% in the County General Fund.



Parks General Fund Expenditures *numbers in 000s*	2017 Original Budget		2017 1st Qtr YTD Actual		% of Estimate
Personnel	$	3,963	$	930	23.5%
Services	$	1,271	$	118	9.3%
Supplies	$	622	$	192	30.8%
Grants, Claims	$	5	$	6	118.5%
Misc. & Transfers-Out	$	51	$	-	0.0%
Capital Outlay	$	672	$	7	1.1%
Total	**$**	**6,585**	**$**	**1,253**	**19.0%**

Parks General Fund *numbers in 000s*	2016 1st Qtr		2017 1st Qtr		Increase / Decrease	
Personnel	$	851	$	930	$	79
Services	$	103	$	118	$	15
Supplies	$	149	$	192	$	43
Grants, Claims	$	-	$	6	$	6
Misc. & Transfers-Out	$	-	$	-	$	-
Capital Outlay	$	26	$	7	$	(19)
Total	**$**	**1,128**	**$**	**1,253**	**$**	**125**

In the Consolidated Parks Fund, you can see where 19% of the budget has been expended so far in 2017. As you can see in grants and claims, there's 118% that has been spent. This is just a grant that has gone out for the full—the expense has gone out and it was a little more than what we expected. It's like a $6,000 number as opposed it was budgeted for $5,000, so that's what that number is.

That kind of wraps up the expenditures. Overall all the expenditures were under 25% which is in positive territory so for in Quarter 1 2017.

Chairman McKiernan said overall it looks real good. No one category really stood out as an outlier high or low. We're pretty much on our 25% projection mark for both income and expense in all funds. **Commissioner Walker** said good job. **Chairman McKiernan** said I appreciate the report.

Action: Information only.

Item No. 3 – 171150…REPORT: BUDGET REVISIONS

Synopsis: Budget revisions, submitted by Reginald Lindsey, Budget Manager.

Reginald Lindsey, Budget Manager, said there were two transfer reports. One was for the budget revisions that were done within the First Quarter 2017, and then the other one was done for those that were over $50,000 that the County Administrator and the Mayor signed off on. The ones that were $10,000 and over, there were eight transactions. They were $380,000. Four of them were done within the City General Fund, three were done within the County General Funds, and one was done within the Elections Net Refund.

The lowest amount of the budget revisions was a $13,000 budget revision that was done for the Justice Center to replace a transformer that went out. The largest amount on the sheet was a $94,000 budget revision for the Police Department where they had shifted their priorities and bought. Kind of shifted their CMIP around and bought some equipment in more need for them. That was one we also brought forth last month also. There are three on this sheet that we brought forth last month: one from the Election, one from the Police Department, then one also from the Sherriff's Department. Out of all these eight, one of them was done from contingency, all the rest of them were done within the department.

Chairman McKiernan said as usual, they're all overall budget neutral in terms of the dollars. **Mr. Lindsey** said yes. **Chairman McKiernan** said great. **Mr. Lindsey** said there was one on the other report, one that we did a $508,000 one for legal costs. It also went through a special session with the Commission. That was one that the Mayor and County Administrator signed off on.

Commissioner Walker said we end up doing this on an annual basis, somewhat regular, do we not because we really don't fund the Liability Fund with like $5M anticipating those kinds of losses. We lowball, maybe that's not the correct word, but we lowball the fund and then as settlements come before us, we realize we either have to move money around or we have to issue judgement notes sometime during the year or at the end of the year. Is that not correct? **Ms. VonAchen** said yes, that is correct.

Actually, we're proposing a solution in the upcoming budget for some of this. **Commissioner Walker** said I would love that. Just from a historical standpoint, it was always an issue. **Ms. VonAchen** said the solution would be to set up an internal service fund, sort of a general liability or property and casualty insurance fund and have the departments, based on their prior year, five years of claims history, we would determine what percentage or what percentage of their total share of the funding would be allocated, and then we'd determine an estimate of how much annually we ought to be contributing to this special fund. The departments would then be charged and those revenues would go to that internal service fund and that's where we would pay all those expenses. If the expenses are less than we estimate, then the fund balance could remain there in that external fund to cover future lawsuits or settlements as they come. That's the solution that we're looking at.

Commissioner Walker asked by allocating these resources, does that suggest you're going to reduce the budget of the various departments by an amount based on the previous five years' experience. **Ms. VonAchen** said no. We won't be reducing. What we're going to be doing is making sure the departments have those prospective budgets, whatever it is we estimate.

Commissioner Walker said the issue for the departments; we had years ago an idea about charging back against the budget. That's sort of an incentive to the department head to keep their people under control and not create liabilities. Obviously, it's a very complexed—police, for example, are more likely to be involved in incidents where people would file some kind of lawsuit or the Street Department can only repair the streets if the commissioners fund them. If a street defect or design flaw creates a liability, it's very difficult to predict that.

When you have a very large settlement, I think there should be some accountability for those departments. I think it's not feasible to really punish them in a sense by reducing their budgets. The end result of that is, they always blame Legal. Let Legal settle the case. Legal gave the money away. Legal doesn't have the people to know what they're doing. I heard that for a lot of years.

Bottom line was, we don't need good legal if people don't create liability. I just want to make sure we weren't going down the road where department heads were going to start saying well, Legal gave a $.5M away, we wanted to go to trial or we wanted to fight or we had that kind of dialogue.

Ms. VonAchen said there are a couple of goals; certainly accountability is one of them. Our intent is not to be putative to the departments. The main goal is to insure that there is sufficient funding to cover these unexpected expenditures. Then also be able to smooth out the cost so that the General Fund is not having to go up beyond to hit the (inaudible).

Commissioner Walker said I would think this looks very good. It's a good, worthy goal. It was always problematic and it always required money to be moved from somewhere and usually we didn't have a fund just sitting there for us to pull money out of when we needed it. It usually came from the Reserve Fund or we issued debt. **Ms. VonAchen** said I'd like to discourage the issuance of debt to pay legal settlements. It's not a best practice. **Commissioner Walker** said I agree. **Chairman McKiernan** said you brought that up before. **Commissioner Walker** said it's not a good practice.

If you get a $20M judgment against you that's upheld, you don't have any choice. The predictability of spending $500,000 to $1M a year is very predictable. We simply don't get, for example, an accident caused by a road defect. It's been there for 10 years, we're going to pay out some money on that because we should have fixed the pothole that caused the accident.

Commissioner Walters said on this most recent expenditure, the $500,000, you're not going to issue debt to cover that. That's your current thinking? **Mr. Lindsey** said no.

Commissioner Walters said on another topic, the maintenance building that we had a problem with this last week, are you guys involved in any kind of financial issues related to that? **Ms. VonAchen** said yes. The Finance Department oversees that risk management function with relation to our facilities.

Mr. Lindsey said for our building replacement, we have a $100,000 deductible. Seems like the building could be valued at $103,000 and there was also contents in the building that they're still trying to see how much the contents is worth. We have like contents on the building also, around $60,000 that we have insurance for. We will have a $100,000 deductible. **Commissioner Walters** said I didn't know that was even insured, so good. **Ms. VonAchen** said they're all insured. **Mr. Lindsey** said all our buildings, we have a $100,000 blanket for all our buildings. If a tornado came and knocked them all over, we'd only have to pay $100,000 deductible to replace them all.

Action: Information only.

Adjourn

Chairman McKiernan adjourned the meeting at 6:18 p.m.

mbb

Staff Request for Commission Action

Tracking No. 171232

Full Commission Meeting Date:

Committee: Economic Development & Finance

Date of Standing Committee Action: (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
08/02/2017	Sarah White, Jeff Fisher	x5724, x5415	sfjell@wycokck.org, jfisher@wycokck.org	Public Works

Item Description:

Staff from Public Works Engineering will inform the standing committee on the Stormwater Rate Transition Analysis being conducted by Black & Veatch. The analysis will look at an impervious surface area calculation to determine stormwater fees. Presentation will include purpose, analysis approach and anticipated timeline.

Action Requested:

For Information Only.

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Staff Request for Commission Action

Tracking No. 171227

Full Commission Meeting Date: NA
Committee: Economic Development & Finance

Date of Standing Committee Action: 8/14/2017 (If none, please explain): NA

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
07/27/2017	Reginald Lindsey	x5292	rlindsey@wycokck.org	Budget

Item Description:
Second Quarter Budget Revision Report is provided for informational purposes only. No action is required.

Action Requested:
For information only.

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
Budget Revisions Report

BUDGET REVISIONS $10,000 OR GREATER - SECOND QUARTER 2017 *(For information only)*

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	County General	Legal	Operating	Legal Cost & Settlement	Outside Department	$508,000	April 27, 2017
2	County General	Sheriff	Operating	Jail Plumbing/Jail Replacement	With In Department	$84,241	May 7, 2017
				GRAND TOTAL		**$592,241**	

Staff Request for Commission Action

Tracking No. 171229

Full Commission Meeting Date: NA
Committee: Economic Development & Finance

Date of Standing Committee Action: 8/14/17 (If none, please explain): NA

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
08/01/2017	Kathleen VonAchen, Reginald Lindsey	x5186, x5292	kvonachen@wycokck.org, rlindsey@wycokck.org	Finance

Item Description:
Second Quarter of Fiscal Year 2017 Budget to Actuals Report is provided for informational purposes only. No action is required.

Action Requested:
For information only.

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
Quarterly Financial Report

QUARTERLY FINANCIAL REPORT

Second Quarter 2017 Budget to Actuals Trend Analysis

This document has been prepared by the Finance department.
Please direct any inquiries to the Budget Director, Reginald Lindsey at 913-573-5292

Contributing Staff

Kathleen VonAchen	CFO
Deborah Jonscher	Deputy CFO
Reginald Lindsey	Budget Director
Judi Her	Budget Analyst
Jud Knapp	Budget Analyst
Michael Peterson	Budget Analyst
Alyse Villarreal	Debt Coordinator

UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Quarterly Financial Report

Second Quarter of 2017

The Unified Government has completed the second quarter of the 2017 fiscal year which began in January 2017. This report summarizes the activities of the General Funds, and is not meant to be inclusive of all finance and accounting transactions. We hope this report provides the community with an overview of the Unified Government's financial performance.

The General Funds consist of the City General Fund, the County General Fund, and the Consolidated Parks Fund. They are the primary operating funds of the Unified Government and are used to account for a majority of operating activities. Other large funds, such as the Emergency Medical Services Fund, Dedicated Sales Tax Fund, Sewer Enterprise Fund and the Street & Highway Fund, account for a good portion of the remaining financial activities.

The total 2017 Amended Budget is $337.6M which consists of $206.6M for the General Funds, $43.9M for Other Tax Levy Supported Funds and $87.1M for Non-Tax Levy Supported Funds. The General Fund Budget does not include the annual appropriation for debt service contingency of $9.6M.

This report focuses on the General Funds. Financial performance of all other funds may be found on the last page.

CONSOLIDATED GENERAL FUND BALANCE

In measuring financial performance it is recommended to review the collection and spending of resources through the current period and compare this information with the prior fiscal year for the same period. The following table is the financial overview of the Consolidated General Fund for the period of January through June of 2017. This data includes all three general funds.

CONSOLIDATED GENERAL FUND	FY 2016			FY 2017		
numbers in 000's	Budget	2nd Qtr YTD Actual	% of budget	Budget	2nd Qtr YTD Actual	% of budget
Revenues	$ 192,441	$ 116,089	60.3%	$ 205,302	$ 125,995	61.8%
Expeditures	$ 198,213	$ 97,738	49.3%	$ 206,517	$ 98,079	47.8%
Net Alloc & Transfers	$ (2,299)	$ (1,150)	50.0%	$ 982	$ 491	50.0%
Net Change	$ (8,072)	$ 17,201		$ (233)	$ 28,407	
Balance, Start of Year	$ 21,129	$ 21,129		$ 19,279	$ 19,279	
Balance Year-to -Date	$ 13,057	$ 38,330		$ 19,046	$ 47,686	

Table 1: Consolidated General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance

- Collected revenues are in excess of the 2nd quarter 50% target in both the prior and current fiscal years due to a majority of property tax collections is received in the first six months of the fiscal year.
- Expenditures are approximately 2% below the 2nd quarter 50% target in the current fiscal year compared to 2nd quarter of the prior fiscal year which was 1% below target.
- The beginning fund balances are on a cash basis. Year-To-Date fund balance is higher than budgeted fund balance because total revenues are being collected on target while spending is about 2% below the target.

CITY GENERAL FUND REVENUES

The City General Fund is the principal operating account of Kansas City, KS. Revenue is received from taxes, fees, intergovernmental revenue, charges for services, and other sources. The General Fund is used to support general operations, including Police, Fire, Municipal Court, Public Works, general services functions and administrative programs. General Fund revenues are also used to finance the purchase of equipment and capital projects not financed with debt.

City General Fund Revenues *numbers in 000s*	2017 Amended Budget	2017 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 25,309	$ 24,002	94.8%
Sales Tax	$ 43,156	$ 21,840	50.6%
Other Tax	$ 50,865	$ 21,666	42.6%
Permits/Licenses	$ 1,225	$ 790	64.5%
Intergovernmental Revenues	$ 704	$ 475	67.5%
Charges for Service	$ 10,892	$ 4,587	42.1%
Fines, Forfeits, Fees	$ 3,913	$ 1,966	50.2%
Misc. & Transfers-In	$ 5,823	$ 1,886	32.4%
Total	**$ 141,886**	**$ 77,213**	**54.4%**

Table 2: City General Fund YTD Revenues as a % of Budget

Fifty Four percent (54%) of actual City General Fund revenue has been collected through June 30, 2017 and is on schedule with the 50% revenue target expected for the 2nd quarter. *Table 2* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 3* shows that the revenues are trending $5.6M above the same period last year.

- **Tax Revenue** collections are at 57.0% of the original budget. Both of first and second half property tax installments have been received. There may still be additional smaller receipts for 2017. This amounts to $24M, or 94.8% of projected property tax revenues. Sales & use tax revenues are at $21.8M, or 50.6% of projections for the full year. The BPU pilot is currently at $12.1M, or 39.2% due to seasonality consistent with prior years.
- **Licenses & Permits** collections include Landlord Rental Licenses and Right-of-Way Permits. Collections are 64.5% of the amended budget. The prior year collections were at 71.2% for the same period.

City General Fund Revenues *numbers in 000s*	2016 2nd Qtr YTD Actual	2017 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 24,265	$ 24,002	$ (263)
Sales Tax	$ 16,378	$ 21,840	$ 5,462
Other Tax	$ 21,069	$ 21,666	$ 597
Permits/Licenses	$ 817	$ 790	$ (26)
Intergovernmental Revenues	$ 445	$ 475	$ 31
Charges for Service	$ 4,483	$ 4,587	$ 104
Fines, Forfeits, Fees	$ 2,489	$ 1,966	$ (523)
Misc. & Transfers-In	$ 1,667	$ 1,886	$ 220
Total	**$ 71,611**	**$ 77,213**	**$ 5,601**

Table 3: City General Fund Revenues Year to Year Comparison

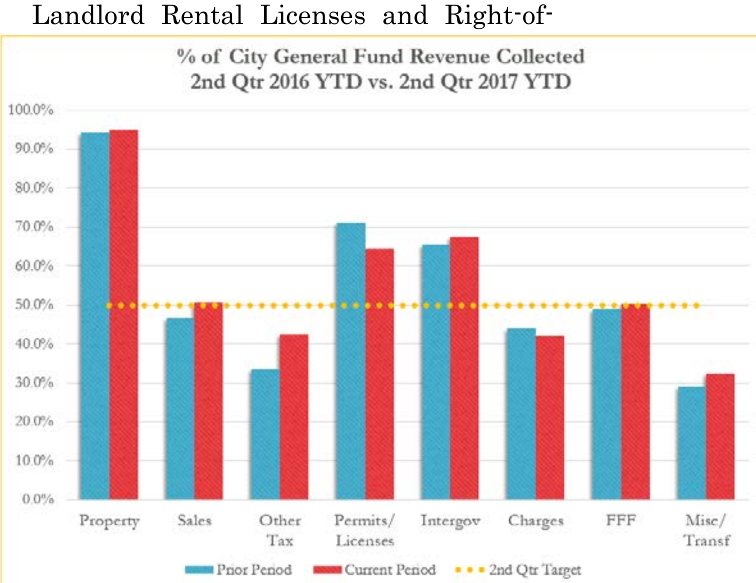


Figure 1: City General Fund Prior Year vs. Current Year

- **Charges for Service** include residential trash fees and building inspection fees and are slightly below, the 50% revenue target for the 2nd quarter, coming in at 42.1%.
- **Fines, Forfeits, Fees** include Municipal Court revenue and are on target with the 50% revenue target for the 2nd quarter. This is comprised mainly of Municipal Court receipts which are showing 52% of projected yearly collections.
- **Misc. & Transfers-In** include reimbursements, sale of land, indirect charges. There have been no receipts posted to Contributions and Donations or Indirect Charges which are reflected at the end of the fiscal year.

CITY GENERAL FUND EXPENDITURES

City General Fund Expenditures *numbers in 000s*	2017 Amended Budget	2017 2nd Qtr YTD Actual	% of Estimate
Personnel	$ 102,504	$ 48,956	47.8%
Services	$ 20,893	$ 10,325	49.4%
Supplies	$ 4,229	$ 1,981	46.8%
Grants, Claims	$ 5,677	$ 2,332	41.1%
Misc. & Transfers-Out	$ 2,110	$ 538	25.5%
Capital Outlay	$ 4,991	$ 1,437	28.8%
Total	**$ 140,404**	**$ 65,568**	**46.7%**

Table 4: City General Fund YTD Expenditures as a % of Budget

- **Personnel** expenditure spend rate is 47.8% of the amended budget. This is including overtime pay of personnel which has expended 53.0% of its portion of the amended budget.

- **Services** expenditures are tracking in line with budget. Major expenses paid in this category are Transit Contract Fees, Software Maintenance, City Jail Expenses, and Trash Contract.

- **Supplies** are tracking with the budget at 46.8%, or $1.98 million. Fuel is tracking 16% below budget due to lower energy costs and seasonality variance.

- **Grants, Claims** are tracking slightly below budget. Most of these transactions do not take place until the end of year.

- **Misc. & Transfers-Out** are tracking below budget. A portion of the funding here are for reserves and contingencies.

City General Fund Expenditures *numbers in 000s*	2016 2nd Qtr YTD Actual	2017 2nd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 49,925	$ 48,956	$ (969)
Services	$ 10,125	$ 10,325	$ 200
Supplies	$ 1,667	$ 1,981	$ 315
Grants, Claims	$ 1,912	$ 2,332	$ 420
Misc. & Transfers-Out	$ 2,211	$ 538	$ (1,673)
Capital Outlay	$ 895	$ 1,437	$ 542
Total	**$ 66,734**	**$ 65,568**	**$ (1,165)**

Table 5: City General Fund Expenditures Year to Year Comparison

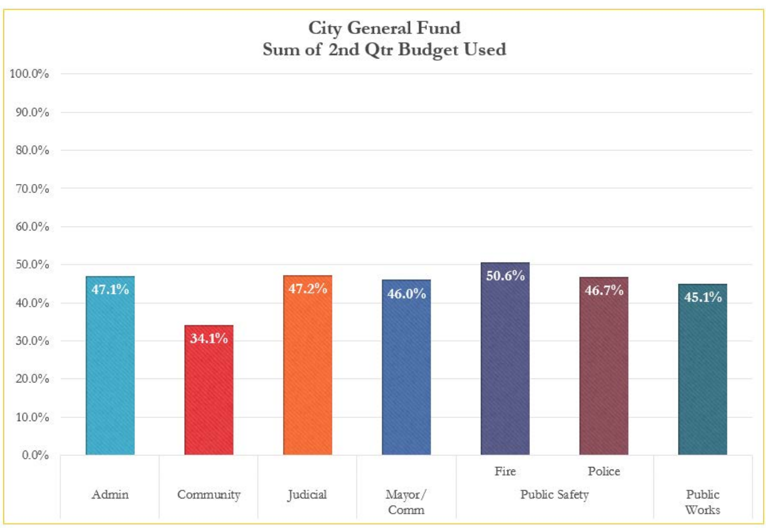


Figure 2: City General Fund Dept. Expenditures as a % of Budget

- **Capital Outlay** spend rate is coming in below the 50% 2nd Quarter threshold at 27%. Capital equipment makes up 37% of the capital outlay budget. A portion of this budget is made up of new capital lease payments that do not start until the future year.

- **Debt Service Contingency** includes funding set aside for TDD Debt.

Departments are in line with spending targets for the year. Across the board department are below budget due to reduced commodity costs for fuel and lower energy utilization in the winter months. Departments are also in line with budget in personnel. Within services some departments have expended more because departments typically pay contracts at beginning of the year.

COUNTY GENERAL FUND REVENUES

The County General Fund is the principal operation account of Wyandotte County. Revenue is received from taxes, fees, intergovernmental revenue, charges for services, and other sources. The County General Fund is used to support general operations including Emergency Management, Sheriff, Emergency Dispatch, Court programs, Public Works, general services functions, and administrative programs. General Fund revenues are also used to finance the purchase of capital equipment and capital projects which are not debt financed.

County General Fund Revenues *numbers in 000s*	2017 Amended Budget	2017 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 34,829	$ 33,176	95.3%
Sales Tax	$ 6,584	$ 3,374	51.2%
Other Tax	$ 9,323	$ 5,608	60.2%
Permits/Licenses	$ 1,130	$ 479	42.4%
Intergovernmental Revenues	$ 66	$ 36	54.3%
Charges for Service	$ 1,549	$ 721	46.6%
Fines, Forfeits, Fees	$ 2,135	$ 1,437	67.3%
Misc. & Transfers-In	$ 2,415	$ 1,133	46.9%
Total	**$ 58,029**	**$ 45,964**	**79.2%**

Table 6: County General Fund YTD Revenues as a % of Budget

Seventy Nine percent (79%) of budgeted County General Fund revenue has been collected through June 30, 2017 compared to the 50% revenue target expected for 2nd quarter reporting. *Table 6* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 7* shows that the revenues are trending along the same level as the same period last year.

- **Tax Revenue** collections are at 83% of the original budget. Both of first and second half property tax installments have been received. There may still be additional smaller receipts for 2017. This amounts to $33.2M, or 95.3% of projected property tax revenues. Sales & use tax revenues are at $3.4M, or 51.2% of projections for the full year. The Mortgage registration tax is currently at 55% of projections.

County General Fund Revenues *numbers in 000s*	2016 2nd Qtr YTD Actual	2017 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 31,116	$ 33,176	$ 2,060
Sales Tax	$ 2,564	$ 3,374	$ 809
Other Tax	$ 5,199	$ 5,608	$ 409
Permits/Licenses	$ 553	$ 479	$ (74)
Intergovernmental Revenues	$ 54	$ 36	$ (19)
Charges for Service	$ 631	$ 721	$ 90
Fines, Forfeits, Fees	$ 1,172	$ 1,437	$ 265
Other Financing Sources	$ 736	$ 1,133	$ 397
Total	**$ 42,026**	**$ 45,964**	**$ 3,938**

Table 7: County General Fund Revenues Year to Year Comparison

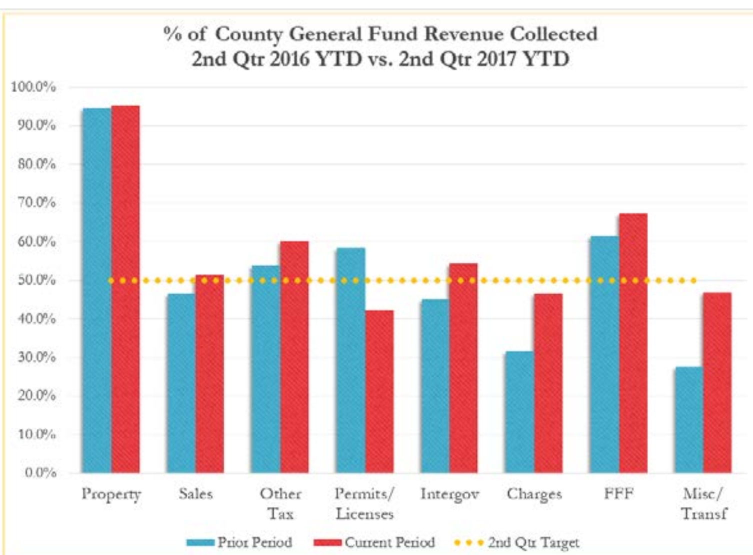


Figure 3: County General Fund Prior Year vs. Current Year

- **Permits & Licenses** include auto licenses and are slightly lower than the 50% revenue target for the 2nd quarter.

- **Charges for Service** has collected 46.6% of anticipated revenues. Jail fee revenues are only at 47.2% of expectations.

- **Fines, Forfeits, Fees** includes officer fees, treasurer fees, and development agreement penalties and is above the 50% revenue target for the 2nd quarter at 67.3%.

- **Miscellaneous Revenue** is currently at 46.9%, due to the fact receipts have not been posted for Indirect Charges.

COUNTY GENERAL FUND EXPENDITURES

County General Fund Expenditures *numbers in 000s*	2017 Amended Budget	2017 2nd Qtr YTD Actual	% of Estimate
Personnel	$ 40,110	$ 20,337	50.7%
Services	$ 12,916	$ 7,216	55.9%
Supplies	$ 1,416	$ 706	49.8%
Grants, Claims	$ 1,873	$ 1,041	55.6%
Misc. & Transfers-Out	$ 1,636	$ 100	6.1%
Capital Outlay	$ 1,585	$ 376	23.7%
Total	**$ 59,535**	**$ 29,774**	**50.0%**

Table 9: County General Fund YTD Expenditures as a % of Budget

- **Personnel** expenditure spend rate is 50.7% of the amended budget. This is including overtime pay of personnel which has expended 80.9% of its portion of the amended budget.

- **Services** expenditures are consistent with the 50% 2nd Quarter budget target. Major expenses paid in this category are Attorney and Lawyers, External Prisoner Housing, and Prisoner Medical Contracts.

- **Supplies** are tracking at budget at 49.8%. Major expenses paid in this category are Natural Gas, Fuel, and Auto Parts.

- **Grants, Claims** are tracking above budget at 55.6%. Most of these transactions do not take place until the end of year.

- **Misc. & Transfers-Out** are tracking below budgeted levels for 2017 on target. A portion of this funding are for reserves and contingencies.

County General Fund Expenditures *numbers in 000s*	2016 2nd Qtr YTD Actual	2017 2nd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 20,177	$ 20,337	$ 160
Services	$ 9,434	$ 7,216	$ (2,218)
Supplies	$ 648	$ 706	$ 58
Grants, Claims	$ 302	$ 1,041	$ 739
Misc. & Transfers-Out	$ 213	$ 100	$ (113)
Capital Outlay	$ 389	$ 376	$ (13)
Total	**$ 31,162**	**$ 29,774**	**$ (1,388)**

Table 8: County General Fund Expenditures Year to Year Comparison

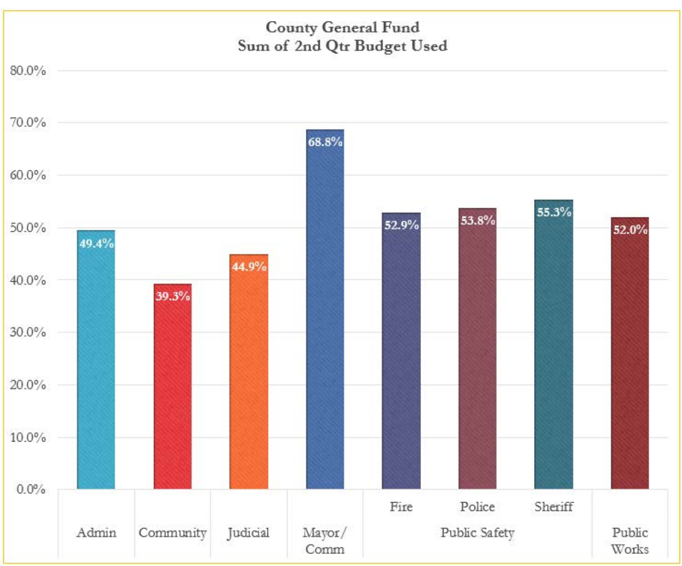


Figure 4: County General Fund Dept. Expenditures as a % of Budget

- **Capital Outlay** was below amended budget by 28%. Capital equipment makes up 60% of the capital outlay budget. A portion of this budget is made up of new capital lease payments that do not start until the future year.

Most Departments are in line with spending targets for the year. Mayor and Commission appears overspent on the county side but is under-spent on the city side.

CONSOLIDATED PARKS GENERAL FUND REVENUES

The Consolidated Parks General Fund combines the former City and County Park's Department budget into one operating fund. This fund is used for the operation of parks, parkways, recreational areas and facilities under the supervision of the Director of Parks and Recreation. The three divisions of this fund include: Administration, Parks, and Recreation.

All park and recreation user fees, rentals, contracts and lease revenues will be allocated to this fund. In addition, this fund receives an annual appropriation from the city general fund shown under Intergovernmental Revenues.

Parks General Fund Revenues *numbers in 000s*	2017 Amended Budget	2017 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 1,553	$ 1,482	95.4%
Other Tax	$ 279	$ 184	66.0%
Permits/Licenses	$ -	$ -	0.0%
Intergovernmental Revenues	$ 3,700	$ 1,850	50.0%
Charges for Service	$ 635	$ 331	52.2%
Fines, Forfeits & Fees	$ -	$ -	0.0%
Misc. & Transfers-In	$ 201	$ 100	49.7%
Total	**$ 6,369**	**$ 3,947**	**62.0%**

Table 10: Consolidated Parks General Fund YTD Revenues as a % of Budget

Thirty-three percent (33%) of budgeted Consolidated Parks General Fund revenue has been collected through June 30, 2017 compared to the 50% revenue target expected for 2nd quarter reporting. *Table 10* shows the actual collections for the major revenue sources and the percent collected compared to the budget. *Table 11* shows that the revenues are trending along the same level as the same period last year.

- **Tax Revenue** collections are at 91% of the amended budget. Both of first and second half property tax installments have been received. There may still be additional smaller receipts for 2017. This amounts to $1.5M, or 95.4% of projected property tax revenues. Motor Vehicle Tax Revenues are at 65.3% of projected revenues.

Parks General Fund Revenues *numbers in 000s*	2016 2nd Qtr YTD Actual	2017 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 1,390	$ 1,482	$ 92
Other Tax	$ 155	$ 184	$ 30
Permits/Licenses	$ -	$ -	$ -
Intergovernmental Revenues	$ 1,600	$ 1,850	$ 250
Charges for Service	$ 335	$ 331	$ (4)
Fines, Forfeits & Fees	$ -	$ -	$ -
Other Financing Sources	$ 100	$ 100	$ ()
Total	**$ 3,580**	**$ 3,947**	**$ 367**

Table 11: Consolidated Parks Revenues Year to Year Comparison

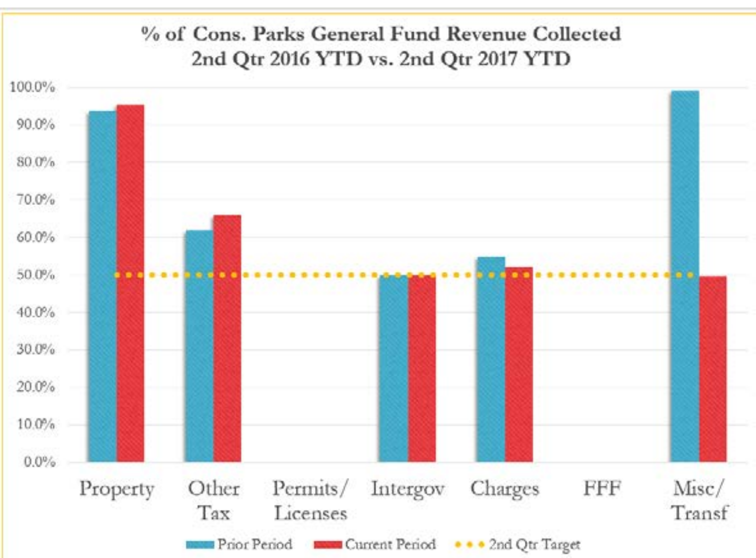


Figure 5: Consolidated Parks General Fund Prior vs. Current Year

- **Charges for Service** include Park Shelter and Field Rentals and are consistent with the 50% revenue target for the 2nd quarter.

- **Miscellaneous Revenue** is tracking with the 50% second quarter revenue target, and is currently at 49.7% of budgeted collections.

CONS. PARKS GENERAL FUND EXPENDITURES

Parks General Fund Expenditures *numbers in 000s*	2017 Amended Budget	2017 2nd Qtr YTD Actual	% of Estimate
Personnel	$ 4,000	$ 2,023	50.6%
Services	$ 1,125	$ 840	74.7%
Supplies	$ 618	$ 314	50.8%
Grants, Claims	$ 12	$ 6	54.2%
Misc. & Transfers-Out	$ 151	$ -	0.0%
Capital Outlay	$ 672	$ 191	28.5%
Total	**$ 6,578**	**$ 3,374**	**51.3%**

Table 12: Consolidated Parks General Fund YTD Expenditures as a % of Budget

- **Personnel** expenditure spend rate is 50.6% of the amended budget.
- **Services** are tracking above budget at 75%. Expenditures run higher in the summer months when Parks and Recreation operations are more active.
- **Supplies** are in line with budget at 50.8%, or $314 thousand. Fuel is tracking 47% below budget. Natural Gas is also tracking 22% below budget.

- **Misc. & Transfers-Out** transactions are done at the end of the fiscal year.
- **Capital Outlay** is below amended budget by 21.5%. Capital equipment makes up 43%, or $292,000 of the capital outlay budget. Capital projects make up 57%, or $380,000 of the capital budget. A portion of the capital budget is made up of new capital lease payments that do not start until the future year.

Parks General Fund *numbers in 000s*	2016 2nd Qtr	2017 2nd Qtr	Increase/ Decrease
Personnel	$ 1,182	$ 2,023	$ 841
Services	$ 616	$ 840	$ 224
Supplies	$ 261	$ 314	$ 53
Grants, Claims	$ -	$ 6	$ 6
Misc. & Transfers-Out	$ -	$ -	$ -
Capital Outlay	$ 61	$ 191	$ 130
Total	**$ 2,120**	**$ 3,374**	**$ 1,254**

Table 13: Consolidated Parks Expenditures Year to Year Comparison

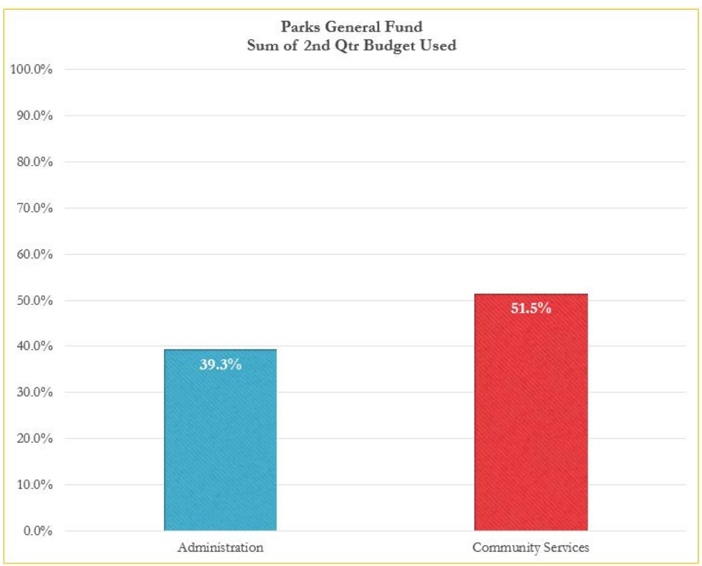


Figure 6: Parks General Fund Dept. Expenditures as a % of Budget

Parks and Recreation, or Community Services, is a majority of the Consolidated Parks Fund. Spending for Parks and Recreation is in line with spending targets for mid-year. Across all expenditure categories the department was in line with spending targets. Capital Outlay spending has increased in the 2nd Quarter, compared to the 1st Quarter, due to more capital activity going on in peak summer months.

ALL UNIFIED GOVERNMENT FUNDS

Budget to Actual through June 30th 2017
Second Quarter

	REVENUES *numbers in 000's*			EXPENDITURES *numbers in 000's*		
Tax Levy Funds	**2017 Amended Budget**	**2017 YTD Actual**	**% of Budget**	**2017 Amended Budget**	**2017 YTD Actual**	**% of Budget**
City General Fund	$ 141,886	$ 77,213	54.4%	$ 140,404	$ 65,568	46.7%
City Bond & Interest	$ 29,233	$ 20,698	70.8%	$ 33,549	$ 7,105	21.2%
County General Fund	$ 58,029	$ 45,964	79.2%	$ 59,535	$ 29,774	50.0%
Cons. Parks General Fund	$ 6,369	$ 3,947	62.0%	$ 6,578	$ 3,374	51.3%
County Bond & Interest	$ 3,387	$ 2,999	88.5%	$ 2,941	$ 371	12.6%
CIFI	$	$ -	0.0%	$ 1	$ 1	99.6%
Aging	$ 1,582	$ 1,347	85.1%	$ 1,717	$ 816	47.5%
Developmental Disabilities	$ 459	$ 414	90.3%	$ 578	$ 173	29.9%
Elections	$ 1,162	$ 1,047	90.1%	$ 1,384	$ 504	36.5%
Health	$ 3,072	$ 2,245	73.1%	$ 3,188	$ 1,430	44.9%
Mental Health	$ 562	$ 509	90.6%	$ 580	$ 270	46.6%
Total UG Tax Levy Funds	**$ 245,741**	**$ 156,382**	**63.6%**	**$ 250,455**	**$ 109,386**	**43.7%**
Other Funds	**2017 Amended Budget**	**2017 YTD Actual**	**% of Budget**	**2017 Amended Budget**	**2017 YTD Actual**	**% of Budget**
Wyandotte County 911	$ 800	$ 397	49.7%	$ 851	$ 480	56.4%
Alcohol	$ 540	$ 243	44.9%	$ 724	$ 235	32.5%
Court Trustee	$ 420	$ 209	49.8%	$ 583	$ 196	33.6%
Dedicated Sales Tax	$ 9,988	$ 5,161	51.7%	$ 10,364	$ 3,004	29.0%
Emergency Medical Services	$ 11,370	$ 5,664	49.8%	$ 11,634	$ 5,395	46.4%
Environmental Trust	$ 1,067	$ 454	42.5%	$ 1,130	$ 291	25.8%
Jail Commissary	$ 29	$ 23	79.4%	$ 60	$ 5	8.5%
Parks & Recreation	$ 540	$ 239	44.3%	$ 640	$ 395	61.7%
Public Levee	$ 330	$ 175	53.0%	$ 451	$ 32	7.0%
Register of Deeds Technology	$ 155	$ 74	47.8%	$ 170	$ 68	39.8%
Clerk Technology	$ 42	$ 25	59.5%	$ 50	$ -	0.0%
Treasury Technology	$ 42	$ 25	59.5%	$ 15	$ 8	50.8%
Sewer System	$ 37,832	$ 17,435	46.1%	$ 41,190	$ 12,780	31.0%
Stormwater	$ 3,415	$ 1,421	41.6%	$ 4,231	$ 946	22.4%
Street & Highway	$ 6,930	$ 3,548	51.2%	$ 7,233	$ 3,467	47.9%
Sunflower Hills Golf Course	$ 780	$ 272	34.9%	$ 797	$ 383	48.0%
Travel & Tourism	$ 3,372	$ 1,487	44.1%	$ 2,543	$ 1,073	42.2%
Stadium	$ 356	$ 149	41.8%	$ 527	$ 179	34.0%
Special Assets	$ -	$ -		$ 750	$ -	0.0%
Total Other Funds	**$ 78,009**	**$ 37,002**	**47.4%**	**$ 83,941**	**$ 28,936**	**34.5%**
Total Funds	**$ 323,750**	**$ 193,385**	**59.7%**	**$ 334,396**	**$ 138,323**	**41.4%**
County Library	$ 2,681	$ 2,591	96.7%	$ 2,934	$ 2,591	88.3%
Total ALL Funds	**$ 326,431**	**$ 195,976**	**60.0%**	**$ 337,330**	**$ 140,914**	**41.8%**

Table 14: All Funds Revenues and Expenditures Budget vs. Actual

Staff Request for Commission Action

Tracking No. 171228

Full Commission Meeting Date: NA
Committee: Economic Development & Finance

Date of Standing Committee Action: 8/14/2017 (If none, please explain): NA

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
07/27/2017	Deborah Pack, Lisa Nolan	x2819, x8176	dpack@wycokck.org, lnolan@wycokck.org	Finance

Item Description: Second Quarter Investment Report is provided for informational puposes only. No action is required.
Action Requested: *For information only.*
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: Second Qtr Investment Report

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2017

Investment Summary - Aggregate Portfolio By Type of Investment

Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	# of Days to Maturity[3]	Average Yield[3]
Property Tax Held for Entities[4]	**$2,500,000**	**$2,500,000**	**$2,500,000**	**na**	**see note 4**	✓	**3**	**0.89%**
Cash Equivalents	$75,074,000	$75,074,000	$75,074,000	36.1%	100%	✓	3	0.89%
Temporary Notes	$82,125	$82,125	$82,125	0.0%	10%	✓	32	1.10%
Total Liquidity	**$75,156,125**	**$75,156,125**	**$75,156,125**	**36.1%**			**18**	**0.89%**
Certificates of Deposit	$124,000,000	$124,000,000	$124,000,000	59.6%	100%	✓	599	1.37%
Federal Agency Securities	$9,085,866	$9,035,000	$9,024,952	4.3%	50%	✓	364	0.70%
Total Securities	**$133,085,866**	**$133,035,000**	**$133,024,952**	**63.9%**			**372**	**1.32%**
Total Portfolio	**$208,241,991**	**$208,191,125**	**$208,181,077**	**100%**			**374**	**1.17%**

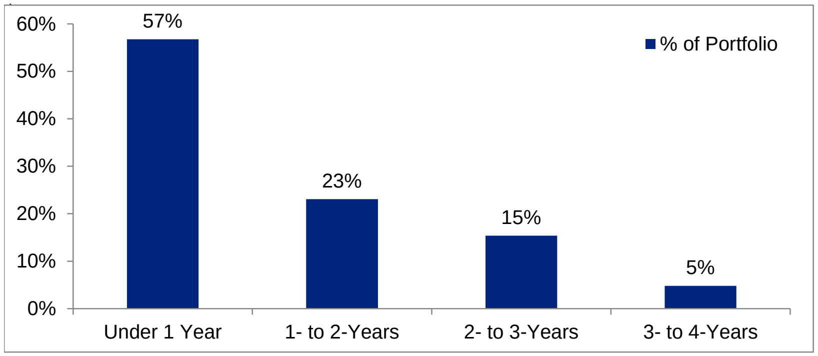
1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.

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.

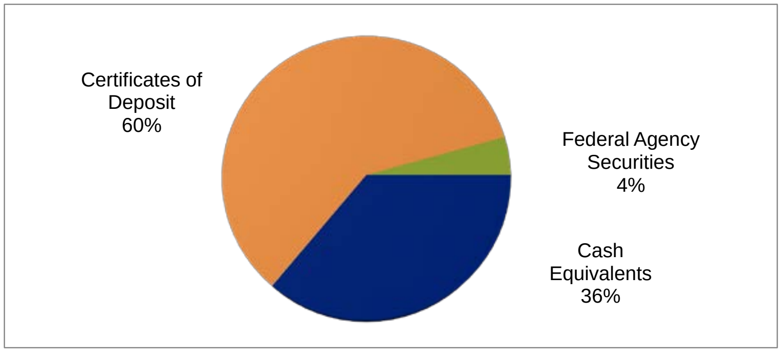
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

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 for financial reporting purposes. The cash being held in trust is presented here for informational purposes.

Maturity Distribution



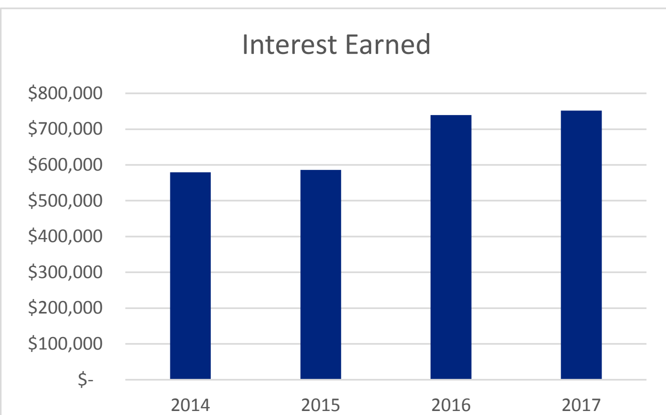
Sector Distribution



Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2017

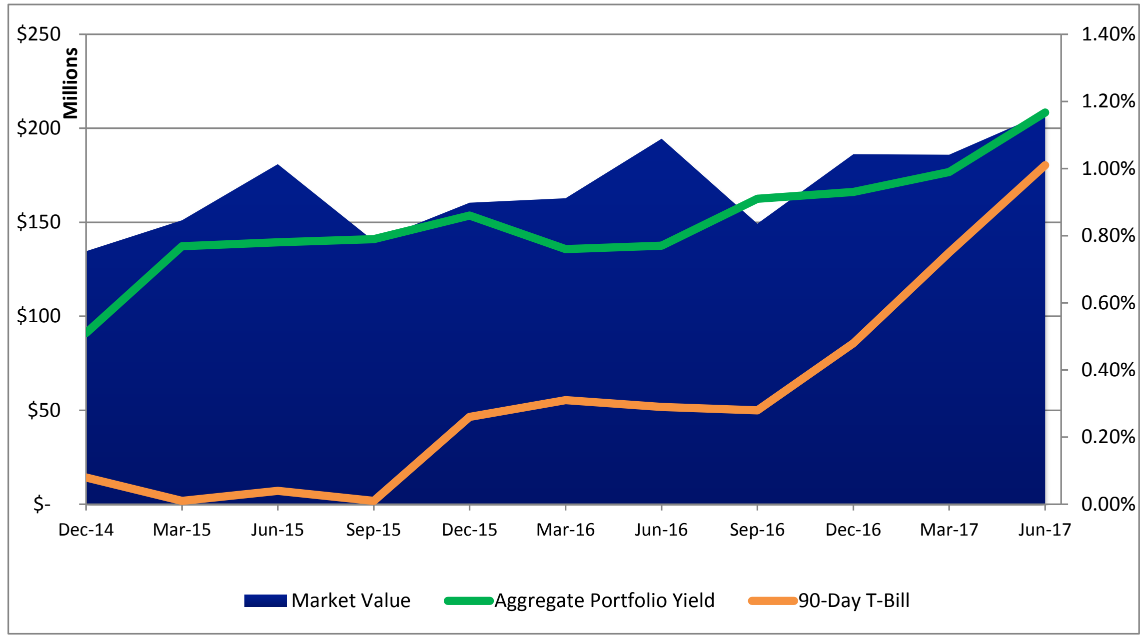
Compliance

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



Historic Portfolio Size

Aggregate Yield vs. 90-Day T-Bill Rate



CFO Note: The 30% limit within a single banking institution per the investment policy compliance parameters was exceeded. Capital Federal Bank holdings totaled 32% of the total aggregate portfolio. In the next quarter the CFO will adjust investment strategies to come into compliance with the policy.

Kathleen VonAchen

June 30, 2017

Kathleen VonAchen
Chief Financial Officer

Date

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2017

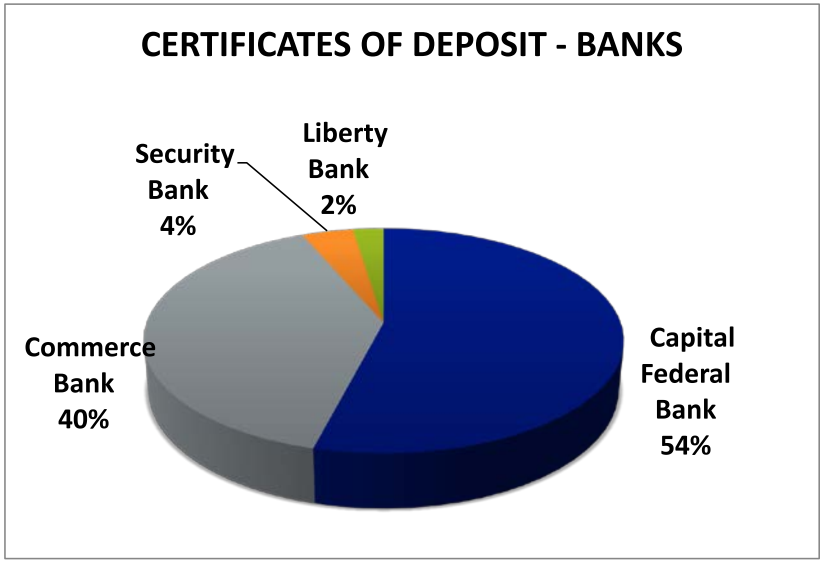
Issuer Detail - Aggregate Portfolio by Issuer

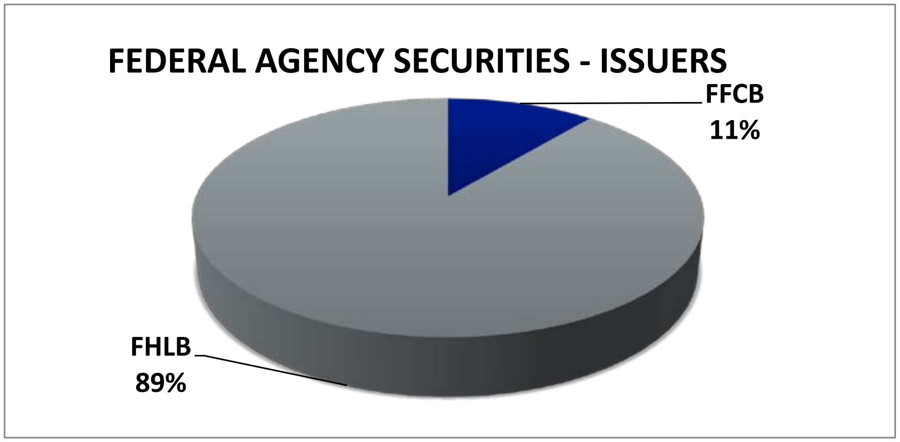
Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Maturity[2]	Weighted Yield[2]
Property Tax Held for Entities[3]	**2,500,000**	**2,500,000**	**na**	**See note 3**	✓	**3**	**0.89%**
UMB, Wyandotte Operating	73,142,000	73,142,000	35%	30%	✓	3	0.89%
UMB, Wyandotte Health	1,932,000	1,932,000	1%	30%	✓	3	0.89%
Cash Equivalents	**75,074,000**	**75,074,000**	**36%**		✓	**3**	**0.89%**
Temporary Notes-UG Note	**82,125**	**82,125**	**0.0%**	**30%**	✓	**32**	**1.10%**
Capital Federal Bank	67,000,000	67,000,000	32%	30%	✓	1037	1.68%
Commerce Bank	49,000,000	49,000,000	24%	30%	✓	313	1.21%
Security Bank	5,000,000	5,000,000	2%	30%	✓	697	1.50%
Liberty Bank	3,000,000	3,000,000	1%	30%	✓	793	1.44%
Certificates of Deposit	**124,000,000**	**124,000,000**	**60%**		✓	**599**	**1.37%**
FFCB	1,000,858	1,000,300	0%	30%	✓	84	0.64%
FHLB	8,085,008	8,034,700	4%	30%	✓	767	1.36%
Federal Agency Securities	**9,085,866**	**9,035,000**	**4%**		✓	**364**	**0.70%**
Grand Total	**208,241,991**	**208,191,125**	**100%**			**374**	**1.17%**

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

2. Averages shown are weighted averages calculated based on original cost. 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 financial 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
2nd Quarter 2017 - April 1, 2017 - June 30, 2017

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q2	NA	UMB, Wyandotte Operating	0.886%	7/3/2017	(7,898,000)	(7,898,000)
Thru Q2	NA	UMB, Wyandotte Health Reserve	0.886%	7/3/2017	136,000	136,000
Cash Equivalents					**(7,762,000)**	**(7,762,000)**
5/25/2017	3130ABGN0	FHLB	1.125%	5/22/2018	3,000,000	2,998,377
5/25/2017	70155740	Capitol Federal	1.320%	5/29/2018	2,000,000	2,000,000
5/25/2017	70155741	Capitol Federal	1.440%	11/26/2018	5,000,000	5,000,000
5/25/2017	70155742	Capitol Federal	1.570%	5/28/2019	5,000,000	5,000,000
5/25/2017	1150008490	Security Bank	1.350%	5/28/2019	5,000,000	5,000,000
5/25/2017	70155743	Capitol Federal	1.610%	11/25/2019	5,000,000	5,000,000
5/25/2017	70155744	Capitol Federal	1.640%	11/25/2019	5,000,000	5,000,000
5/25/2017	70155745	Capitol Federal	1.740%	5/26/2020	5,000,000	5,000,000
5/25/2017	70155746	Capitol Federal	1.840%	11/25/2020	5,000,000	5,000,000
Purchases					**40,000,000**	**39,998,377**
					-	-
5/22/2013	70106398	Capitol Federal	0.690%	4/28/2017	(5,000,000)	(5,000,000)
5/22/2013	70106399	Capitol Federal	0.690%	5/22/2017	(5,000,000)	(5,000,000)
Calls/Maturities					**(10,000,000)**	**(10,000,000)**
Total					**22,238,000**	**22,236,377**

Staff Request for Commission Action

Tracking No. 171230

Full Commission Meeting Date: NA

Committee: Economic Development & Finance

Date of Standing Committee Action: 8/14/17 (If none, please explain): NA

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
08/02/2017	Kathleen VonAchen	x5186	kvonachen@wycokck.org	Finance

Item Description:

Presentation of the Unified Government's Investment Policy, Local Bank Emphasis, Section 14B; Presented by Kathleen VonAchen, CFO

For information only.

Action Requested:

For information only

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List: