UPDATE

Economic Development and Finance Committee

Standing Committee Meeting Agenda

Monday, December 3, 2018

Immediately upon adjournment of earlier committee

Location:

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

Name	Absent
Commissioner Tom Burroughs, Chair	☐
Commissioner Brian McKiernan	☐
Commissioner Gayle E. Townsend	☐
Commissioner Ann Brandau-Murguia	☐
Commissioner James Walters	☐
Jeff Bryant, BPU Member	☐

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

II. **Revisions to December 3, 2018 Agenda**

Committee Agenda: New Item #7

Synopsis: A resolution adopting the First Amendment to Legends West Lawn Development Agreement.

III. **Approval of standing committee minutes from October 1, 2018.**

IV. **Committee Agenda**

Item No. 1 - REPORT: THIRD QUARTER BUDGET REVISIONS

Synopsis: Third Quarter Budget Revision Report, submitted by Reginald Lindsey, Budget Manager.

For information only.

Tracking #: 18546

Item No. 2 - REPORT: THIRD QUARTER BUDGET TO ACTUAL

Synopsis: Third Quarter of Fiscal Year 2018 Budget to Actuals Report, submitted by

Kathleen VonAchen, Chief Financial Officer; and Reginald Lindsey, Budget Manager.

For information only.
Tracking #: 18547

Item No. 3 - DEBT POLICY REVISION
Synopsis: A presentation of possible revisions to the Unified Government debt financial policy, submitted by Kathleen VonAchen, Chief Financial Officer. Presentation by Kathleen VonAchen.

Information only.
Tracking #: 18544

Item No. 4 - RESOLUTION: ISSUANCE OF IRBS FOR PHVIF KANSAS CITY, LLC
Synopsis: Resolution of Intent to issue IRBs in an amount not to exceed $4,000,000 for the benefit of PHVIF. An IRB application was submitted by PHVIF for sales tax exemption for construction materials and furniture, fixtures and equipment for renovations to the entire Hilton Garden Inn property located at 520 Minnesota Avenue, submitted by Katherine Carttar, Interim Economic Development Director.
Tracking #: 18539

Item No. 5 - UPDATE: CASH AND INVESTMENT POLICY
Synopsis: A presentation of the proposed revisions to the Unified Government's Cash and Investments Policy, submitted by Rick Mikesic, Director of Revenue/County Treasurer. This annual review and adoption is required by State statute.
Tracking #: 18496

Item No. 6 - BUDGET REVISION: FIRE STATION PROJECT
Synopsis: In accordance with the financial policies, a request is being submitted to increase the project budget by $1,000,000 for the new fire station. The funds will come from anticipated unexpended 2018 capital projects, submitted by John Kelly, Director of Buildings and Logistics.
Tracking #: 18545

V. **Public Agenda**

VI. **Adjourn**

AGENDA UPDATE
ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MEETING
MONDAY, DECEMBER 3, 2018

IV. COMMITTEE AGENDA

NEW ITEM

ITEM NO. 7 – 18556…RESOLUTION: FIRST AMENDMENT TO LEGENDS WEST LAWN DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the First Amendment to Legends West Lawn Development Agreement, submitted by Katherine Carttar, Interim Economic Development Director.

Staff Request for Commission Action

Tracking No. 18556

Full Commission Meeting Date: 12/13/18
Committee: Economic Development & Finance

Date of Standing Committee Action: 12/3/18 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/29/2018	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

On February 8, 2018, the UG and W-LD Legends Owner VII, L.L.C. entered into a development agreement for the Legends West Lawn project. The agreement provided that the project would be completed by December 31, 2018. Additional time is needed to complete the project, up to and including March 1, 2019.

Action Requested:

Adopt resolution

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Resolution, First Amendment to Legends West Lawn DA - final, West Lawn Area Updated Schedule

RESOLUTION NO. R-____-18

A RESOLUTION ADOPTING THE FIRST AMENDMENT TO LEGENDS WEST LAWN DEVELOPMENT AGREEMENT

WHEREAS, on February 8, 2018 the Unified Government and W-LD Legends Owner VII, L.L.C. ("Developer") entered into that certain Development Agreement for Legends West Lawn (the "Agreement"); and

WHEREAS, the Agreement provided that Developer shall construct hardscape and landscape improvements, a video board installation, shade structures, signage, façade improvements, escalator repair and enclosures, and new "legends" monuments (the "Project"); and

WHEREAS, the Agreement provided that that the Project shall be complete by December 31, 2018; and

WHEREAS, additional time is needed to complete the Project, up to and including March 1, 2019; and

WHEREAS, the Governing Body has determined that it is advisable to enter into an amended Development Agreement with Developer with respect to the Development Agreement for Legends West Lawn (the "First Amendment to Legends West Lawn Development Agreement"), attached as Exhibit A hereto, and incorporated by reference herein.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

Section 1. That the Unified Government Board of Commissioners hereby approves the First Amendment to Legends West Lawn Development Agreement in substantially the form attached hereto.

Section 2. That the Mayor of the Unified Government is hereby authorized to execute in the name of the Unified Government of Wyandotte County/Kansas City, Kansas, the First Amendment to Legends West Lawn Development Agreement, and any other certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. This Resolution shall be effective upon adoption by the Governing Body.

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS 13th DAY OF DECEMBER, 2018.

ATTEST:

____
Unified Government Clerk

(Seal)

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

FOR LEGENDS WEST LAWN

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR LEGENDS WEST LAWN, (the "Amendment") is entered into between the Unified Government of Wyandotte County/Kansas City, Kansas ("Unified Government") and W-LD Legends Owner VII, L.L.C., a Delaware limited liability company, or permitted assigns ("Developer") (collectively "the Parties"), and is dated as of the date set forth on the Unified Government's signature page (the "Effective Date").

RECITALS

A. On February 8, 2018 the Unified Government and Developer entered into that certain Development Agreement for Legends West Lawn (the "Agreement"). The Agreement, as amended, shall be referred to as the "Amended Agreement".

B. Pursuant to Section 10.4 of the Agreement, the Agreement may be amended by mutual agreement of the Parties.

C. Capitalized terms used in this Amendment but not otherwise defined shall have the meanings ascribed to them in the Agreement, as modified herein.

D. The Parties desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the foregoing, and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. Completion Date. Section 6.8 is modified as follows: The date of "December 31, 2018" shall be replaced with the date of "March 1, 2019".

2. The Amended Agreement, together with all the Exhibits attached hereto and incorporated by reference herein, constitutes the entire undertaking between the Parties hereto, and supersedes any and all prior agreements, arrangements and understandings between the parties. The Amended Agreement shall not be modified or amended unless such amendment is set forth in writing and executed by both Parties as set forth in Section 10.4.

3. By executing this Amendment the signatory represents that they possess the required authority of their respective party.

4. If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the Effective Date.

THE UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS

By: ______________________________

David Alvey
Mayor/CEO

Date: _____________________________

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

On this _____day of ________________, 2018, before me personally appeared David Alvey, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same in his capacity as Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

____
Notary Public

My term expires:

DEVELOPER:

W-LD LEGENDS OWNER VII, L.L.C.

By:__________________________________

Name:_______________________________

Title:________________________________

STATE OF __________________)
) SS.
COUNTY OF ________________)

This instrument was acknowledged before me on ______________________, 2018 by W-LD LEGENDS OWNER VII, L.L.C., a Delaware limited liability company.

____

Printed Name: ________________________________

Notary Public in and for said State

Commissioned in _____________ County

My commission expires:

____

Legends Outlet - Legends West Lawn Area
Project Schedule - Updated November 9th, 2018

West Lawn Area - Hardscape, Landscape, Signage & Shade Structures

Description of Work and Work Area Phases	Start Date	Finish Date
Construction Design Drawings & Documents	8/1/2018	9/14/2018
Bidding & Award to General Contractor	9/20/2018	10/16/2018
Building Permit Process with Unified Government	9/20/2018	10/22/2018
Phase 1 Area - Demo Work, Underground Utility Work, New Concrete Hardscape	10/24/2018	11/6/2018
Phase 2 Area - Demo Work, Underground Utility Work, New Concrete Hardscape	11/7/2018	11/20/2018
Phase 3 Area - Demo Work, Underground Utility Work, New Concrete Hardscape	11/21/2018	12/5/2018
Phase 4 Area - Demo Work, Underground Utility Work, New Concrete Hardscape	12/6/2018	12/18/2018
Phase 5 Area - Demo Work, Underground Utility Work, New Concrete Hardscape	12/19/2018	1/4/2019
Phase 6 Area - Demo Work, Underground Utility Work, New Concrete Hardscape	1/7/2018	1/18/2019
Phase 7 Area - Demo Work, Underground Utility Work, New Concrete Hardscape	1/21/2019	2/1/2019
Phase 8 Area - West Lawn Area Field Turf Work & Installation	2/4/2019	2/13/2019
Phase 9 Area - West Lawn Area Landscape Work & Installation	2/14/2019	2/19/2019

West Lawn Area - Escalator Enclosure Work

Description of Work	Start Date	Finish Date
Construction Design Drawings & Documents.	8/1/2018	9/14/2018
Bidding & Award to General Contractor	9/20/2018	10/16/2018
Building Permit Process with Unified Government	9/20/2018	10/24/2018
Structure & Misc. Steel Shop Drawings, Fabrication & Delivery	10/17/2018	12/19/2018
Curtain Wall Panels Shop Drawings & Fabrication	10/17/2018	12/19/2018
Demo Work	1/2/2019	1/4/2019
Concrete Footing & Foundation Work	1/7/2019	1/16/2019
Structural Steel Erection Work	1/21/2019	1/30/2019
Metal Stud Framing Work	1/31/2019	2/8/2019
Metal Wall Panel Installation for Enclosure	2/11/2019	2/19/2019
Curtain Wall Panels Installation and Trim Out Work	2/20/2019	2/28/2019
Painting & Finish Work for Escalator Enclosure	3/1/2019	3/6/2019

West Lawn Area- Repair of Existing Steel & Steel Railings at Upper Level Walkways for Rusting & Staining Issues

Description of Work Area	Start Date	Finish Date
Design & Design Recommendations for Required Repair and new Steel Panel Work	10/29/2018	11/30/2018
Demo & Removal of Existing Steel & Steel Railings for prevention and stopping existing Rusting Issues	12/1/2018	3/30/2019
Concrete Removal and Replacement of under the existing Upper Level Walkways caused by past rust Staining	3/1/2019	3/30/2019

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, October 1, 2018

The meeting of the Economic Development and Finance Standing Committee was held on Monday, October 1, 2018 at 5:20 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner Burroughs, Chairman; Commissioners Walters, Murguia, Townsend, McKiernan and BPU Board Member Bryant. The following officials were also in attendance: Doug Bach, County Administrator; Joe Connor, Assistant County Administrator; Ken Moore; Chief Legal Counsel; Jon Stephens, Director of Economic Development; and Kathleen VonAchen, Chief Financial Officer.

Chairman Burroughs called the meeting to order. Roll call was taken and all members were present as shown above.

Approval of standing committee minutes from August 20, 2018**. On motion of Commissioner McKiernan, seconded by BPU Board Member Bryant, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

ITEM NO. 1 – 18434…PRESENTATION OF THE METROPOLITAN AVENUE REDEVELOPMENT PROJECT PLAN

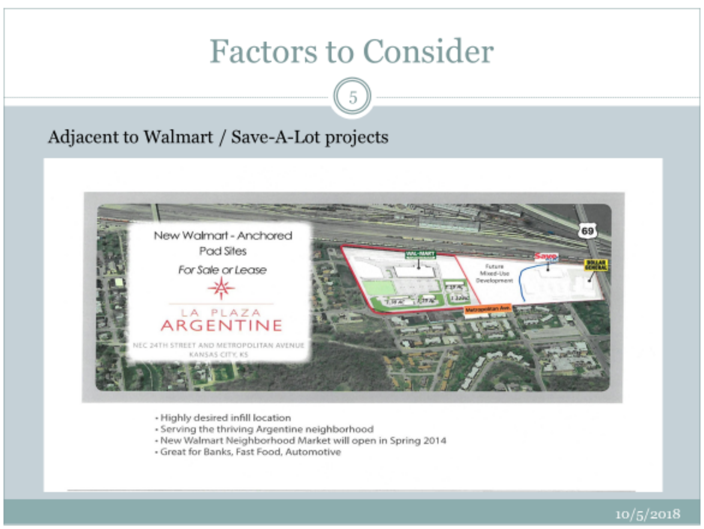
Synopsis: Presentation of the Metropolitan Avenue Redevelopment Plan, submitted by Jon Stephens, Director of Economic Development.

Jon Stephens, Director of Economic Development, said I've been asked to come before you this evening to give you an update on the Metropolitan Avenue/Argentine Fast Food Project. That is what we're here for tonight.

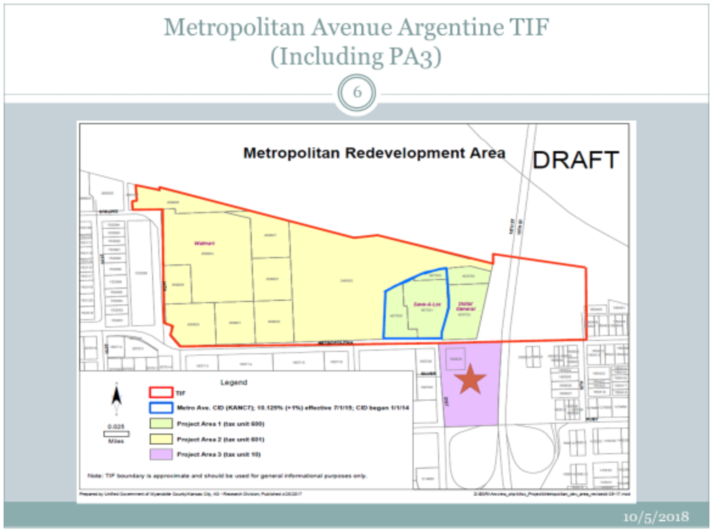
Here is a rendering of the project as outlined previously.

To give you an idea of the proposed site; this is 18th St. Expressway. You can see Save-A-Lot, Walmart project, and the areas along here.

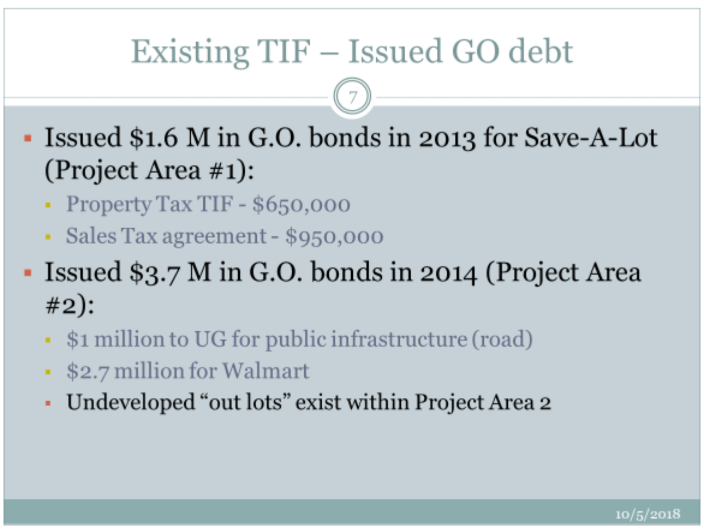
The site plan, as envisioned, along South 21st St. and Metropolitan Avenue and 18th St. Expressway is a 4,000 sq. ft. Wendy's/Pizza Hut dual flag, single built, project building.



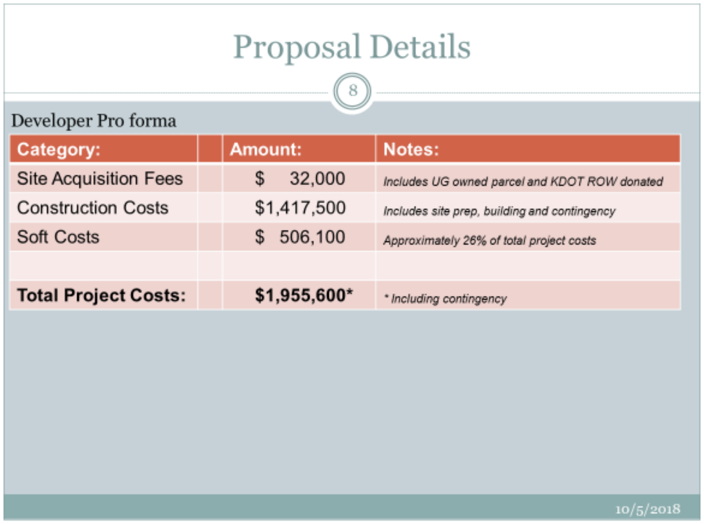
Some of the factors to consider, as I previously mentioned, it's located adjacent to the Walmart, Save-A-Lot and Dollar General projects along the corridor.



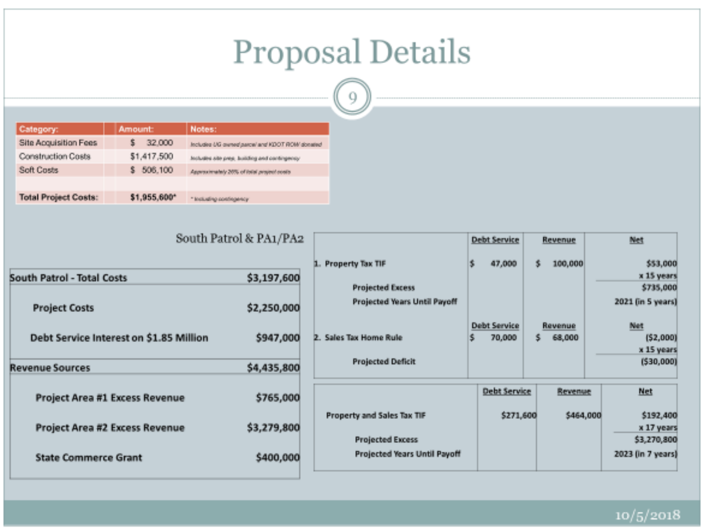
You can see, as was previously brought before the committee for consideration, is the Project Area 3 of the TIF District incorporating of the Metropolitan Avenue TIF Redevelopment Area.



To quickly recap, for those of you that are not familiar, the $1.6M was issued in G.O. bonds in 2013 for Save-A-Lot. Property Tax TIF, sales tax agreement, as well as $3.7M in G.O. bonds for the Walmart. $1M to UG for public infrastructure, $2.7M for the Walmart and there are other out lots within existing Project Area 2.



The project before you tonight, as outlined from the developers pro forma, is a $1.955M total project including contingency that includes $32,000 for the site acquisition fees. Approximately $1.4M for construction costs including prep, building and contingency as well as about $.5M of soft costs which total about 26% of the total project costs.



To give you an idea, I think it's important we look at the TIF, the property and sales tax home rule related to the Walmart and Save-A-Lot. You can see those and then how those waterfalls down to the South Patrol station that was constructed within this project area. This is approximately a $3.2M project that has a $1.85M debt service with $947,000 in interest on that debt service that is primarily paid off through excess revenue of the TIF collections from the existing TIF district.

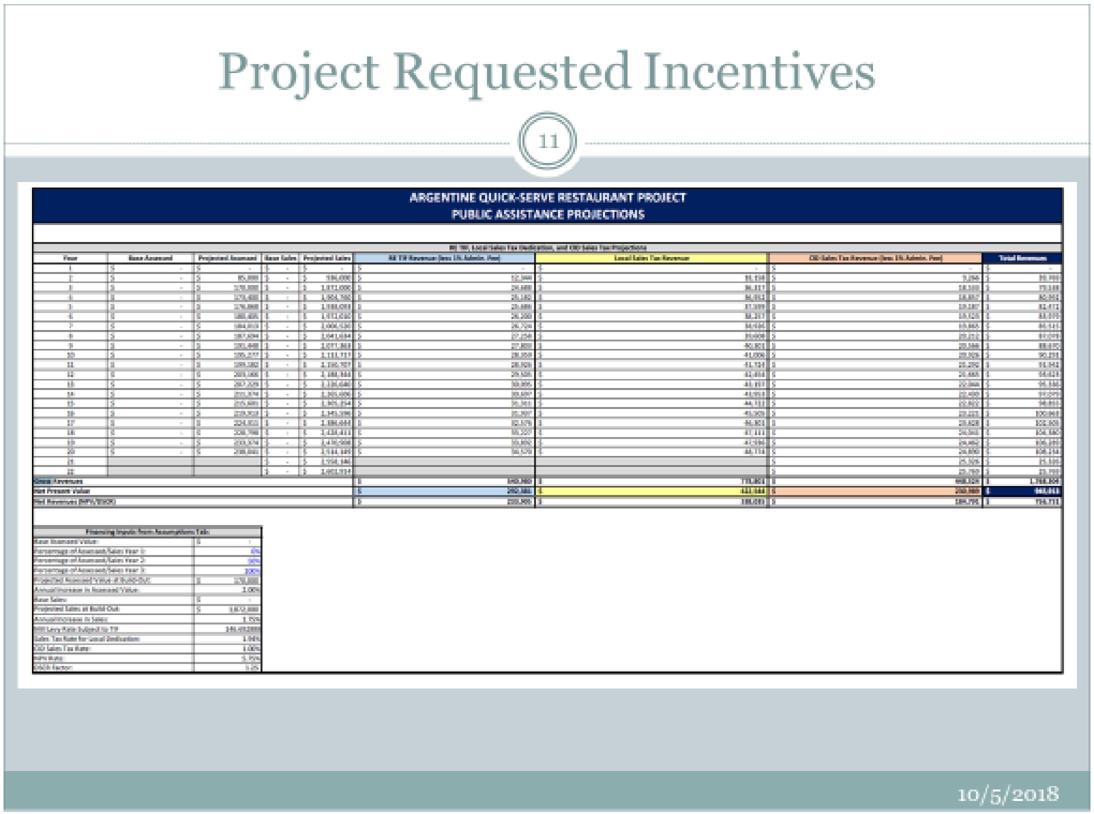
The requested incentives as the developer has outlined includes the following: It's a 1% sales tax CID which is an add on CID that the pro forma suggests about $448,000 in gross revenue over the 22-year collection term of a 1% sales tax CID that would be collected just within this Wendy's/Pizza Hut facility.

It includes a TIF district within Project Area 3 that's a PAYGO so there would be no bond issuance or GO backing. The pro forma suggests $541, 000 approximately of gross revenue over the 20-year term of that.

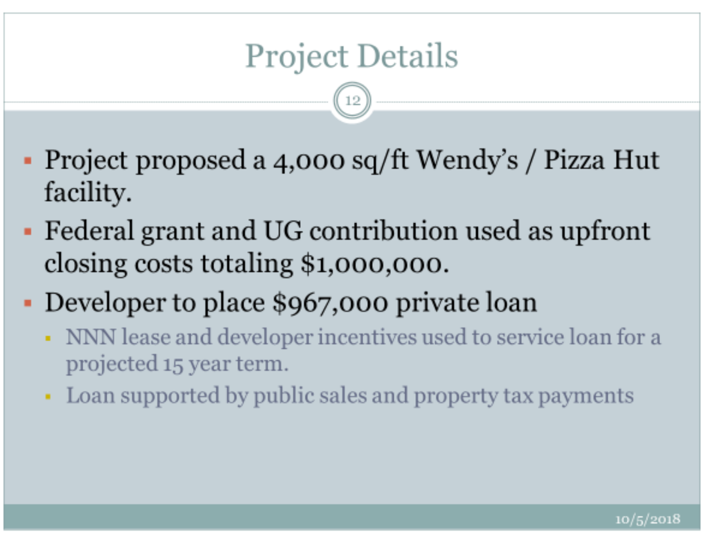
Then there would be a local sales tax revenue diversion back to the project. So that's a dedication of the local sales tax revenue back into the project for a 20-year term. Pro forma suggests $779,000 approximately of gross revenue collected back into the project over the 20-year term.

There is a federal grant that ANDA was awarded and the pro forma suggests $600,000 would be contributing to this. All of the proceeds of this $600,000 be contributed to this project on the front end.

There is an economic development cash contribution which is a $400,000 up-front contribution from the Unified Government that's currently not budgeted, but it's a request within this pro forma that would be provided upfront to fund and pro forma this project. The proposal does include possible payback of the corpus pending project performance which you'll see in a minute.



This is really hard to read. Sorry. I tried to expand this as much as I could. This is a summation of the requested incentives that I highlighted here, so we can discuss those, if any of the committee members have questions. This is a summation of the performance of that. What this states is just how each of that breaks down and what the projected collections are over the 20 and 22-year terms of each component of this financing vehicle.



As I said, the project details, 4,000 sq. ft. Wendy's/Pizza Hut facility. Federal grant and UG contribution will be used as upfront closing costs totaling $1M. Then, the developer would privately place a $967,000 private loan that would be paid back by a triple net lease. The developer incentives would be used to service the loan for what they project is a 15-year term and then the public sales tax, the TIF, the CID, and all of the other pieces/components would be used to fund full performance of that loan retirement.

The next steps would be for the UG to identify a source for the $400,000 grant. That could be amended 2019 General Fund budget added to the 2019 debt issuance, or possibly some other format of financing of that $400,000 for addition into this project.

The Planning Commission would need to approve the full TIF conformance with the comprehensive plan. There would need to be a public hearing process to approve the final establishment of Project Area 3 of this TIF plan as well as the establishment of the 1% CID. There would need to be an adoption of a resolution approving the final development agreement that would have all of the terms in that and that is currently in process but is not finalized yet. With that, that is the staff presentation related to the framework of this project.

Commissioner Walters asked have we ever directed sales tax back to a project before? **Doug Bach, County Administrator,** said on a rebate type basis within a TIF structure. That was one of the changes that the developer made to this request a couple of weeks ago. We had to look back to this and look at it from a legality perspective and understand that we could. We have done it on a small scale where we had some rebate for like a year or something like that or two. I think we did one at the Happy Foods Store up on Leavenworth Road 15 years ago. We did something like that, but to do a long-standing agreement over the time period, we sought a legal agreement would to do it. I think that the big point to that is the developers are the ones that becomes at risk on that if there's something that said we couldn't do it, otherwise it really operates the same way as a TIF other than the fact that we have to administer ourselves, which was also a little bit of concern of mine. When you collect the sales tax, say a Wendy's or Pizza Hut, they'll pay their sales tax to the state of Kansas for all of their Wendy's or all their areas. You want to make sure their distinguishing out how much this store collects and that they pay in sales tax because then when the state distributes, they'll distribute all of the money in one bucket and we have to divide that out. It does take a little bit of administrative work over and above what a TIF would be when you divide that out. It's a different tool. The end result is similar to what you do with a TIF, but it takes more work on our end. **Commissioner Walters** said thank you.

Commissioner Murguia said I would like to make some clarity. As you all know, I'm the Unified Government 3rd District Commissioner. All of you know that I'm also the Executive Director of the Argentine Neighborhood Development Association. If you haven't heard, I've resigned from that position. It's effective December 1. I'm not here to advocate on behalf of this project because according to our Ethics Administrator, even though I, as the ANDA Executive Director, do not receive any financial benefit from this project, I have to recuse myself and that is regardless of whether I resign or not, which is kind of strange to me. With all of that said, I have some questions. I sat on this side because to honor the ethics ruling, I will not be voting on this. I understand it's on the agenda for information purposes only, and since it's just on the agenda for information purposes only, I guess I have some questions. Since I have both parties here, as the Commissioner, I sit with the developer, Micah King, who is the actual developer with Argentine Betterment Corporation. He is being assisted with that development with Jeff Sharp, who is from Ferguson Developers, and our lawyers from Polsinelli, Kevin Lee, can answer all of those questions.

I have some more government related questions and how we make these decisions. It seems to be different for every deal that comes in front of us. I would ask the County Administrator how long has this deal been in front of the Unified Government for consideration? **Mr. Bach** said, Jeff, a couple of years? **Jeff Sharp, Ferguson Properties**, said yes, probably two plus years.

Commissioner Murguia said it's a Wendy's and a Pizza Hut and it's taken 2.5 years, yet I can think of a number of projects that are much larger that took a lot less time than 2.5 years. I would like to be clear on what the hold up is with this particular very small, urban project that has a significant amount of federal government grant money in it. What has been the hold up with coming to a development agreement and bringing a signed development agreement to this committee to vote on.

Mr. Bach said there's probably many different issues that factor into it. As you are aware, the original agreement, when started, it was proposed to be a Dunkin' Donuts, Pizza Hut, Wendy's. The scope of the project has changed. I think the original commitment for the federal grant was $1.2M and that figure changed, I don't know, consistently as we went through, so we kind of had to rework the financials as it would go along. It was unique in the sense that there's really no private equity in this. The developer gets to count the federal grant to it, but when you're dealing with an entity that doesn't have any equity within it so you look at and you're trying to evaluate where you're at that but there's no—who's the private party responsible back to it. Those are always complex things to work through. I know it's come before the Commission. I would say probably one of the biggest delays on this was the request for gap or grant funding from the Unified Government, so we brought that issue before the Commission. We had some discussion about going back and getting a policy done. Ultimately, we've never done a policy regarding anything like that. As Jon noted in that, we don't have any money identified for that $400,000, but knowing that's how it is, it's to bring that before you all and determine if you want to put additional money that's not generated by the project within it. It's a confusing issue, so while it's a small project and one that's smaller then it was when it originally started, those are some things that really delayed it.

I would say the gap being a very controversial issue or the grant funding back from the Unified Government was one that probably delayed this as much as anything.

Commissioner Murguia said so you would say probably the primary reason for the delay and moving this project forward and allowing the Commission to vote on it is all of the discussions around the gap funding and the gap funding requested is—Jon can you tell me that number again? **Mr. Stephens** said $400,000. **Commissioner Murguia** said the big sticking point with administration was a $400,000 gap funding that needed to be filled to make the deal happen, wouldn't you say? **Mr. Bach** said well, it was $500,000, but it also changed because we were working off a larger scale project and then it went from the $1.2M, as you saw, now we're at $600,000 that's in federal funding that used to be $1.2M. Keeping up when you have changes to the structure of how a deal is coming together, you have to react to that, work back through it and figure out what would be the actual deal that we're bringing forward to the governing body.

Commissioner Murguia said just so you're aware, there was a larger scale project, but because of the delay and coming to an agreement with the Unified Government on the gap funding policy, one of those retailers pulled out because 2.5 years is a long time to wait. I don't know any businessperson who is going to hang around for 2.5 years over a $400,000 policy for supposable gap funding.

What I'm really confused about is here we are tonight, again, for our fifth informational session on a very small project in one of our most impoverished areas in our county. It was all because we didn't have a policy around gap funding and yet we just approved an almost $7M grant to build a grocery store downtown. Do we have a policy around giving out $7M grants for grocery stores? **Mr. Bach** said I think most development deals kind of come on their own. We work through what different sources want to be funded, and that's again, like on one of the questions we have this evening. That was one of those that came—we had some feedback from the Commission and we went forward with the grocery store.

Commissioner Murguia asked do we have a grant policy around giving grant money out. I'm sure there's a lot of people here tonight that would be interested in bringing offers and development deals to the table if the Unified Government has access to millions of dollars in grant money. **Mr. Bach** said no, we don't. **Commissioner Murguia** said do we have policy around $7M in grant money? **Mr. Bach** said no, we do not. **Commissioner Murguia** said and we went ahead with that project. **Mr. Bach** said right. After about four years that project has now advanced. **Commissioner Murguia** said that's right and we all approved that. I don't recall, I've reviewed all the tapes and I don't recall one commissioner asking one question about a policy around grant money, a grant funded policy, I don't remember one commissioner. Yet, when the ask for the Third District came up for $400,000 gap funding or grant, there were all kinds of questions about policy. I remember one instance, in particular, where we can't just be going and giving that kind of money out without a government policy in play. We're not only spending almost $7M on a grocery store, but we're going to own it in addition to that, correct? **Mr. Bach** said yes. I think the project on the grocery store is about $5.7M. There's some different TIF programs too, we're owning the building.

Commissioner Murguia said there been some discussion also about in the past when District 3 has brought projects forward with no tenants, we have a policy that we don't fund speculative deals. My understanding is that there is, presented by Mr. Stephens, that you're going to add on two speculative retail spots to this grocery and that's what increased the cost of it based on not even a letter of intent, just some sidebar conversations that people might be interested in renting some additional space. **Mr. Bach** said I think his comment was more in the line that if—we wouldn't add to it if we could build it within. Then we would look to do that we have tenants that could come in play as we progress through the project.

I think that the gap funding policy came about probably more incline with the project because I actually went through the budget process that introduced the concept of can we do something to do some gap funding for projects. Then this project came after that to ask for some of that gap funding so the Commission asked me back to it's like well, there's no gap funding policy in place, so we introduced this concept. We kicked that back and forth a fair amount and looked at funding and then not, and ultimately, I think the decision was every project just needs to stand on its own and then we determine whether or not we're funding it up. I would offer, if anybody is different, but that came before this committee probably the number of times it was part of this project because it was then associated with this project as it came around, but that's my recollection as how that worked.

Commissioner Murguia said your feeling was, the impression you got from the Commission, is that gap funding was probably not a good idea because every project needs to stand on its own. **Mr. Bach** said every project has its own evaluation points. Also, I think it's difficult for the governing body to budget $.5M or $1M for an unknown. We've got a lot of things that have requirements and needs within our community. You knew a lot of infrastructure improvements so without having a specific project to tie it to, it was hard to tie up money. **Commissioner Murguia** said but we have $7M for a grocery store. **Mr. Bach** said you're twisting that **Commissioner Murguia** asked how am I twisting that. I'm twisted. **Mr. Bach** said I'm saying the gap issue around the budget was to go and build a budget and just say we're just going to put $1M in a fund and then hold it until something came about. I think that was generally the discussion to say let's not do that, but when we have projects come, then we determine how we would help fill the gap whether that be look to the future budget and put it in or do some kind of bond financing. That was the decision on the grocery store. **Commissioner Murguia** said but we figured that one out. **Mr. Bach** said yes.

Commissioner Murguia asked did any commissioner, did any organization, not-for-profit, did anybody apply or receive any grant funds for that project whatsoever? **Mr. Bach** said that project. **Commissioner Murguia** said the grocery store project. **Mr. Bach** said I think we have some LISC money coming to it. **Mr. Stephens** said yes. As part of this financial pro forma, $5.8M total LISC—we're currently going through the application process which would lower the front-end debt service and the full-term debt service on that total. **Commissioner Murguia** asked is that a grant or a loan. **Mr. Stephens** said it's a hybrid. It would be zero interest loan and then possibly a partial interest loan lower than market rate loan. **Commissioner Murguia** my question was, is there any grant money in the $7M grocery store that anyone has applied for or received? **Mr. Stephens** said there was and is some limited predevelopment funding grants through LISC. **Commissioner Murguia** said those are predevelopment grants, so it's more than $7M if you include the predevelopment costs. How much were the predevelopment costs? **Mr. Stephens** said the total project cost is $5.8M. **Commissioner**

Murguia said the entire project? The predevelopment costs including the construction of the building with the two additional spaces is $5.8M because in meetings that I've been briefed on I've heard $6.2M and I heard almost as much as $7M. Just so we're clear, it's still $5.8M. **Mr. Bach** said I don't think I've heard anybody say that number.

Commissioner Murguia said so there's $5.8M and there's no grant dollars in this project whatsoever. It's 100% funded by taxpayers. **Mr. Bach** said outside of the grant money you just identified. It's small numbers. **Commissioner Murguia** said outside of predevelopment grant money I'm talking about the construction. If you want to count that from the review of this deal, there's been a lot of time over the last 2.5 years where there has been a lot of grant money invested in predevelopment and a lot of legal fees and a lot of developer fees established that were donated, that were contributed to the project. I think you have it down that—I'm not really sure since this is not my project; this is an ABC project. ANDA is contributing the money because we raised it, but we're giving that money to ABC as a gift and that amount of money is how much? **Mr. Stephens** said per the pro forma $600,000 in federal grant dollars.

Commissioner Murguia said so we're donating $600,000 to this project and that doesn't account for the predevelopment, in-kind predevelopment, nor the in-kind legal fees, correct? Let's just say in 2.5 years, no offense Kevin, but I know how much a lawyer at Polsinelli costs an hour and I also know how much developer's costs, Mr. Ferguson, they're not cheap. I'll be conservative and say we'll add another couple hundred thousand dollars for the 2.5 years they've spent working on this project for free because they're not being paid. That takes it up to an $800,000 investment in this project, yet with an $800,000 grant, and again, one of the lowest income neighborhoods in our city, on land that was drawing no property tax, the land in which Jon has described to you where the location would be was donated to the city from Governor Brownback directly. I know that because I went and asked him to donate the land, it's highway easement in which currently, right now, ABC, Micah King is the Executive Director and mows for the Unified Government and pays a substantial amount to a minority contractor, the Jones Family Mowing Company, a substantial amount of money. They live here, they vote here, they live in Wyandotte County and they mow that property every year and have for the last five years. That would be, in my opinion, another in-kind donation to the government. I don't have that total. Micah may be able to tell you roughly about annual mowing expenses to keep 18th St. Expressway mowed, which the Unified Government does not mow and hasn't for five years which is their responsibly to mow. If you add that in, I just know how much, we'll just say

$50,000 even though I know that in five years of mowing, that that is significantly more. Now we're up to $850,000 of investment, not only to mention the savings that was created for our government and yet the project still has been in the queue for 2.5 years and continues to be put on the agenda for informational purposes only. I'm baffled by that.

I've also heard some concerns that some of our commissioners may have about they want this project to be prevailing wage, yet when we talked about the new fire station and when we talked about the new grocery store, not one person asked one question about those projects being prevailing wage, not one. By the way, it's against the law because the state of Kansas no longer allows local governments to enforce prevailing wage. I just wanted to get ahead of that discussion before it went on.

If there are concerns about me, I'm done on December 1. I will no longer work for ANDA in any capacity. I'm winding things down for them now as it is. This is an ABC project. I'm disappointed that for the fifth time this is on for informational purposes. Prior to this meeting I had a discussion with Administrator Bach. There were, according to his version and according to my team's version, there were three outstanding issues. Two of those outstanding issues have verbally been agreed upon. One of them we agree on, is just they need to better understand that issue. I'm confused with how we've had 2.5 years to resolve these issues and we still can't get them in writing.

I will say publicly what I said to Mr. Bach. "I get a feeling our staff doesn't like this project and, therefore, doesn't want to bring it forward." I can speculate that there might be some Commissioners that are bending their ear about this project. I don't know that, they don't like this project or want it to happen for whatever reason. What I'm here to talk about is fairness and decency along with people's roles in this government.

I believe Administrator Bach is to collect deals, package them, and bring them to the Commission to make the decision on whether or not they are a good deal. I don't think it is our Administrator's job to decide what is a good deal before he signs a development agreement. I believe that's the Commission's job. If that's not the Commission's job to make the decision on the final deal, then I don't know why we're all here tonight, or why we're ever here. This is an easy deal. It's going to create a substantial number of jobs.

For those of you that don't know about the grant that was written, I wrote the grant and to be fair, again, this is an advocacy, this is information since this is an informational session. The federal government has very strict guidelines on these grants. This grant is not a health grant, though it was filtered through Health and Human Services. This grant is a jobs creation grant for some of the lowest-income people in our county. That's what the grant is for. It's to create jobs. There is a requirement within the grant for those of you that would have taken the time to read it, staff and commissioner's alike, you would have seen that annually the federal government sends an auditing team to Kansas, to Argentine, to review that that criteria is met and I know that because we use the same grant funding on the Save-A-Lot grocery store where we were audited annually.

There has been some accusation that money was spent inappropriately. I have had the auditor's, the federal auditors, come and review that and provide our Administrator with a statement that not only was that money previously used appropriate, the accusations that were made by someone here in Wyandotte County were completely unfounded that the money was used misappropriately. Not only that, but they consider the work, the grant fundraising that ANDA has done to provide to ABC to do these projects in one of the poorest areas has been the poster child across the country in the way of urban and economic development. Anybody that wants to see that in writing, your welcome to get that from Administrator Bach, your welcome to get that from me, from our attorney's, your welcome to call Washington DC, your welcome to call Congressman Yoder, and your welcome to call Health and Human Services. I will gladly provide anybody that feels that for some reason I'm not telling the truth.

Tonight, we presented this deal. I'm annoyed that it's for informational purposes. I think you know enough about the project. Mr. Bach has an issue with one item. Is that accurate? One item in the agreement. It is my understanding that agreement set on the desk of Todd LaSalle for two weeks with no work being done on it. Now tonight, again, for the fifth time we sit here in front of you without an agreement and it's couched as information only. I've been told it's our policy not to bring anything forward that doesn't have a development agreement behind it. We can't bring a development agreement forward for the Commission to vote on if the County Administrator won't sign a development agreement.

I'll say again, in my opinion, whether he likes it, the deal or not, it's really not up to him. He can bring the deal forward and say he doesn't like the deal and then it's up to all of you. This is not a dictatorship. One person doesn't get to decide what deals come forward and what deals don't come forward.

I don't want to burn anymore volunteer time of high-dollar Polsinelli attorneys or a high-dollar developers, nor do I want to burn the time of all of the great community people that came here tonight to support this project who've worked hard and volunteered. As I look out there and see them, none of them, with the exception of one, receives any form of payment. None of them.

I would just like to reiterate. I truly believe—I'll leave it at this then. I believe, as elected officials, were elected to do what the people want us to do. We work for them. They don't work for us. We work for them. I don't know if it's a dog and pony show or what it is, but we put out a survey every two years and we ask questions of our constituents about roads, curbs, sidewalk, what they're priorities are. I never once saw a question about a new fire station or a grocery store in the northeast on our survey, but I, given my free five questions put out there, is this something that not only District 3 wants to see happen, is this something that our entire county wants to see happen. These are the answers to the questions in case, for some reason, you all skipped over that. What I did—I won't bore you with the details. All I looked is the percentage of people that either agree with this project in our county or strongly agree. I left neutral disagree and strongly disagree out okay. These are people that agree or strongly agree.

In District 1, 72.9% people are in favor of this project happening. In District 2, 72.7% of all people are in agreement or strongly agree with this project. In District 3, not surprising 100% of the people are in agreement of this project. I've never seen 100% in people surveyed agree on anything. In District 4, shockingly, which is not even in that district 100% of the people agree that this is a good project. In District 5, which is in Piper, only 33.3% of the people agree with this project. For some reason people in Piper don't want things to happen in Argentine in the way of fast food. In District 6, another 100% of the people interviewed in our survey agree with this project. In District 7, 84.6% of the people agree with this project for a total of countywide 74.7% of the people in this county want to see this project happen in Argentine.

One of the next questions that was asked is do you believe, I just heard the Mayor say that we need to make sure that we first meet the needs of our existing residents, the existing demographic of the people that live here. When one of the things that we need to do is meet the needs of the job market. We all know, we're not blind to this, that we have a large dropout rate and many of our residents lack the skill set to get high-paying, more advanced jobs. However, I went ahead and asked the question in my five questions I'm allowed on the survey, is do you think these restaurants would provide much needed jobs for residents in this area? District 1, again, sorry I have to do that adding on this, I didn't get this far, I believe it totals 82.2% of the people said, yeah, they'd be interested in a job. In District 2, that's Brian McKiernan's District, 87.9% of the people said that they'd like to have a job at one of these restaurants and would be interested in that. In District 3, which is my district, where the development is occurring., it's 100%. In District 4, again, which is Commissioner Johnson's district, 100% of the people said they'd be interested. Again, District 5, in Piper, they're really not interested in seeing business in District 3 or working in District 3, that's okay, they have the Legends. In District 6, 100% of the people are interested in a job in this area and think it could be beneficial. In District 7, this map gets a little harder, it's almost 90%, might be over 90% of the people would be interested in a job.

For $400,000 and two fast food restaurants where there are absolutely zero, in a neighborhood that is bordered by highways that do not allow people that do not have cars to get to affordable places to eat, I think it is a very minuscule request. Before we finish up, I don't want to come back here again with a bunch of excuses. Does anybody have any questions about any of the information that's been presented?

BPU Board Member Bryant asked about how many jobs would it supply, roughly or estimated? **Kevin Lee, Polsinelli Law Firm,** said I don't have that answer offhand. I don't know if Jeff-- **Jeff Sharp** said I think it was around 18 to 20 jobs, 20 to 25 depending—**Commissioner Murguia** said I remember 22. We're giving you rough numbers, but clearly in excess of 18. Any more questions? **BPU Board Member Bryant** asked was there any chance of any future development on the balance of that ground. I know the piece of ground that you're talking about and it goes beyond, as you get closer to the road that goes under the bridge. Is that second section also? **Mr. Wing** said we would definitely like to leave the possibility open. If a user comes along to be able to take advantage of the balance of the site. As currently contemplated under the development agreement, it just addresses this 4,000 sq. ft. retail. We would be back before to amend the deal. **BPU Board Member Bryant** said was access from 21st or was it from Metropolitan into the property? **Mr. Sharp** said that's to be determined with staff, maybe down the road. I haven't been in any of the—of course I'm newer, I haven't gone to staff to talk about access issues or any of that at this point yet. To be honest, we presented all sites in this area in front of Walmart, everywhere to retailers, and to enable to get their interest this is the number one site even the site right across the street next to the new Save-A-Lot was too far away from the interstate or the highway to get their interest and secure a tenant for this location.

Chairman Burroughs said, Commissioner, I like Mr. Bryant, have not been privy to a lot of this information so I appreciate you bringing forward your concerns. I want you to know from me personally I respect your service and advocacy for your district. Your leadership has definitely assisted in transformation of your district. This project adds to an area that was deemed unsuitable for decades for development and here we are this evening talking about a project that will add to and continue to enhance the area. As I stated, I can't speak to what's happened before. This meeting was important that we had tonight to educate some of us. I'm assuming that when we have an opportunity to bring jobs and development to the community, many of us are very supportive of that. I want to commend you for reaching out and getting a grant to continue to invest in those issues that are important to our community. I know, I personally, appreciate it as a resident of the community and as Commissioner-At-Large. Are the any questions from the public? Would anyone like to address this issue.

The following appeared:

Duane Beth, 2937 N. 64th St., said I've been sitting here as an advocate for Micky's Surplus who is a long-time friend of mine. The owner, Mark Turley, who is the sole owner and proprietor of Micky's Surplus which is a business on the corner of Strong Avenue which supersedes the Legends and any other business. In fact, probably the oldest, if not the oldest business in the Argentine area and a friend of mine since I worked that police district a good part of my career of 30 years. He implores you guys to push this through and it's not really pushed through because this has been on the agenda for two years. I've been hearing about this and it builds up to where these people down there are excited about getting this and then they say well what happened, why aren't we getting this. There's no place to eat down there. I just talked to him today and he said if he wants to go to lunch, he has to get in his car and take 30-45 minutes away from his business, that he owns just to go get a hamburger somewhere.

This will bring jobs to Pizza Hut and Wendy's. He's really upset he's not getting a donut shop now, because of the delay, it's the delay. He as a business owner is hanging by a string down there. A lot of the businesses are gone. There are storefronts that are vacant that need to be filled. There's no reason that we can't try and put a magnet down there to attract other businesses and to give other people a place to go to get something to eat. There are people—besides the vacant places, there's people that work down there or live down there. I've read comments before about people wanting health food and fast food is not good for them. Do you think the people aren't going to go get pizza somewhere else? They would just have to drive farther and burn more gas and the ones that can't have to send somebody else. It's a moot point.

Fast food argument is a moot point. The people down there need this place just for the jobs, for someplace to go to eat, to attract more people to come to the Argentine area because it is a nice area, it's a growing area. It's probably one of the most underrated places in the city for development because it's a small community. It only gives them more exposure to get people to go to the Argentine area which will attract more businesses, which will attract more money. If you attract business people that want to build down there, so you don't have give them incentives anymore, that's what we want, at least that's what I want. I don't know why it's just an information thing. It should have been voted on the first time it came up. It's not someone's decision, an elected official's decision, to build businesses. I represent a guy that's a business owner that had that business since 1962. That's a long time to run a business down there. He's one of the biggest businesses in Argentine. We want private businesses. We want people to come and want to build here. If it's not on an agenda, not only is he going to be upset, I'm going to be very disappointed.

Henry Sandate, Chairman of the Board of Argentine Neighborhood Development Association, said I have been on the board since its inception, I think, about 12 years ago. What I would just like to emphasize, we looked at a lot of stuff here of every reason why should have this business built and operating and employment is a main feature and I understand that. That's the purpose of this grant. One of the things that occurred that I was approached was to sit on an audit with the Administrator from Health and Human Services. At that audit there was various representation present, the attorneys, administrators from the city, board members, community members, community folks that volunteer their time and have an interest in Argentine.

In the conversation it was very obvious what stood out amongst everything else was when the official from Health and Human Services asked about the success of employment at the Save-A-Lot grocery store. The manager of Save-A-Lot, and I believe he might have been a Regional Manager, explained that they've had major success there. Not just financially, but also from the standpoint of training employees who live in Argentine and had also been promoted after they were trained, gone through the system, put into management and then transferred out to other stores in the vicinity here. I think particularly here in Wyandotte County to manage other stores. They were also in a position financially where I think they could lead to buy real estate, buy a house to live in. The Save-A-Lot grocery store itself serves as an example of what I believe this fast food operation would be with the Pizza Hut/Wendy's quick serve and that is not just a means of making a part-time living, but also a means of developing skilled workers, eventually skilled workers, management style workers to go out and make progress and evolve and succeed in life. That's one thing that's kind of tough in Argentine. It's an area where you don't see a lot of opportunities to serve and now we have a Walmart and we have a Save-A-Lot. We have a Dollar General and we have, hopefully, this fast food operation where kids could after school walk down the street and have an opportunity of developing some skills, some people skills, some business skills, and eventually some managerial skills and stay in Wyandotte County and make those contributions, get traction. They turn into taxpayers and we see it all cycle back around and we see a thriving community. That's the emphasis that I wanted to make as a business owner, the significance of having an investment like a fast food operation at 18th & Metropolitan.

Dustin Dye, 1618 S. 29th St., in the Argentine neighborhood, said I have recently earned an MPA in Urban Policy and Administration from UMKC, where I also work just across the street from you, Dr. McKiernan, were only separated by a Go Chicken Go. I think we both appreciate data when reaching a conclusion. Here are some figures I'd like the UG to consider: According to CityData.com the poverty rate in Argentine is 29%, which is 42% higher than the city average of 20% and 40% of Argentine residents have less than a high school diploma.

Most of the challenges in Argentine are either directly or indirectly caused by lack of employment opportunities. The UG needs to raise the effect of demand for labor if they want to decrease unemployment.

In a survey commissioned by the UG and administered by the ETC Institute results from which I'm sure you all received and Commissioner Murguia's shared tonight, 75% of respondents answered they agreed they would like to see fast food restaurants built in Argentine, 81% agreed these restaurants would provide jobs, 79% agreed they would eat at the restaurants and 60% agreed they would support investing tax dollars in these restaurants.

The ETC Institute survey was a random sample with an alpha of .05%. I have no reason to question the validity of their results. We immense are more likely representative of the residents which is then a ballot initiative would be a truly random sample would capture a better cross-section of the city then those who tend to turn up at local elections.

I understand the criticisms of this proposal that fast food is unhealthy and the jobs they create will be low paying, but these may be true but currently there are few dining options in

Argentine as residents would like options within walking distance that are already living in an area that as suffered from decades of disinvestment is worse for your health than fast food.

Now, if we we're having this conversation before Argentine had a full-service grocery store, I would object to bringing fast food to such an area, but now that we have healthy options, I don't see the harm in adding a couple of fast food joints. Argentine needs investments to attract more opportunities. If the Health and Services Office of Community Development also provide a grant to fund these jobs, supplement the income of people on social security. Someone with a master's degree I find it paternalistic to tell a disabled person that she didn't do such a job because it's not good enough.

Commissioner Walters, in your experience working for one of the most prestigious architecture firms in the world, do you have clients who prefer to build locations with amenities as opposed to areas without amenities? Would your employers want options for their employees and look at what is in the area before they decide to build there? These restaurants would create as many jobs as the downtown grocery store but would do so for $400,000 compared to $6M, unlike tax cuts for corporations to come with no strings attached. We can give an incentive for this project because we know how the money will be invested. I won't pretend that building a couple of restaurants will be a path here Argentine's challenges, but it is one step towards spreading more economic development in the neighborhood. When businesses see others investing in Argentine, they'll be more likely to invest as well.

The residents of Argentine would like to see the neighborhood become a place where people stop rather than a place where people to turnaround. I ask the UG Commission, please invest in Argentine.

Richard Ripper, 1875 S. Pyle, said I have a business and an accounting firm, so I know all of the ins and outs of accounting and finances. I'm more of a numbers type of person. I also am a member, board member of ANDA, just wanted to bring that up. Now, since this is only information thing, I guess it's trying to get the information out to all of the commissioners about this project. I have a couple of questions. The Walmart is a TIF, correct? **Chairman Burroughs** said this is just a comment session at this time. **Mr. Ripper** said it was my understanding that Walmart is a TIF and that the TIF was supposed to repay a bond. From my understanding, the TIF is still going on and the bond is fully paid. You need to find out where the rest of that money is going. Why can't that money be used to help allocate this $400,000 that's already coming out of that district?

The next thing is Kansas City, they said that it's hard for them to track the sales tax. I'm an accountant, I happen to know that when they open up those two establishments, those two establishments will get their own sales tax number. You will get a report by that number of that money coming in. What's so hard of tracking that money? Those are the only two things I have to say.

Theresa Gardner, 5141 Sterns, Shawnee, KS, said I was a lifelong Wyandotte resident until a couple of years ago. I have been involved with this project since the grant was first sought out. The grant was awarded about four years ago and it took a lot of blood, sweat, and tears to get this thing pulled together. It was pulled together several years ago and we have been trying to get it approved for that long. In the meantime, because we met so many obstacles here at City Hall, we've lost Dunkin' Donuts. We were ecstatic to find someone that owned Dunkin' Donuts that was willing to locate there. We looked long and hard for Wendy's and Pizza Hut and we're very happy to have them, we don't want to lose either. We may lose the grant, the federal grant for the Dunkin' Donuts because you have five years. We are up next year on the first federal grant that we received for Pizza Hut/Wendy's. We need to move on this. We can't just take our time. The second grant was awarded the next year, so it is up in 2020. I do the reports for the grants and I hate to see us lose this money. I don't think Wyandotte County can afford to lose this money that the federal government is willing to award to establish business in an area that receives no tax dollars and bring in employment and food service off a highway. We need to get this moving. It's been going on way too long, and if we want to keep Pizza Hut/Wendy's, we need to do it now rather than waiting longer. Like I say, we lose this grant next year so it's time to do this.

Chairman Burroughs said I want to thank the members of the audience that chose to speak this evening. Is there is any other comments. We need to take no action on this. This is for presentation only. Mr. Stephens, do you have any comments you'd like to make before we close? **Mr. Stephens** said I don't believe so unless there are any questions from the Commission.

Commissioner Murguia said I have one final comment to make. I would request that the October 29 meeting this be put on the agenda, first on the agenda, with a development agreement whether Mr. Bach and his staff think it's a good idea or not. It's the Commission's job to review those development agreements, ask questions and make that decision. Otherwise, like I said, I really don't see any purpose of the Commission if we're not reviewing and deciding for ourselves whether or not those agreements are good agreements or not.

From what I understand, to end more on a positive note, there seems to be, as I said, in the beginning, three sticking points. Two of those three sticking points have been agreed upon verbally. There is one remaining sticking point and it's not a disagreement as much as it is a procedural issue in the way and how the tax rebate works which you can learn more about later if you're interested. I've been assured by Mr. Bach that in the next 28 days, if I'm wrong, correct me, there should be a development agreement on the table for a vote. On October 28, I just want a response that, Mr. Bach, that we'll have a development agreement and no longer will any of us, nor the community, be wasting their time constantly bringing this in front of the standing committee for just informational purposes. That we'll actually have an agreement whether you like it, or Jon likes it, or no one likes it, it's for the Commission to vote on. I'm asking for a Commission vote.

Mr. Bach said in answering that question I would just clarify, and I always try to be very transparent in everything that comes before the governing body, which is why I'm not putting a development agreement on the agenda this evening. I spelled out the issues. I could have brought forward, I guess a development agreement, said there was no TIF cap, that we were not going to be consistent with our local, minority, and women owned business requirements, and that we're going to put a provision on there that we weren't sure was legal. We weren't willing to agree to that, and I think that is my job, as the County Administrator to vet through items to make sure what you would vote on would be something, as you asked me the question at the beginning of the meeting about a rebate. I have high confidence that we were putting a legal agreement in front of you. It does appear that we've worked through all those components and we will have this ready to go out with the agenda, and it's also been a very clear directive of this committee that we don't put blue sheeted development agreements back in front of you. I think you've beat me up on that a few times for bringing those types of agreements forward. If those are provisions that I'm not supposed to abide by, then I can change that way, but it's certainly not ones of painted to the deal, they're just clear deal points of structural components that have to be there in order for you to make a decision or I would be presenting a deal that could fall on it's face very easily. I believe we have everything ready and we should be there with the team.

Chairman Burroughs said so, am I to understand that we will have this on the agenda next month? **Commissioner Murguia** said for a vote. **Chairman Burroughs** said I appreciate the input, the discussion this evening. Commissioner Murguia, as a Commissioner At-Large, I would look forward to the opportunity to visit with you and learn more about the project. If we can be of assistance, we work better collectively. I appreciate the statements made this evening.

Action: For information only.

Chairman Burroughs adjourned the meeting at 6:25 p.m.

tk

Staff Request for Commission Action

Tracking No. 18546

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

Date of Standing Committee Action: 12/3/18 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/20/2018	Reginald Lindsey	x5292	rlindsey@wycokck.org	Finance

Item Description:
Third 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:
3rd Quarter 2018 Summary of Budget Revisions

BUDGET REVISIONS $10,000 OR GREATER - THIRD QUARTER 2018 *(For information only)*

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	City General	Funding	Operating	Stun-Cuffs	Inside Department	$14,850	August 3, 2018
				GRAND TOTAL		**$14,850**	

Staff Request for Commission Action

Tracking No. 18547

Full Commission Meeting Date: NA

Committee: Economic Development & Finance

Date of Standing Committee Action: 12/3/18 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/20/2018	Kathleen VonAchen, Reginald Lindsey	x5186, x5292	kvonachen@wycokck.org, rlindsey@wycokck.org	Finance

Item Description:
Third 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:
3rd Quarter Budget to Actuals Report

QUARTERLY FINANCIAL REPORT

Third Quarter 2018 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

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UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Quarterly Financial Report

Third Quarter of 2018

The Unified Government has completed the third quarter of the 2018 fiscal year which began in January 2018. 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 2018 Amended Budget is $364.4M which consists of $215.8M for the General Funds, $54.1M for Other Tax Levy Supported Funds and $94.4M for Non-Tax Levy Supported Funds. The General Fund Budget does not include the annual appropriation for debt service contingency of $9.67M.

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 2018. This data includes all three general funds.

CONSOLIDATED GENERAL FUND	FY 2017			FY 2018		
numbers in 000's	Budget	3rd Qtr YTD Actual	% of budget	Budget	3rd Qtr YTD Actual	% of budget
Revenues	$ 204,027	$ 162,723	79.8%	$ 212,445	$ 172,931	81.4%
Expenditures	$ 205,302	$ 141,060	68.7%	$ 213,229	$ 151,028	70.8%
Net Alloc & Transfers	$ 982	$ 736	75.0%	$ (354)	$ (266)	75.0%
Net Change	$ (293)	$ 22,400		$ (1,139)	$ 21,638	
Balance, Start of Year	$ 19,279	$ 19,279		$ 26,925	$ 26,925	
Balance Year-to -Date	$ 18,986	$ 41,678		$ 25,787	$ 48,563	

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

- Collected revenues are in excess of the 3rd quarter 75% target in the current fiscal year with the majority of revenue categories for 2018 coming in at or above 75% of the budgeted amount.
- Expenditures are 2.1% higher than the 3rd quarter budget in the current fiscal year compared to the 3rd quarter of the prior fiscal year and were 4.2% below the target for the 3rd quarter.
- The beginning fund balances are on a cash basis. Year-to-date fund balance is higher than budgeted fund balance because total revenues for 2018 are 11.4% above the YTD target while the expenditures for 2018 are 4.2% below the targeted amount for the current period. This is anticipated due to the seasonal nature of property tax levy collections.

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*	2018 Amended Budget		2018 3rd Qtr YTD Actual		% Rev Collected
Property Tax	$	23,269	$	23,554	101.2%
Sales Tax	$	46,440	$	33,465	72.1%
Other Tax	$	55,113	$	40,194	72.9%
Permits/Licenses	$	1,268	$	1,054	83.2%
Intergovernmental Revenues	$	704	$	628	89.3%
Charges for Service	$	10,791	$	7,868	72.9%
Fines, Forfeits, Fees	$	3,778	$	2,990	79.2%
Misc. & Transfers-In	$	5,930	$	3,706	62.5%
Total	**$**	**147,291**	**$**	**113,459**	**77.0%**

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

Seventy seven percent (77%) of actual City General Fund revenue has been collected September 30, 2018 which exceeds the 75% revenue target expected for the 3rd 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 have increase 6% above the revenues collected for the same period last year on track with the 2nd quarter trend.

Tax Revenue collections are at 77.9% of the amended budget. Both property tax installments have been received. There may still be additional smaller receipts for 2018. This amounts to $23.5M or 101.2% of projected property tax revenues. Sales and use tax revenues are at $33.5M or 72% of projections for the full year. Motor vehicle and Occupation taxes offset the lower than anticipated sales tax revenue coming in 9% over the 3rd quarter target.

City General Fund Revenues *numbers in 000s*	2017 3rd Qtr YTD Actual		2018 3rd Qtr YTD Actual		Increase/ Decrease	
Property Tax	$	24,815	$	23,554	$	(1,261)
Sales Tax	$	34,200	$	33,465	$	(735)
Other Tax	$	34,497	$	40,194	$	5,696
Permits/Licenses	$	1,060	$	1,054	$	(6)
Intergovernmental Revenues	$	648	$	628	$	(20)
Charges for Service	$	7,233	$	7,868	$	635
Fines, Forfeits, Fees	$	2,902	$	2,990	$	88
Misc. & Transfers-In	$	1,257	$	3,706	$	2,449
Total	**$**	**106,613**	**$**	**113,459**	**$**	**6,847**

Table 3: City General Fund Revenues Year to Year Comparison

Permits & Licenses collections include landlord rental licenses and Right-of-way permits. Collections are at 83.2% of the amended budget exceeding the target by 8.2% coming in at a comperable pace to what was re

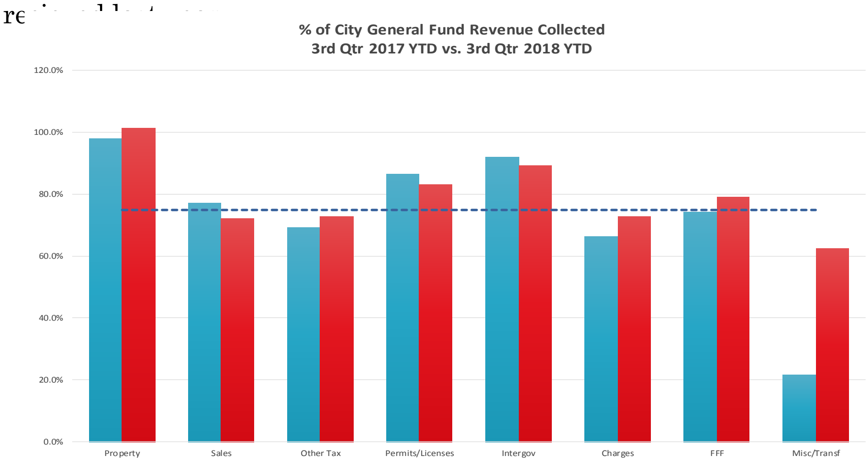

Figure 1: City General Fund Prior Year vs. Current Year

Charges for Service include residential trash fees and building inspection fees which are at 72.9% compared to 66.4% of the budgeted amounts for Q3 2018.

Fines, Forfeits, Fees include Municipal Court revenue and are 4.2% above the 75% revenue target for the 3rd quarter. This is due to other Fines Forefeitures and Fees receipts being only 2.3% below the amended budgets level of collections for 2018.

Misc. & Transfers-In include reimbursements, sale of land and indirect charges. The third quarter posting is at 62.5% of the budgeted 2018 amount due to various transfers occuring later in the year.

CITY GENERAL FUND EXPENDITURES

City General Fund Expenditures *numbers in 000s*	2018 Amended Budget	2018 3rd Qtr YTD Actual	% of Estimate
Personnel	$ 107,595	$ 78,909	73.3%
Services	$ 21,596	$ 16,416	76.0%
Supplies	$ 4,721	$ 2,806	59.4%
Grants, Claims	$ 5,675	$ 3,486	61.4%
Misc. & Transfers-Out	$ 1,718	$ 813	47.3%
Capital Outlay	$ 5,306	$ 1,450	27.3%
Total	**$ 146,612**	**$ 103,879**	**70.9%**

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

Personnel expenditure spend rate is at 73.3% of the amended budget. This is including overtime pay of personnel which has exceeded the amended budget by 14.8% at the end of the 3rd quarter.

Services expenses are at 76% due to the transit contract being fully paid out in the 3rd quarter. Major expenses paid in this category are transit contract fees, software maintenance, clearance and demo fees, city jail expenses, and the trash contract.

Supplies are below budget target by 15.6%, or $734K, of budget despite fuel expenses exceeding the target by 2.3% for the 3rd quarter due to lower spending in other areas such as Auto Parts. Natural gas trends higher in the 4th quarter.

Grants, Claims are at 61.4%, slightly below budget. Most of these transactions do not take place until the end of year.

City General Fund Expenditures *numbers in 000s*	2017 3rd Qtr YTD Actual	2018 3rd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 74,315	$ 78,909	$ 4,594
Services	$ 14,478	$ 16,416	$ 1,938
Supplies	$ 2,857	$ 2,806	$ (51)
Grants, Claims	$ 855	$ 3,486	$ 2,630
Misc. & Transfers-Out	$ -	$ 813	$ 813
Capital Outlay	$ 2,411	$ 1,450	$ (961)
Total	**$ 94,917**	**$ 103,879**	**$ 8,962**

Table 5: City General Fund Expenditures Year to Year Comparison

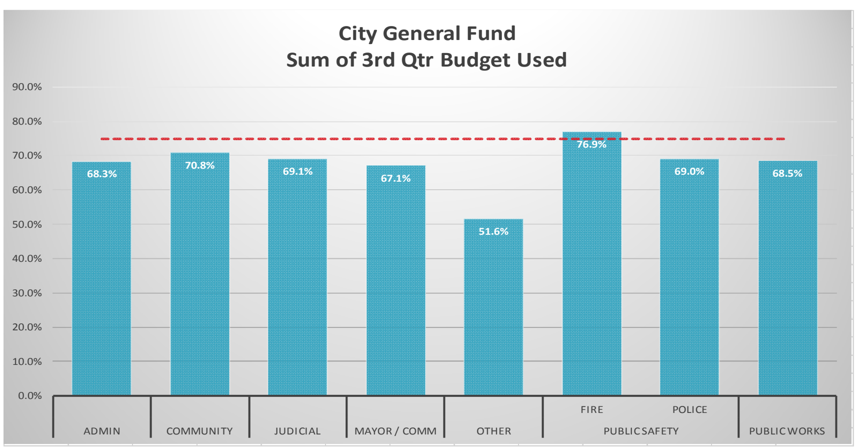

Figure 2: City General Fund Dept. Expenditures as a % of Budget

Misc & Transfers-Out normally take place towards the end of the year and are currently at 47% of budget.

Capital Outlay spend rate ended the third quarter at 27.3% of the amended budget. Capital equipment makes up 58.8% 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. The Fire Department is coming in over target due to personnel being over the target by 3.4%. Transit is over budget in the Community departments by 13% due to the timing of the second of two payments of the transit contract occuring in the third quarter. The 'Other' category of departments in the city general fund, which ended the 3rd quarter at 51.6% of budgeted expenditures, is comprised of reserves and internal service departments and makes up 3.4M or 2.3% of the expenditure budget for the city general fund.

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*	2018 Amended Budget		2018 3rd Qtr YTD Actual		% Rev Collected
Property Tax	$	35,128	$	35,494	101.0%
Sales Tax	$	7,329	$	5,197	70.9%
Other Tax	$	9,789	$	8,011	81.8%
Permits/Licenses	$	1,062	$	826	77.8%
Intergovernmental Revenues	$	66	$	50	76.9%
Charges for Service	$	1,746	$	998	57.1%
Fines, Forfeits, Fees	$	3,048	$	2,221	72.9%
Misc. & Transfers-In	$	2,937	$	2,977	101.4%
Total	**$**	**61,104**	**$**	**55,775**	**91.3%**

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

Seventy seven percent (91.3%) of budgeted County General Fund revenue has been collected through September 30th, 2018. This is slightly lower (1.2%) than last year. *Table 6* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 7* shows where revenues are trending in comparison to the same period last year.

Tax Revenue collections are at 81% of the original budget. Both property tax installments have been recieved for 2018 coming in above target by 1%. There may still be additional smaller receipts for 2018. Motor vehicle tax is a significant component of Other Tax and came in 15% above the target for the 3rd quarter.

Permits & Licenses are 2.8% above the revenue target for the second quarter. This category consists of Auto Licenses, Auto License Fees and Antique Vehicle Licensing.

County General Fund Revenues *numbers in 000s*	2017 3rd Qtr YTD Actual		2018 3rd Qtr YTD Actual		Increase/ Decrease	
Property Tax	$	34,300	$	35,494	$	1,194
Sales Tax	$	5,227	$	5,197	$	(30)
Other Tax	$	8,337	$	8,011	$	(326)
Permits/Licenses	$	787	$	826	$	39
Intergovernmental Revenues	$	11	$	50	$	40
Charges for Service	$	1,114	$	998	$	(116)
Fines, Forfeits, Fees	$	2,199	$	2,221	$	22
Misc. & Transfers-In	$	1,882	$	2,977	$	1,096
Total	**$**	**53,857**	**$**	**55,775**	**$**	**1,918**

Table 7: County General Fund Revenues Year to Year Comparison

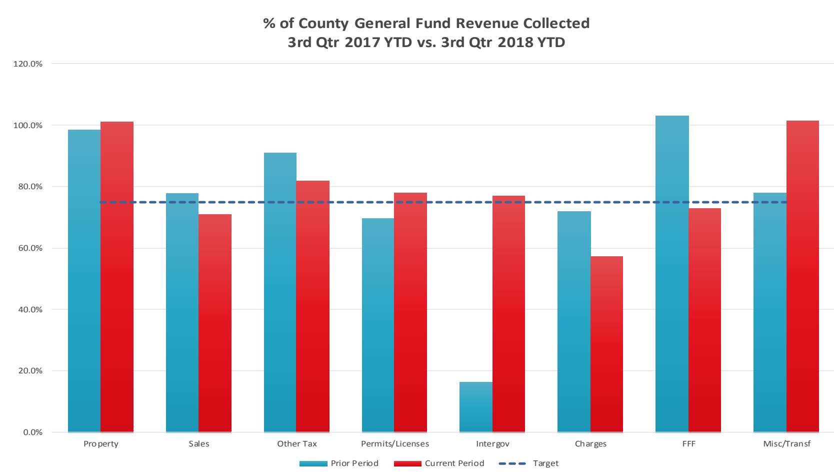

Figure 3: County General Fund Prior Year vs. Current Year

Charges for Service has collected 57.1% of anticipated revenues which is $116,000 below the same period for the prior year. Jail fees make up 75% of the charges for service are at 54% of budget due to delayed billings.

Fines, Forfeits, Fees includes officer fees, treasurer fees, and development agreement penalties and is in line with the 75% target, and is $22,000 above the amount collected through the same period last year.

Miscellaneous Revenue is currently at 101.4% to end the 3rd Quarter having

COUNTY GENERAL FUND EXPENDITURES

County General Fund Expenditures *numbers in 000s*	2018 Amended Budget	2018 3rd Qtr YTD Actual	% of Estimate
Personnel	$ 43,059	$ 31,289	72.7%
Services	$ 12,934	$ 9,208	71.2%
Supplies	$ 1,744	$ 974	55.9%
Grants, Claims	$ 1,239	$ 960	77.5%
Misc. & Transfers-Out	$ 2,172	$ 523	24.1%
Capital Outlay	$ 1,531	$ 515	33.6%
Total	**$ 62,679**	**$ 43,469**	**69.4%**

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

Personnel expenditures ended the 3rd quarter at 72.7% of the amended budget. This includes overtime pay of personnel which has exceeded it's amended budget by 38% at the end of the 3rd quarter.

Services expenditures ended the quarter 3.8% below target. Major expenses paid in this category are attorney and lawyers, external prisoner housing, and prisoner medical contracts. Prisoner medical contracts have expended 93.5% of its portion of the budget and inmate housing has exceeded its amended budget by 31% at

Supplies ended the 2nd quarter 19.1% below budgeted levels. Major expenses paid in this category are natural gas, fuel, and auto parts. Fuel came in at 46% of budget.

Grants, Claims ended the 2nd quarter at 77.5% of budget while expending $542,000 less than in the same period prior year. Most of these transactions do not take place until the end of the year.

County General Fund Expenditures *numbers in 000s*	2017 3rd Qtr YTD Actual	2018 3rd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 29,686	$ 31,289	$ 1,603
Services	$ 8,451	$ 9,208	$ 757
Supplies	$ 952	$ 974	$ 22
Grants, Claims	$ 1,502	$ 960	$ (542)
Misc. & Transfers-Out	$	$ 523	$ 523
Capital Outlay	$ 845	$ 515	$ (330)
Total	**$ 41,435**	**$ 43,469**	**$ 2,033**

Table 10: County General Fund Expenditures Year to Year Comparison

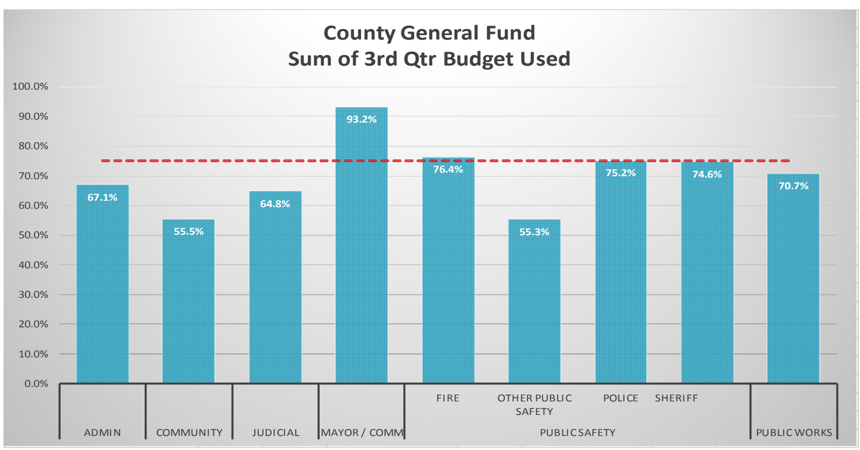

Figure 4: County General Fund Dept. Expenditures as a % of Budget

Misc. & Transfers-Out currently have expended 24.1% of the 2018 amended budget and mostly occur closer to year end.

Capital Outlay is 41.4% below the 3rd quarter target. Capital equipment makes up 66.7% of the capital outlay budget and has expended 35.4% of it's budget with projects expending 30% of their budgets. A portion of the equipment 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, Police, and Fire are exceeding 3rd quarter targets for their expenditures due to higher costs in personnel, overtime, and contractual obligations that are paid out at points earlier in the year that don't meet the trend.

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*	2018 Amended Budget	2018 3rd Qtr YTD Actual	% Rev Collected
Property Tax	$ 1,567	$ 1,585	101.2%
Other Tax	$ 320	$ 268	83.7%
Intergovernmental Revenues	$ 3,700	$ 2,775	75.0%
Charges for Service	$ 618	$ 450	72.9%
Misc. & Transfers-In	$ 101	$ 100	99.2%
Total	**$ 6,306**	**$ 5,224**	**82.9%**

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

Twenty percent (82.9%) of budgeted Consolidated Parks General Fund revenue has been collected through September 30, 2018. *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 with a significant increase in the intergovernmental revenues category.

Tax Revenue collections are at 101.2% of the amended budget. Both first and second half property tax installments have been received. Delinquent revenue collections are at 63.9% of budget and motor vehicle collections are at 85% at the end of the 3rd quarter.

Intergovernmental Revenues are higher than this point last year due to 75% of the revenue transfer having been made for the 3rd quarter. This is typically done at the end of the year.

Parks General Fund Revenues *numbers in 000s*	2017 3rd Qtr YTD Actual	2018 3rd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 1,532	$ 1,585	$ 53
Other Tax	$ 271	$ 268	$ (3)
Intergovernmental Revenues	$ -	$ 2,775	$ 2,775
Charges for Service	$ 463	$ 450	$ (13)
Misc. & Transfers-In	$ 173	$ 100	$ (72)
Total	**$ 2,438**	**$ 5,224**	**$ 2,786**

Table 11: Consolidated Parks General Fund Revenues Year to Year Comparison

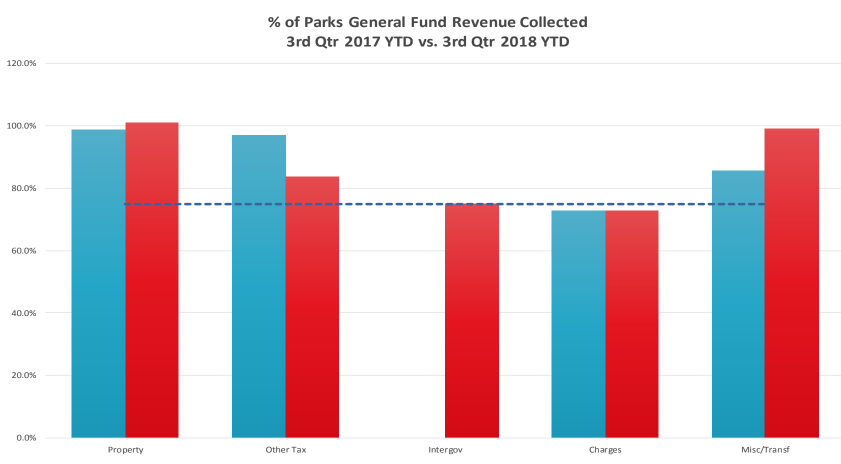

Figure 5: Consolidated Parks General Fund Prior Year vs. Current Year

Charges for Service include park shelter and field rentals and ended the 3rd quarter slightly below the 75% target. Most of these fees are seasonal in nature.

Miscellaneous Revenue has received the entire anticipated amount of contributions and donations, and is currently at 99% of budgeted collections. This is in line with the same period of the prior year.

CONS. PARKS GENERAL FUND EXPENDITURES

Parks General Fund Expenditures *numbers in 000s*	2018 Amended Budget	2018 3rd Qtr YTD Actual	% of Estimate
Personnel	$ 4,339	$ 3,213	74.1%
Services	$ 1,112	$ 842	75.7%
Supplies	$ 535	$ 428	80.0%
Grants, Claims	$ 12	$ 2	15.6%
Misc. & Transfers-Out	$ 56	$ -	0.0%
Capital Outlay	$ 495	$ 363	73.4%
Total	**$ 6,549**	**$ 4,848**	**74.0%**

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

Personnel expenditures for the 3rd quarter 2018 ended at 74% of the amended budget and tends to peak during summer months due to use of seasonal employees diminishing in the fall.

Services ended the 3rd quarter 1.7% above target. Expenditures run higher in the summer months when Parks and Recreation operations are more active.

Supplies are 5% higher than 3rd quarter targets despite spending less than in the prior year due to budget reductions to meet projected fund balances. Items accounting for this include fish supplies, which have expended 93% of budget, and maintenance and construction materials which have expended 102% of budget.

Misc. & Transfers-Out ended the 2nd quarter with no expenditures.

Parks General Fund Expenditures *numbers in 000s*	2017 3rd Qtr YTD Actual	2018 3rd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 3,069	$ 3,213	$ 145
Services	$ 987	$ 842	$ (145)
Supplies	$ 440	$ 428	$ (12)
Grants, Claims	$ 6	$ 2	$ (4)
Misc. & Transfers-Out	$ -	$ -	$ -
Capital Outlay	$ 206	$ 363	$ 157
Total	**$ 4,707**	**$ 4,848**	**$ 141**

Table 13: Consolidated Parks Expenditures Year to Year Comparison

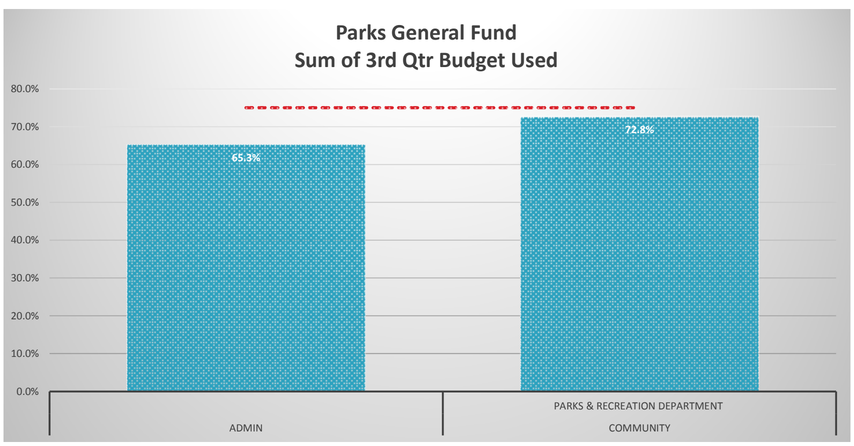

Figure 6: Parks General Fund Dept. Expenditures as a % of Budget

Capital Outlay is in line with targets at 73.4% of budget. Capital equipment makes up 50%, or $250K, of the capital outlay budget. Capital equipment is at 100% of budget. Capital projects make up 49%, or $245,000, of the capital budget. Parks projects are normally started in the off peak months starting close to year end and going through the beginning of the next year. The remaining capital budget for parks in 2018 is designated for the Inclusive Playground and is currently raising private contributions to help complete the project.

Parks and Recreation, or Community Services, is a majority of the Consolidated Parks Fund making up 99.8% of the fund. Spending for Parks and Recreation is in line spending targets for the amended budget.

Budget to Actual through September 30th 2018
Third Quarter

Tax Levy Funds	REVENUES (numbers in 000's) 2018 Amended Budget	2018 YTD Actual	% of Budget	EXPENDITURES (numbers in 000's) 2018 Amended Budget	2018 YTD Actual	% of Budget
City General Fund	$ 156,962	$ 113,624	72.4%	$ 156,282	$ 103,879	66.5%
City Bond & Interest	$ 32,197	$ 31,115	96.6%	$ 33,200	$ 31,992	96.4%
County General Fund	$ 61,104	$ 55,775	91.3%	$ 62,679	$ 43,469	69.4%
Cons. Parks General Fund	$ 6,306	$ 5,224	82.9%	$ 6,549	$ 4,848	74.0%
County Bond & Interest	$ 4,909	$ 3,349	68.2%	$ 3,323	$ 2,943	88.6%
CIFI	$ -	$		$ -	$ -	
Aging	$ 1,783	$ 1,389	77.9%	$ 1,932	$ 1,430	74.0%
Developmental Disabilities	$ 494	$ 484	97.9%	$ 592	$ 205	34.6%
Elections	$ 1,237	$ 1,176	95.0%	$ 1,478	$ 923	62.5%
Health	$ 3,140	$ 2,507	79.8%	$ 3,368	$ 2,443	72.5%
Mental Health	$ 576	$ 566	98.2%	$ 580	$ 405	69.8%
Total UG Tax Levy Funds	**$ 268,708**	**$ 215,209**	**80.1%**	**$ 269,984**	**$ 192,536**	**71.3%**

Other Funds	2018 Amended Budget	2018 YTD Actual	% of Budget	2018 Amended Budget	2018 YTD Actual	% of Budget
Wyandotte County 911	$ 815	$ 640	78.5%	$ 954	$ 798	83.6%
Alcohol	$ 515	$ 387	75.2%	$ 777	$ 204	26.3%
Court Trustee	$ 410	$ 327	79.8%	$ 580	$ 325	56.0%
Dedicated Sales Tax	$ 10,200	$ 7,098	69.6%	$ 10,943	$ 7,130	65.2%
Emergency Medical Services	$ 11,158	$ 8,276	74.2%	$ 11,539	$ 8,771	76.0%
Environmental Trust	$ 1,078	$ 817	75.8%	$ 1,130	$ 708	62.7%
Jail Commissary	$ 25	$ 28	112.6%	$ 60	$ 3	4.8%
Parks & Recreation	$ 515	$ 388	75.3%	$ 574	$ 418	72.9%
Public Levee	$ 335	$ 230	68.7%	$ 387	$ 304	78.6%
Register of Deeds Technology	$ 160	$ 126	78.6%	$ 130	$ 110	84.8%
Clerk Technology	$ 45	$ 30	67.6%	$ 50	$ 5	10.8%
Treasury Technology	$ 45	$ 30	67.6%	$ 39	$ 4	11.1%
Sewer System	$ 40,816	$ 25,980	63.7%	$ 45,356	$ 28,510	62.9%
Stormwater	$ 3,515	$ 2,643	75.2%	$ 4,235	$ 2,660	62.8%
Street & Highway	$ 7,030	$ 5,845	83.1%	$ 7,563	$ 5,196	68.7%
Sunflower Hills Golf Course	$ 875	$ 624	71.3%	$ 840	$ 540	64.3%
Travel & Tourism	$ 3,714	$ 2,488	67.0%	$ 4,348	$ 1,325	30.5%
Stadium	$ 443	$ 391	88.4%	$ 661	$ 454	68.7%
Special Assets	$ -	$ -		$ 4,250	$ 356	8.4%
Total Other Funds	**$ 81,694**	**$ 56,348**	**69.0%**	**$ 94,416**	**$ 57,821**	**61.2%**
Total Funds	**$ 350,402**	**$ 271,557**	**77.5%**	**$ 364,400**	**$ 250,357**	**68.7%**
County Library	$ 2,956	$ 2,914	98.6%	$ 3,124	$ 2,785	89.2%
Total ALL Funds	**$ 353,358**	**$ 274,471**	**77.7%**	**$ 367,524**	**$ 253,142**	**68.9%**

Staff Request for Commission Action

Tracking No. 18544

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:
11/20/2018	Kathleen VonAchen, Debbie Jonscher	x5186, x5847	kvonachen@wycokck.org, djonscher@wycokck.org	Finance

Item Description:
A presentation of possible revisions to the Unified Government debt financial policy.

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. 18539

Full Commission Meeting Date: 12/13/18

Committee: Economic Development & Finance

Date of Standing Committee Action: 12/3/18 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/20/2018	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

An IRB Application was submitted by PHVIF for sales tax exemption for construction materials and furniture, fixtures and equipment for renovations to the entire Hilton Garden Inn property located at 520 Minnesota Avenue.

Resolution of Intent to issue IRB's in an amount not to exceed $4,000,000 for the benefit of PHVIF Kansas City, LLC (Peachtree Hotel Group sales tax exemption only).

Action Requested:

Adopt resolution of intent and advance to Full Commission for approval on December 13, 2018.

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Retailer Lease Notice (HGI), Resolution of Intent (HGI)

(Published in ***The Wyandotte Echo*** on December __, 2018)

NOTICE OF INTENT TO ENTER INTO LEASE AGREEMENT

In accordance with K.S.A. 12-1744e, as amended, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), in connection with the proposed issuance of taxable industrial revenue bonds, hereby gives notice of its intent to enter into a lease agreement with PHVIF Kansas City, LLC, a Georgia limited liability company. The aforementioned taxable industrial revenue bonds are proposed to be issued by the Unified Government under the authority of K.S.A. 12-1740 *et seq.*, as amended.

A copy of this Notice, together with a copy of the inducement resolution adopted by the Unified Government for the proposed project will be on file in the office of the Clerk and will be available for public inspection during normal business hours.

Dated: December __, 2018

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
Bridgette Cobbins, Clerk

RESOLUTION NO. __________

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT NOT TO EXCEED $4,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING A COMMERCIAL FACILITY FOR THE BENEFIT OF PHVIF KANSAS CITY, LLC AND ITS SUCCESSORS AND ASSIGNS (HILTON GARDEN INN – SALES TAX EXEMPTION ONLY)

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Issuer"), desires to promote, stimulate and develop the general welfare and economic prosperity of the Issuer and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the Issuer is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, PHVIF Kansas City, LLC, a Georgia limited liability company (the "Company"), has submitted to the Issuer an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the Issuer finance the cost of acquiring, constructing and equipping a commercial facility, as more fully described in the Application (the "Project") through the issuance of its industrial revenue bonds in the principal amount not to exceed $4,000,000 (the "Bonds"), and to lease the Project to the Company and its successors or assigns in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the Issuer and its inhabitants that the Issuer finance the costs of the Project by the issuance of the Bonds under the Act, the principal amount of the Bonds not to exceed $4,000,000, the Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Issuer to the Company.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Approval of Project. The governing body of the Issuer hereby finds and determines that the acquiring, constructing and equipping of the Project will promote the general welfare and economic prosperity of the Issuer and the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be located at 520 Minnesota Avenue in downtown Kansas City, Kansas, as further described in the Application.

Section 2. Intent to Issue Bonds. The governing body of the Issuer hereby determines and declares the intent of the Issuer to acquire, construct and equip the Project out of the proceeds of the Bonds of the Issuer in the principal amount not to exceed $4,000,000, to be issued pursuant to the Act.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the Issuer expresses its intent to (i) issue the Bonds to pay the costs of acquiring, constructing and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the Issuer; (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the Issuer and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. Conditions to Issuance. The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the Issuer, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the Issuer's policies relating to the issuance of industrial revenue bonds; (iv) the passage and publication of an Ordinance authorizing the issuance of the Bonds; and (v) Company's payment of all of the costs of issuance related to the issuance of the Bonds.

Section 5. Sale of the Bonds. The sale of the Bonds shall be the sole responsibility of the Company; provided, however, arrangements for the sale of the Bonds shall be acceptable to the Issuer.

Section 6. Limited Obligations of the Issuer. The Bonds and the interest thereon shall be special, limited obligations of the Issuer payable solely out of the amounts derived by the Issuer under a lease agreement with respect to the Bonds and are secured by a transfer, pledge and assignment of and a grant of a security interest in the trust estate to the bond trustee for the Bonds and in favor of the owners of the Bonds, all as provided in the Bond Indenture. The Bonds shall not constitute a general obligation of the Issuer, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Issuer, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Issuer, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 7. Required Disclosure. Any disclosure document prepared in connection with the placement or offering of any the Bonds shall contain substantially the following disclaimer:

> NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE ISSUER CONTAINED UNDER THE CAPTIONS "THE ISSUER" AND "LITIGATION - THE ISSUER" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 8. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law and upon compliance with the other requirements of this Resolution, the Issuer will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 9. No Reliance on Resolution. Kansas law provides that the Issuer may only issue the Bonds by adoption of an Ordinance and compliance with other state law requirements. The Issuer has not yet adopted an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be issued or that the Project will be approved.

Section 10. Termination of Resolution. This Resolution shall terminate three years from the date of the adoption of this Resolution unless (i) the Bonds have been issued for the Project or (ii) a building permit has been issued by the Issuer for the Project. The Issuer, upon the written request of the Company, may extend this time period.

Section 11. Benefit of Resolution. This Resolution will inure to the benefit of the Issuer and the Company. The Issuer may, at the prior written request of the Company, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 12. Further Action. Counsel to the Issuer and Gilmore & Bell, P.C., Bond Counsel for the Issuer, together with the officers and employees of the Issuer, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Issuer all documents necessary to effect the authorization, issuance and sale of the bonds and other actions contemplated hereunder.

Section 13. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the Issuer.

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ADOPTED this 13th day of December, 2018.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:____________________________________

Mayor/CEO

[SEAL]

ATTEST:

____

Clerk

Staff Request for Commission Action

Tracking No. 18496

Full Commission Meeting Date: 12/13/18

Committee: Economic Development & Finance

Date of Standing Committee Action: 12/3/18 (If none, please explain):

Publication Required: Yes 12/06/2018

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
10/24/2018	Rick Mikesic, Kathleen VonAchen	x8046, x5186	rmikesic@wycokck.org, kvonachen@wycokck.org	Finance

Item Description:
A presentation of the proposed revisions to the Unified Government's Cash and Investments Policy. This annual review and adoption is required by State statute. The proposed revisions have been reviewed and approved by the Cash Management Committee. Submitted for your adoption by Rick Mikesic, Director of Revenue/County Treasurer.

Action Requested:
Approve

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

Attachments List:
ED-FAgendaPacket-Resolution-AND-2019 Cash Management Policy

(Published in ***The Wyandotte Echo on ________________, 2018***)

RESOLUTION NO. R-______-18

A RESOLUTION ADOPTING THE UNIFIED GOVERNMENT'S CASH MANAGEMENT POLICY.

WHEREAS, the purpose of the Cash Management and Investment Policy (the "Policy") is to identify the policies and statements of the Unified Government regarding the safe and responsible management of Unified Government funds and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy objectives.

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

WHEREAS, the Cash Management Committee met on October 23, 2018, to review the Policy. The Committee voted to make various revisions to the Policy as set forth in Exhibit A, attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT:

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

SECTION 2. Effective Date. This Resolution shall be effective upon adoption by the Unified Government Board of Commissioners.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT THIS 13th DAY OF DECEMBER, 2018.

____

Mayor/CEO

____

Unified Government Clerk

EXHIBIT A

Unified Government of Wyandotte County
and Kansas City, Kansas

Cash and Investment Policy

Commission Resolution:
Last Revised R-57-17
Last Adopted: 12/21/2017

Section 1. General Purpose Statement

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

Section 2. Legal Authority

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

Section 3. Policy Statement

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

Section 4. Scope

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

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

Section 5. Adoption and Annual Review

This Cash Management and Investment Policy shall be adopted by resolution of the Board of Commissioners. The Policy shall be reviewed on an annual basis by the Cash Management Committee and shall be reviewed and approved annually by the Board of Commissioners. If it deems it necessary, the Cash Management Committee will recommend changes to this Policy to the Board of Commissioners. Any recommended modifications to the Policy must be reviewed and approved by the Board of Commissioners.

Section 6. Cash Management Committee; Delegation of Authority
A Cash Management Committee shall be established. The Cash Management Committee (CMC) shall consist of the Unified Government's Chief Financial Officer, the Clerk, the Director of Revenue/County Treasurer, the Chief Counsel or designee, the Legislative Auditor or designee as a non-voting member, and one non-voting member from the municipal advisory firm of the Unified Government. The Chief Financial Officer shall serve as the Chairperson of the CMC.

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

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

Section 7. Investment Procedures
This Policy is administered through a separate set of written Investment Procedures, which should be referred to in conjunction with this Policy. The Cash Management Committee is hereby authorized to adopt written Investment Procedures consistent with this Cash Management and Investment Policy. Such Procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the Procedures adopted by the Cash Management Committee. The Director of Revenue/County Treasurer shall be responsible for all transactions undertaken and shall establish a system of internal controls to regulate the activities of subordinate officials.

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

Section 8. Staff Qualifications

A. The Unified Government shall hire a Cash Manager or shall retain an outside manager to manage investments. The Cash Manager will have the necessary qualifications to perform investment duties as outlined in the Cash Management and Investment Policy and the Cash Management and Investment Procedures and will be supervised by the Chief Financial Officer or designee.

B. Duties of the Cash Manager position include the following:
   1. Management of the short-term and long-term investment portfolios in accordance with K.S.A. 12-1675 and 12-1677b and amendments thereto, with any other applicable statutes or ordinances or resolutions, and with this Cash Management and Investment Policy and the Cash Management and Investment Procedures and amendments thereto;
   2. Tracking investment transactions; ensuring accuracy and security of investments, monitoring record keeping of investments;

3. Performing inspections on safekeeping receipts held as collateral to cover investments; alerting banks regarding insufficient collateral;
4. Prepare cash flow forecasts;
5. Generate investment performance statistics and activity reports; and
6. Other duties as assigned by the Chief Financial Officer or the Director of Revenue/Treasurer.

C. Specific qualifications include a bachelor's degree in Finance, Accounting, Economics, Business, or Public Administration and two years of progressively responsible investing or accounting experience, or any equivalent combination of education and experience sufficient to successfully perform the essential duties of the job. If the individual appointed to the Cash Manager position does not possess the requisite investment experience, the individual will attend government investment training approved by the Chief Financial Officer within one year of appointment.

Section 9. Investment Advisor

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

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

Section 10. Standards of Care

A. *Prudence*

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

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

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

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

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

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

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

Each financial institution in which the Unified Government deposits funds and each investment manager and each consultant retained by the Unified Government shall be notified of this section of the Policy and shall conform to its provisions and shall not participate in any violation of this section or in any effort to influence any officer or employee to breach the standards of ethical conduct set forth in this section.

Section 11. Objectives

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

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

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

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

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

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

B. ***Diversification.***

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

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

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

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

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

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

C. ***Liquidity.***

1. The Unified Government's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated without incurring material losses by structuring the portfolio so that securities mature concurrent with anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

2. The Unified Government understands the importance of having sufficient funds invested in overnight sweep accounts to meet weekly payrolls, accounts payable, scheduled debt service, and extraordinary expenses that may occur, which may range from 10% to 25% of available investment funds.

3. It is important for a county government to have the necessary funds for the scheduled tax distributions to other governmental entities. In particular, liquidity is essential for the January and June tax distributions. Therefore, it is the policy of the Unified Government that such funds be held liquid to provide assurance as to the availability and

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

D. ***Maturity.***

1. All investments shall be made to mature in accordance with cash needs identified in regularly prepared and updated cash flow forecasts. The Unified Government recognizes that the laddering of investments is a sound approach to mitigate short-term interest rate fluctuations. Additional considerations in the structuring of investments shall include:

    a. Review of economic and financial indicators, such as Federal Reserve monetary policy position statements and the U.S. Treasury yield curve; and

    b. Input from the Unified Government's municipal advisory firm.

2. The Unified Government has adopted the following maturity target ranges for its core investment portfolio. Core investments include all operating funds of the Unified Government and exclude bond proceed funds held by a bond trustee for the purpose of project construction, debt service payments, debt reserves or other escrow requirements..

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

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

4. The sale of securities before maturity shall require the prior approval of the Chief Financial Officer based on the following reasons:

    a. A security with declining credit quality may be sold early to minimize loss of principal.
    b. Liquidity needs require a security to be sold.
    c. It is advantageous to the portfolio to sell such securities.
    d. Financial failure of the issuer is likely.

5. As long as this Policy continues to be approved by the State Pooled Money Investment Board, the maximum maturity for investments shall be four years. Otherwise the maximum maturity for investments shall be two years.

E. ***Return on Investment.*** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the UG's investment risk constraints, state statutes, cash flow characteristics of the portfolio, and prudent investment principles. As a benchmark for risk-free investment transactions, the U.S. Treasury Bill rate for the Unified Government's total portfolio weighted average maturity term will be the minimum standard for the portfolio's rate of return. Return on investment is the last in importance compared to the safety, diversification, liquidity and maturity objectives described above.

Section 12. Performance Evaluation and Reporting
Investment performance shall be continually monitored and evaluated by the CMC. Investment performance statistics and activity reports will be generated by the Cash Manager. Summary investment reports will be provided quarterly to the Economic Development and Finance Standing Committee of the Unified Government Board of Commissioners, with copies to the County Administrator, the Unified Government Commission, and the Cash Management Committee.

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

Section 13: Eligible Financial Institutions
A. ***Minimum Qualifications for Depositories***

1. In order to ensure the safety of principal, the Unified Government shall deposit funds, including those designated for investment purposes, only in eligible financial institutions which meet the minimum criteria set forth below. Financial institutions failing to meet the minimum criteria shall not be considered eligible.

2. Financial institutions must meet the following minimum qualifications:

    a. The deposits of the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC).

    b. The financial institution meets the criteria for eligibility under state law for active or idle funds as appropriate.

3. If a financial institution loses its eligibility under state law after Unified Government funds are deposited or invested, no additional funds shall be deposited in such institution. Funds shall be removed as quickly as is prudent under the circumstances, but funds invested with a prescribed time for maturity need not be withdrawn before such maturity.

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

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

2. *Selection Criteria.* In addition to the required criteria listed above, the Unified Government may also consider the following when selecting a financial institution as a depository for active funds:

   a. Full service capabilities
   b. Submission of financial statements and availability schedules
   c. Acceptable staff experience
   d. Statement of equal opportunity employment practices
   e. Extent of reinvestment of deposits in Wyandotte County.

3. *Competitive Selection.* The Chief Financial Officer shall solicit proposals prior to the designation of one or more depositories. The Unified Government's purchasing policies shall be followed when obtaining proposals on the Unified Government's depository specifications. Selection of the depositories shall be based on the capacity of an institution to perform the services required and on the most favorable terms and conditions for handling of Unified Government funds.

4. *Governing Body Designation.* K.S.A. 9-1401, as amended, requires the governing body of the Unified Government to designate by official action the financial institution or institutions, which shall serve as depositories of its active funds.

C. ***Idle Funds***

1. *In General.* Idle funds shall be invested only in the manner set out in K.S.A. 12-1675 and 12-1677b, and amendments thereto, and in this Policy. Investment transactions shall only be conducted with:

   a. Qualified financial institutions which meet the minimum requirements contained in this Section 13 and the criteria for eligibility under state law; or
   b. Qualified primary government security dealers and broker/dealers as set out below.

2. *Certification.* In order to be qualified for investment of Unified Government idle funds, a financial institution, securities dealer, or broker/dealer must certify in writing that the person responsible for the investment has read and understood and agreed to comply with this Policy.

3. *Competitive Selection.* Investments of idle funds will be offered to all approved institutions and dealers who have requested to be on the list of interested bidders. Investments will be awarded through a competitive process involving solicitation of bids from qualified institutions and dealers.

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

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

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

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

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

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

Section 14. Authorized Investments

A. *Idle Funds*

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

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

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

1. *United States Treasury and Agency Securities.* Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States-sponsored enterprises which under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities. Investments under this paragraph shall be limited to securities which do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, "interest rate risk" means market value changes due to changes in current interest rates.

2. *Interest-bearing Time Deposits.* In any banks, savings and loan associations, and savings banks which have a main or branch office in Kansas.

3. *Repurchase Agreements.* With banks, savings and loan associations, and savings banks which have a main or branch office in Kansas or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government-sponsored enterprises which under federal law may be accepted as security for public funds.

4. *Temporary Notes Issued by the Unified Government.*

5. *Municipal Investment Pool Fund.* The fund established in K.S.A. 12-1677a and amendments thereto and managed by the Kansas Pooled Money Investment Board.

6. *Multiple Municipal Client Investment Pools.* Managed by the trust departments of banks which have offices located in Wyandotte County or with trust companies incorporated under the laws of Kansas which have contracted to provide trust services under K.S.A. 9-2107, and amendments thereto. Moneys invested under this paragraph shall be secured as provided in K.S.A. 9-1402, and amendments thereto, and this Policy.

B. ***Local Emphasis***

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

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

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

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

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

1. Investments authorized for idle funds by K.S.A. 12-1675 and this Policy.

2. The municipal investment pool established pursuant to K.S.A. 12-1677a.

3. Direct obligations of the United States government or any agency thereof;

4. Temporary notes issued by the Unified Government.

5. Interest-bearing time deposits in commercial banks located in Wyandotte County.

6. Obligations of the Federal National Mortgage Association, Federal Home Loan banks and Federal Home Loan Mortgage Corporation.

7. Repurchase agreements collateralized by direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or the Federal Home Loan Mortgage Corporation.

8. Investment agreements with or other obligations of a financial institution, the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation;

9. Investments in shares of units of a money market fund or trust, the portfolio of which is comprised entirely of direct obligations of the U.S. government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

10. Receipts evidencing ownership interest in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

11. Municipal bonds or other obligations issued by any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same.

12. Bonds of any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

13. No moneys shall be invested in a derivative as that term is defined in K.S.A. 10-131, and amendments thereto.

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

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

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

Section 15. Collateral Requirements

A. ***Full Collateralization Required.*** All Unified Government deposits shall be fully insured or collateralized at all times.

B. ***Initial Placement*.** Moneys to be deposited in financial institutions shall not be released until the financial institution has executed and adopted a security agreement and required custodial agreements.

C. ***Allowable Collateral***. Acceptable collateral for Unified Government deposits, including idle fund investments, as permitted by K.S.A. 9-1402, and amendments thereto, shall be limited to:

1. Except as otherwise set out in this subsection C.1., the financial institution may pledge or assign securities owned directly or indirectly by it, the market value of which is equal to 105% of the total deposits at any given time. The following are allowable securities:

    a. Direct obligations of or obligations that are insured as to principal and interest by, the United States or any agency thereof.

    b. Obligations including letters of credit and securities of United States-sponsored corporations which under federal law may be accepted as security for public funds, subject to the following restrictions:

        (1) The letter of credit must be in the format acceptable to the Director of Revenue.

        (2) The Unified Government must be designated as the irrevocable and unconditional beneficiary of the letter of credit.

        (3) The issuer and the depository bank must notify the Director of Revenue by certified or registered mail at least 45 days prior to the cancellation or the non-renewal of a letter of credit.

        (4) The issuer may not provide letters of credit for any one depository bank in an amount which exceeds ten percent of the issuer's capital and surplus.

        (5) If a letter of credit issued by the Federal Home Loan Bank is to be pledged as collateral, the amount of the letter of credit shall be equal to 100% of the deposits to be collateralized plus the interest expected to be received by the Unified Government upon maturity of the investment.

2. The following securities may be used as collateral only if the financial institution pledges or assigns them in an amount, the market value of which is equal to 125% of the Unified Government deposits. Not more than 5% of the Unified Government's total idle funds portfolio may be collateralized by the following securities.

    a. Bonds of any Kansas municipality which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States.

b. Bonds of the State of Kansas.

c. General obligation bonds of any Kansas municipality.

d. Revenue bonds of any Kansas municipality if approved by the state bank (or savings and loan) commissioner and which are rated at least Aa by Moody's Investors Service or AA by Standard and Poor's Corporation Bonds secured by revenues of a utility which has been in operation for less than three years will not be accepted as collateral.

e. Temporary notes of any Kansas municipality which are general obligations of the municipality issuing the same.

f. Warrants of any Kansas municipality, the issuance of which is authorized by the State Court of Tax Appeals and which are payable from the proceeds of a mandatory tax levy.

g. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

3. For overnight repurchase agreements in which the Unified Government is the buyer, the seller shall deliver the following securities to the custodian for the Unified Government in the amount of 102% of the market value of the securities on the purchase date:

a. Direct obligations of or obligations that are insured as to principal and interest by the United States or any agency thereof, or

b. Obligations and securities of U.S. government-sponsored corporations which under federal law may be accepted as security for public funds, subject to any restrictions contained in Section C.1.b. above.

D. ***Peak Period Agreements.*** Peak-period agreements permitted under K.S.A. 9-1403 are not permitted under this Policy.

E. ***Collateral Substitution.*** Collateralized investments often require substitution, additions and/or deletions of collateral. Any financial institution requesting these actions must contact the Chief Financial Officer or the Director of Revenue/County Treasurer. Substitution of collateral shall be required whenever, in the opinion of the Unified Government Chief Financial Officer, the collateral no longer satisfies or complies with the security requirements established under this Policy.

F. ***Valuation of Collateral.*** For purposes of compliance with this section, all collateral shall be priced on a market value basis no less then monthly. Collateral requirement is defined as the outstanding amount of Unified Government funds deposited plus accrued interest thereon less federal deposit insurance coverage.

G. ***Collateral Compliance Report.*** Each financial institution with Unified Government deposits shall submit monthly to the Chief Financial Officer or the Director of Revenue/County Treasurer, or more frequently if requested, a report documenting the institution's compliance with the collateral requirements of this Policy.

H. ***Custodial Agreement.*** Each depository bank depositing securities with a custodial bank shall enter into a written custodial agreement with the custodial bank and the Unified Government for the safekeeping of the securities.

I. ***Failure to Meet Collateral Requirements.*** If a depository bank fails to meet requirements established by this Policy, the depository bank shall be offered the following options:

1. Close the account and return to the Unified Government all principal and accrued interest without penalty; or

2. Convert the deposit to a repurchase agreement under terms acceptable to the Unified Government.

Unified Government of Wyandotte County and Kansas City, Kansas

Cash and Investment Policy

Commission Resolution:
Last Revised R-57-17
Last **Adopted:** 12/21/2017

Section 1. General Purpose Statement
The Board of Commissioners has authority to invest all funds held by or belonging to Wyandotte County/Kansas City, Kansas ("Unified Government" or "UG"). The purpose of this Cash Management and Investment Policy is to identify the policies and statements of the Unified Government regarding the safe and responsible management of the Unified Government funds~~,~~ and to authorize and establish procedures for the management and investment of Unified Government funds to achieve the Policy objectives.

Section 2. Legal Authority
The Unified Government Board of Commissioners is granted the authority to invest temporarily idle funds, i.e. those funds which are not immediately required for the purposes for which the moneys were collected or received and the investment of which is not subject to or regulated by any other statute, under K.S.A. 12-1675 and 12-1677b which also identifies the types of investments the Unified Government may purchase.

Section 3. Policy Statement
The policy of the Unified Government is to invest its funds in a manner which will provide a reasonable rate of return with the maximum security while meeting the daily cash flow demands of the Unified Government and conforming to all statutes governing the investment of such funds.

Section 4. Scope
This Cash Management and Investment Policy shall apply uniformly to all officials, employees, departments, agencies, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the Unified Government's idle funds. All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials will conduct themselves as good stewards of public funds that will promote public confidence in the Unified Government's ability to govern effectively.

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

Section 5. Adoption and Annual Review
This Cash Management and Investment Policy shall be adopted by resolution of the Board of Commissioners. The Policy shall be reviewed on an annual basis by the Cash Management Committee

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

Section 6. Cash Management Committee; Delegation of Authority
A Cash Management Committee shall be established. The Cash Management Committee (CMC) shall consist of the Unified Government's Chief Financial Officer, the Clerk, the Director of Revenue/County Treasurer, the Chief Counsel or designee, the Legislative Auditor or designee as a non-voting member, and one non-voting member from the ~~financial advisor~~municipal advisory firm of the Unified Government. The Chief Financial Officer shall serve as the Chairperson of the CMC.

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

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

Section 7. Investment Procedures
This Policy is administered through a separate set of written Investment Procedures, which should be referred to in conjunction with this Policy. The Cash Management Committee is hereby authorized to adopt written Investment Procedures consistent with this Cash Management and Investment Policy. Such Procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the Procedures adopted by the Cash Management Committee. The Director of Revenue/County Treasurer shall be responsible for all transactions undertaken and shall establish a system of internal controls to regulate the activities of subordinate officials.

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

Section 8. Staff Qualifications

A. The Unified Government shall hire a Cash Manager or shall retain an outside manager to manage investments. The Cash Manager will have the necessary qualifications to perform investment duties as outlined in the Cash Management and Investment Policy and the Cash Management and Investment Procedures and will be supervised by the Chief Financial Officer or designee.

B. Duties of the Cash Manager position include the following:
   1. Management of the short-term and long-term investment portfolios in accordance with K.S.A. 12-1675 and 12-1677b and amendments thereto, with any other applicable statutes or ordinances or resolutions, and with this Cash Management and Investment Policy and the Cash Management and Investment Procedures and amendments thereto;
   2. Tracking investment transactions; ensuring accuracy and security of investments, monitoring record keeping of investments;

3. Performing inspections on safekeeping receipts held as collateral to cover investments; alerting banks regarding insufficient collateral;
4. Prepare cash flow forecasts;
5. Generate investment performance statistics and activity reports; and
6. Other duties as assigned by the Chief Financial Officer or the Director of Revenue/Treasurer.

C. Specific qualifications include a bachelor's degree in Finance, Accounting, Economics, Business, or Public Administration and two years of progressively responsible investing or accounting experience, or any equivalent combination of education and experience sufficient to successfully perform the essential duties of the job. If the individual appointed to the Cash Manager position does not possess the requisite investment experience, the individual will attend government investment training approved by the Chief Financial Officer within one year of appointment.

Section 9. Investment Advisor

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

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

Section 10. Standards of Care

A. *Prudence*

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

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

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

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

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

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

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

Each financial institution in which the Unified Government deposits funds and each investment manager and each consultant retained by the Unified Government shall be notified of this section of the Policy and shall conform to its provisions and shall not participate in any violation of this section or in any effort to influence any officer or employee to breach the standards of ethical conduct set forth in this section.

Section 11. Objectives
The primary objectives of the Unified Government investment activities, in priority order, shall be:

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

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

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

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

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

B. ***Diversification.***

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

2. *By Institution*
Investments will be diversified so that reliance on any one issuer or financial institution will not place an undue financial burden on the Unified Government in the event of default. Accordingly, no more than 25~~30~~% of the total investment portfolio shall be with the same financial institution or issuer, except US treasuries, unless it would be prudent to do so under prevailing circumstances. If the above limit is exceeded, the Chief Financial Officer will notify the CMC.

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

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

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

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

C. ***Liquidity.***

1. The Unified Government's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated without incurring material losses by structuring the portfolio so that securities mature concurrent with anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

2. The Unified Government understands the importance of having sufficient funds invested in overnight sweep accounts to meet weekly payrolls, accounts payable, scheduled debt service, and extraordinary expenses that may occur, which may range from 10~~3~~% to 25~~10~~% of available investment funds.

3. It is important for a county government to have the necessary funds for the scheduled tax distributions to other governmental entities. In particular, liquidity is essential for the January and June tax distributions. Therefore, it is ~~critical to time the maturity of investments to meet this requirement~~the policy of the Unified Government that such

funds be held liquid to provide assurance as to the availability and safety of these funds held on behalf of the other governmental entities under the Unified Government's trust.

D. ***Maturity.***

1. All investments shall be made to mature in accordance with cash needs identified in regularly prepared and updated cash flow forecasts. The Unified Government recognizes that the laddering of investments is a sound approach to mitigate short-term interest rate fluctuations. Additional considerations in the structuring of investments shall include:

   a. Review of economic and financial indicators, such as Federal Reserve monetary policy position statements and the U.S. Treasury yield curve; and

   b. Input from the Unified Government's ~~financial advisor~~municipal advisory firm.

2. The Unified Government has adopted the following maturity target ranges for its core investment portfolio. Core investments include all operating funds of the Unified Government and exclude ~~the investment of~~bond proceed funds held by a bond trustee for ~~bond proceeds~~the purpose of project construction, debt service payments, debt reserves or other escrow requirements.~~ and the health care reserve funds~~.

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

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

~~3. Extending the maturities in the investment portfolio is subject foremost to the cash flow requirements of the Unified Government. To extend the maturity of an investment for an additional12-month period a minimum gain in investment earnings of 10 basis points is required.~~

4. The sale of securities before maturity shall require the prior approval of the Chief Financial Officer based on the following reasons:

   a. A security with declining credit quality may be sold early to minimize loss of principal.
   b. Liquidity needs require a security to be sold.
   c. It is advantageous to the portfolio to sell such securities.
   d. Financial failure of the issuer is likely.

5. As long as this Policy continues to be approved by the State Pooled Money Investment Board, the maximum maturity for investments shall be four years. Otherwise the maximum maturity for investments shall be two years.

E. ***Return on Investment.*** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the UG's investment risk constraints, state statutes, cash flow characteristics of the portfolio, and prudent investment principles. As a benchmark for risk-free investment transactions, the ~~three-month constant maturity~~ U.S. Treasury B~~b~~ill rate for the Unified Government's total portfolio weighted average maturity term will be the minimum standard for the portfolio's rate of return. Return on investment is the last in~~of secondary~~ importance compared to the safety, diversification, ~~and~~ liquidity and maturity objectives described above.

Section 12. Performance Evaluation and Reporting

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

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

Section 13: Eligible Financial Institutions

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

1. In order to ensure the safety of principal, the Unified Government shall deposit funds, including those designated for investment purposes, only in eligible financial institutions which meet the minimum criteria set forth below. Financial institutions failing to meet the minimum criteria shall not be considered eligible.

2. Financial institutions must meet the following minimum qualifications:

   a. The deposits of the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC).

   b. The financial institution meets the criteria for eligibility under state law for active or idle funds as appropriate.

3. If a financial institution loses its eligibility under state law after Unified Government funds are deposited or invested, no additional funds shall be deposited in such institution. Funds shall be removed as quickly as is prudent under the circumstances, but funds invested with a prescribed time for maturity need not be withdrawn before such maturity.

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

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

2. *Selection Criteria.* In addition to the required criteria listed above, the Unified Government may also consider the following when selecting a financial~~n~~ institution as a depository for active funds:

   a. Full service capabilities
   b. Submission of financial statements and availability schedules
   c. Acceptable staff experience
   d. Statement of equal opportunity employment practices
   e. Extent of reinvestment of deposits in Wyandotte County.

3. *Competitive Selection.* The Chief Financial Officer shall solicit proposals prior to the designation of one or more depositories. The Unified Government's purchasing policies shall be followed when obtaining proposals on the Unified Government's depository specifications. Selection of the depositories shall be based on the capacity of an institution to perform the services required and on the most favorable terms and conditions for handling of Unified Government funds.

4. *Governing Body Designation.* K.S.A. 9-1401, as amended, requires the governing body of the Unified Government to designate by official action the financial institution or institutions, which shall serve as depositories of its active funds.

C. ***Idle Funds***

1. *In General.* Idle funds shall be invested only in the manner set out in K.S.A. 12-1675 and 12-1677b, and amendments thereto, and in this Policy. Investment transactions shall only be conducted with:

   a. Qualified financial institutions which meet the minimum requirements contained in this Section 13 and the criteria for eligibility under state law; or
   b. Qualified primary government security dealers and broker/dealers as set out below.

2. *Certification.* In order to be qualified for investment of Unified Government idle funds, a financial institution, securities dealer, or broker/dealer must certify in writing that the person responsible for the investment has read and understood and agreed to comply with this Policy.

3. *Competitive Selection.* Investments of idle funds will be offered to all approved institutions and dealers who have requested to be on the list of interested bidders. Investments will be awarded through a competitive process involving solicitation of bids from qualified institutions and dealers.

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

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

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

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

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

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

Section 14. Authorized Investments

A. *Idle Funds*

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

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

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

1. *United States Treasury and Agency Securities.* Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States-sponsored enterprises which under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities. Investments under this paragraph shall be limited to securities which do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, “interest rate risk” means market value changes due to changes in current interest rates.

2. *Interest-bearing Time Deposits.* In any banks, savings and loan associations, and savings banks which have a main or branch office in Kansas.

3. *Repurchase Agreements.* With banks, savings and loan associations, and savings banks which have a main or branch office in Kansas or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government-sponsored enterprises which under federal law may be accepted as security for public funds.

4. *Temporary Notes Issued by the Unified Government.*

5. *Municipal Investment Pool Fund.* The fund established in K.S.A. 12-1677a and amendments thereto and managed by the Kansas Pooled Money Investment Board.

6. *Multiple Municipal Client Investment Pools.* Managed by the trust departments of banks which have offices located in Wyandotte County or with trust companies incorporated under the laws of Kansas which have contracted to provide trust services under K.S.A. 9-2107, and amendments thereto. Moneys invested under this paragraph shall be secured as provided in K.S.A. 9-1402, and amendments thereto, and this Policy.

B. ***Local Emphasis***

1. Subject to the other requirements of this Policy, funds available for investment under this section will be offered first to eligible financial institutions with a main or branch office

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

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

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

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

1. Investments authorized for idle funds by K.S.A. 12-1675 and this Policy.

2. The municipal investment pool established pursuant to K.S.A. 12-1677a.

3. Direct obligations of the United States government or any agency thereof;

4. Temporary notes issued by the Unified Government.

5. Interest-bearing time deposits in commercial banks located in Wyandotte County.

6. Obligations of the Federal National Mortgage Association, Federal Home Loan banks and Federal Home Loan Mortgage Corporation.

7. Repurchase agreements collateralized by direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or the Federal Home Loan Mortgage Corporation.

8. Investment agreements with or other obligations of a financial institution, the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation;

9. Investments in shares of units of a money market fund or trust, the portfolio of which is comprised entirely of direct obligations of the U.S. government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

10. Receipts evidencing ownership interest in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

11. Municipal bonds or other obligations issued by any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same.

12. Bonds of any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

13. No moneys shall be invested in a derivative as that term is defined in K.S.A. 10-131, and amendments thereto.

D. ***Arbitrage***

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

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

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

Section 15. Collateral Requirements

A. ***Full Collateralization Required.*** All Unified Government deposits shall be fully insured or collateralized at all times.

B. ***Initial Placement*.** Moneys to be deposited in financial institutions shall not be released until the financial institution has executed and adopted a security agreement and required custodial agreements.

C. ***Allowable Collateral***. Acceptable collateral for Unified Government deposits, including idle fund investments, as permitted by K.S.A. 9-1402, and amendments thereto, shall be limited to:

1. Except as otherwise set out in this subsection C.1., the financial institution may pledge or assign securities owned directly or indirectly by it, the market value of which is equal to 105% of the total deposits at any given time. The following are allowable securities:

   a. Direct obligations of or obligations that are insured as to principal and interest by, the United States or any agency thereof.

   b. Obligations including letters of credit and securities of United States-sponsored corporations which under federal law may be accepted as security for public funds, subject to the following restrictions:

      (1) The letter of credit must be in the format acceptable to the Director of Revenue.

      (2) The Unified Government must be designated as the irrevocable and unconditional beneficiary of the letter of credit.

      (3) The issuer and the depository bank must notify the Director of Revenue by certified or registered mail at least 45 days prior to the cancellation or the non-renewal of a letter of credit.

      (4) The issuer may not provide letters of credit for any one depository bank in an amount which exceeds ten percent of the issuer's capital and surplus.

      (5) If a letter of credit issued by the Federal Home Loan Bank is to be pledged as collateral, the amount of the letter of credit shall be equal to 100% of the deposits to be collateralized plus the interest expected to be received by the Unified Government upon maturity of the investment.

2. The following securities may be used as collateral only if the financial institution pledges or assigns them in an amount, the market value of which is equal to 125% of the Unified Government deposits. Not more than 5% of the Unified Government's total idle funds portfolio may be collateralized by the following securities.

a. Bonds of any Kansas municipality which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States.

b. Bonds of the State of Kansas.

c. General obligation bonds of any Kansas municipality.

d. Revenue bonds of any Kansas municipality if approved by the state bank (or savings and loan) commissioner and which are rated at least Aa by Moody's Investors Service or AA by Standard and Poor's Corporation Bonds secured by revenues of a utility which has been in operation for less than three years will not be accepted as collateral.

e. Temporary notes of any Kansas municipality which are general obligations of the municipality issuing the same.

f. Warrants of any Kansas municipality, the issuance of which is authorized by the State Court of Tax Appeals and which are payable from the proceeds of a mandatory tax levy.

g. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

3. For overnight repurchase agreements in which the Unified Government is the buyer, the seller shall deliver the following securities to the custodian for the Unified Government in the amount of 102% of the market value of the securities on the purchase date:

a. Direct obligations of or obligations that are insured as to principal and interest by the United States or any agency thereof, or

b. Obligations and securities of U.S. government-sponsored corporations which under federal law may be accepted as security for public funds, subject to any restrictions contained in Section C.1.b. above.

D. ***Peak Period Agreements.*** Peak-period agreements permitted under K.S.A. 9-1403 are not permitted under this Policy.

E. ***Collateral Substitution.*** Collateralized investments often require substitution, additions and/or deletions of collateral. Any financial institution requesting ~~substitution~~ these actions must contact the Chief Financial Officer or the Director of Revenue/County Treasurer ~~and receive written approval of any collateral substitution~~. Substitution of collateral shall be required whenever, in the opinion of the Unified Government Chief Financial Officer, the collateral no longer satisfies or complies with the security requirements established under this Policy. ~~Immediate written notice shall be given to the financial institution when the Chief Financial Officer makes such determination.~~

F. ***Valuation of Collateral.*** For purposes of compliance with this section, all collateral shall be priced on a market value basis no less then monthly. Collateral requirement is defined as the outstanding amount of Unified Government~~UG~~ funds deposited plus accrued interest thereon less federal deposit insurance coverage.

G. ***Collateral Compliance Report.*** Each financial institution with Unified Government deposits shall submit monthly to the Chief Financial Officer or the Director of Revenue/County Treasurer, or more frequently if requested, a report documenting the institution's compliance with the collateral requirements of this Policy.

H. ***Custodial Agreement.*** Each depository bank depositing securities with a custodial bank shall enter into a written custodial agreement with the custodial bank and the Unified Government for the safekeeping of the securities.

I. ***Failure to Meet Collateral Requirements.*** If a depository bank fails to meet requirements established by this Policy, the depository bank shall be offered the following options:

1. Close the account and return to the Unified Government all principal and accrued interest without penalty; or

2. Convert the deposit to a repurchase agreement under terms acceptable to the Unified Government.

Staff Request for Commission Action

Tracking No. 18545

Full Commission Meeting Date: 12/3/18

Committee: Economic Development & Finance

Date of Standing Committee Action: 12/3/18 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
11/20/2018	John Kelly	573-5332	jkelly@wycokck.org	Building & Logistics

Item Description:

In accordance with the financial policies, a request is being submitted to increase the project budget by $1,000,000 for the new fire station. The funds will come from anticipated unexpended 2018 capital projects. The architect and firefighter design committee have been working to maintain basic features that meet their needs now and into the future. These additional funds will ensure that the basic features and future service delivery plans will remain in place.

The Construction Manager at Risk project schedule calls for the bid process to take place in February 2019 at which time the final costs will be determined.

Request approval and forward to full commission.

Action Requested:

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List: