**STATE OF KANSAS )**
**WYANDOTTE COUNTY )) SS REGULAR SESSION**
**CITY OF KANSAS CITY, KS ) AUGUST 13, 2020**

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in regular session virtually via Zoom or by phone on Thursday, August 13, 2020, with eleven members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO, presiding. The following officials were also in attendance: Doug Bach, County Administrator; Gordon Criswell, Emerick Cross, Alan Howze, Assistant County Administrators; Ken Moore, Chief Legal Counsel; Katherine Carttar, Director of Economic Development; Bridgette Cobbins, Unified Government Clerk; and Kathleen VonAchen, Chief Financial Officer.

**MAYOR ALVEY** said before I call the meeting to order, I want to announce that due to COVID-19, commissioners, staff, and public are attending remotely via Zoom or by phone. All participants joining by phone should mute their phones when not speaking to avoid background noise.

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

**ROLL CALL:** Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum, Alvey.

**INVOCATION** was given by Commissioner Harold Johnson of Faith Deliverance Church of God In Christ.

**Mayor Alvey** said I'd ask the Clerk if there are any revisions to tonight's agenda. **Bridgette Cobbins, UG Clerk,** said there were no revisions.

**MAYOR'S AGENDA**

No items

**CONSENT AGENDA**

**Mayor** asked, does any member of the Commission or the County Administrator wish to set-aside any item on the Consent Agenda? If an item is not set aside, all items on the Consent Agenda will be voted on by one vote. (There were none.)

**Action:** **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve the Consent Agenda.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 1 – 20255…GRANT: FY21 VOCA APPLICATION FOR VICTIM SERVICES UNIT**

**Synopsis:** Request to apply for and accept the FY21 VOCA grant in the amount of $368,771 to fund the Victim Services Unit, submitted by Wendy Medina, Program Supervisor, KCKPD Victim Services. The $92,191 required match will come from existing Police Dept. funds. On July 27, 2020, the Public Works and Safety Standing Committee, chaired by Commissioner Bynum, voted unanimously to approve and forward to full commission.

**Action:** **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 2 – 20235…RESOLUTION: DONATION OF A SHERIFF'S OFFICE VAN TO SALVATION ARMY**

**Synopsis:** A resolution authorizing the donation of a 2008 Sheriff's Office transport van to the Salvation Army (valued between $800 to $1,500), submitted by Susan Alig, Assistant Counsel.

On July 27, 2020, the Public Works and Safety Standing Committee, chaired by Commissioner Bynum, voted unanimously to approve and forward to full commission.

**Action:** **RESOLUTION NO. R-58-20,** "A resolution authorizing the loaning and donation of equipment from the Wyandotte County Sheriff's Office to the Kansas City, Kansas Salvation Army." **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to adopt the resolution.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 3 – 20310…PLAT: KC RAILCAR**

**Synopsis:** Plat of KC Railcar, located at 1147 South 14th St., being developed by Kansas City Railcar Services Inc., submitted by Brent Thompson, County Surveyor; and Troy Shaw, County Engineer.

**Action:** **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve and authorize the Mayor to sign said plat.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 4 – 20311…PLAT: TURNER LOGISTICS CENTER**

**Synopsis:** Plat of Turner Logistics Center located at College Parkway and Tauromee Ave. and being developed by Turner Land LLC, submitted by Brent Thompson, County Surveyor: and Troy Shaw, County Engineer.

**Action:** **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve and authorize the Mayor to sign said plat.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 5 – MINUTES**

**Synopsis:** Minutes from special session of July 13, 2020.

**Action:** **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 6 – WEEKLY BUSINESS MATERIAL**

**Synopsis:** Weekly business material dated July 23 and 30, 2020.

**Action:** **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to receive and file.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

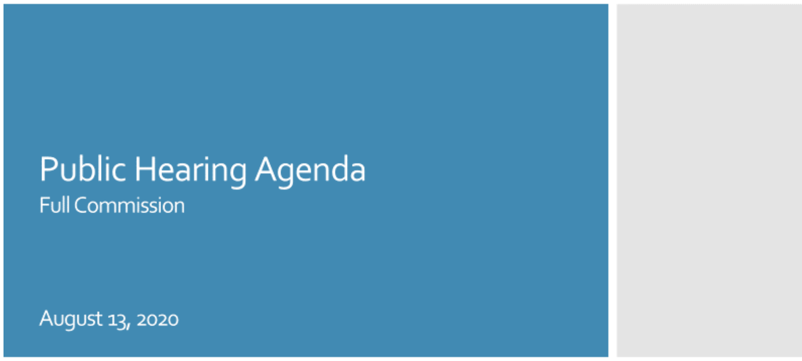
**PUBLIC HEARING AGENDA**

**Item No. 1 – 20232…ORDINANCE AND RESOLUTION: THE YARDS II APARTMENT AND RIVERFRONT DEVELOPMENT**

**Synopsis:** Request consideration of the following resolution and ordinance regarding KC The Yards II, LLC, plan for a first-class apartment complex located west of State Line Road, east of the Kansas River, north of Kansas Avenue, and south of Interstate 670 in the historic West Bottoms, submitted by Katherine Carttar, Director of Economic Development.

- An ordinance creating the Riverfront Redevelopment District
- A resolution adopting the Development Agreement for the Yards II Apartments

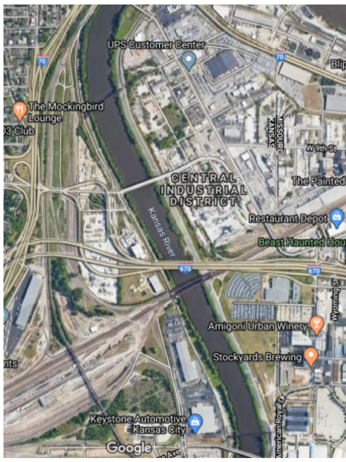
This item appeared before the Economic Development and Finance Standing Committee, chaired by Commissioner Burroughs, on July 6, 2020. It was requested, and approved by the Mayor, to fast track this item to the July 9, 2020 full commission meeting setting the public hearing for August 13, 2020.




**Doug Bach, County Administrator,** said this item came before standing committee last month. It was moved forward to the full Commission where we set this public hearing date. Tonight's purpose is for us to set out the project that we have in front of us that's proposed for the area with the new apartment complex. We will be giving you information about the project. We're voting just on a district tonight, so it's important to note that whenever you do a TIF, you always go through and you establish a district and then you come back and follow behind that with a project plan which is much more specific to the project that we're moving forward with. However, I will note also with tonight, we have a development agreement that will be in association with the project plan; however, it is conditioned upon actually getting the project plan approved which will come up later on this year.

At this time, I'm going to turn this over to our Economic Development Director, Katherine Carttar, and let her present the project.

**Katherine Carttar, Director of Economic Development,** said tonight, as Doug mentioned, is two-fold. We'll look at an ordinance creating the Riverfront Development District as well as a resolution adopting the development agreement for the Yards II Apartments.



As you probably know this area, you can see my cursor here, that what we're referring to is where the old stockyards used to be, so this is kind of a unique area. As you can see from this aerial view, that this is one of the few areas in the entire riverfront, both Kansas and Missouri River, that does not have some kind of obstruction whether it's industrial buildings, it's railroads for basically the entirety of the time that Kansas City, Kansas and Kansas City, Missouri have been around. We've really looked at the rivers as very utilitarian of how we were able to do things, travel (inaudible) and now we're noticing that there's another way that we can use the river as an asset.

So, because this is where the tracks were, there is a bridge that blocks the cows to this location that this was the end of the railroad, so this is a really unique kind of 20-acre area that is basically a greenfield in the middle of the city which is really an exciting opportunity.


Just a couple of things that I want to very briefly go over in terms of riverfront development. This is a trend that we've seen across the country, you know, something that as I mentioned, for most of our country's history rivers have been all about transportation. It has not been a way that we can see this as asset as an entertainment source. That has all changed in recent years.

I'm going to go over a few slides that shows towns that have changed and what we're seeing is some of investment and actual return on investment when you do invest on riverfronts. For example, this is Chicago's Riverfront. You can see, even though they have done a nice job, they clearly put some investment into it as it developed in the last 10 years and that has just increased the revenues along the riverfront substantially. People want to get out, they want to get near the river and then if we can kind of find a way that we can turn that into a tourist and recreational area, that just makes the return on the investment in the surrounding areas pretty substantial.

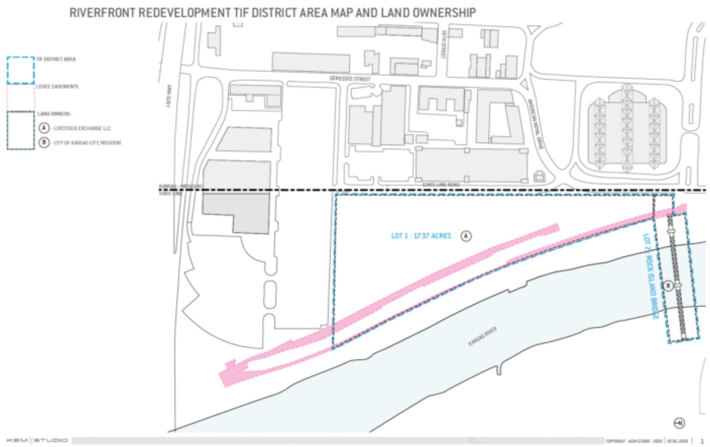
Another example; this is Pittsburgh. They have really shown what that return could be, so they have put a fairly substantial initial investment, and this is the city themselves, but they have seen just a 20:1 investment to development return which is pretty incredible and as you can see, they've got a quite a good mix income, mix use, mix everything kind of focus there.

These are just some of the things that as we're thinking about what to do with our river that we have been looking at.


As I mentioned, this is the location on the east side of the Kansas River. I think we've got big plans and I think you'll see more coming down the road, but this is kind of the first phase and first start. I just want to kind of briefly show this is something that we're looking at in terms of kind of the synergies of what is going on, on the Missouri side, so there has been a number of apartments, complexes, those we will talk a little more in-depth tonight as well as restaurants. The West Bottoms has kind of had a resurgence. You have the renovated HyVee Arena that brings in a quite amount of people.

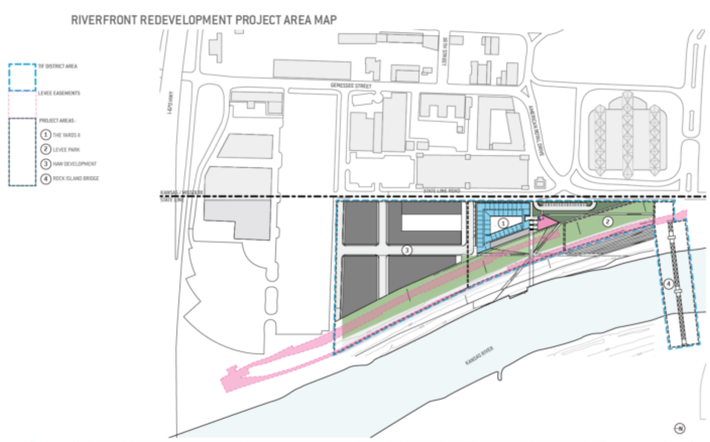
In addition to that, we also have the Levee Project. I think everyone is familiar with that. That's a $450M project that we are working on that over the course of quite a good span of the river, but with that we're looking at doing trails and some other betterments that will just make actually getting down to the river and enjoying what the river has to offer all the more accessible.

One of the primary areas that we're looking at in terms of having a trailhead and really a location for people to gather and really, again, enjoy the river is this location. These projects are coming at a great time for us.



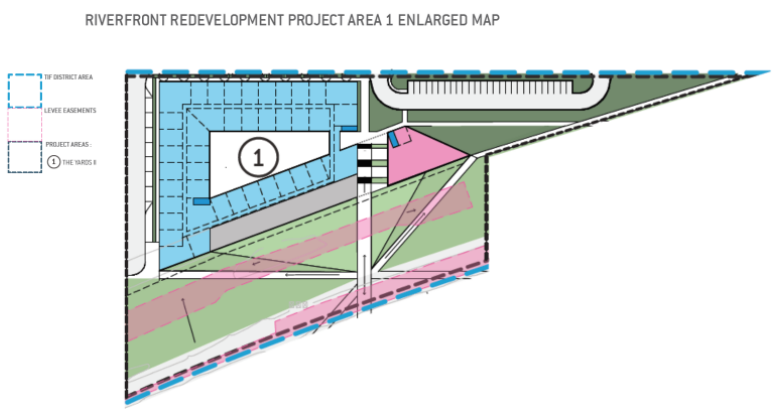

What you are voting on tonight is the creation of the Riverfront Redevelopment District. This is the project area. You can see it outlined here in blue that would include all of the livestock exchange, that's all the stockyard property, just over 17 acres as well as the Rock Island Bridge that we are anticipating at some future date there might be some development there.

All the vote tonight does is actually create this boundary, this district that then allows future projects to come down the road and actually utilize the TIF, so this is not just creating the TIF, it is again just creating that boundary and providing that as an opportunity for future projects to come down the road.

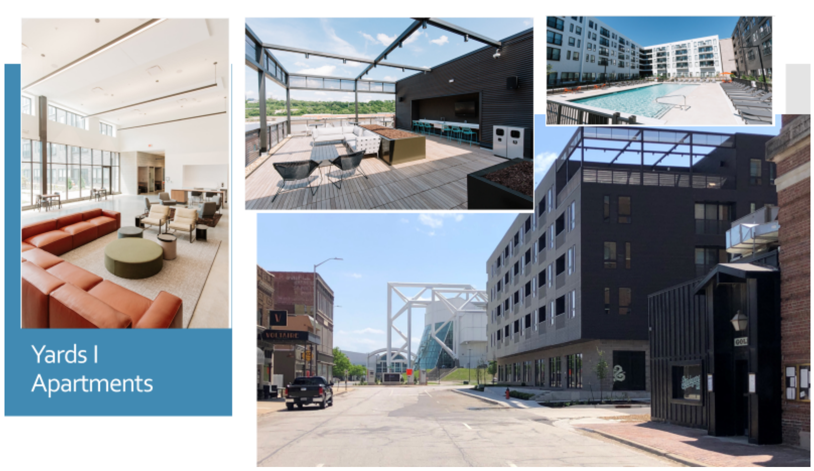



When it comes to future projects, the way that we are looking at it is, we're breaking it up into four different project areas. Tonight, I will talk to you a little more about Project Area 1, that will be the first phase of this project of (inaudible). Then the remaining project areas, those are all perspective projects. At this time nothing has been formally proposed so we will move forward and (inaudible) future I think (inaudible). Again, tonight, you are only voting on (inaudible), but

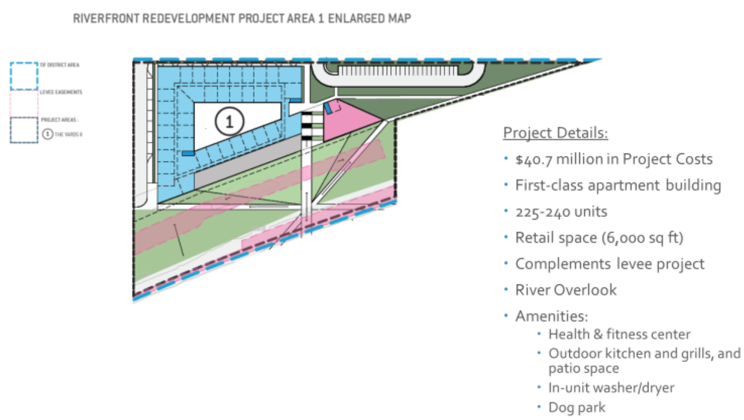
I'm now going to talk a little more about Project Area 1 as that has the development agreement, that's a resolution that would also be passed tonight if you so choose. That will not bind you into extending those benefits (inaudible), that will come later as the Economic Development and Finance Committee voted earlier this week to set up a public hearing for that project plan to be in October, I believe October 29th. Tonight, all you'll be hearing is—can people hear me okay? **Mr. Bach** said your audio has been coming in and out. You're kind of breaking up a little bit, so I don't know what you have you going. We can hear you, but occasionally it gets weak. **Ms. Carttar** said hopefully it gets better.




Project Area 1 is what we're looking at. What is proposed in this location is the Yards II Apartment Complex. This will be the second phase of apartments that Flaherty & Collins, a developer who have done a number of projects in the area has built. Their first phase is in the West Bottoms just on the other side of the State Line.

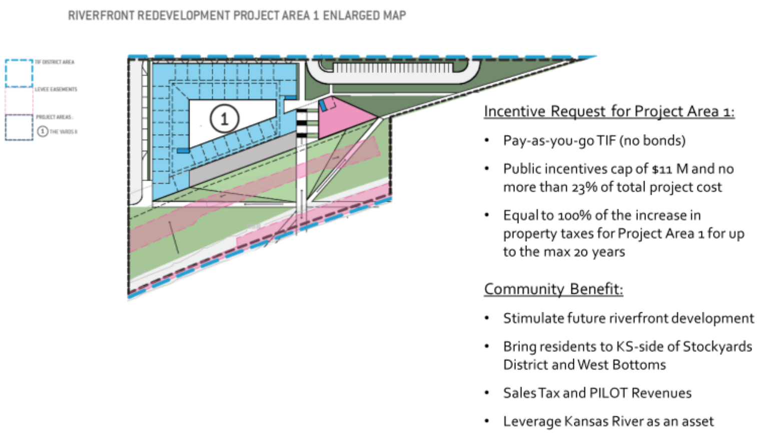


It was just opened just within the last couple of months. You can see here market rate, really lovely amenities, very open. One of their philosophies is really trying to make it feel like you are in a unique interesting location and with that this is a type of apartments that we really don't have certainly on the east side of Kansas City, Kansas. It would be a great addition to what we have to offer our residents.




Specifics of the project; it's just over $40M, first-class apartments, about 225-240 units with retail space as well on the first floor. As I mentioned, the wonderful thing about doing development in this location is it will really compliment what we're doing with the levee's, so they're actually having an overlook here that would be adjoined to the levee trails that I mentioned earlier that would be open to the public. That would really just provide a way for people to look out and access the river in a way that they haven't before.

Again, this is a first-class apartment building. You're going to see first-class units—amenities so health and fitness center, patio space, and other amenities outdoors. In-unit washer and dryers as well as a dog park.




What the development agreement lays out are the incentives requested and what we have negotiated. This really is I think more so—it has been negotiated to the point where we're really looking at exactly what that gap is, what is necessary to get this project to move forward. It would be a pay-as-you-go TIF, so no bonds. The UG would not be backing any of the debt. The public incentives we've negotiated is a $11M cap. That would be a maximum of 23% of the total project cost. This ends up being about 100% of the increase in property taxes for the life of the term.

However, some of the community benefits that really make this kind of something that we recommend and something we feel is necessary for this location is because this will stimulate additional development. What we've seen in other areas, what we've seen across the country in other riverfront developments is you bring multi-family and that is kind of the first phase and that's what capitalizes the additional development. Also, we've seen there are a number of Kansas residents who may want to live in more of the urban area but actually don't want to cross over that state line. This is a great option as well as the opportunity to bring people from Missouri who have not thought about living here, but this is also a good option.

In terms of other specific community benefits the sales tax from the retail space as well as the PILOT revenues and, again, just another way to really leverage the Kansas River as an asset.


With that, are there any questions or we move on the public hearing.

**Mayor Alvey** said, I've just got to tell, Rocki, for some reason when Katherine is speaking and it was garbled and I unmuted, it cleared it up. I have no idea why they should happen, so I kept turning the mute on and off. If I leave my microphone on, you'll know why.

**Mr. Bach** said, Katherine, we do have representatives of the developer here. Do they want to make any statements regarding the projects before we go to the public hearing? At least introduce them for the Commission so they can all meet them.

I see we have Kerry Amigoni on here as a business partner and I don't know if Mr. Haw is on the line with her as well as their attorney also looks like he's on the line. **Ms. Carttar** said I think the developer was having issues and was asking for a password. I don't know if he made it on or not. Yes, Ryan Cronk is the developer from Flaherty & Collins. He is the one who may or may not have gotten on. Aaron March is their attorney and then Bill Haw is the property owner and Kerry Amigoni is a business partner in that group.

**Kerry Amigoni** said Bill and I are here. **Ms. Carttar** asked, would you all like to make any comments in support of the project. **Bill Haw** said I think I would. I've been working with Flaherty & Collins (inaudible) project on the Missouri side. The last two years they've been perfect partners and have done everything they said they would do and I'm fortunate as I've found them to be ideal partners. I bought originally a number of acres in what has been called the West Bottoms which is now called the Stockyards District, and this will be the first project that we've done in Kansas and I'm delighted to be working with Flaherty & Collins. They've been perfect partners in the first phase and I'm sure they will be on the second phase.

**Mr. Bach** said, Mayor, with that we would recommend we go to the public hearing.

**Ryan Cronk, Flaherty & Collins,** said, Katherine, I was going to say something as well. **Ms. Carttar** said this is Ryan Cronk, the developer for Flaherty & Collins. **Mr. Cronk** said as Mr. Haw had indicated, Mr. Haw and Kerry have been fantastic partners. This is the first time we've ever done a Phase 2 of a project in a different state, so this is very unique. We're very excited to be working with the Unified Government. As we've communicated to Katherine and others, we definitely want to do more projects in your city, and I think this would be a great segue into doing that.

I just want to give a quick update. We opened Phase 1 during COVID which we've never had to open a property like that before and I think our first move-ins were on May 1st of this year and we're already at the 30% lease. Under the crazy scenario of trying to start leasing virtual only and all that stuff, I think we're only two leases behind our budget of where we wanted to be at this point and time from when we opened. We're ecstatic. We're ecstatic to do a Phase 2 in Kansas and we're really ecstatic to see what the riverfront can become down there. We look forward to working with you all.

**Mayor Alvey** said I will now open the public hearing and ask if there is anyone who would like to speak in favor of this item. **Rocki Mayes** said, Mayor, there are no attendees with their hands up.

**Mayor Alvey** asked, Clerk, did we receive any notifications from the public that wish to express their opinion on this item. **Ms. Cobbins** said there were no notifications to the Clerk's Office.

**Mayor Alvey** asked, is there anyone in opposition that would like to speak. **Ms. Mayes** said, Mayor, there are no hands up.

**Mayor Alvey** asked, any notifications from the public by mail. **Ms. Cobbins** said no one contacted the Clerk's Office in opposition.

**Mayor Alvey** said if there are no further comments, I will close the public hearing and now I will take questions and comments from the Commission. (There were none)

**Action:** **ORDINANCE NO. O-47-20,** "An ordinance making findings and establishing a Redevelopment District pursuant to K.S.A. 12-1770 ET SEQ., and amendments thereto." **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to approve the ordinance.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Action:** **RESOLUTION NO. R-58-20,** "A resolution adopting the Development Agreement (The Yards II)." **Commissioner McKiernan made a motion, seconded by Commissioner Johnson, to adopt the resolution.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**STANDING COMMITTEES' AGENDA**

No items

**ADMINISTRATOR'S AGENDA**

**Mr. Bach** said we are very excited to bring before you this evening the results from our bond sale. Ms. VonAchen had submitted with the original agenda package, about a 15 page PowerPoint, for all of you to be able to look through and see the details of this. I think she is anxiously awaiting the opportunity to come tell you about the sale that's been going on over the last day and a half.

**Ms. VonAchen, Chief Financial Officer,** said we have concluded the bond sale for today and I'm now going to talk a little bit about how the final refinancing savings took place so this PowerPoint will show updated numbers. We're also going to talk about the credit rating reports.

I want to thank our Financial Advisors from Baker Tilly, Dave MacGillivray and Elizabeth Bergman, as well as my staff, the Deputy CFO Debbie Jonscher and Alyse Villarreal and our underwriter which was a negotiated deal, Managing Director Jon Moellenberg.

**FINANCING TIMELINE**

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| July 16 | Commission approved bond resolutions |
| July 30 | Standard & Poor's presentation |
| August 4 | Moody's Investor Services presentation |
| August 7 | Received credit rating reports |
| August 7 | Published the Preliminary Official Statement (POS) |
| August 10 | Investor conference call and Q&A |
| August 13 | Bond/note sale and Commission approval |
| August 20 | Publish the Final Official Statement (FOS) |
| September 17 | Closing and settlement of bond proceeds |

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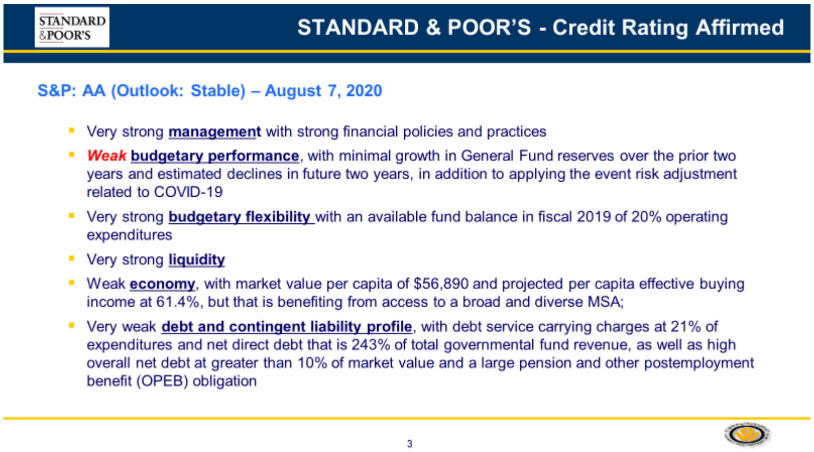
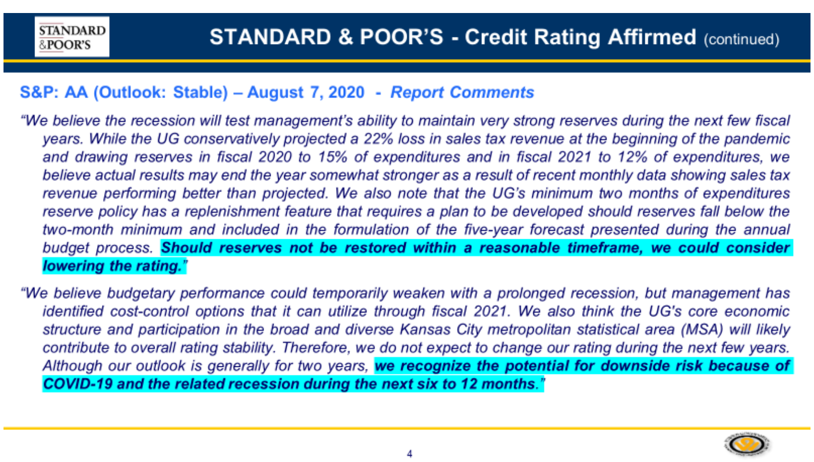
As you may remember, on July 16th you all approved bond resolutions to undertake this bond financing and on July 30th and August 4th we presented our credit to Standard & Poor's and Moody's. We received those credit rating reports last Friday and published the preliminary official statement or the indenture. We also held with Royal Bank of Canada, the investor, a conference call and answered questions from potential investors and then today was the bond sale and we recommend your approval. The final POS will be—your final Official Statement will be published later this week and we hope to close on September 17th.



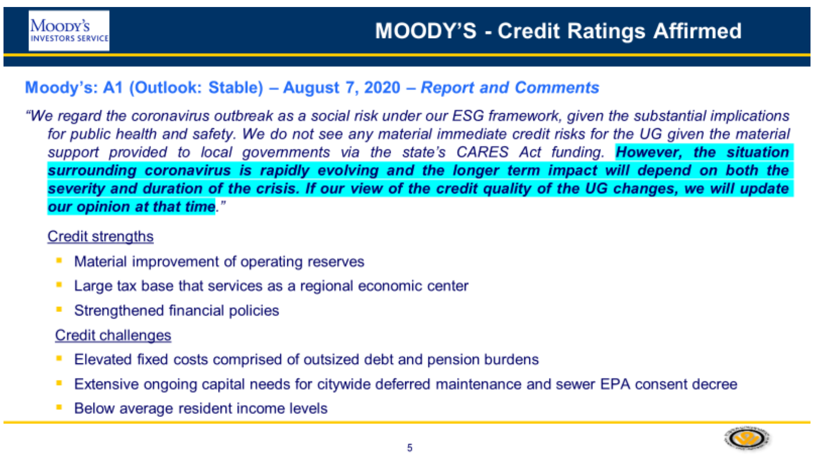

Before I get to the good news, we wanted to talk a little bit about our credit rating. As you know, we did a credit rating presentation in February and at that time we had both of our rates affirmed and, again, now we've updated the information with information from our 2019 CAFR as well as the projections for our Amended 2020 Budget and 2021 Budget. We explained to them the actions that you all supported as part of our addressing the COVID-19 revenue loss that we were estimating and as a result of those conversations with the credit rating agencies resulted in them continuing to affirm our current credit rating. With S&P we have AA with a stable outlook.

These are some bullet points of various credit factors and what is contained in their report. The only change really in the credit factors for Standard & Poor's was that budgetary performance was changed from strong to weak. That's because we were—we maintained, we didn't grow our fund balance over the past two years and then the estimated budget for 2021 both estimate a reduction in our fund balance. It didn't impact our outlook.



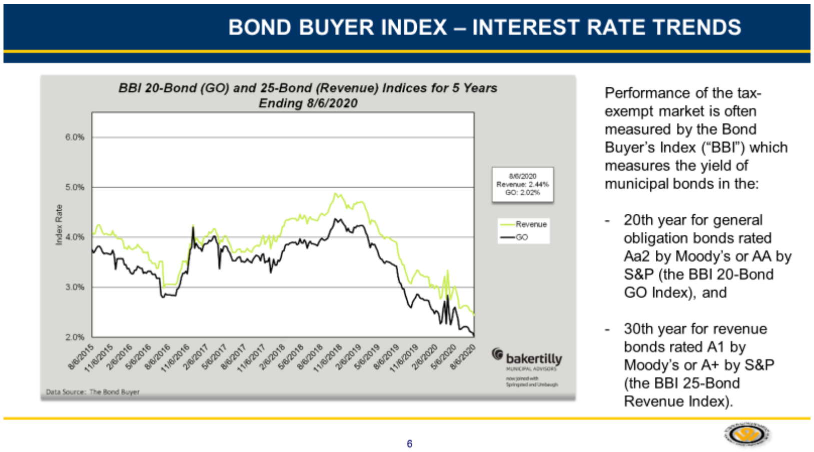
On the next page they made a few notes which I want to point out. First off, of course, they understand the COVID problem which is impacting all of local government and they realize that our reserve policy has a replenishment feature so they're looking forward to us working on a plan to replenish our reserves over the next five years. They did say that if we don't restore our reserves within a reasonable timeframe, they would consider lowering our credit rating.

They also are going to take a look at the potential downsize risk of COVID and any kind of related recession over the next to 6 to 12 months. So, they are going to be watching us and see if we can accomplish the objectives that were in our budget or exceed them.

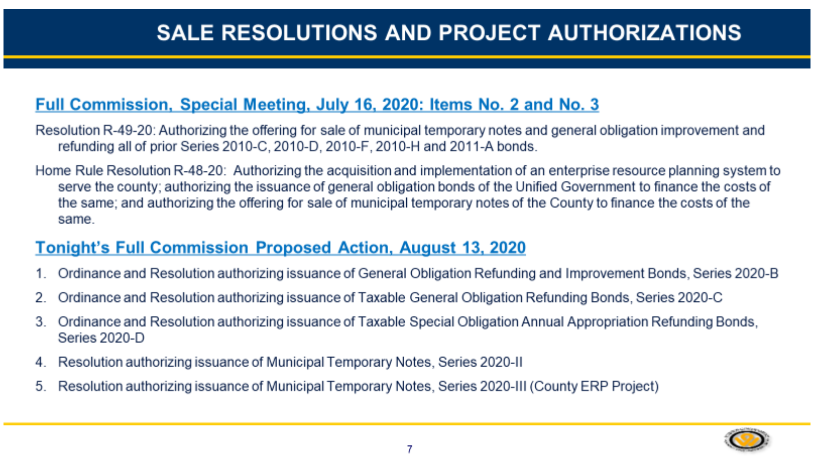



Moody's has us rated at A1 with a stable outlook and that rating has been affirmed. One important comment here is, however, the situation surrounding the coronavirus is rapidly evolving and the long-term impact will depend on both the severity and duration of the crisis. In their view the credit quality of the UG, if it changes, then they would update their opinion at that time.

The credit strengths and credit challenges are very much the same as they have always been, so we were able to provide the credit rating agencies with a certain level of confidence that management and the governing body are taking this pandemic seriously and making prudent financial management decisions.

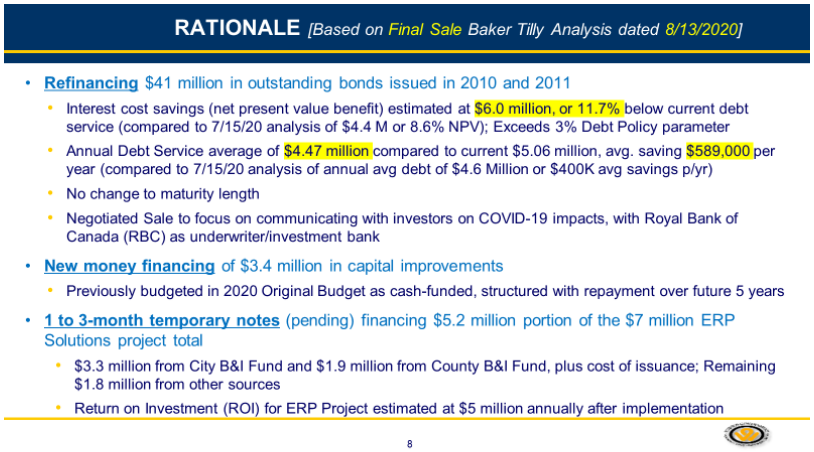



Before I go on and show the savings, I just wanted to show—kind of illustrate the movement of interest rates over the past five years. The line you are to look at is that dark black line. Since last year or February of last year, rates have gone down significantly, and they even continue to go down in the last three months. You can see they're at the 2% level for the 20-year municipal bond buyer index of the 20-year general obligation bond for a AA rating.




Tonight, we're going propose that five resolutions be adopted as part of this bond financing. Just as a reminder, during the July 16$^{th}$ meeting Resolution R-49-20 was adopted and that allowed for us to issue refunding on the 2010-C, D, F, H and 2011-A bonds as well as it added in roughly $3.4M in temporary notes to pay for projects that we had previously planned to pay for with cash.

The Home Rule Resolution R-48-20 allowed for us to issue temporary notes for the acquisition and implementation of an enterprise resource planning system both on the city and the county side. Tonight's ordinances and resolutions addresses the refinancing and the temporary notes.




Here's the good news. All the yellow highlights are changes from the PowerPoint that I provided as part of the packet on Monday. We're refinancing $41M in outstanding bonds that were issued back in 2010 and 2011. The interest cost savings, which is also called the net present value benefit, ended up being $6M over the future 10 years for a reduction from our current debt service of 11.7%. So, back a month ago, our analysis estimated that we would be saving $4.4M at a savings of 8.6%, so the market has significantly moved to our benefit over the past 30 days and this is quite significant. By the way, the Debt Policy requires that we not do refinancing's unless it's more than 3%, so we're far beyond the 3%.

Annual Average Debt Service is calculated at $4.5M compared to our current amount of $5M and because the maturities are a little different, the average savings is roughly $580K per year compared with the prior analysis which was about $400K a year.

There is no change in the maturity length and one other thing we wanted to note, typically we issue bonds on a competitive basis but because of the COVID and the impact that it has, we felt we needed to do this bond issue on a negotiated sale basis in order to be able to reach out individually with investors and communicate our story. As a result, through our investment banking pool we selected Royal Bank of Canada or Capital Market RBC as the underwriter in the investment bank on this deal.

In addition, included within the refinancing bonds is an additional $4.4M in new money and that is for the capital projects that had been previously budgeted in the original budget as cash funded and those are going to be structured to be repaid over the first five years of the bond issue.

Lastly, we are issuing—the last two items on the agenda is for approval of two temporary notes. One is for the city and one for the county. They are going to be structured on a one to three month temporary basis and the total is $5.2M and that will pay for a portion of the $7M Enterprise Resource Planning Solutions project and $3.3M of it is from the City Bond & Interest Fund and $1.9M from the County Bond & Interest Fund, plus some cost of issuance with the remaining portion of the $7M, $1.8M from other sources.

These three amounts are based on a number of full-time equivalent employees budgeted in the respective funds in order to properly allocate the cost of the projects across the entire organization. Again, the return on investment for the ERP Project, once it's implemented, is estimated to be $5M a year in savings to the organization.

## PURPOSE AND ESTIMATED NET SAVINGS – SERIES 2020-B

- Refund all bonds outstanding that previously financed the various UG street, bridge, sewer, water and other public improvements in order to provide net present value savings in excess of 3% due to:
  - a) shorten maturities resulting in lower interest rates, and
  - b) capture lower interest rate trends in the current market.

| Current Bonds | Series | Issuance Date | Original Issuance | Prior Average Coupon | Remaining Years | Outstanding Balance | Net Present Value |
|---|---|---|---|---|---|---|---|
| Taxable GO Bonds | 2010-C | 2/26/2010 | $7,770,000 | 5.22% | 2021 to 2030 | $4,685,000 | 9.56% |
| Taxable GO Bonds | 2010-D | 2/26/2010 | $19,415,000 | 5.15% | 2021 to 2030 | $12,335,000 | 11.64% |
| Taxable GO Bonds | 2010-F | 12/16/2010 | $10,785,000 | 5.17% | 2021 to 2030 | $6,900,000 | 9.52% |
| New Money: Previously cash-funded 2020 projects | | | | | | $3,400,000 | |

| Refunding | Series | Issuance Date | True Interest Cost | Years | Refunding Amount* |
|---|---|---|---|---|---|
| Tax-Exempt GO Improvements & Refunding Bonds | 2020-B | 9/17/2020 | 0.78% | 2021 to 2031 | $24,580,000 |

*Based on Final Baker Tilly Analysis dated 8/13/2020*
* Estimate par of $24.58 million amt above includes estimated premium and COI

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Just a little bit of information on how much we've saved on the various bond issues. These three bond issues here are the three that we are refinancing and then—as well as the additional $3.4M in money to pay for the previous cash-funded projects. All of this money is getting lumped into one bond issue which is the 2020-B and, as you can see, the average coupon rate was roughly 5.+% over this remaining years of 21 through 23—or 2030. By doing the refinancing the first bond issue is saving 5.9%, the second bond issue 11.6 and the third 9.5%, that's the amount of annual debt service—or total debt service less the amount we are currently paying. This is a significant savings. Our true interest cost is only about 0.78%, that's how low the interest rates are right now for 10 years.

## BONDS - PREVIOUSLY CASH FUNDED 2020 PROJECTS

| CMIP | Project Name | Project Costs to be Financed |
|---|---|---|
| 3304 | Pavement Marking & Signing Program | $50,000 |
| 7301 | Bonded Technology Projects | $431,000 |
| 7305 | Upgrade Land Management System | $374,000 |
| 7306 | Online Permitting & Electronic Plan Review | $150,000 |
| 7307 | Timekeeping Upgrades / Integrations | $58,000 |
| 7404 | Bonded Equipment | $2,275,000 |
| 8217 | Salt Dome Repairs | $60,000 |
| | **Total Project Costs** | **$3,398,000** |

Permanent bond financing incorporated in the refinanced Series 2020-B bonds with debt service structured for pay-off in the first 5 years at estimated 0.43% true interest cost.

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Just as a reminder, these are the projects that we're paying for that were previously cash-funded and those were approved already as part of the capital project authorization that was adopted on July 16th. These, as I mentioned, these are getting rolled into the 2020-B bonds and they're going to be paid off in the first five years of the bonds and their total true interest cost is 0.43%.

## PURPOSE AND ESTIMATED NET SAVINGS – SERIES 2020-C & 2020-D

- Refund all bonds outstanding that previously financed the various public improvements in order to provide net present value savings in excess of 3% due to:
  - a) shorten maturities resulting in lower interest rates, and
  - b) capture lower interest rate trends in the current market.

| Current Bonds | Series | Issuance Date | Original Issuance | Prior Average Coupon | Remaining Years | Outstanding Balance | Net Present Value |
|---|---|---|---|---|---|---|---|
| Tax-exempt GO Bonds | 2011-A | 2/24/2011 | $18,500,000 | 4.35% | 2020 to 2021 | $12,330,000 | 11.18% |
| Tax-exempt Annual Appropriation Bonds | 2010-H | 2/24/2011 | $7,725,000 | 5.75% | 2020 to 2031 | $5,450,000 | 16.78% |

| Refunding | Series | Issuance Date | True Interest Cost | Years | Refunding Amount* |
|---|---|---|---|---|---|
| Taxable GO Advanced Refunding Bonds | 2020-C | 9/17/2020 | 1.59% | 2021 to 2031 | $12,960,000 |
| Taxable Special Obligation Annual Appropriation Bonds | 2020-D | 9/17/2020 | 1.79% | 2020 to 2031 | $5,700,000 |

*Based on Final Baker Tilly Analysis dated 8/13/2020*
* Estimate par amts above includes estimated advance refunding escrow, premium and COI 11

There are also two more bond issues that we are refinancing. There is the 2011-A and the 2010-H and the first one paid for various capital improvement projects. The second one is a tax-exempt annual appropriation bond which paid for parking related structures of facilities of the Sporting KC facility at the Children's Mercy Park and KC Sporting facility.

As you can see, the interest savings for these bonds were very significant, especially the 2010-H bond which was almost a 17% savings. Down below here are the amounts that we're going to paying in the future. The 2020-D which is corresponding with the 2010-H is a taxable obligation annual appropriation bond.

## TEMPORARY NOTES - ERP SOLUTIONS PROJECT

| CMIP | Enterprise Resource Planning (ERP) Solutions Project | Project Funding |
|---|---|---|
| 7304 | City Bond & Interest Fund | $3,323,647 |
| 7304 | County Bond & Interest Fund | $1,910,994 |
| | ***Subtotal for 1 to 3-month Temp Notes Financing*** | ***$5,234,641*** |
| | | |
| 7304 | Non-General Fund department contributions | $1,510,359 |
| Various | Shift outstanding related-projects' prior funding | $280,000 |
| | **Total Project Funding** | **$7,025,000** |

Funding allocation across all UG departments based on number of FTE budgeted in each operating fund. Financing portion to be paid off in 1 to 3-month (pending) utilizing available reserves with an estimated interest rate of 0.5% or approximately $5,000 Private placement temporary note with UMB Bank as the investor.

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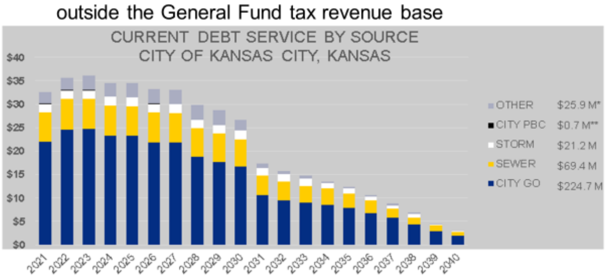
Lastly, the last two temporary note resolutions that you will be considering is our temporary notes for the ERP Solutions Project. As I mentioned, the top three will be coming from the City Bond & Interest and the County Bond & Interest Reserve amounts. As we discussed during the budget session, there are reserves setting in these two bond & interest funds that have an accumulative as a result of prior financing as well as not having spent 100% of previous bond issue bond proceeds, so that's where these funds are coming from.

The other portion at $1.5M is from non-general fund departmental contributions. We're also considering using CARE debt to cover this $1.5M instead as well as outstanding related projects that had some purchase orders open at $280K. It turns out that we're going to finance these probably for just two months at an interest rate of .5%, so approximately $5K in interest and these are being privately placed temporary note, so UMB Bank will be our investor and they'll be buying the bonds and holding them for a month or two and then we will turnaround and pay them back. That's how that works.

## CITY OF KANSAS CITY, KS GF-BACKED OUTSTANDING BONDED DEBT

- Outstanding General Fund-backed debt of $341.9 Million
- $117.2 Million, or 34.3%, have dedicated revenue streams outside the General Fund tax revenue base




*Includes Electric Utility, TIF, Levee

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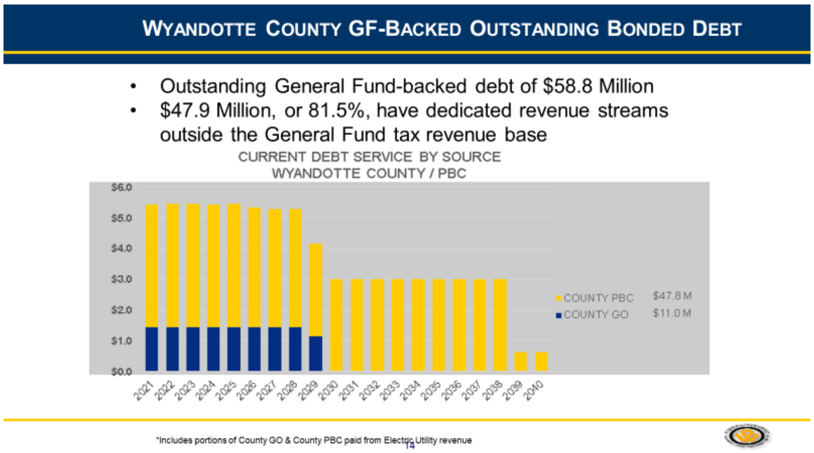
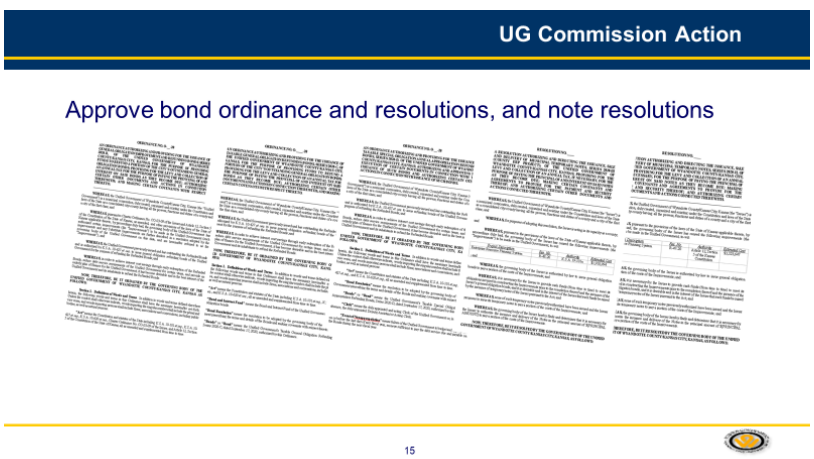
**Excludes PBC Series 2016-A (BPU Office Building) entirely paid from Electric Utility revenues. Current outstanding amount $0.7M

Lastly, this is just for your information. This is how much the city of Kansas City, Kansas General Fund-Backed Debt. This is a graph of how that looks. It totals $341M, but $117M of it is pay back from dedicated sources outside of the General Fund property tax revenue base. They are paid for either by storm or sewer.




On the County side, the Wyandotte County General Fund-Backed Debt totals $58.8M of which 81% of it is paid for from revenue streams outside the property tax base.




Tonight, we ask for your approval of five actions, bond ordinances and resolutions, as well as the last two here, note resolutions. I would be happy to answer any questions you may have. I believe our bond counsel would prefer that you vote on these separately, but I'm not 100% sure, so I'm going to let Ken, our Legal, weigh-in on that. **Mayor Alvey** said this is how we have it lined out. It would be voted individually.

**Commissioner Ramirez** said just for clarification, just for my mind because how I learn is I like to read or read stuff back. So, the $3.4M in capital improvement is part of the—**Ms. VonAchen** said 2020-B. **Commissioner Ramirez** said okay, so that's part of it. Alright, when I was going through the documents and information that's where I was trying to find where that $3.4M was going. **Ms. VonAchen** said that's right, it's in the 2020-B. **Commissioner Ramirez** said alright, that sounds good.

**Commissioner Johnson** said great job in terms of finding out ways that we can streamline our finances in terms of interest rates and whatnot. I think you guys are keeping your eye on the ball and you continue to do that particularly during this COVID environment. Of course, everybody knows what we're dealing with. First of all, congratulations. I think you're helping us in a great manner and maybe the average person may not realize that, but I want say that for the record for those that may be watching. These are the things that may go undetected by the average citizen, but they are really saving us a tremendous amount of money.

I'm going to just ask a very simple question and that is, how does this affect the bottom line? How does this affect—and potentially how does this affect future credit ratings as it relates to these types of savings that we're able to realize? **Ms. VonAchen** said first off the bottom line is that the City and County Bond & Interest Funds—well, actually the City Bond & Interest Fund, the fund balance will improve because of the savings that is achieved and these refinancing's have been structured so that the savings is pretty much all upfront in the '21, '22, and '23 years. Those reserves will be growing because of the savings and should there be any kind of unexpected declines or a slower than expected growth in property tax valuations, those reserves will be there as a great leverage or, you know, safety net for our debt service going forward. So, those kind of actions are looked on very positively by the credit rating agencies.

**Commissioner Johnson** said in terms of future—I understand why we have the credit ratings that we do. On the one hand we're stable, okay, that's good news. On the other hand, we know we're highly leveraged. We understand that we're having to dip into our cash reserves as it relates to right now. I would imagine a lot of urban cities around the country are having to do the same thing. I'm just thinking ahead, thinking into the future, is there a way to dig our way out of this so that we can continue to improve our credit ratings in a COVID environment? I know that's a loaded question. **Ms. VonAchen** said if our property tax values continue to grow as we expect, then the reserves or the excess amount due to the savings that's setting in the fund balance of the City Bond & Interest Fund can be utilized through the use of temporary notes to pay down the outstanding debt that we've issued on temporary notes. In effect, it would diminish the amount of outstanding debt that we plan to issue in the future.

**Commissioner Burroughs** said I too wanted to thank Kathleen for the presentation, but if I may, Mayor, I would like to go back to the first couple of pages that talked about the credit ratings. There were some comments that were made by the rating organizations in reference to our sales tax and I believe it talked about—I felt from the very beginning we've been a little conservative on our sales tax and having serving on the Economic Recovery Committee for the State, I do know our use taxes have really outperformed more than what the State anticipated and our sales taxes seem to be doing well also.

It was nice to see that those comments were reinforced by S&P and Moody's in reference to those comments being made early on during our budget process. I'm just very pleased that the committee members of the Finance Committee are paying attention and that staff should feel comfortable that we as a committee and we as commissioners are taking our responsibilities to heart when we look over these issues. Again, Kathleen, staff, thank you for the presentation this evening. Those savings are valuable dollars and I hope to be able to build on that as we move forward.

**Item No. 1 – 20306…ORDINANCE AND RESOLUTION: AUTHORIZING ISSUANCE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-B**

**Synopsis:** An ordinance authorizing and providing for the issuance of general obligation refunding and improvement bonds, series 2020-B, and a resolution prescribing the form and details of and authorizing and directing the sale and delivery of the bonds, submitted by Kathleen VonAchen, Chief Financial Officer.

**Action:** **ORDINANCE NO. O-48-20,** "An ordinance authorizing and providing for the issuance of General Obligation Improvement and Refunding Bonds, Series 2020-B, of the Unified Government of Wyandotte County/Kansas City, Kansas, for the purpose of providing funds to refund a portion of the City's Outstanding General Obligation Bonds; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; authorizing certain other documents and actions in connection therewith; and making certain covenants with respect thereto." **Commissioner Ramirez made a motion, seconded by Commissioner Johnson, to approve the ordinance.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Action:** **RESOLUTION NO. R-59-20,** "A resolution prescribing the form and details of and authorizing and directing the sale and delivery of General Obligation Improvement and Refunding Bonds, Series 2020-B, of the Unified Government of Wyandotte County/Kansas City, Kansas, previously authorized by Ordinance No. O-48-20 of the issuer; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith." **Commissioner Ramirez made a motion, seconded by Commissioner Johnson, to adopt the resolution.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 2 – 20307…ORDINANCE AND RESOLUTION: AUTHORIZING THE ISSUANCE OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020-C**

**Synopsis:** An ordinance authorizing and providing for the issuance of taxable general obligation refunding bonds, series 2020-C, and a resolution prescribing the form and details of and authorizing and directing the sale and delivery of the bonds, submitted by Kathleen VonAchen, Chief Financial Officer.

**Action:** **ORDINANCE NO. O-49-20,** "An ordinance authorizing and providing for the issuance of Taxable General Obligation Refunding Bonds, Series 2020-C of the Unified Government of Wyandotte County/Kansas City, Kansas, for the purpose of providing funds to refund a portion of the City's Outstanding General Obligation Bonds; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; authorizing certain other documents and actions in connection therewith; and making certain covenants with respect thereto." **Commissioner Bynum made a motion, seconded by Commissioner Johnson, to approve the ordinance.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Action:** **RESOLUTION NO. R-60-20,** "A resolution prescribing the form and details of and authorizing and directing the sale and delivery of Taxable General Obligation Refunding Bonds, Series 2020-C, of the Unified Government of Wyandotte County/Kansas City, Kansas, previously authorized by Ordinance No. O-49-20 of the issuer; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith." **Commissioner Bynum made a motion, seconded by Commissioner Johnson, to adopt the resolution.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 3 – 20308…ORDINANCE AND RESOLUTION: ORDINANCE AND RESOLUTION: AUTHORIZING THE ISSUANCE OF TAXABLE SPECIAL OBLIGATION ANNUAL APPROPRIATION REFUNDING BONDS, SERIES 2020-D**

**Synopsis:** An ordinance authorizing and providing for the issuance of taxable special obligation annual appropriation refunding bonds, series 2020-D, and a resolution prescribing the form and details of and authorizing and directing the sale and delivery of the bonds, submitted by Kathleen VonAchen, Chief Financial Officer.

**Action:** **ORDINANCE NO. O-50-20,** "An ordinance authorizing and providing for the issuance of Taxable Special Obligation Annual Appropriation Refunding Bonds, Series 2020-D, of the Unified Government of Wyandotte County/Kansas City, Kansas; authorizing and approving the execution of certain documents in connection with the issuance of such bonds and authorizing certain other actions in connection with issuance of such bonds." **Commissioner Burroughs made a motion, seconded by Commissioner Johnson, to approve the ordinance.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Action:** **RESOLUTION NO. R-61-20,** "A resolution prescribing the form and details of and authorizing and directing the sale and delivery of Taxable Special Obligation Annual Appropriation Refunding Bonds, Series 2020-D, of the Unified Government of Wyandotte County/Kansas City, Kansas, previously authorized by Ordinance No. O-50-20 of the issuer; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith." **Commissioner Burroughs made a motion, seconded by Commissioner Johnson, to adopt the resolution.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Item No. 4 – 20309….TWO RESOLUTIONS: AUTHORIZING MUNICIPAL TEMPORARY NOTES, SERIES 2020-II & MUNICIPAL TEMPORARY NOTES, SERIES 2020-III (COUNTY ERP PROJECT)**

**Synopsis:** Resolutions authorizing and providing for the issuance of Municipal Temporary Notes for County ERP Project, submitted by Kathleen VonAchen, Chief Financial Officer.

- Municipal Temporary Notes, Series 2020-II
- Municipal Temporary Notes, Series 2020-III

**Action:** **RESOLUTION NO. R-62-20,** "A resolution authorizing and directing the issuance, sale and delivery of Municipal Temporary Notes, Series 2020-II, of the Unified Government of Wyandotte County/Kansas City, Kansas; providing for the levy and collection of an annual tax, if necessary, for the purpose of paying the principal of and interest on said notes as they become due; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith. **Commissioner Johnson made a motion, seconded by Commissioner Townsend, to adopt the resolution.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**Action:** **RESOLUTION NO. R-63-20,** "A resolution authorizing and directing the issuance, sale and delivery of Municipal Temporary Notes, Series 2020-III (County ERP Project), of the Unified Government of Wyandotte County/Kansas City, Kansas; providing for the levy and collection of an annual tax, if necessary, for the purpose of paying the principal of and interest on said notes as they become due; making certain covenants and agreements to provide for the payment and security thereof; and authorizing certain other documents and actions connected therewith." **Commissioner Johnson made a motion, seconded by Commissioner Townsend, to adopt the resolution.** Roll call was taken on the motion and there were ten "Ayes," Burroughs, Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**COMMISSIONERS' AGENDA**

No items

**LANDBANK BOARD OF TRUSTEES' CONSENT AGENDA**

No items

**MAYOR ALVEY**
**ADJOURNED THE MEETING AT 7:52 P.M.**
**AUGUST 13, 2020**

Bridgette D. Cobbins

Unified Government Clerk

dt