ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, September 28, 2020

The meeting of the Economic Development and Finance Standing Committee was held on Monday, September 28, 2020, at 6:44 p.m., remotely via Zoom. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Townsend (arrived at 6:55), Johnson, Walters; and BPU Board Member Jeff Bryant. The following officials were also in attendance via Zoom: Gordon Criswell, Melissa Sieben, Emerick Cross, and Alan Howze, Assistant County Administrators; Patrick Waters, Senior Counsel; Katherine Carttar, Director of Economic Development; Stephanie Moore; Management Analyst for Economic Development; Kathleen VonAchen, Chief Financial Officer; Reginald Lindsey, Budget Manager; Wendy Green; Assistant Counsel; Debbie Jonscher, Deputy Chief Financial Officer; and Bridgette Cobbins, UG Clerk.

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

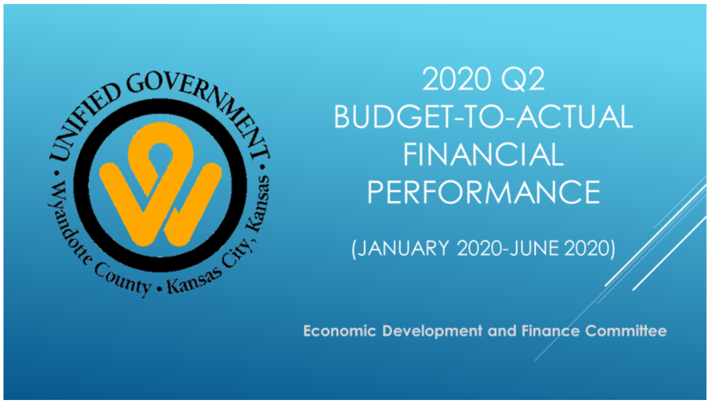
During the meeting, please make sure you announce yourself by name and title every time you speak so that the public that is observing knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General.

Also, due to COVID-19 requirements, in person public comment has been suspended unless otherwise required by law. The public is allowed to participate by Zoom or submit comments by email prior to the meeting and those comments will be included in the record of this meeting.

Chairman Burroughs called the meeting to order.

Roll call was taken and members were present as shown above except for Commissioner Townsend.

Approval of standing committee minutes from July 6, 2020. **On motion of BPU Board Member Bryant, seconded by Commissioner McKiernan, the minutes were approved.** Motion carried unanimously.



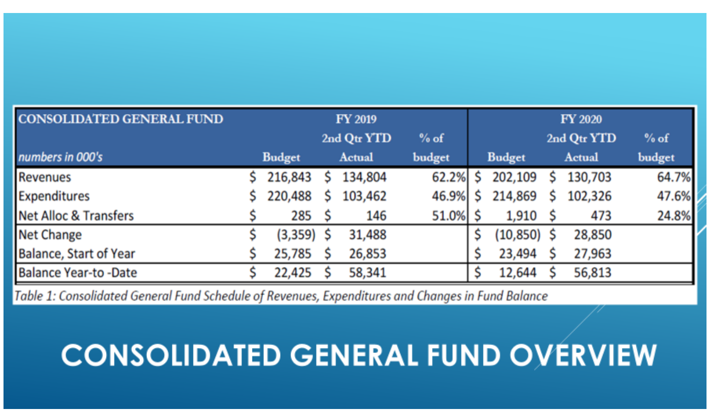
Committee Agenda:

Item No. 1 – 20395…REPORT: SECOND QUARTER BUDGET TO ACTUALS

Synopsis: Second Quarter of Fiscal Year 2020 Budget to Actuals Report, submitted by Kathleen VonAchen, Chief Financial Officer; and Reginald Lindsey, Budget Manager.

Chairman Burroughs said we will go to the Committee Agenda. The No. 1, and this goes back to Kathleen. I apologize. I'm trying to go off a hard copy as well as an email. The Second Quarter Fiscal Year 2020 Budget to Actuals. I'd to understand that Kathleen and Reginald will be making the presentation this evening.

Kathleen VonAchen, Chief Financial Officer, said we are presenting the Second Quarter of 2020 Budget to Actuals Financial Report.



CONSOLIDATED GENERAL FUND	FY 2019			FY 2020		
		2nd Qtr YTD	% of		2nd Qtr YTD	% of
numbers in 000's	Budget	Actual	budget	Budget	Actual	budget
Revenues	$ 216,843	$ 134,804	62.2%	$ 202,109	$ 130,703	64.7%
Expenditures	$ 220,488	$ 103,462	46.9%	$ 214,869	$ 102,326	47.6%
Net Alloc & Transfers	$ 285	$ 146	51.0%	$ 1,910	$ 473	24.8%
Net Change	$ (3,359)	$ 31,488		$ (10,850)	$ 28,850	
Balance, Start of Year	$ 25,785	$ 26,853		$ 23,494	$ 27,963	
Balance Year-to -Date	$ 22,425	$ 58,341		$ 12,644	$ 56,813	

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

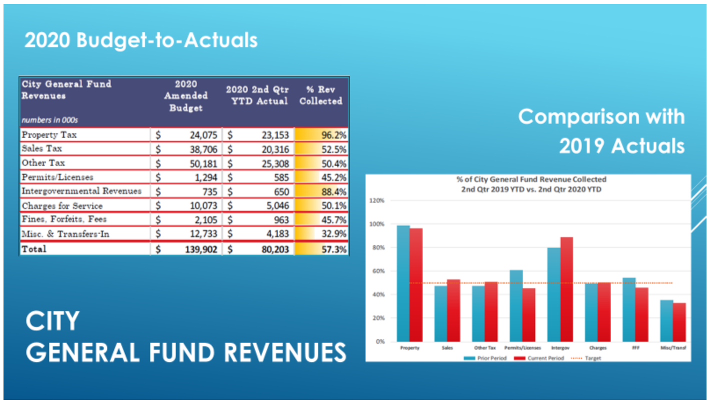
The first slide—this report is available on our website. The first slide is a summary of how our Consolidated General Fund is doing. I should note also that the budget columns for both last year and this year have been updated to include any amendments that were approved as part of the Commission's recently adopted budget, amended budget for 2020 and the proposed for ‘21, that occurred in July.

As you can see, the General Fund is performing fairly well. The one thing to note is that because of COVID, we have had to make dramatic reductions both in the revenues and expenditures for the General Fund. So, if you compare, for example, revenues for 2020 totaled an estimated $202M compared with last year, which were budgeted at $216M on the expenditure side. Amended budget was $214M compared with last year at $220M. So, those are dramatic decreases to the budget that we had to undertake with your support in order to maintain our General Fund and sustain our operations given the reduction in revenues.

To date, through June, the revenues, which is all revenues, tax revenues and charges for services, and many other revenues. Within the city, county and consolidated parks, General Fund totaled $138.7M, which is roughly 65% of the total estimated revenues for the year. Given that it’s the second quarter, you would think that that number would be 50% because half the year is completed in this report, but it is higher than 50% because we collect nearly 100% of the property tax in the first half of the year. Property tax is a significant revenue source and it comes in the front part of year rather than the latter part of the year.

If we compare the revenue collections, and we're going to provide much more detailed information on revenues than what you see here in subsequent slides. You can see that this current year is roughly at 65% compared to the same period last year that was only at 62%. The explanation for that is that the first three or four months of the year were collected, what we were collecting pre-COVID at a higher level and so with this budget, the $202M estimates a significantly reduced level of revenue being collected in the future six months. So, it drives this percentage slightly higher than compared with last year.

On the expenditure side, similar things are happening here. Generally, our expenditures are fairly even across all of the General Fund departments so that 50%, or one-half of the year rule, can still apply. As you see, our expenditure level is 47% of the total for the year so, we are gaining some savings there as compared with our budget.



Now, I'm now going to proceed with talking about each of the funds, individual revenue performance, city, county and the Park Fund. After Reggie presents the expenditure side, and all the other funds that are presented in this report, I'm going to come back and talk with you individually about how some of the major revenue sources have been performing on a month-to-month basis.

Chairman Burroughs said, Kathleen, I'm sorry. I'm getting—my system is breaking up. I don't know if it’s from you or bad signals for myself, but I'm losing video and audio. **Commissioner McKiernan** said so far, at least on my computer, I'm not experiencing any drop out of audio or video. **Chairman Burroughs** said it may be on my end and I apologize. For some reason, I keep getting a blank screen that comes up, but please know if somebody raises their hand, don't hesitate to speak out.

Rocki Mayes, Program Supervisor in County Administrator’s Office, said I will call on them if they raise their hand, Commissioner. **Chairman Burroughs** said thank you.

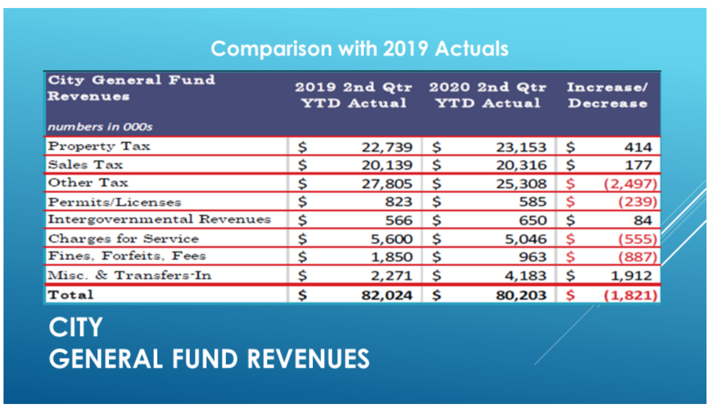
Ms. VonAchen said after Reggie's presentation of the expenditure side and all the other funds, I'm going to come back and talk about the revenue performance of the major tax revenues and how they've been performing on a monthly basis. We updated that information based on information through today.

Back to the report, which is just through June, you can see that the property tax for the City General Fund property tax, as I mentioned before, was at 96% of the total sales tax at 52.5% of the total. Other taxes only at 50%. Some of the other items are like permits and licenses don't necessarily get collected evenly throughout the year. So, there is some rise, for example, licenses and permits during the summer months, so this number is slightly below the 50% level

Intergovernmental revenues often are collected in advance. Charges for services are at the level that is anticipated through the year. Transfers are typically lower than anticipated because we do many of those transfers at the end of the year.

Now, the table below shows the revenue collection by these categories compared with the same period last year. So, as you can see, for example, property tax is slightly down compared to last year collections at this time. Sales tax is actually higher than anticipated, or compared to last year, although that's good news frankly. So, sales tax is performing better than we anticipated and we're very grateful for that.

License and permits are down compared with the last year's collection level at the same period. Intergovernmental revenues are consistent with last year and slightly higher.



City General Fund Revenues numbers in 000s	2019 2nd Qtr YTD Actual	2020 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 22,739	$ 23,153	$ 414
Sales Tax	$ 20,139	$ 20,316	$ 177
Other Tax	$ 27,805	$ 25,308	$ (2,497)
Permits/Licenses	$ 823	$ 585	$ (239)
Intergovernmental Revenues	$ 566	$ 650	$ 84
Charges for Service	$ 5,600	$ 5,046	$ (555)
Fines, Forfeits, Fees	$ 1,850	$ 963	$ (887)
Misc. & Transfers-In	$ 2,271	$ 4,183	$ 1,912
Total	$ 82,024	$ 80,203	$ (1,821)

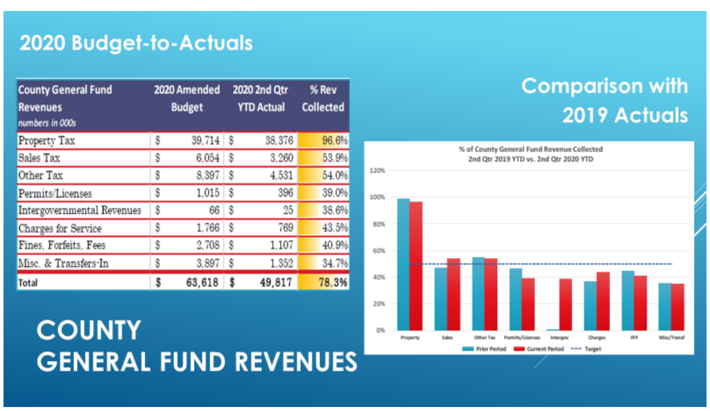
This is a comparison, in dollars, of how the 2020 collections through the second quarter compared with the 19 from the same period. That previous slide was actually on a percentage of total basis and this is the actual amounts. As you can see, for example, property tax through the first quarter, or second quarter is roughly $400,000 higher than it was in the same period last year. Sales tax is only $177,000 higher than this time last year. Other taxes are 25%, at $25M or $2.5M below the level collected last year. My guess is that is due to a timing issue with some payments having been, perhaps, delayed through and collected in July instead of June so, I wouldn't be too worried about that. Then, of course, there is a difference in the transfer amount of $1.9M because in the adopted budget, we actually did approve quite a few more transfers in from other funds in order to maintain the solvency of the General Fund so, this number doesn't really compare with the level of budgeted transfers in the prior year.

Ms. Mayes said, Kathleen, Commissioner Townsend has a question. **Commissioner Townsend** said actually, I was raising my hand and then lowering it. Some of the earlier slides were a bit difficult to see. I was merely going to inquire like on that one if you could just make that larger so I could see the detail a little bit better. But some of the subsequent ones have been larger and easier to read. That was all.

Ms. VonAchen said I have this on full screen so I'm not sure I can make it larger. **Commissioner Townsend** said all right, thank you.

Chairman Burroughs said, Kathleen, I see no other questions. I do want to make a comment that the $1.8M down is not as drastic as a shortfall as we had anticipated. We're only halfway through the year so, I would anticipate these numbers to change not a whole lot, but if the reflective of the first half of 2020, then we can look at just under a, or just a little over $3M in revenue shortfall for the General Fund revenues. Is that not accurate?

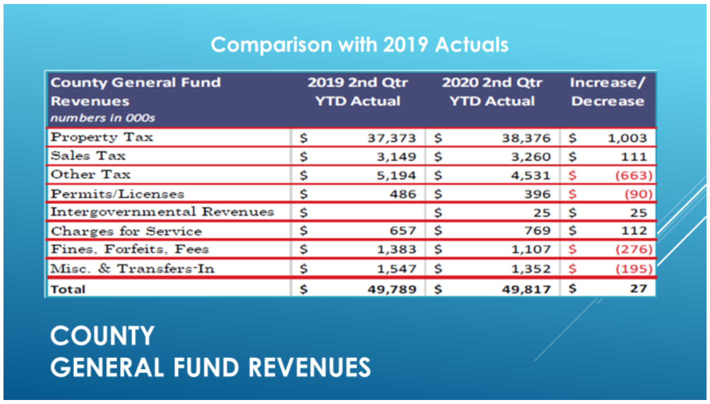
Ms. VonAchen said well, I don't know because—when we get to the slides that talk about the tax revenue performance on a monthly basis, I think that will make answering that question a lot clearer. **Chairman Burroughs** said thank you. I'm sorry. I'm just jumping ahead here. **Ms. VonAchen** said no, that's great. Thank you very much.



County General Fund Revenues *numbers in 000s*	2020 Amended Budget		2020 2nd Qtr YTD Actual		% Rev Collected
Property Tax	$	39,714	$	38,376	96.6%
Sales Tax	$	6,054	$	3,260	53.9%
Other Tax	$	8,397	$	4,531	54.0%
Permits/Licenses	$	1,015	$	396	39.0%
Intergovernmental Revenues	$	66	$	25	38.6%
Charges for Service	$	1,766	$	769	43.5%
Fines, Forfeits, Fees	$	2,708	$	1,107	40.9%
Misc. & Transfers-In	$	3,897	$	1,352	34.7%
Total	**$**	**63,618**	**$**	**49,817**	**78.3%**

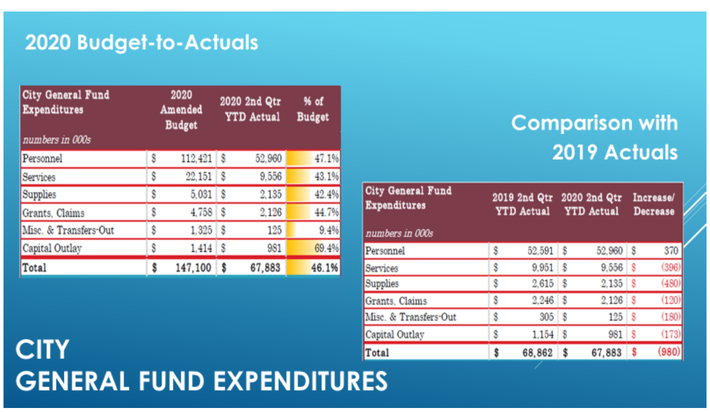
On the county, this is the County General Fund revenues. Again, as was mentioned during the budget process, the County General Fund has been less impacted by the reduction in revenues related to COVID because it is far less dependent on sales tax than the City General Fund.

Overall, you can see here the amount of collections from the County General Fund is 78% through the second quarter. That's because nearly all the property tax has been collected for this fund through the second quarter. Sales tax is slightly above the estimated amended budget at 54%, other taxes are at 54%. Overall, the County General Fund is performing better than anticipated.



Comparing actual dollar amounts with the same period last year, you can see that we have collected through the second quarter, $1M more in property tax for dedicated to the County General Fund. We've collected $111,000 more in sales tax. We are short about $600,000 in other taxes that includes franchise fees. Well, that includes actually booking fees and other taxes. Some of those taxes don't always come in at the same time. Some of them come in at the latter half of the year. Overall, we're doing pretty good compared with—I think our revenue estimates are doing well, at least through the second quarter.

At this point now, I'm handing this off to Reginald Lindsey, who is our Budget Director. He's going to talk about the city and county expenditures, as well as all the other funds. Then I'm going to come back and talk about how our major tax revenues are performing on a monthly basis.



Reginald Lindsey, Budget Manager, said on the slide we're currently on, we have two views that we're going to look at. We have a view of the current year budget as we compare it to the actuals. That's in the upper left-hand corner. Then in the bottom right corner, we have year-over-year actuals compare where we compare 2019 to 2020 for the second quarter.

One of the things in looking at this information, we look at the first chart. What we have are six categories for the expenditures. We have personnel, services, supplies, grants, claims and capital outlay. Then also we're comparing the 2020 amended budget to what we actually spent in 2020 for the second quarter. We kind of look at the total down there at the bottom of the amended budget is \$147M and kind of give you a comparison. The original budget that we approved was \$153M. So, we're looking at a budget that was \$6M less than we approved for the amended budget.

As we look at these different expenditure categories, kind of a rule of thumb is, since we're halfway through the year, we're looking for expenditures to be below 50%. We kind of look at personnel. We can see us at 47%. So, right now, we're in pretty good shape there. We're trending in where we want to trend.

I'll just kind of give you a glimpse of what we approved in the original budget. When we approved it last year, we had \$113M for personnel and this amended budget had \$112M. It was actually \$112,400,000. So, we're like \$600,000 less in personnel, but we can see we've spent like \$52M. In personnel, some of the main expenses, there are our salaries, pension expenses, overtime, benefits, and then also payouts.

As we look at services, we kind of see we're at 43% spent compared to where we should be tracking at about 50%.

Chairman Burroughs said, Reggie, I apologize for interrupting. I do have a question. How much of these monies on the amended budget that you show for 2020 are impacted by COVID? I know all of our budgets are impacted by COVID but how much of those funds have been replenished due to COVID funding from the CARES and SPARK money? **Mr. Lindsey** said we did get like the \$37M from the state, which also went out to other organizations. We didn't put any of that funding into the City General Fund. Those expenses are tracked in what we call grant funds. Any of those expenses would not show up here, they were where we had allocations for the CARES Act money.

Ms. VonAchen said in addition, the CARES Act money arrived after June 30. **Chairman Burroughs** said okay, thank you for that clarification. Well, so we'll see it on the third quarter numbers. **Ms. VonAchen** said well, you will see in the third quarter numbers, you will see a revenue in the General Fund for reimbursement of costs. It's either a revenue into the General

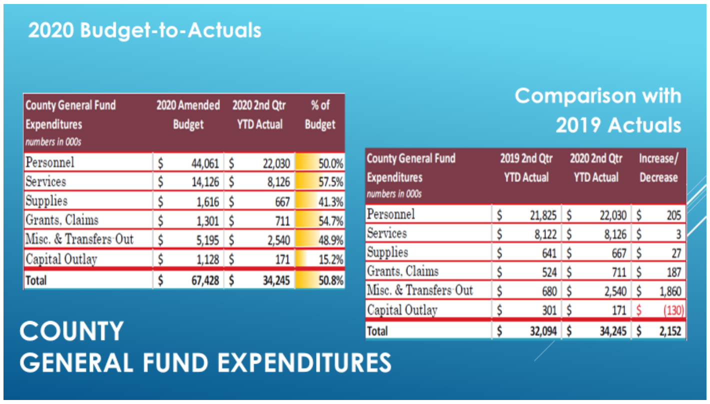
Fund for reimbursement of costs or we’re going to be shifting those reimbursed costs out to the grant fund. I'm not remembering which way; I think Reggie can comment on that.

Mr. Lindsey said yes, so the CARES Act money that we did receive it is in what we call a grant fund. The fund that we're looking at now, the City General Fund and also the County General Fund, they're certified funds. So, we did not mingle the CARES Act money within our certified funds. We put them into a grant fund. **Ms. VonAchen** said right, so some costs that we incurred during the COVID crisis that were reflected in the City and the County General Fund, those will be reimbursed. That reimbursement will be reflected in the third and fourth quarters.

Chairman Burroughs said, Kathleen and Reggie, as chair of the committee, the committee is here to assist in anything we can do to ensure that we're staying on budget. I guess my concern and questions to staff would be, those dollars are important to have plugged into the budget as we get these reports to assist us in moving forward in a manner that is supportive of the endeavors for the stay within the budget guidelines that the Commission passed as a whole. I guess what I'm looking at are numbers that haven't had the CARES funding put into them, but I do know that those numbers are out there. So, it's really hard to comment on much of this without having those actual numbers. I just wanted to bring that to the committee's attention that I would ask staff to please go ahead and finish your presentation and I'll do my best not to interrupt again.

Ms. VonAchen said please feel free to interrupt us with any good questions you have, but I did want to point out, so when we do the third quarter report, what we can do is provide you with more information that will include the CARES Act dollars. It's just that the CARES dollars are not part of this through the second quarter because we didn't get the money until later. **Chairman Burroughs** said please continue.

Mr. Lindsey said the second chart on the slide down in the bottom right corner we’re comparing 2019 actuals to 2020 actuals for the second quarter. We can kind of see we still have the same six expenditure categories. We can see where personnel, we actually, at the end of the second quarter, had spent $370,000 more, but we can see all the other categories we spent less money than we spent last year. We can see in services, we spent almost $400,000 less than we spent in 2019. In the City General Fund and in supplies, we almost spent a $.5M less. Then over in grants and claims, $120,000 less. All in all, it’s comparing 2019 Second Quarter to the 2020 Second Quarter, we almost spent a million dollars less. **Chairman Burroughs** said that's good news. I appreciate that.



County General Fund Expenditures *numbers in 000s*	2020 Amended Budget	2020 2nd Qtr YTD Actual	% of Budget
Personnel	$ 44,061	$ 22,030	50.0%
Services	$ 14,126	$ 8,126	57.5%
Supplies	$ 1,616	$ 667	41.3%
Grants, Claims	$ 1,301	$ 711	54.7%
Misc. & Transfers-Out	$ 5,195	$ 2,540	48.9%
Capital Outlay	$ 1,128	$ 171	15.2%
Total	$ 67,428	$ 34,245	50.8%

County General Fund Expenditures *numbers in 000s*	2019 2nd Qtr YTD Actual	2020 2nd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 21,825	$ 22,030	$ 205
Services	$ 8,122	$ 8,126	$ 3
Supplies	$ 641	$ 667	$ 27
Grants, Claims	$ 524	$ 711	$ 187
Misc. & Transfers-Out	$ 680	$ 2,540	$ 1,860
Capital Outlay	$ 301	$ 171	$ (130)
Total	$ 32,094	$ 34,245	$ 2,152

Mr. Lindsey said here on this slide we have the same setup where we have the current year budget comparison in the upper left-hand corner, then in the bottom right corner we have the year-over-year actual comparisons where we're comparing 2019 actuals to 2020 actuals for the second quarter.

Again, what we're looking for is we want to make sure that we're under 50% spending. We can look at personnel and see we're right at 50%, but when we get into services, we kind of see we're like 57%. Some of the things that are going on there, we have some big expenses there that are in inmate medical housing or inmate medical. Then we have inmate housing and farmout. Then also our district courts are there, so we see we're kind of trending at almost 60% there.

One thing that also happens there is the departments start to incumber money. Some of the expenses are already paid up front there or encumbered so it's more efficient for departments to pay their bills. Then also, we did cut some of the budgets back. Basically, that was an impact there also. Then we get down into supplies and you see we're at 41% there. Some of the bigger expenses there are natural gas and fuel and parts. You can see in our grants and claims, we're at almost 55%. In capital outlay, we can see we're like at 15.5, about 15% of that budget. Then looking at just a total budget for the County General Fund is $67M. The budget that we approved in comparison with $66M last year for 2020, so when we amended it, it looked a little bit more.

As we go over into the 2019 actuals and comparing those to the 2020 actuals, we can see that the County General Fund is slightly up. One of the things we did, we had some transfers where we can see miscellaneous transfers out where we did allocations where we moved some employee expenses into the County General Fund. That's one of the main impacts to the County General Fund.

Chairman Burroughs said I want to go back to the one you talked about outsourcing our prisoners and the services. **Mr. Lindsey** said yes. **Chairman Burroughs** said with the opening of the new Justice Center, that should be reduced in the second half of 2020. Should we see a reduction in that due to the fact that that outsourcing should be reduced if not fully eliminated? **Mr. Lindsey** said one of the things we have with anticipation; we had already built savings into the budget for it. So, we wouldn't see, we'd maybe see some additional savings into next year we're hoping, but we were anticipating it for this year so we'd had already cut the budget back.

Chairman Burroughs asked, Reggie, how much did you cut that budget back because we're talking a good quarter, a full quarter, let's just be generous and say a full quarter, was that reflected in that budget? I just want to ensure that we're being accurate in those totals of dollars that are being saved by not outsourcing. **Mr. Lindsey** said we have been anticipating a reduction in inmate housing since we first planned on building the new juvenile facility

Our inmate housing used to run around $1.7M and we're down to like $900,000 now. We're looking to even go below that when it's up fully running and when we have enough deputies to staff both our adult facility and our juvenile facility. The idea is we want to see that cost go away totally. **Chairman Burroughs** said right and, Reggie, the purpose of asking that question is because it was stated by those in attendance that day that the money saved from not outsourcing would pay for the bonding of the new facility. I just want full disclosure as to ensuring that those savings will be reflected in the services by not outsourcing our inmates. So, I wanted to bring that to the commission's attention as we discussed the other day in the dedication of the facility.

Ms. VonAchen said the annual debt service for the juvenile center is approximately $1.7M a year. Over the past few years, we have realized savings already from reduced inmate housing and we anticipate more. So the budget, the transfer out to the debt service fund to repay or to contribute towards the payment of that debt service is budgeted $1.2M in 2020, and was ramped up to $1.5M in 2021, so that's a transfer out of the County General Fund to the County Bond & Interest Fund. We don't have it at 100% at the moment, at the full $1.7M, but we hope to achieve that in the coming years.

Chairman Burroughs said, Kathleen, I understand that. We're looking at just the third, fourth quarter report on that. I just want to ensure that the public that is listening that those savings will be recognized in the services budget moving forward fully in 2021. **Ms. VonAchen** said thank you.

Tax Levy Funds	REVENUES numbers in 000's 2020 Amended Budget	REVENUES 2020 YTD Actual	REVENUES % of Budget	EXPENDITURES numbers in 000's 2020 Amended Budget	EXPENDITURES 2020 YTD Actual	EXPENDITURES % of Budget
City General Fund	$ 139,902	$ 80,203	57.3%	$ 147,100	$ 67,883	46.1%
City Bond & Interest	$ 34,238	$ 26,967	78.8%	$ 38,994	$ 7,641	19.6%
County General Fund	$ 63,618	$ 49,817	78.3%	$ 67,428	$ 34,245	50.8%
Cons. Parks General Fund	$ 5,866	$ 3,821	65.1%	$ 5,707	$ 2,863	50.2%
County Bond & Interest	$ 4,938	$ 3,601	72.9%	$ 7,577	$ 284	3.8%
Aging	$ 1,914	$ 1,574	82.2%	$ 1,870	$ 866	46.3%
Developmental Disabilities	$ 371	$ 314	84.7%	$ 614	$ 222	36.1%
Elections	$ 1,349	$ 1,182	87.6%	$ 1,611	$ 669	41.5%
Health	$ 3,381	$ 2,422	71.6%	$ 3,410	$ 1,460	42.8%
Mental Health	$ 631	$ 570	90.4%	$ 674	$ 332	49.3%
Total UG Tax Levy Funds	**$ 256,208**	**$ 170,472**	**66.5%**	**$ 274,985**	**$ 116,465**	**42.4%**

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

Mr. Lindsey said the current slide is a snapshot of our other seven tax levy funds, which are the City Bond and Interest Fund, County Bond & Interest Fund, our Aging Fund, Development Disability Funds, and then also Elections Fund, and Health Fund, and then Mental Health Fund. How the current slide is set up is that we have revenues on the left side of the page and then we have expenditures on the right side of the page. Kind of how Kathleen and I've been covering it earlier, one of the things that we're looking at, we what you to look for where our revenue financials is at. They are over 50% or somewhere around 50%. You can kind of see that in the percent of budget collected for 2020 Second Quarter that mostly all the revenues are definitely over the 50% threshold. That is good for us to be at.

Then over on the expenditure side, what we look for is, again, is to be under 50%. We could pretty much see that everything is around or below 50%. We do have a couple that are a little bit above 50%, being the County General Fund and consolidated parks. They already did discuss County General Fund but consolidated parks is at right about 50%.

Ms. VonAchen said just wanted to add that most of these funds here are highly dependent on property tax which, as I mentioned before, we collect a big portion of the property tax in the first half of the year, which explains why these percentages are much higher. **Chairman Burroughs** said thank you, Kathleen.

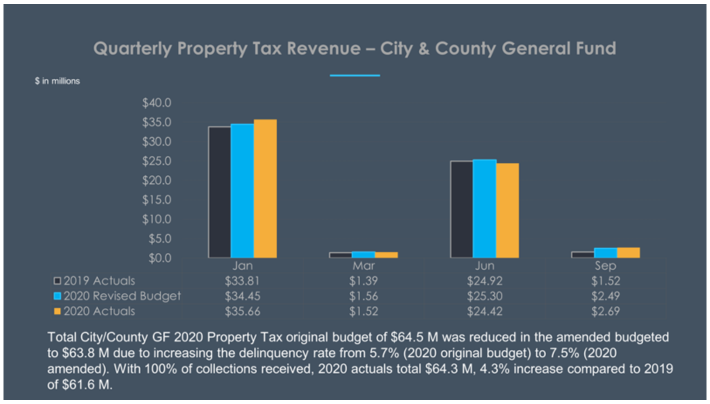
ALL OTHER & TOTAL UG FUNDS

Other Funds	2020 Amended Budget	2020 YTD Actual	% of Budget	2020 Amended Budget	2020 YTD Actual	% of Budget
Alcohol	$ 457	$ 270	59.1%	$ 1,076	$ 240	22.3%
Clerk Technology	$ 45	$ 22	48.7%	$ 132	$ 15	11.2%
Court Trustee	$ 415	$ 181	43.7%	$ 584	$ 174	29.8%
Dedicated Sales Tax	$ 9,297	$ 5,107	54.9%	$ 9,549	$ 3,513	36.8%
Emergency Medical Services	$ 10,139	$ 5,309	52.4%	$ 10,340	$ 5,666	54.8%
Environmental Trust	$ 1,088	$ 547	50.3%	$ 1,930	$ 768	39.8%
Jail Commissary	$ 55	$ 14	25.2%	$ 100	$ 11	11.0%
Parks & Recreation	$ 457	$ 269	58.8%	$ 561	$ 365	65.0%
Public Levee	$ 337	$ 170	50.6%	$ 412	$ 164	39.7%
Register of Deeds Technology	$ 175	$ 88	50.1%	$ 130	$ 118	90.6%
Sewer System	$ 42,719	$ 18,008	42.2%	$ 56,484	$ 18,956	33.6%
Special Assets	$ -	$ -		$ 850	$ -	0.0%
Stadium	$ 548	$ 230	41.9%	$ 2,048	$ 346	16.9%
Stormwater	$ 4,110	$ 1,755	42.7%	$ 4,509	$ 2,018	44.8%
Street & Highway	$ 6,565	$ 3,834	58.4%	$ 7,249	$ 3,619	49.9%
Sunflower Hills Golf Course	$ 692	$ 246	35.5%	$ 670	$ 400	59.8%
Travel & Tourism	$ 2,236	$ 1,579	70.6%	$ 6,832	$ 1,183	17.3%
Treasury Technology	$ 45	$ 22	48.7%	$ 45	$ 8	18.9%
Wyandotte County 911	$ 840	$ 444	52.8%	$ 1,053	$ 380	36.1%
Total Other Funds	**$ 80,218**	**$ 38,093**	**47.5%**	**$ 104,554**	**$ 37,945**	**36.3%**
Total Funds	**$ 336,426**	**$ 208,565**	**62.0%**	**$ 379,539**	**$ 154,410**	**40.7%**
County Library	$ 3,257	$ 3,039	93.3%	$ 3,366	$ 3,035	90.2%
Total ALL Funds	**$ 339,683**	**$ 211,605**	**62.3%**	**$ 382,905**	**$ 157,445**	**41.1%**

Mr. Lindsey said in this final slide here is a snapshot of 19 other funds, which consist of Special Revenue Funds and Enterprise Funds. It's pretty much set up as the previous slide where on the left-hand side we have the revenue financials and then on the right-hand side we have Expenditure Financials. Again, a rule of thumb that we're looking for is we're looking for our revenues to be around 50% or above 50%. Then on the expenditure side, we're looking for those expenditures to be under 50%. We do have some on the revenue side and expenditure side that do not meet that. For instance, like court trustees, revenue has come in for it. It's at almost 44%. One thing that we're doing here is we're just keeping an eye on expenditures to make sure since revenues aren't tracking at what we're are expecting that we are not letting expenditures go over.

Then another fund is the sewer system. It's at 42%, but they have also spent 33% of their budget, which is good because, I mean, we wouldn't want them to be at 50%. Sewer system is probably the largest fund on this page at $42M. Two of the large funds here are the EMS Fund and then also the dedicated sales tax EMS Fund at $10M, and then also dedicated sales tax at a little over $9M. Any questions over this particular slide?

Chairman Burroughs asked, any questions, committee? I don't see any hands. Rocki, any hands that I'm not seeing? **Ms. Mayes** said no there are not. **Chairman Burroughs** said thank you, Rocki.



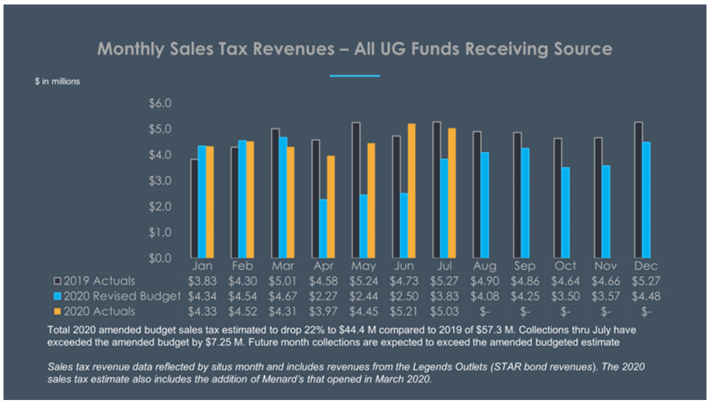
Ms. VonAchen said now I would like to present to you the monthly information that I mentioned previously. Here, we have the quarterly property tax revenue for both the City and the County General Fund. We're presenting this information on a quarterly basis, not monthly, because we collect it quarterly.

In January, what we're showing here is the black line is the amount we collected last year for that quarter. The blue column is the revised budget for the current year, and then the orange or yellow is how much we actually collected. As you can see, in January, we collected more than we estimated, just slightly more. March, just slightly less. Then, less in June than we estimated. Then we kind of recovered a little bit in September. Basically, this constitutes 100%. This is through September so this isn't through the first half of the year. This is through as of today.

What we've found is that the original budget for 2020 was $64.5M, but in the amended budget, we reduced it slightly to $53.8M and that was because we adjusted the delinquency rate from 5.7 to 7.5. With 100% of the collections received, the total we've collected so far is $64.3M and that's a 4.3% increase compared to 2019. It's only about $200,000 less than what we have in the amended—what we had in the original budget, and quite a bit more than what we had in the amended budget. This is doing pretty well, this revenue, at least in 2020.

The only impact to COVID was that we anticipated the delinquency rate would fall, but it hasn't fallen as much as we expected. Of course, there is a lag in property taxes so if there is an impact to further impact related to COVID due to the unemployment impacting people's ability to make their property tax payments, that's likely to have to show up more in 2021 than the last half of 2020. So, just keep that in mind.

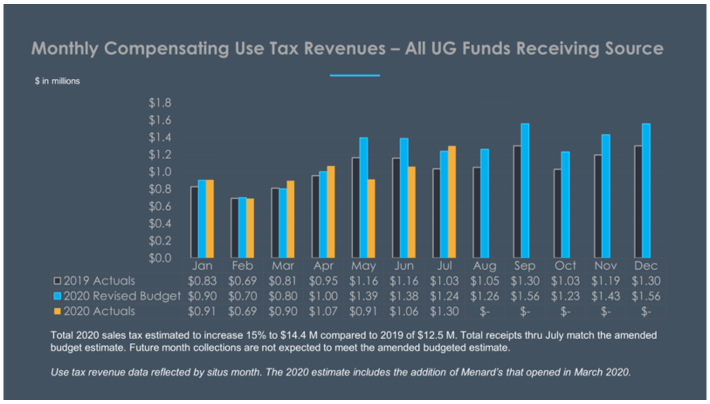
Chairman Burroughs said, Kathleen, thank you. Our financials are not as bad as were initially projected, and I do appreciate staff's conservative approach to these numbers early on. I do believe these are in line with what the state's figures are. I believe that, in looking at the actuals compared to the revised budget in the 29 actuals, we look like we're holding our own at this particular time. **Ms. VonAchen** said, yes, with the property tax, it's pretty much the case. Hopefully, that'll continue in 2021 when it comes to property tax and the delinquency rate. For 2021, the delinquency rate was budgeted at 8%. Hopefully, the collection level will continue to be at the 5.7% level that was previously budgeted.



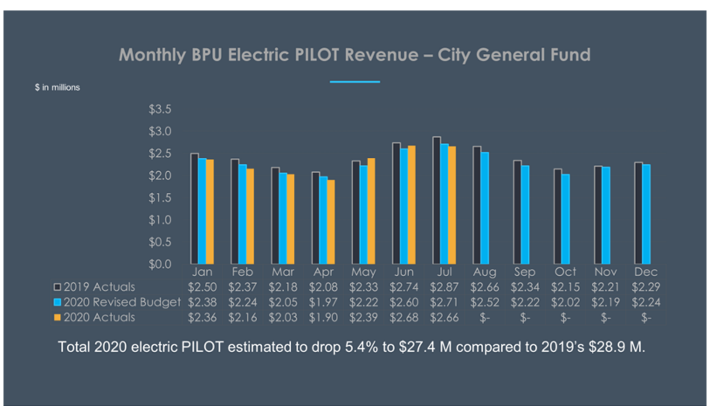
Here's the collection level for sales tax. I mean sales tax, I do not mean use tax, right? This is based on the situs month. For example, July, it reflects the activity of the transactions in July, although we only got the money as of Friday.

As you can see, again, the black is the last year, the blue is the revised budget for that month and then the orange is what we actually collected. As you can see, the collection levels in these COVID months are a great deal more than what we estimated. Of course, when we did the revenue estimates, we didn't have a whole lot of data to go from because there is a two-month lag in collections. When we were doing the revenue estimates back in April, we didn't have a lot of information and so we kind of estimated the worst case.

Overall, collections through July had exceeded the amended budget by about $7M between these two funds. The estimate for the future months ramps up pretty quickly here in the months of August, September, October, November, December. If there is a resurgence of the COVID community spread of a pandemic, there may be some—we might not be achieving these blue line levels. We're keeping an eye on it, as you know. We're watching it every day. **Chairman Burroughs** said, thank you.

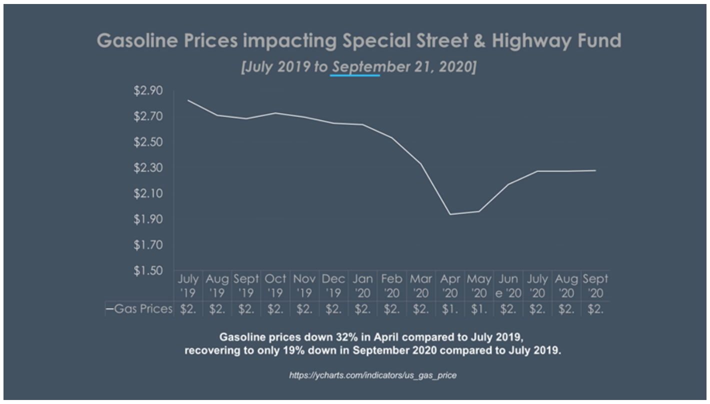


Ms. VonAchen said the next one is the Compensating Use Tax, which mainly includes online sales and other deliveries, sales tax related to other deliveries, or sales that took place in other jurisdictions, for equipment acquisitions, for large businesses coming online and such. Overall, the 2020 amended budget for sales tax, we estimated that it would increase 15% and that's because during COVID, we thought maybe people would be buying more stuff online. We had it estimated at $14.4M in total compared with the prior year which was $12.5M. Total receipts through July, which is this month here, which we only collected last week, total receipts matched the amended budget estimate, but these future months estimates are pretty high. I'm not sure we're actually going to be achieving that collection level. I don't think it's going to be met; the budget estimate is going to be met. This is a far lesser total than the sales tax, but still, this increase may not be achieved. Probably going to come in around $13M, so we might be short about a million dollars.

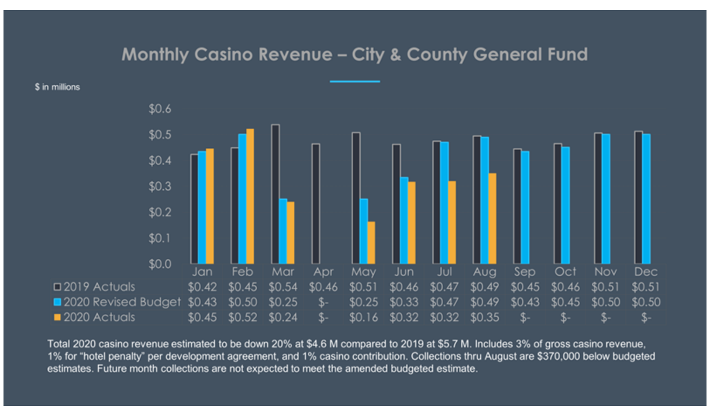


The next one is the BPU PILOT revenue, just for electric. We also collect the PILOT for water from the BPU, but it's only $5M a year and this one's quite a bit more. We're showing the BPU electric PILOT. We anticipated that it was going to drop 5.4% in 2020 compared to total $27M compared to $19M, which was almost $29M. And, as you can see, I think, we're pretty level.

We're right where we were budgeted at each of these years. We're a little up in May and it's up in June, it's pretty level in July. I think this revenue estimate is going to hold; do alright.



Now, gas prices. The gas prices impact the Special Street and Highway Fund. We anticipated that when gas prices were down 32% in April, and you can see that dramatic drop compared with July of '19; but they have recovered. Now we're only at 19% down in September compared with July of '19. We've noticed that the amounts in the, well, that we've collected from the state, they are down from what they were last year but not as bad as these gas prices. This is gas prices across the entire US. Here, the actual revenue collection that we received from the state has been better than what you're seeing here.



Then the last one is the monthly casino revenue, which is deposited in the City and the County General funds. We anticipated that casino revenue estimates were going to be down 20% to $4.6M compared to $19M at 5.7%. That includes all of the casino revenue would collect, right? Collections through August were about $307,000 below budget estimates. We anticipate that actually future month collections for the casino are probably not going to be achieved because they really have—my revenue estimate anticipated that the casino revenue would bump back up to prior year levels, but they just haven't in the past three months, as you can see in June, July, and August. We're probably not going to be achieving this estimate. It's going to be a little short.

Ms. Mayes said, Kathleen, Commissioner Johnson has a question.

Commissioner Johnson said really, it's not so much a question as much as it is a statement. I think I was pretty impressed all the way until we got to this particular slide in terms of your ability to navigate the abrupt change that COVID brought to our, to the entire country, but certainly to our local economy. I think that your conservative approach is paying, I don't want say paying dividends per se, but it's certainly helping us, I think, overall to maximize the dollars that are coming in. So, I just want to tip my hat to you to appreciate. I continue to be a proponent of conservative budgeting. If we can beat the budget, then that's always our goal. I just want to let you know I see that. Outside of this last page, I'll let you slide on this last page, but everything else looks fine. I relinquish my stand. Thank you, Chair.

Ms. VonAchen said I think that perhaps the patrons of the Hollywood Casino have been a little bit more risk averse than I anticipated when I did the revenue.

Chairman Burroughs asked, Kathleen, the report from the State Lottery Commission was that our casino had the lowest report in being off as far as revenues At this particular time, I do believe that people are being very conservative in where they're spending their dollar, but it's off across the state in reference to casino revenues and lottery revenues. A lot of revenues are up a little bit for ticket purchases, but the casino revenues are down at this particular time so, these are right on accurate numbers.

Ms. VonAchen said that concludes the presentation of the revenue performance. Of course, this whole report is for information only so there is no action required.

Chairman Burroughs said, Kathleen and Reggie, thank you so much for your presentation this evening. It's important that we understand where we are due to this pandemic and the impact it's had on our local budget. But, as you stated, Kathleen, this was for just information only.

Action: For information only.

Item No. 2 – 20396…REPORT: SECOND QUARTER BUDGET REVISIONS

Synopsis: Second Quarter Budget Revisions Report, submitted by Reginald Lindsey, Budget Manager.

Mr. Reginald Lindsey, Budget Manager, said when departments shift funds that are greater than $10,000, moving money from contingency, the County Administrator's Office signs off on it. If it's over $50,000, Mayor Alvey also signs off on it. In the second quarter, we had two budget revisions that were over $10,000. One was in Parks and Recreation and then one was in the Fire Department. Both of the budget revisions were done within the department's budget.

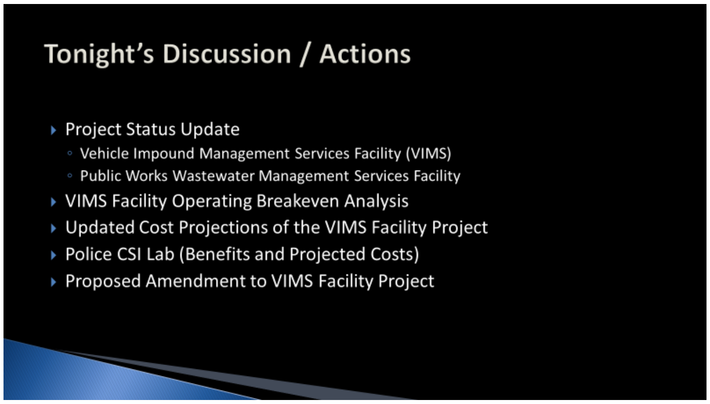
Chairman Burroughs asked, committee, any questions? Seeing none, thank you, Reggie. **Chairman Burroughs** said that, again, was for information only.

Action: For information only.

Item No. 3 – 20393…ORDINANCE: POLICE TOW LOT

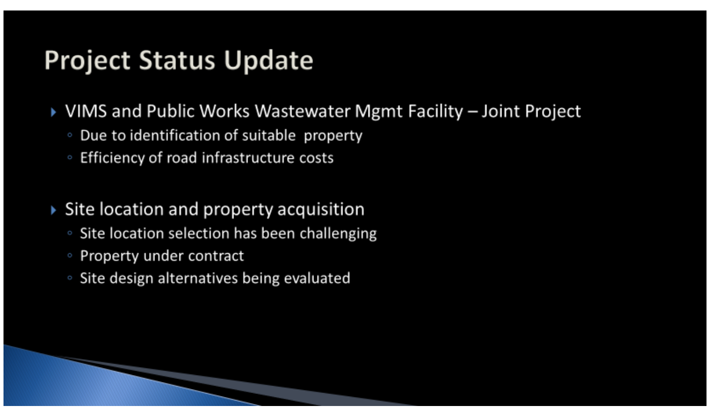
Synopsis: An ordinance amending the 2020-2025 CMIP; amending prior authorization of certain public improvements related to the Police Tow Lot Project (CMIP 8212); and authorizing the issuance of general obligation bonds and/or temporary notes to finance all or a portion of the costs of such improvements, submitted by Kathleen VonAchen, Chief Financial Officer.

Kathleen VonAchen, Chief Financial Officer, said joining me will be Peter Ho, who is with CBC. It's a consultant approval you use to help manage projects, as well as John Kelly and then later by our Police Chief. We are going to give you a project update on the vehicle impoundment facility, which is also known as a big tow lot, as well as the Public Works wastewater management facility. Then, we're going to talk a little bit more about the CSI lab.

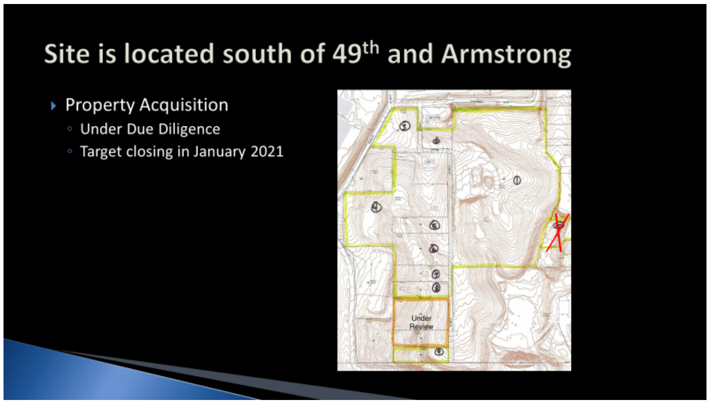


So, just off the top, today we're going to discuss just a status on how the project is doing and where we are with it. We're going to remind you or provide some information on the operating breakeven analysis for the vehicle impoundment management system. Then our services, sorry, and then we're going to talk about the updated cost projections for this project, and then I'm going to have the Police Chief talk about a need he has with the CSI lab, its benefits and costs.

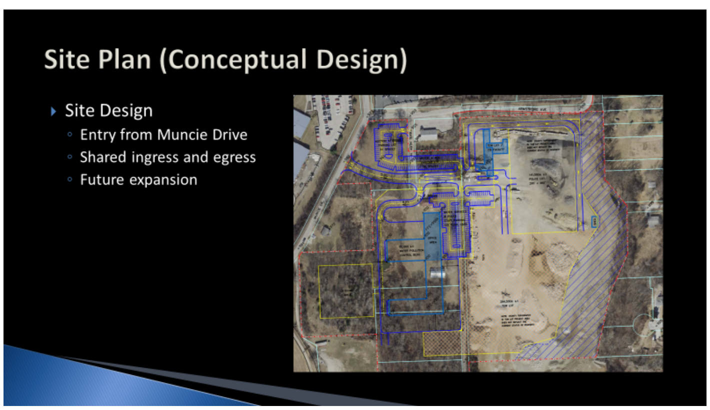
The final action tonight would be to ask for your adoption of an amendment to the vehicle impoundment management services facility. We'll get to that. It's required in order for us to access the debt market for the additional amount on that project. I'm going to let Peter Ho take the next few slides.



Peter Ho, Project Manager for CBC Consulting, said we've looked at several sites. I think there's quite a bit of history on the project, but we've looked at several sites and we ended up at a location just south of 39th and Armstrong. It's approximately a 37-acre property, which is quite large. The benefit of this site, and I'll show you when we get to that site, but it's a large site. Then, the current situation is that the property is currently under contract. We have some site plan options that we're looking at right now. We just began to look at the site and then looking at the buildings and how we plan it out. This project, as Kathleen mentioned, not only includes the impound facility use and the CSI lab, but also would include the Public Works wastewater management facility at the same location.



What you see here is the outline of the parcel. It looks almost like the state of Texas, is how I refer to it. The outline of all the parcels. Currently, like I said, it's under due diligence and our current target closing date is in January of 2021.



The third slide that I'm going to discuss, this is a close up of the overlay of a conceptual site plan. This site plan shows the entry that we would create off of Muncie Drive. Muncie Drive is a road that’s in actually very good shape for access of both water service vehicles, as well as vehicles being towed to this lot. If you look at Armstrong to the north, that street has some challenges with typography, as well as it's not a very well-maintained street. The Unified Government would need to spend probably some dollars on just a public road improvement there. On this site off from

Muncie, we share an ingress and egress between both the impound facility as well as the water services department use.

If Kathleen can move over to the right side where it says the tow lot building, that area is where the tow lot building would be located. Then just east of there, where she's going around, would be all the parking for the tow lot facility. Then the Water Pollution service building is right down where she is. It looks like an upside-down and backwards F, if you can see that outline of that building. That's the design that was required for the Water Pollution team. Then in the middle there you see some parking, that's the shared staff parking between the two departments.

Then, if you look just a little bit up north, you'll see an L shaped parking. That would be for visitors. Then, once a month there's a vehicle auction, and that would be overflow parking for people coming for the monthly vehicle auction event. Then this site is large enough that—if you go back, Kathleen, to that top, the previous slide. what we were seeing before was the parcel that we're up to about parcel number six. So, this lower area is our future expansion area that could be used by Unified Government for other uses down the road.

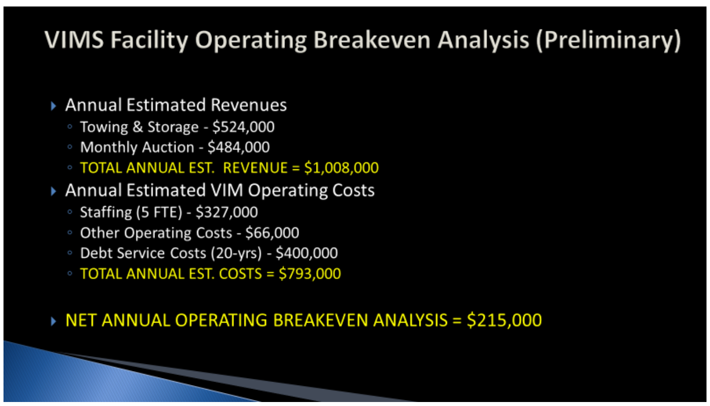
Chairman Burroughs said I have a question, Mr. Ho, if I may. **Mr. Ho** said yes. **Chairman Burroughs** asked could you give us a, it's very difficult to look at the map and see what it is you're talking to, what you're talking about in reference to landmarks. What are the landmarks in reference to some of the printouts you have here for the public that's trying to follow this report? Mr. Ho said probably the closest landmark, if you can see Kathleen, you see the church. There's a church that's just between the parking lot and the tow lot off of 49th Street & Armstrong. There's an intersection and there's a church right there. That church is to remain at 49^{th} & Armstrong.

Commissioner McKiernan asked, Commissioner Burroughs, if you could just imagine that just off the top of this picture is our Neighborhood Resource Center and Community Policing. **Mr. Ho** said right. **Commissioner McKiernan** said that's where we are.

Kathleen VonAchen, Chief Financial Officer, said State Avenue is up here, it's up above. **Chairman Burroughs** said say that again, Kathleen, I'm sorry. **Ms. VonAchen** said State Avenue is north of this map. **Chairman Burroughs** said I was to understand that this was at 49th & State Avenue, south to, I'm going to say part of the I-70 area. If I'm hearing this correctly, this is on the south side of Park Drive. **Mr. Ho** said as was said earlier by Commissioner McKiernan, this is just south of State Avenue. If you see Armstrong Avenue there. **Chairman Burroughs** said yes.

Mr. Ho said State Avenue would parallel Armstrong Avenue just about a block north. **Ms. VonAchen** said up here. **Mr. Ho** said yes. **Chairman Burroughs** said okay. **Ms. VonAchen** said and here is the NRC and the park facility. **Chairman Burroughs** said right. I'm aware of that area. **Mr. Ho** said there's an Aldi just north of Armstrong Avenue. Right there is the Aldi off of State Avenue. **Chairman Burroughs** said maybe it's just the incomplete picture that's got me a little confused here but go ahead. I'm sorry, I don't mean to hold up committee.

Chairman Burroughs asked, any other questions from committee members in reference to what you're viewing? (There were none.**)** **Chairman Burroughs** said please continue.



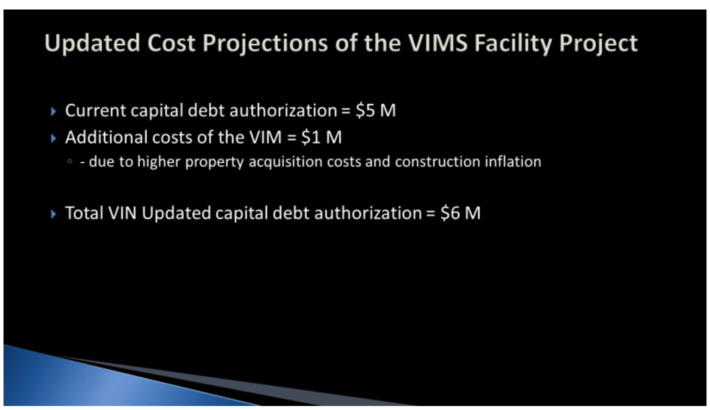
Ms. VonAchen said there's efficiencies by combining these projects together because then we're able to reduce the costs related to road infrastructure. So, that's a good thing. In terms of the vehicle impoundment management services facility, we've done an operating, or it was conducted by CBC with our input, we determined that there is an operating breakeven analysis, and this is preliminary analysis. Of course, the purpose of building a police tow lot is because not only are we going to provide better customer service to our residents, but also, we hope, over time to achieve a revenue that will be more than offset by—our operating costs will be covered by the revenue we collect.

This is kind of a breakout of the revenue that we expect to collect in the full year, probably not in the first year of operations, but maybe in the second year as things ramp up. We estimate to collect a million dollars in revenue and that will be reduced by roughly $790,000 in costs. This cost includes the debt service costs for the $6M that we're issuing bonds in order to build the facility. After 20 years, that 400,000 will go away and then that will be realized additional revenue to the General Fund. So, the net operating costs, breakeven analysis, shows that it's a positive $215,000 per year in the first 20 years of the project, so that's a good thing.

Commissioner Walters said, Kathleen, I have a quick question. Do you know how this compares with the previous presentation on the breakeven analysis when the Commission initially approved this project? **Ms. VonAchen** said I don't remember offhand. That presentation was given almost four years ago before I came.

It's been four years because we've had a lot of difficulty locating a site. There were many sites where the neighborhoods probably would not have been amenable to having a police tow lot. We've had some delays in doing this. I don't remember offhand what the net was expected at that time. I can look into it and provide that information. **Commissioner Walters** said I do like to request that we get that information.

Chairman Burroughs asked, Kathleen, can we get that information? **Ms. VonAchen** said yes, absolutely. I can provide that to you; I will. **Chairman Burroughs** said good point, Commissioner Walters. I think it's important that we do have a chance to revisit those numbers.



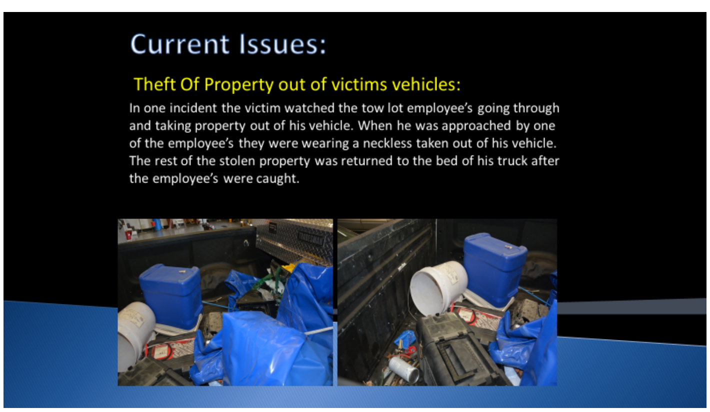
Ms. VonAchen said as I mentioned, the current capital debt authorization for this project was approved by the Commission back in 2016 for $5M. Now, based on our better understanding of the acquisition costs of the property, as well as just factoring in the inflation on construction over that four-year period, we're now estimating we need to have an additional $1M added to the capital debt authorization for this project so that it totals that $6M. That's what is the action before you tonight.

Commissioner Walters said another question. This land cost only includes the land necessary for the tow lot? **Ms. VonAchen** said, yes. That's correct. The property acquisition related to the wastewater facility is not part of this at all.

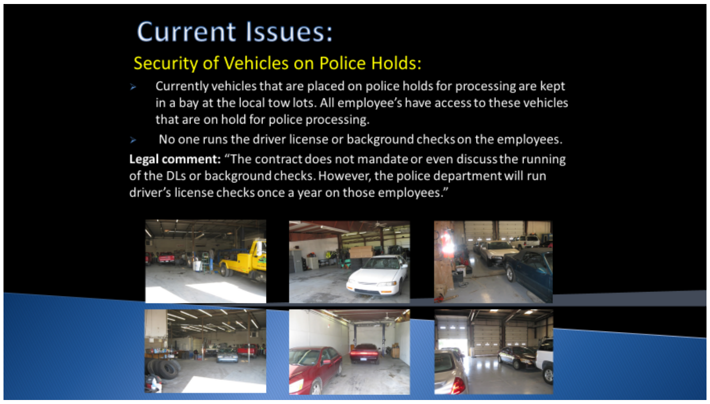
Chairman Burroughs asked, any other questions or comments?

Ms. VonAchen said at the end of this PowerPoint, we're going to ask for your approval of the increase for the capital debt authorization for this project. Before we do, we did want to take this opportunity to provide you some information on an additional part of this project that we will—where there's an identified need in the Police Department. As part of the upcoming 2021 proposed 2022 budget process, we will be talking much more about the Police CSI lab. The CSI lab is not part of that extra million dollars that we're requesting tonight. This is just an opportunity to provide more information on the need for a CSI lab.

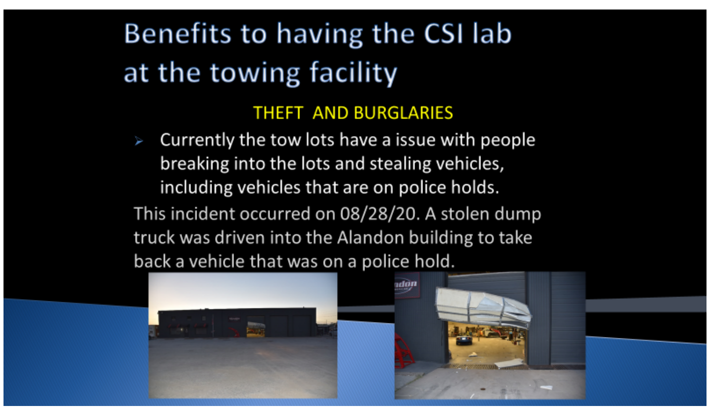
At this point, we're going to let our Chief proceed with talking about this part of the project, which we plan to request in the future.



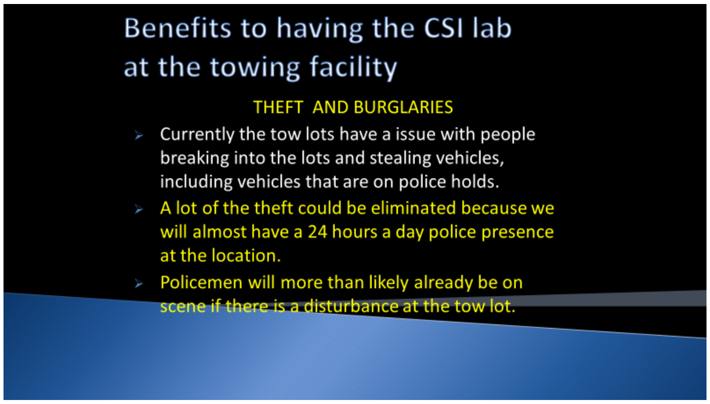
Michael York, Police Chief, said the first slide is pretty basic. We've had problems in the past with our various tow lots that we've contracted out with that their employees have gotten into the vehicles that we towed and the vehicles that needed to be processed and have taken things out of the cars. So, basic theft issues we've had over the years with various tow lots.



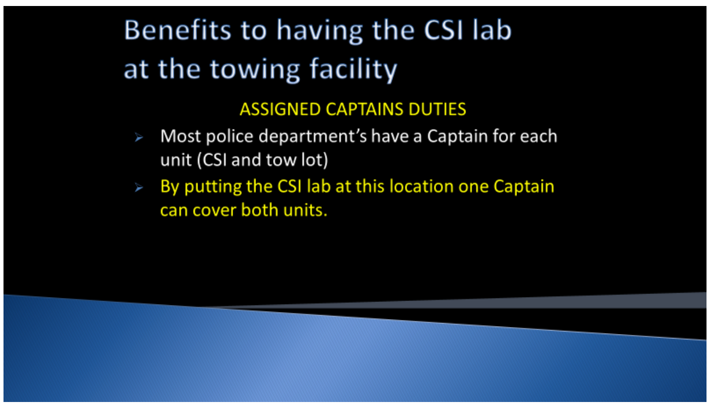
We have vehicles that we have to process like a homicide vehicle. They are kept at a bay in local tow lots. Again, employees have access to these vehicles, which could compromise the case file. Again, it would be very beneficial for the Police Department to have our own processing bays. We can't control the tow lots and who they hire.



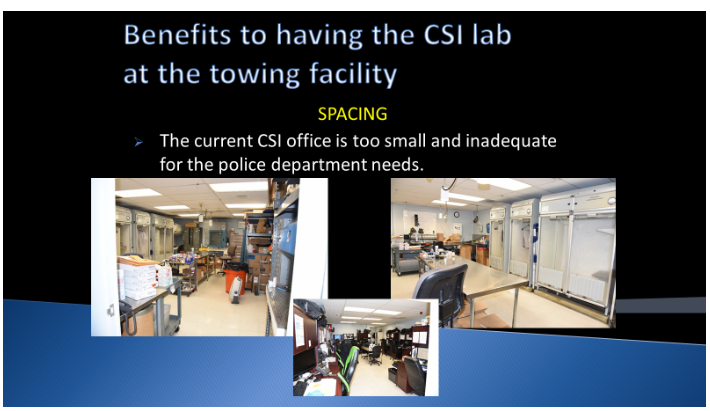
As you can see here, we actually had an individual who was so bold that he ran a dump truck through a processing bay at one of our local tow lots and took a car that we were going to process.



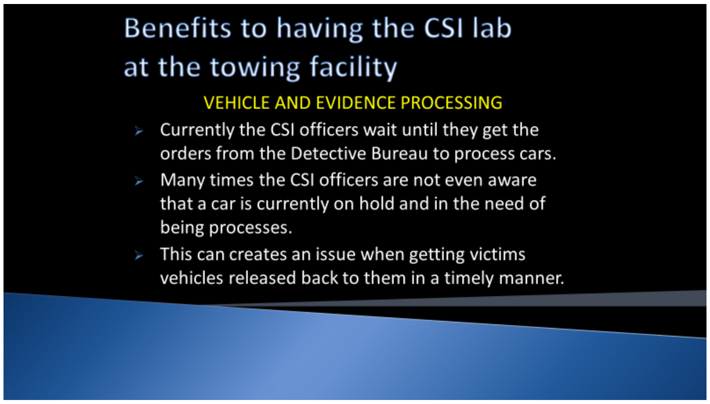
Again, back to the thefts and various other reasons. If we had our own, obviously, our own tow lot, which we will have, and our own CSI lab, we would have officers down there, specifically CSI officers there 24/7.



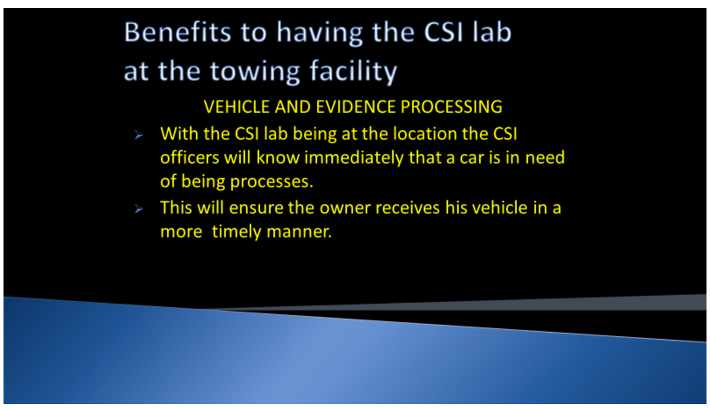
We would save a little bit of money because we would move our captain that is currently our CSI captain, we would move him to the CSI lab and he could manage both the tow lot and the CSI lab.



As you can see here, this is our current CSI lab. It's pretty small. You can see on your left and your right, those are our drying cabinets. We get big pieces of evidence that comes into our CSI lab. We're always worried about cross-contamination because the space that we have currently is so very tight. In the bottom picture there, you can see that is the workstation of our 10 officers. Again, very cramped and not much space to work with. **Ms. VonAchen** said it's very small. **Chief York** said right.



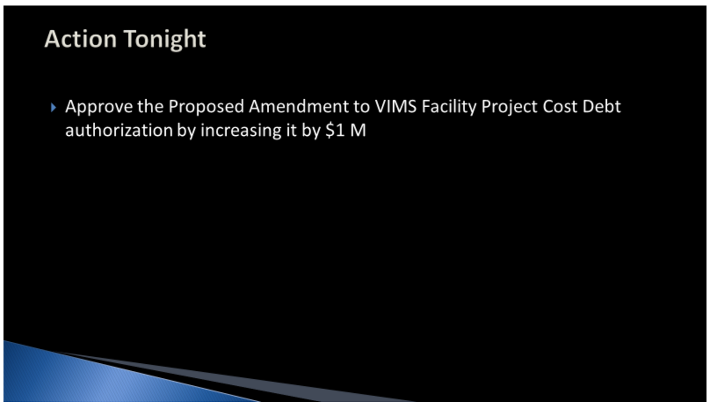
Chief York said, again, it would help streamline things if we had our own CSI lab there. The CSI officer could easily go to the bays and process the vehicles in a timely manner which would be beneficial to our community members so they can get their vehicles back in a timely manner.



Again, that just re-emphasizes that with the officers there, our CSI officers there, they can quickly get on the processing of these cars and get them back.

Ms. VonAchen said I just wanted to add that currently, the estimate for a CSI lab, including the construction and the equipment, is roughly $1.5M. That was estimated about a year ago, so that number may move a little bit. We're just presenting this so that you can see that in the upcoming capital budget process, this request will be part of the proposal from the Administration.

Chairman Burroughs asked, Chief York, is this a single bay or double bay CSI lab here? **Chief York** said from what I've been told, and correct me if I'm wrong, Kathleen, or maybe John Kelly's on the line here, there's going to be six total bays that we're going to be able to put cars in to process them. That's how I understand it. **Chairman Burroughs** said thank you. That gives me more clarity as to what I'm looking at here. These pictures were quite small on my screen. I apologize.



Chairman Burroughs asked, any questions from committee members? **Commissioner Walters** said the timing of this has me a little confused. We're going to proceed with the tow lot project, if we approve this additional money, and next summer, we will consider whether we're going to add the CSI lab to the project. **Ms. VonAchen** said yes, that's correct. We decided to…**Commissioner Walters** said that won't—so, is it not an integral part of the—is it a standalone facility outside the tow lot administration building or have we got that far? I'm surprised we didn't consider this two months ago when we approved our 2021 budget. This certainly didn't just appear in the last 60 days, did it?

Ms. VonAchen said back in March or April, we didn't know the costs related to the acquisition of the property. That's recent information that's why this extra million dollars was not included in the budget at that time. Now, we do know. In order to proceed with contracting the construction beginning next year, we need to have that additional amount added to the budget for the vins.

On the CSI lab, what we're going to ask our architects to do is kind of incorporate the possibility of adding the CSI lab within the current design just in case you all approve the addition of the CSI lab. We don't anticipate that actual construction would take place before that time. That's what we're doing here.

Commissioner Walters asked, when is construction expected to start on the tow lot? **Peter Hall, CBC Real Estate Group Consultant,** said, Commissioner Burroughs, I can probably help elaborate a little bit on Commissioner Walters' question too. I'll answer yours first, Commissioner Burroughs. The target construction start is in April of 2021. That's our goal right now.

Going back to the question about the planning of the building. At this point, we have the architect for the tow lot on the team and we have directed them to design the building for the tow lot, to design it for a CSI lab, which was always included as part of the original project. The difference here, this addition that Kathleen is referring to and also Chief York showed the images of where the people sit, that's the part that is the addition. It's the staffing for the CSI people that would be the addition. The architects would design the building whereby they could easily, like if you could picture your own home if you just wanted to design in such a way you could add on like a sunroom, you're going to design the building in a way that in the future, a simple addition could be added on and we would not incur any extra costs.

For example, the restrooms would be designed and sized appropriate for the full staff that would end up coming to the location, so we wouldn't have to add bathrooms in the next addition. We would size the mechanical system that could handle heating and cooling for an addition.

We would also include the staff parking that we would design and build in this first phase so that it could accommodate all the staffing, so it would just be a small building addition if the additional funds were approved.

Chairman Burroughs said, Mr. Ho, I guess the question would be to you and/or Chief York. The integrity of the CSI lab, the evidentiary material that would be, I would assume be gleaned from the lab itself. Is there a reason why—we have a KBI crime lab at the community college. The community college has recently acquired a former used car lot that had bays already established. Is the integrity of this building such that we need to be concerned of the air flow, I guess the particular area? I'm sorry, Chief. I'm missing at words that I'm looking for here in reference to ensuring the integrity of whatever is found by the CSI lab is able to be admitted into court and not have the transfer of evidence. These are all questions that I'm sure are going to be posed.

Chief York said, yes, Commissioner, you're right. We do have a KBI lab that we do take our evidence there like shell casings, bloody clothes to test for DNA (inaudible). **Chairman Burroughs** said sorry, Chief, you're breaking up pretty bad. **Chief York** said (inaudible) KBI, but as you can see by the office space is so very cramped (inaudible). Sometimes we have (inaudible). The current CSI lab now, as you can see by the pictures, is very cramped. We do deal with the KBI lab. We do take our pieces of evidence to KBI lab and they do process it. For example, shell casings and/or DNA. However, when we are processing crime scenes, we experience, quite often, large pieces of evidence that we have to take from the crime scene and bring it to our current lab. What I guess my point is, I'm concerned with the potential of cross-contamination just because of the cramped space that we currently have. The pictures really don't do it justice. The drying cabinets and where we process the evidence are very small. So, a bigger space would greatly benefit us and, obviously, we wouldn't worry about cross-contamination of evidence because we'd have enough space to process the evidence.

Chairman Burroughs asked, any other questions, Committee? Seeing none, I don't believe I see any hands up at this time. Rocki, I don't see any hands. Am I missing something on the attendees' list? **Rocki Mayes** said no, there are no hands raised. **Chairman Burroughs** asked, Committee, any other questions? (There were none.)

Action: **Commissioner Walters made a motion, seconded by Commissioner McKiernan, to approve. Chairman Burroughs** said I would ask the Clerk to please call roll. Roll call was taken and there were five "Ayes," Bryant, Walters, Johnson, McKiernan, Burroughs. (When Townsend's name was called during the vote, she did not respond.)

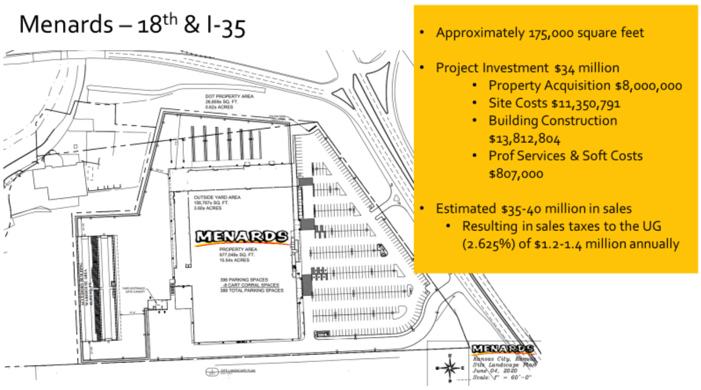
Item No. 4 - 20398… RESOLUTION: MENARDS DEVELOPMENT AGREEMENT

Synopsis: A resolution approving the development agreement for the Menards project at 18th Street and I-35, submitted by Katherine Carttar, Director of Economic Development. Public hearing was called by resolution for 10/29/20.

Kathrine Carttar, Director of Economic Development, said this is a resolution for the approval of the development agreement for the proposed Menards' project at 18th & I-35.

Just a quick orientation of where that is located. I you can see my curser, it is this location right here. As you can see, here is I-35 & 18th St. Our county line is right at the southern border of this property.

This is a property owned currently by the Sandifer family. They have an agreement/contract with the Menards company for the sale. It is a challenging site because it is basically pure limestone. It's also a really exciting site. It's what people call a billboard site because by building your property there, it's just as good as having or better than having an actual billboard because you can see it from so many directions on the highway. So, it's a really exciting and interesting site, but you'll see as we go through, it does not come without some challenges and some pretty extraordinary site costs.



What we are going through today is this is approximately 175,000 square feet. The project is about $34M. You can see here how it is all broken up. Again, what I would really like to kind of focus on a bit is the site cost at $11.3M. This is pretty abnormal. For a normal site, you'd have really a fraction of that site cost, but at this site, there's going to be some significant grading. Again, it is really just built on rock here as well as some significant retaining walls and other things.

Now, what I think what we all love about this is not only does this bring a second Menards location to our community, which is already a great thing and provides great retail options for our residents, but also, they have significant sales. I think this is probably very much on the conservative side of sales, but at $35 to $40M in sales, that would result in sales tax just to the UG, not total, so the state would get quite a bit more of this, but just the UG of about $1.2 to $1.4M annually.

What I am requesting this evening is the incentive request. There is an existing TIF district in this location called the Epic TIF District. It was created in 2009. The idea was that it would be very proactive, put a TIF in place, hopefully something would come; but, again, due to the upper mention significant site cost, this is not an easy site. So, in the last 11 years, no project plan had come forward and been adopted.

What this project plan and development agreement that you see here tonight would do would be a property tax, a TIF, so pay-as-you-go. So, no bonds. The Unified Government would not be fronting any funds. This would totally be as—Menards would, once they are built, then the increase in the property tax, that basically would be redirected back into the project.

We have set a cap at $11.7M. That's very close to the site work cost that you saw. This really is a way to get something to happen at this site as well as not just anything, something that's particularly beneficial to Wyandotte County and KCK.

What that ends up being is about a 100% property tax TIF. We're guessing currently for about 18 years of the 20 total. So, it would be, once we reach that cap of $11.7M, then the TIF would be terminated. Now, that all kind of depends on the appraised value and how quickly that increment can be reached. But, the really important thing, I think, for us is that 100% of the sales tax is retained. The Unified Government, the state, etc., will be receiving all of that sales tax. None of that is abated or redirected.

I do want to point out something a little different from our normal development agreements. We have negotiated no completion date on this. Menards has made it very clear that with COVID and everything else, while they are certainly anticipating that they will get started building this site very quickly, in fact, they are already working their way through the planning side, so that's really exciting. They should be receiving all of their approvals here in the next month or so, so you'll be seeing that on the other side of the isle, so to speak. So, we have every reason to believe that they are going to be moving quickly, but just with the topsy-turvy nature of the world right now, they requested no completion date. However, if the work has not begun in eight years, then the Unified Government can terminate the TIF.

Additionally, they have agreed to LMW participation goals. The next step would be a public hearing and full commission consideration of both the project plan and the development agreement on Thursday, October 29th.

Item No. 4
Resolution

A resolution approving the Development Agreement for the Menards project at 18th and I-35

I have, I believe, I don't know if he's still on, it's been a long evening, but Tyler Edwards from Menards is also here if you have any specific questions for either of us.

Chairman Burroughs asked, Mr. Edwards, do you have any comments you'd like to make? **Tyler Edwards, Menards,** said we are very excited to have found a second site. As you can tell from the aerials and the explanation, this is what we call manufacturing your own site. It's only about half as big as what we would need compared to the site out at 98th St. The average site work cost of a Menards store is $1M or so. This one is obviously much higher, $11M. This TIF is really essential to get us what we need to be able to put a second store, especially a store at this location. It's a rather undevelopable site without some sort of manufacturing. In today's day and age, the site work costs are just too much to justify a new store without using some of that sales tax money to pay ourselves back.

Chairman Burroughs said, Mr. Edwards, if I may ask a question. This store will be a duplicate of the one that's out in the Legends area? **Mr. Edwards** said yes. We only build one prototype that's why we have to manufacture our own site. It's about 16 acres. The building is the same, 200,000 square feet with the warehouse and yard. All the same products. It will be an exact replica.

Chairman Burroughs asked, Committee, any other questions? **BPU Board Member Bryant** said, Kathleen, my only question would be, I'm estimating if we're just using the property tax increase to pay the TIF, it's valuing at about $650,000 a year once it's completed. **Ms. Carttar** asked, what is the current value of the land? **BPU Board Member Bryant** said no. What do we expect the tax value to be of that property once the site is completed? **Ms. Carttar** said that's an excellent question and I don't really have that, just not up right now. If you give me a second and come back to me, I can have that for you.

Chairman Burroughs asked, any other questions? (There were none.) I would like to say to the committee, I'm very excited about this project. This is a very difficult piece of property to develop. We have a partner that's willing to come in and do major development on a southern corridor that will generate tax revenue and bring additional services to our community. I'm very bullish on this project, but I would entertain any comments or concerns commissioners may have.

Mr. Bryant, we hope to get to your information…**Ms. Carttar** said I have that now. Sorry about that delay. You were almost right on the money, Mr. Bryant. It would start out at roughly, this is again, we've been working with the Appraiser's Office to get a general sense. We never know, of course, what the appraised value will be until it is built. We'd be looking at roughly about $700,000 per year of property taxes.

Chairman Burroughs said I don't see any other hands by panelists, attendees. Any comments from the Committee? Any other questions? Rocki, do we have any members of the public wishing to speak to this issue? **Ms. Mayes** said there are no members of the public with their hands up. Mitzi, is there anybody who submitted anything? **Ms. Belcher** said, no, we don't have any submissions.

Chairman Burroughs said, Committee, so just to review. This is a resolution approving the development agreement for the Menards project at 18th St. & I-35. If there's not any questions, I'd entertain a motion.

Action: **Commissioner Walters made a motion, seconded by BPU Board Member Bryant, to approve. Chairman Burroughs** said we have a motion and a second. With that, I'd ask the Clerk to please call roll. Roll call was taken and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

Item No. 6
Resolution: Set a Public Hearing

A resolution calling for a public hearing on Nov 5, 2020 to consider the redevelopment project plans for the Village East STAR Bond District as part of the Homefield redevelopment project.

*Development Agreement with further project details will come to ED&F Nov 2 prior to the public hearing and vote on the Project Plan by the Commission

Item No. 5 – 20399…RESOLUTION: HOMEFIELD PUBLIC HEARING DATE

Synopsis: A resolution setting a public hearing date of November. 5, 2020, to consider redevelopment project plans for the Village East STAR Bond District as part of the Homefield redevelopment project, submitted by Katherine Carttar, Director of Economic Development. It is requested that this item be fast tracked to the October 1, 2020 full commission meeting.

Katherine Carttar, Director of Economic Development, said this one I can go into as much detail or as little detail as you would like. This is the project we have heard about the last two ED&F meetings. We've had Rob Hineman on presenting the term sheet so we will come back. We are currently working on the development agreement. As you can image, it's fairly involved. We did not want that to delay this project any further, so if we could call the setting of the public hearing for November 5th, we would very much appreciate that. Then we will come back to you at the next ED&F meeting with the full development agreement. That will be very much in line with the term sheet that you all saw last month. I would also mention that we would request that this is fast tracked to October 1st.

Action: **Commissioner Johnson made a motion, seconded by Commissioner McKiernan, to approve. Chairman Burroughs** said a motion has been made and seconded.

Chairman Burroughs said, Committee, that was pretty expeditious. I just wanted to ensure that we understood, this is just setting a hearing date. **Ms. Carttar** said correct. **Chairman Burroughs** said that's all this resolution does. With that, we do have a motion and a second. I would ask the Clerk to please call roll.

Roll call was taken and there were six “Ayes,” Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

Public Agenda:

No items

Adjourn

Chairman Burroughs adjourned the meeting at 8:19 p.m.

mbb/cg