Economic Development and Finance
Standing Committee Meeting Agenda
Monday, September 13, 2021
Immediately upon adjournment of earlier committee

Location: Virtually

You are invited to a Zoom webinar.
When: Sep 13, 2021 05:00 PM Central Time (US and Canada)
Topic: N/CD & ED/F Standing Committee Meetings

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Name	Absent
Commissioner Tom Burroughs, Chair	
Commissioner Brian McKiernan	
Commissioner Gayle E. Townsend	
Commissioner Harold Johnson	
Commissioner James Walters	
Jeff Bryant, BPU Member	

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

II. **Revisions to September 13, 2021 Agenda**

III. **Approval of standing committee minutes from June 7, 2021.**

IV. **Committee Agenda**

Item No. 1 - RESOLUTION: FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR VILLAGE WEST APARTMENTS III

Synopsis: A resolution adopting the First Amendment to Village West Apartments III Development Agreement, modifying the completion dates and PILOT schedule, submitted by Katherine Carttar, Director of Economic Development.

Tracking #: 211015

Item No. 2 - RESOLUTION: FIRST AMENDMENT TO KAW RIVER BRIDGE

COOPERATIVE AND DEVELOPMENT AGREEMENT
Synopsis: A resolution adopting the First Amendment to the Kaw River Bridge Cooperative and Development Agreement, modifying the conditions required to be met for Developer to access Pre-Development Funding, submitted by Katherine Carttar, Director of Economic Development.
Tracking #: 211016

Item No. 3 - REVIEW: OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST
Synopsis: Review of the Unified Government's Other Post-Employment Benefits (OPEB) retiree healthcare benefits liability, its impact on the financial statements, and how formation of an OPEB Trust will reduce the unfunded long-term liability, presented by Kathleen VonAchen, Chief Financial Officer, and Renee Ramirez, Human Resources Director.

OPEB material was provided at the August 9, 2021 standing committee meeting.

For information only.
Tracking #: 21895

V. **Public Agenda**

VI. **Adjourn**

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, June 7, 2021

The meeting of the Economic Development and Finance Standing Committee was held on Monday, June 7, 2021, at 6:32 p.m., remotely via Zoom and on-site. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Johnson (on behalf of Townsend); Walters, and BPU Board Member Jeff Bryant. Commissioner Townsend was absent. The following officials were also in attendance: Melissa Sieben, Emerick Cross and Alan Howze, Assistant County Administrators; Misty Brown, Chief Counsel; Carol Godsil, Deputy Clerk; Mitzi Belcher, UG Clerk's Office; Alley Porter, Commission Liaison; Patrick Waters, Deputy Chief Counsel; Kathleen VonAchen, Chief Financial Officer; and Debbie Jonscher, Deputy Chief Financial Officer.

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 or by phone, 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 that 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 its current guidelines from the Kansas Attorney General.

Due to COVID-19 requirements, in-person public comments have 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 all members were present as shown above.

Chairman Burroughs said as I've stated, Commissioner Townsend will not be joining us this evening, so we will move on. It's my understanding that there are no revisions to tonight's agenda, nor are there any minutes to consider as was the case in the previous meeting.

Item No. 1 – 21815…ORDINANCE: APPROVING THE SECOND EXPANSION AND AMENDMENT TO THE STAR BOND DISTRICT PLAN FOR THE VILLAGE EAST STAR BOND DISTRICT

Synopsis: An ordinance approving the Village East 2021 Expanded STAR Bond District and Second Amended STAR Bond District Plan, submitted by Kathleen VonAchen, Chief Financial Officer; and Patrick Waters, Deputy Chief Legal Counsel. It is requested that this item be fast tracked to the June 10, 2021, full commission meeting.

Doug Bach, County Administrator, said it's a pleasure to be here this evening. Tonight, we're bringing to you a project for consideration or a change to the Homefield Project which was considered by this governing body earlier in the year and approved. As the year progressed, the Homefield team has found that they believe there's a lot of things they can do on their site that can be even bigger and better than they're currently doing. Part of that request, or really the essence of the request, that they're bringing forward this evening is that they are wishing to expand the overall geographic area that their STAR District will set in, and they wish to move around some of the components within the plan areas from one area to another.

Those are the items that are coming forward. The portion of this that's being requested to be fast tracked is what's on this Item No. 1, and that is really just the expansion of the district area. Alley, I'd ask if you go ahead and put the presentation up, I would appreciate it.

I think to start the deal, or start the program, we'll take a look at what's in the current deal that's associated with Homefield.

CURRENT DEAL

- Sale of UG Land to Developer
- STAR Bond Financing - $130M
  - First issuance: $75M
  - Second issuance: $55M
- Sharing Menards Revenue
- $3.75M Community Capital Investment

- Developer has expended more than $20M in land acquisition and demolition

Through this deal, we have a sale of land to the developer. There's an overall approved STAR Bond financing amount of $130M. The first issuance was contemplated to be $75M, the second issuance $55M. There's a shared program within that. The Menards area sits within the STAR District but were not all the revenues from with this Menards we're going to go into this project area. Then, there's a commitment on the part of the developer that they will invest $3.75M into capital, back into areas that are more challenged for development to come in, in our urban areas. We will note that the developers expended more than $20M in land acquisition and demolition in the project area to date, and this is before we've done any kind of STAR Bond issuance out in the area.

PERFECT

- Premier provider of amateur baseball events, hosting high quality team tournaments and individual showcases throughout the country
- The state -of-the-art facility will add an estimated $30M to the project

The big change that's come about for the developer is that they've determined that they want to bring in a new development called Perfect Game, which is able to host a lot more. I'm going to recognize Robb Heineman, with Homefield, to talk a little bit more about this project and what their need is to bring them into this development.

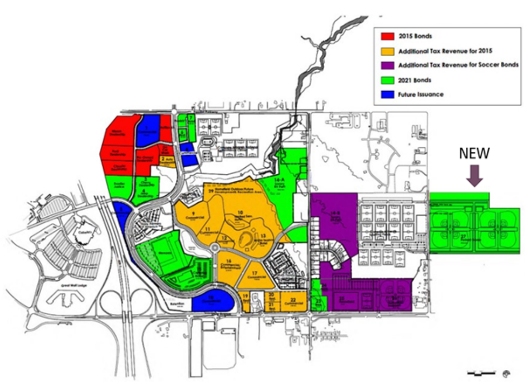
Robb Heineman, Homefield, said you know I'm excited to talk to you about just the project broadly because I think there's so much great momentum, but you know, Perfect Game is, I think it's a huge win for all of us. Perfect Game is a very, very high-quality operator. They operate tournaments all over the country. If you have any children that play baseball at all, they're, you know, really a premier operator. They do really advanced analytics and statistics around players and it's something that's become very attractive for kids that really have aspirations to play at both the college and pro level.

They're in the process right now where they're contemplating having a couple of mega complexes around the country, one on either coast, one in the Midwest. We were in relatively large competition with half a dozen cities in the Midwest and have been able to attract them to Kansas City. We're thrilled about this. Just at a high level, we're going to build approximately 12 baseball fields for them. There's a 13th associated with Homefield building that I'm sure will be used on many of their events. You know, I think one of the really cool economic development benefits for us is, they're pledging 75,000 room nights a year over the course, per year, for the next 20 years.

You know it's a big deal for all the hotels that we have out there. Obviously, these hotels in this area have performed really well. COVID, as it has everywhere, has done a bit of damage to that, but I think this is kind of an injection into that spot. It’s going to be really, really positive so we couldn't be happier than we are. I think this is a huge feather in the cap for the community.

The nice thing is, is not only will we offer, you know, offer Perfect Game out here and their tournament capabilities, which largely will be kind of, you know, Memorial Day to Labor Day, but Homefield will help accentuate, I think, kind of our academy baseball project as well. I don't think it's far-fetched to say that that this will be a, you know, top two or three baseball academy and just baseball mecca over the course of the next five years. I think aspirationally, that’s what we’ve always talked about trying to do when we’re able to utilize STAR bonds out in this community. It’s not just about can we make something that’s great, but can we make something that’s one of the best in the country, and so that’s what we set out to do and I think this is a really positive step in that direction. I’ll stop there, Doug, and I’m happy to chime in on all the rest of the progress when you’re ready.

EXISTING & PROPOSED USES



Mr. Bach said we'll go into the next slide and then we'll show what we're talking about for the requests of Item No. 1. You can see that the project area that's out here for the Village East District that's outlined on the map, and then you can see where there's the extension out to the right side of your screen. It shows where their new fields will be going and the cursors is moving around that area into the new.

Essentially, the expansion of the district, this is the only change when this comes before you, it's really to take what's the current district and then add this green area that's out to the side so what's in place in Item No. 1 only constitutes adding that change to the area.

Todd LaSala, Stinson Leonard Street Law Firm, said, Doug, I'm sorry to interrupt. **Mr. Bach** said yes. **Mr. LaSala** said I'm sorry to interrupt, but we are also adding just a little bit of area down on the corner. That number 23 that's also in green, there's just a—there's a very small piece that's being added there too. Sorry to interrupt. **Mr. Bach** said no, thank you, Todd, for clarifying that. That's Todd LaSala. He's our attorney that works for us on the development deal. So, that's pointed down in that bottom next to the purple and then bottom left-hand corner on that field area there, which was not included the first time around.

The developer has acquired—Robb, I guess you can comment on that, you have acquired, or in the process of acquiring that property today? **Mr. Heineman** said we have acquired it, Doug, yes. **Mr. Bach** said okay. Then I believe they have an option on the other property if we're able to include it within the STAR District. That really covers what's in the area, and then we can move to the next slide.

2021 EXPANDED STAR BOND PROJECT DISTRICT

I think this shows the overall development area. Todd, is there anything specific we wanted to go through with this one? **Mr. LaSala** said yeah, Doug. This is really more for the second item on the agenda, but the point of this slide is to show the project areas for Village East. Really, the important thing—the other procedural thing that you're gonna be asked to recommend, commissioners, is moving the Homefield indoor building from Project Area 1, which is in red there. That's where the Schlitterbahn Waterpark was that's being demolished. In the prior version of the plans, the Homefield indoor building was going to be right there where Alley's cursor is. The developer is proposing to move that into Project Area 4, really just to the east of that new property that they're requiring. They will relocate the Homefield building right there where cursor is. It's important, it's moving from one project area to another, so it procedurally requires your approval.

Mr. Bach said, Todd, if you want to continue forward to—well, I guess maybe this is a good point to break and see if any commissioners have questions on what's being proposed within this presentation, and then we can talk about what actions go forward from here. **Mr. LaSala** said right.

Commissioner McKiernan asked, Mr. Bryant, any questions, concerns, comments? I don't see any hands. I do see one, I apologize. We've got Commissioner McKiernan, please.

Commissioner McKiernan said, Mr. Bach and Mr. LaSala, if you could just refresh my memory and actually this is a good slide to do that. Interstate 435 is shown. Our original STAR Bond district is to the left of that as we look at this. It's in purple, right? That purple extension that goes to the east or to the right from there down Parallel, that was the original, correct me if I'm wrong, was that the original Village East that we created for the—my words are blanking on me here, the sports training—**Mr. LaSala** said the National Training Center. **Commissioner McKiernan** said the National Training Center**. Ms. LaSala** said that's correct.

Commissioner, the purple area, Project Area 4, you're exactly right. When we did Pinnacle, it included an overlay of Village West, so if you go east of 435 that purple area includes Pinnacle, but as you go across the highway and pick up the old Village West, the plan was always that when the original Star Bond District at Village West terminated, burned off, this overlay would kick in, and we would collect revenue from there to help pay for the National Training Center. That explains the district that exists on both sides of the highway that way.

Commissioner McKiernan said then in addition to that original expansion of area four, we now have some additional areas that have since become available since we originally did the

Pinnacle Development, and are now going to be included in this expanded district on the east side of 435, right? **Mr. LaSala** said that's correct. **Commissioner McKiernan** said the only thing we're doing tonight then is adding what is in blue, labeled as area five and then on this what is in blue labeled as area, oh five also, so there's two places that you had pointed out to us before that are east of 94th Street, both in blue. **Mr. LaSala** said that's exactly right.

They are both going into Project Area 5, that's exactly. **Commissioner McKiernan** said and then if I understood correctly, the Homefield structure which was going to be pretty much right where Alley's cursor is right now, it's going to move over and effectively front State Avenue, east of 94th Street, correct? **Mr. LaSala** said yep, exactly, you got it. **Commissioner McKiernan** said thank you so much.

Commissioner Burroughs said thank you Commissioner McKiernan. I believe that old site is the Frontier Steakhouse facility that used to sit there, so it's right on the corner. It would be the northeast corner of State Avenue across from the church, St. Pat's Church. If I'm correct. I believe in order for this project to be considered a STAR Bonds Project for revenue purposes, they had to be continuous and so that the Parallel drawing at the north allows them to be continuous. **Mr. LaSala** said yeah, continue that's right, that's correct. **Chairman Burroughs** asked committee, any other questions, I do see, and I apologize, gentlemen, I don't know who had their hand up first, but I'll just go down in order, Commissioner Johnson.

Commissioner Johnson said just for clarity, for those that are watching, the new area is in blue. The larger one is right across the street from the soccer fields, is that correct? **Mr. Heineman** said that is correct. In fact, Alley, if you jumped back one slide, we might be able to show—**Commissioner Johnson** said there it is. **Mr. LaSala** said yeah, these are different colors but the soccer fields you're talking about are right there and the new baseball, 55-acre baseball property is immediately east of that. **Commissioner Johnson** said that will be south of Providence Hospital? **Mr. LaSala** said right. **Commissioner Johnson** said okay.

What do you intend to do—what is your, what are your thoughts at least with the property there at 94th, the old Frontier. Is that just going to be kind of clear land there or is there thoughts that you might put something around? **Mr. Heineman** said no, there's definitely the thought that we'd put something there. Just to give you a little clarity too, Commissioner, I mean, so we own the old Frontier. There's kind of an L-shaped parcel that is north and east of us that we have had positive discussions with the homeowner but have not acquired that piece.

Then, obviously, what sits north of it is what we all refer to as kind of sphere property and that, you know, we have an agreement—our development agreement to purchase that from the Unified Government as part of this transaction, but our intention would be to definitely put something on this corner. In fact, we've been talking to medical office users on both sides of that street in what is labeled as parcel 22 and parcels 23 and I think that's 24 too, I can't see it very well here on my screen, small.

I would guess that in a perfect world for us what would happen is we would have, hopefully, a couple restaurant users on those hard corners and wrap them with medical office users, you know, behind. That's kind of what the work in process would be right now. We have very active discussions on all those tenants. **Commissioner Johnson** said great, thank you for that Robb, appreciate it.

Jeff Bryant, BPU Board Member, said mine is more of just a question. I understand that the location of these diamonds would be farther down the road, but you know we just relaunched our baseball team, the Monarchs. I just want to make sure that I'm understanding this right, this will be school age tournament, High School, non-competitive to draw potential visitors away from the Monarchs games. **Mr. Heineman** said yeah, correct, and in fact, I would hope that we'd provide some synergy for them, right, because the way that the perfect game facility largely will work is, you'll have, you know, hundreds of families descending upon Village West from call it Tuesday to Sunday, and presumably with a lot of downtime. If there are Monarchs games going on, you know, we've had several discussions with Brandmeyer family about the Monarchs and our ability to potentially work with them on ticketing or, you know championship games, potentially that we would play in the stadium.

I think probably more broadly based just around from a civic perspective, youth player development. Doug and I've talked about this a little bit. I'm going to have some follow up conversations, but there's a small complex just north of Parallel. I believe it's the Wyandotte County Baseball Club, which is not for-profit. So, obviously with all this new infrastructure going out here, I think it would be the intention of Homefield, the Perfect Game, and we've had discussions with the Monarchs as well around how we can update that, how can we contemporize what they're doing up there and provide a higher level of opportunity for those kids without changing any of the economics. Yeah, I don't see any conflict here whatsoever and I don't want to speak for the Brandmeyer, but we have spoken with them and I believe they would think this to be very synergistic to their efforts.

Mr. Bryant said well that was part two of my question, was the WYCO fields. I mean you're a few miles away, but you're not significantly distanced from the WYCO fields. My concern would be that's a long-standing playing area in our county and I'm just wondering how much of the opportunities they have there will be shed, because of this development. **Mr. Heineman** said no, I would hope they'd be expanded. That would be our intention.

I literally had a conversation today with a couple of large baseball club operators that we're working with and we talked about are there improvements that we can make to that complex sooner rather than later and trying to see if we could, you know, bring these kids into, like I said an enhanced program. I think that's the intention. We see that as a really good opportunity. Obviously, those fields exist today, and so it gives us an opportunity if we want to start building our baseball base up here within Wyandotte County, we can do that immediately.

I think those discussions I can tell you that, you know, I've been working with Doug's staff just as recently as a couple hours ago around scheduling those meetings. I'd be happy to report back to you after those are concluded, but our intention is to try to do whatever we can to enhance that program long term. **Mr. Bryant** said I would like to hear what the answers from the meeting are. **Mr. Heineman** said sure, no problem at all.

Mr. Bach said I'll just add, I'm very aware of how important the WYCO Baseball Program is to our community and for the individuals that have been able to participate in that at the recreation level where a lot of what Robb's proposing down here is really very competitive in that level of ball. I think there is some opportunity and I'm glad he's wanting to meet with him and talk to him about this. I think it's both ways, they're needing some changes in that field now that improve some things they haven't been able to invest in, so I really think there's a great opportunity here, but it's definitely one we need to preserve for the youth of our community so they can continue to have the opportunity they had for years. My kids all played at that ball field as well and until they decided to go on to different competitive levels so it's, it's certainly something we will work to make sure it fits great into the future of this.

Mr. Bryant said well thank you because I really believe that this is an opportunity for a win-win for both areas in our community. **Mr. Heineman** said great. **Chairman Burroughs** said thank you Mr. Bryant.

Commissioner McKiernan said this would be for Mr. LaSala or Mr. Bach, I think. We are proposing a little bit of an addition to a STAR—a Sales Tax Revenue District and my understanding is, we will use, as we have done in other projects, sales tax revenues to help build these amenities. From our sales tax revenues, we will get the use of all of these various facilities that are going to be built in this district, but my understanding is that all of these amenities would still pay property taxes into the General Fund that we could then use to help provide city services for all of Kansas City, Kansas and then county services for all of Wyandotte County, am I correct on that? **Mr. LaSala** said yes, Commissioner. Everything you said is absolutely correct. This is a sales tax vehicle only; it will not affect the property tax whatsoever. That's exactly correct.

Commissioner McKiernan said I really do appreciate that because I know that some people, as I talked to some people about the Legends, the original Star Bond District, they're confused thinking that we gave up both sales and property taxes. I want to make sure that we clarify that as these projects are built, they will generate an increasing amount of property tax, which we, as a Unified Government, will be able to use for the benefit of our citizens. Thank you for clarifying that. **Mr. LaSala** said that's correct. **Chairman Burroughs** asked any other questions or comments from Commission?

ACTIONS

- ORDINANCE: APPROVING THE SECOND EXPANSION AND AMENDMENT TO THE STAR BOND DISTRICT PLAN FOR THE VILLAGE EAST STAR BOND DISTRICT
  - To be considered at Full Commission on June 10, 2021
- ORDINANCE: APPROVING THE FIRST AMENDMENT AND RESTATED PROJECT PLANS FOR PROJECT AREAS 2B, 3 AND 5 WITHIN THE VILLAGE EAST STAR BOND DISTRICT
  - To be consideredat Full Commission onJune 24, 2021

Mr. Bach said I will ask Mr. LaSala to walk us through the actions that we are looking to take for the ordinances that are here in front of you this evening. **Mr. LaSala** said, commissioners, if you'll allow me, I'll get very specific about what you're going to be asked to see and approve tonight. One, your first item is an ordinance that would approve the expansion of the existing STAR Bond District, and it's specifically to add that 55 acres to the far east where Perfect Game would go, and to add that smaller parcel on 94th & State that you saw. That would go for—if you so choose, it will go forward to full commission to be considered at the June 10 Commission meeting.

The second item that you'll be asked to consider, your agenda item two, is approving amendments to the project plans for your STAR Bond District. I mentioned earlier that you've got assets amenities that are moving from one area to another and that plus this expansion of Perfect Game required amendments to the project plans that you approved last November. There is updated, there's a mountain of paper that goes with this including updated feasibility analysis showing the—what the revenues will do and so forth, but in its simplest terms, that amendment really allows the Homefield indoor building to move from that Schlitterbahn site in Project Area 1 on to that State Avenue site in Project Area 4 and that if you were to approve it tonight, it would go forward and be considered at full commission on June 24, 2021. Commissioner Burroughs, you typically asked us this question-too-procedurally, both of these steps will have to be ratified by the state of Kansas through the Department of Commerce. We are in communication with them, and they know that we are coming to ask, if the UG decides to approve these things, the state knows that they're coming.

Chairman Burroughs said if I may, there were two points of concerns that I raised today. One of them being the fact that we fast tracked this a couple of months back to put it before the full commission to get approval to ensure that the original STAR Bond, the first proposal, was to be approved. Then we from fast tracking it, now we have an additional development, some changes, and I believe there's very little questions about changes as the development project moves forward, but we're fast tracking again. I guess my concern is, at what time will we be coming back possibly looking at a third proposal and additional properties. Are there any other issues that would—we'd want to consider, even though we're fast tracking this, that may be coming forward that we should be aware of and I posed that to either Mr. Bach, or Mr. LaSala, or Mr. Heineman. I want to be fair in our presentation this evening because I am aware the additional expansion of the fields to the west, I believe comes with a cost and that hasn't been discussed here. Will that be discussed for the full commission? Those numbers, or will we have a chance to discuss those tonight during our actions? **Mr. Bach** said there is no request or any additional dollars coming into this project with the requests that are coming before you tonight. These are strictly ones where they would expand the size of the district and their ability to move properties within the district in discussions with Mr. Heineman. He can speak more to things that are going about with this.

They've talked about if they're able to bring in additional development with all of this additional sales tax paying developments, they would be—they could come back with an amendment to a future development agreement, which is not for consideration in either of these items, but a future development agreement where they come and ask for additional STAR Bonds. One of the comments I've made to Mr. Heineman, and he's well aware of this fact, is that if they were to bring something where they would request to issue more than $130M, which is what the current approval is at, they would need to demonstrate to us that how such additions would be able to, by adding, we would actually be able to retire all the bonds within the project area faster than is currently projected today.

It would be a win-win for their development, as well as that for the community, but that is not on the table, that is not officially being brought forward with either one of these actions. The actions here is the geographic area and moving projects within it. If they're able to come back and demonstrate how they can do other things, Robb has indicated that he may come back and ask for that in the future. Robb, would you care to comment on that?

Mr. Heineman said Doug, I think the thing that I would just say broadly is when we look at this, you know, kind of 300 acres and now expanding it potentially to 350 acres and when I look at adjacent ground that could be available over time and I think this is kind of a plan where we look 10 to 15, 20 years down the road and see, you know, what can we do here. I think the opportunity out here is enormous.

I also can tell you that from when we started this project two and a half years ago, obviously, gone through the pandemic the way we did, the amount of progress and just the momentum that we have out here, it's been even surprising to us. I think we feel like the sales tax capability of this site continues to expand every day. I think this is a spot that's going to be very attractive to future attractions, i.e. Perfect Game. I also believe that, you know, large scale retailers are also going to be interested in this site as well.

I think the opportunity is going to continue to expand, and we're going to work to do that. I mean, this is a site that we spend all day, every day on. It's very important to us. Like I said, we wanted to make a world-class site, so that's what I'd say commissioners. We're going to work as hard as we can to optimize around this site and make it special as we can and I would guess from time to time that would include us coming back to you and asking for modifications to our original agreements.

Chairman Burroughs said, Mr. Heineman, if I may. It was either you or Mr. LaSala made a comment how many hotel rooms to be taken down over the 20 years are proposed. **Mr. Heineman** said you know, I don't—I can't give you a great answer on that. Let me tell you about the momentum that we have out there today. You know we closed on the sale of a piece of ground to the Fairfield Inn, which I believe they would start construction here over the course of the next couple months. I believe it's a 90-room hotel. I can tell you that we're in deep discussions, we've signed a letter of intent with a water themed resort style hotel, that would be upwards of 300 plus rooms with the capability to expand over time.

We have had inquiries from two other limited service hotels, both of which were in kind of that 100 count level. I think what we would do is, we'd like to be very respectful of those that are investing with us early on, on the hotel side. It's still a challenging industry, it's a tough industry to get financing in right now, so I don't think what we would want to do is go out there and splash 500 or 600 rooms all at once. I think we; you know, we'd like to see if we can kind of do this 300 to 400, see how those go. Talk about what phase two, phase three would be and you know, hopefully, over time this winds up being 1000 to 1200 room destination over the course of the next 10 years. That'd be awesome for all of us.

I can tell you with, you know, some of the developments around like the Perfect Game for example, you know, they're talking about 75,000 room nights on an annual basis based on just the family counts, and the weeks of the year that they plan on working. We have the opportunity to exceed that if we have the hotel stock to provide.

Hotels are important to us, they're important everybody and we'll keep working on that. I think we've got great momentum. I think this resort style hotel, that I mentioned to you, it would be a full-service hotel. I believe that's one of the very few in the Unified Government, so I think that's a huge step in the right direction. I think it really starts to fill out what a great attraction Village West, the Legends, all of this is going to be over the long-term. **Chairman Burroughs** said thank you for that response Mr. Heineman, I appreciate it. Any other questions for committee? I see none. With that, Mr. Bach, any closing comments or statements? Seeing none. **Mr. Bach** said I would recommend approval of the ordinance as submitted this evening.

Chairman Burroughs said and I believe, Mr. LaSala, you said about combining them. I believe we need to take these separately. I believe by staff's recommendation; we should do these separately. **Mr. LaSala** said that's correct. **Chairman Burroughs** said okay, thank you.

I'll ask the Clerk at this particular time if there are any comments received from the public? **Ms. Belcher** said no, there have not been any comments from the public. **Chairman Burroughs** said now with that, I would entertain a motion.

Action: **Commissioner Walters made a motion, seconded by Commissioner McKiernan, to approve the second expansion and amendment to the STAR Bond District Plan for Village East and recommend it be fast tracked to June 10th.** Roll call was taken and there were five "Ayes," Bryant, Walters, Johnson, McKiernan, Burroughs.

Item No. 2 – 21816…ORDINANCE: APPROVING THE FIRST AMENDED AND RESTATED PROJECT PLANS FOR PROJECT AREAS 2B, 3 AND 5 WITHIN THE VILLAGE EAST STAR BOND DISTRICT

Synopsis: An ordinance approving the Village East First Amended and Restated STAR Bond Project Plan for Project Areas 2B, 3 and 5, submitted by Kathleen VonAchen, Chief Financial Officer; and Patrick Waters, Deputy Chief Legal Counsel.

Chairman Burroughs said next we move on, that takes us to Item No. 2, which is the STAR Bonds Revised Plan. That is the one for the revised project, for projects area 2 B, 3 and 5. With that, I would recognize Patrick Waters.

Patrick Waters, Deputy Chief Counsel, asked Todd, do you have any additional discussion to have on this or did your presentation incorporate. **Todd LaSala, Stinson Leonard Street Law Firm**, said no, not really, Patrick. We kind of—we did combine the presentations for two separate matters, but this one is about approving the changes to those project plans and really to relocate the indoor building from Project Area 1 to Project Area 4. That that's really it. We'd be happy to answer any specific questions about this one.

Chairman Burroughs asked any questions or comments. Todd, I have one and I did talk with Patrick about it earlier today. It deals with page three of the ordinance, the whereas. **Mr. LaSala** said okay, what's the question. **Chairman Burroughs** asked it was the last three whereas as, before we get to the now therefore, those three set the date. Basically, what is states is whereas of June 24th, 2021, you can read it there, that the plan was held. Are we approving this prior to a public hearing by approving this ordinance this evening? **Mr. LaSala** said no, you're advancing it for a public hearing on June 24th. That night you would conduct a public hearing, the public would have a chance to speak to it. Then after that, it would go back before the Commission and you can vote on it that night. **Chairman Burroughs** said okay, because the way it's worded, it looks like it's all it's—what actual action we take this evening that it would not only advance it, but that it's already been approved and should be ready to go before the full Commission.

Mr. LaSala said I don't—right. The ordinance is drafted so it assumes—this is the ordinance you would consider on June 24, and it assumes that, that night, you've had the public hearing, the Commissioner has decided and voted for it only if you—if all of that happens, would you sign this and those recitals are designed to say, we followed all these procedural steps. **Chairman Burroughs** said thank you for that clarification. Committee, any comment, further comment? Clerk, I would ask at this time if we've had any comments from the public. **Ms. Belcher** said no, we have not had any comments, from the public. **Chairman Burroughs** said thank you very much.

Chairman Burroughs said with that, I'd entertain a motion.

Action: **Commissioner Walters made a motion, seconded by Commissioner McKiernan, to approve the first amended and restated project plans for project areas 2B, 3 and 5, within the Village East STAR Bond District.** Roll call was taken and there were five "Ayes," Bryant, Walters, Johnson, McKiernan, Burroughs.

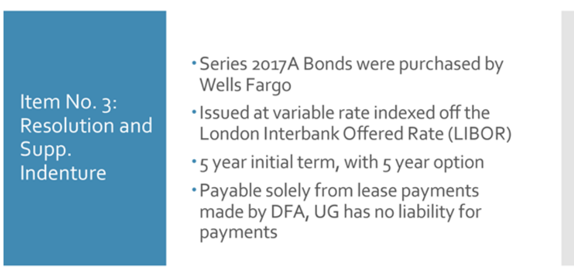
Item No. 3 – 21874…RESOLUTION: SUPPLEMENTAL INDENTURE WITH REGARD TO INDUSTRIAL REVENUE BONDS (DAIRY FARMERS OF AMERICA PROJECT)

Synopsis: A resolution authorizing the execution of a Supplemental Indenture with regard to Industrial Revenue Bonds, Series 2017A (Dairy Farmers of America Project), submitted by Patrick

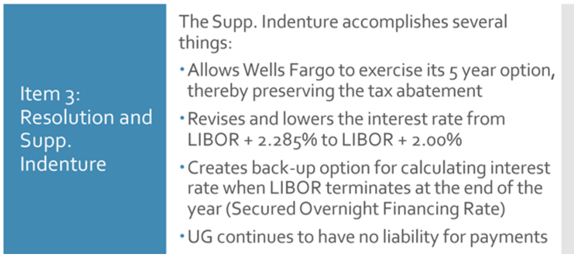
Waters, Deputy Chief Legal Counsel. The original trust indenture was approved December 1, 2017.

Chairman Burroughs said all right. Thank you, committee. That advances to our third item this evening and that's a resolution authorizing the execution of a supplemental indenture with regard to the Industrial Revenue Bonds, Series 2017A, Dairy Farmers of America Project. I would ask at this time if Mr. Waters were going to ask someone else to speak, but I'll ask Mr. Waters.

Patrick Waters, Deputy Chief Counsel, said I will handle this one, Mr. Chairman, thank you. We do have a bond counsel available who's much more knowledgeable about me if there are any more detailed questions about this though.



Yes, tonight as you mentioned, we have the resolution authorizing supplemental trust indenture for the DFA bonds. In 2017, these bonds were purchased by Wells Fargo. At the time they were issued at a variable rate that was indexed off the LIBOR rate. It was a five-year initial term with a five-year option for renewal. They were payable solely from the lease payments that are made by Dairy Farmers, Unified Government has never had, and will not have, any liability to make those payments.



What this supplemental indenture accomplishes is as follows, it allows Wells Fargo to exercise its five-year option, which then preserves the tax abatement through the next five years. It revises and lowers the interest rate a little bit from LIBOR plus 2.285 to LIBOR plus 2%. It creates a backup option for calculating the interest rate. At the end of the year it is expected that LIBOR will terminate, and most institutions are transferring over to what's called the secured overnight financing rate. As mentioned, as it was previously, the Unified Government continues to have no liability to make any of these payments. With that, I'll be happy to answer questions and we have Bond Counsel here as well.

Chairman Burroughs said thank you. Committee, any questions?

Commissioner Johnson said Mr. Waters, What is LIBOR running right now? **Mr. Waters** said I am going to defer to our bond counsel now on that one if I could. Gina, are you there? **Gina Riekhof, Gilmore & Bell,** said yes, I am here. Commissioner Johnson, I couldn't tell you what LIBOR is off the top of my head. It is similar to what SOFR is and many borrowers and their lending institutions have already transitioned to SOFR for knowing that LIBOR is going away at the end of the year. We've been transitioning to using SOFR here, you know, in the last 18 months or so working with many companies to transition, but it is very low, I can tell you that. Off the top of my head though, I'd hate to quote a rate and then be incorrect about that.

Commissioner Johnson said I was trying to pull it up myself, but anyway, it's not a—it's a short-term LIBOR then if we're going to be converting it at the end of the year, right? **Ms. Riekhof** said yeah, that's correct. There is a one-month LIBOR, a three-month LIBOR, a one year LIBOR so there are multiple terms—there are multiple LIBOR rates depending on the term that the borrower and their lender have agreed upon. So, the LIBOR you transition to the sulfur equivalent for that term. **Commissioner Johnson** asked, then when we go to the SOFR, will it be on a five-year basis, or what term will that be on? **Ms. Riekhof** said you know off the top of my head I don't remember. The way that they have structured this particular trust indenture, and again, as Commissioner Burroughs and Mr. Waters discussed earlier, the UG has no liability for any of the interest here. It is really between DFA and their lender Wells Fargo.

The way that they have set this up, it's whatever the LIBOR rate is and I believe it's a one month or three month LIBOR, plus that spread of now 2%. The interest rate, the effective interest rate that DFA is going to pay, and that they've negotiated with Wells Fargo is actually going down because the spread is going down from 2.285 to 2% plus whatever that variable rate is. Does that help answer your question? **Commissioner Johnson** said that does, I'm more curious than anything, so thank you. **Ms. Riekhof** said sure. **Chairman Burroughs** said thank you.

Commissioner McKiernan said I do support this particular resolution and I just want to add one more acronym to the pile tonight if we could. My understanding, it was first of all, these are Industrial Revenue Bonds, or IRB's and we have no liability for the repayment of those, correct Mr. Waters? **Mr. Waters** said correct. **Commissioner McKiernan** said but many times during development projects like this when IRBs are a financing vehicle, we as the Unified Government, do offer an incentive in the form of some reduced property tax, for example, over time. My understanding is—refresh my memory on this.

My understanding is the DFA did get a little bit of a property tax reduction over time, but they still are paying an amount that we agreed to as a payment in lieu of tax over the entirety of these bonds, is that correct? **Mr. Waters** asked, Gina, would you have any more information about that, what the PILOT was? **Ms. Riekhof** said yeah, Commissioner McKiernan, you're exactly right. There is a PILOT payment that has been agreed to. In 2021 that PILOT payment is approximately $160,000.

The way that that PILOT was negotiated, it was a fixed amount beginning the first year of the abatement and then it escalates 2% every year over that 10-year period. We're five years in and it's about $160,000 this year. **Commissioner McKiernan** said perfect, thank you so much. **Chairman Burroughs** said, Commissioner McKiernan, said thank you so much for asking that question. That was important that we see that it allows Wells Fargo to exercise this five-year option thereby preserving the tax abatement. I believe most tax abatements are a 10-year process, so I do understand that, but I do appreciate the fact that we were able to educate the public and reference that. Gina, thank you for that.

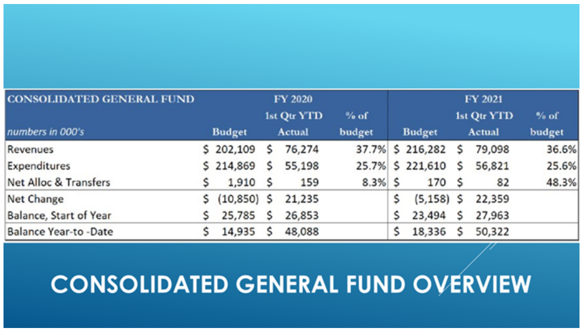
Chairman Burroughs asked any other questions or comments in reference to Item 3, the Dairy Farmers IRBs. Seeing none, I would ask the Clerk if there was any public comment submitted. **Ms. Belcher** said no, there were not any public comments submitted. **Chairman Burroughs** said thank you. There being none, at this time I would entertain a motion.

Action: **Commissioner Johnson made a motion, seconded by Commissioner McKiernan, to approve.** Roll call was taken and there were five "Ayes," Bryant, Walters, Johnson, McKiernan, Burroughs.

Item No. 4 – 21872…REPORT: FIRST QUARTER 2021 BUDGET TO ACTUALS
Synopsis: First Quarter 2021Budget To Actuals Report, submitted By Kathleen VonAchen, Chief Financial Officer; and Reginald Lindsey, Budget Manager.

Chairman Burroughs said alright, thank you, committee. That takes care of all of our action items this evening. The next item will be the First Quarter 2021 Budget to Actual Report. This is a non-action item for information only and I will recognize our Budget Director at this time. I believe, Kathleen VonAchen will be making the presentation.

Kathleen VonAchen, Chief Financial Officer, said tonight, Debbie, the Deputy CFO, and I will be making the presentation regarding the Budget to Actual Financial Performance for the first quarter of 2021.



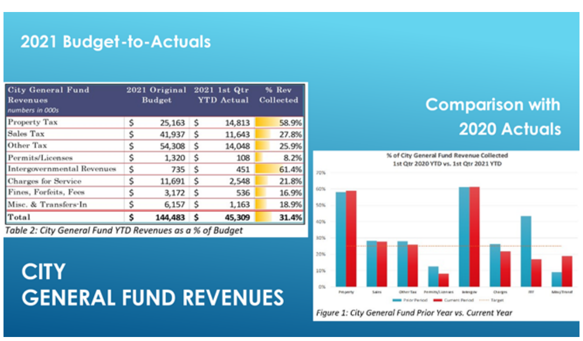
CONSOLIDATED GENERAL FUND	FY 2020			FY 2021		
numbers in 000's	Budget	1st Qtr YTD Actual	% of budget	Budget	1st Qtr YTD Actual	% of budget
Revenues	$ 202,109	$ 76,274	37.7%	$ 216,282	$ 79,098	36.6%
Expenditures	$ 214,869	$ 55,198	25.7%	$ 221,610	$ 56,821	25.6%
Net Alloc & Transfers	$ 1,910	$ 159	8.3%	$ 170	$ 82	48.3%
Net Change	$ (10,850)	$ 21,235		$ (5,158)	$ 22,359	
Balance, Start of Year	$ 25,785	$ 26,853		$ 23,494	$ 27,963	
Balance Year-to -Date	$ 14,935	$ 48,088		$ 18,336	$ 50,322	

First off, we'd like to start off by giving you an overview of the Consolidated General Fund. The right-hand three columns here represent how much we budgeted for the year and how much we've collected and spent through the first quarter. These three columns over here on the left are the same period last year so that you can make a comparison.

So far we have collected $79M in revenue in the Consolidated General Fund which represents 36% or 37% of the expected budgeted revenue collections for the year. The reason that's greater than, say, 25% which is ¼ of the total goal is because property tax typically—well the property tax bills get out—get sent out and paid in two increments, first at the beginning of the year in January and then secondly in June.

We collect half the revenue for property tax, which is one of our largest property tax revenue sources during the first quarter of the year. That's why it's at 60—36%, as you can see, last year we were collecting, roughly, we were at 37% at that time.

On the expenditure side, we have—we're spending roughly—we have spent ¼ of our budget as we anticipated and so we're on track there.



City General Fund Revenues (numbers in 000s)	2021 Original Budget	2021 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 25,163	$ 14,813	58.9%
Sales Tax	$ 41,937	$ 11,643	27.8%
Other Tax	$ 54,308	$ 14,048	25.9%
Permits/Licenses	$ 1,320	$ 108	8.2%
Intergovernmental Revenues	$ 735	$ 451	61.4%
Charges for Service	$ 11,691	$ 2,548	21.8%
Fines, Forfeits, Fees	$ 3,172	$ 536	16.9%
Misc. & Transfers-In	$ 6,157	$ 1,163	18.9%
Total	$ 144,483	$ 45,309	31.4%

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

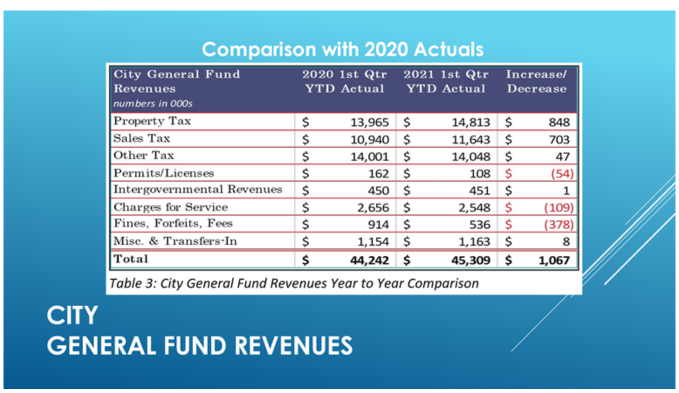
Now we're going to break it up into individual three funds. We're going to focus just on the City and the County Funds, General Funds because those are the two largest. I'm first going to talk about revenues and then Debbie's going to talk about expenditures. As you can see, the table on the left here demonstrates our budget for 2021 broken up by revenue sources with the second column being the actual amount we've collected so far this quarter and then the percentage of how much was collected compared with our budgeted revenue estimates.

Again, property tax, as I mentioned, is largely collected in the first quarter and it's sitting at 59% of the budget, so we're actually collecting more than we anticipated at this time. That may be because delinquencies are not as high as we anticipated as part of the revenue estimate.

On the sales tax side, we are slightly above the 25% benchmark at 20, roughly 28%. Sales tax coming in a little bit better than we anticipated, as well as other taxes at 26%.

Permits and licenses are only coming in at roughly 8%, but that's pretty typical because we typically don't collect permits and licenses until later in the year. You can see that by the graph that is over here on the right. The graph that shows how much we collected last year, which is the blue for this period, compared with this last quarter. You can see there in the middle of this little, short one here, is permits and licensing, is a lot lower than the 25%. Typically, we don't collect that much at the beginning of the year for permits and licenses.

Inter-governmental revenue is—we've collected half of that. Charges for Services are slightly down from what we anticipated, as well as fines, forfeitures and fees, which are significantly down. If you look over here at the graph, you can see that we collected a great deal more of the fines and fees last year at the beginning of the year than we did this year. So, moving on—I'm happy to answer any questions if you have any.



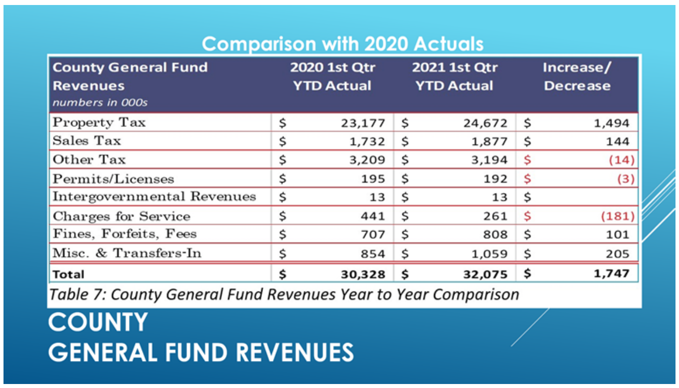
City General Fund Revenues *numbers in 000s*	2020 1st Qtr YTD Actual	2021 1st Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 13,965	$ 14,813	$ 848
Sales Tax	$ 10,940	$ 11,643	$ 703
Other Tax	$ 14,001	$ 14,048	$ 47
Permits/Licenses	$ 162	$ 108	$ (54)
Intergovernmental Revenues	$ 450	$ 451	$ 1
Charges for Service	$ 2,656	$ 2,548	$ (109)
Fines, Forfeits, Fees	$ 914	$ 536	$ (378)
Misc. & Transfers-In	$ 1,154	$ 1,163	$ 8
Total	**$ 44,242**	**$ 45,309**	**$ 1,067**

Table 3: City General Fund Revenues Year to Year Comparison

Alright, so the next graph actually just shows the dollars and it compares how much we actually collected last year for the first quarter compared with this year for the first quarter. Last year we collected $44.2M. This is basically the period right before the pandemic hit. Just keep that in mind. Maybe there was a few weeks at the end of the quarter because this quarter ends March 31.

This is basically a kind of consistent revenue collection. It's not impacted by the COVID, or maybe slightly.

This year we have collected $45M in the City General Fund which is about $1M greater than what we collected at this time last year. The biggest increase is in property tax and sales tax. Sales tax is growing at a good clip and we're excited to see that. In fact, collections for April and May are looking very promising, so good news.


Comparison with 2020 Actuals

County General Fund Revenues *numbers in 000s*	2020 1st Qtr YTD Actual	2021 1st Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 23,177	$ 24,672	$ 1,494
Sales Tax	$ 1,732	$ 1,877	$ 144
Other Tax	$ 3,209	$ 3,194	$ (14)
Permits/Licenses	$ 195	$ 192	$ (3)
Intergovernmental Revenues	$ 13	$ 13	$
Charges for Service	$ 441	$ 261	$ (181)
Fines, Forfeits, Fees	$ 707	$ 808	$ 101
Misc. & Transfers-In	$ 854	$ 1,059	$ 205
Total	**$ 30,328**	**$ 32,075**	**$ 1,747**

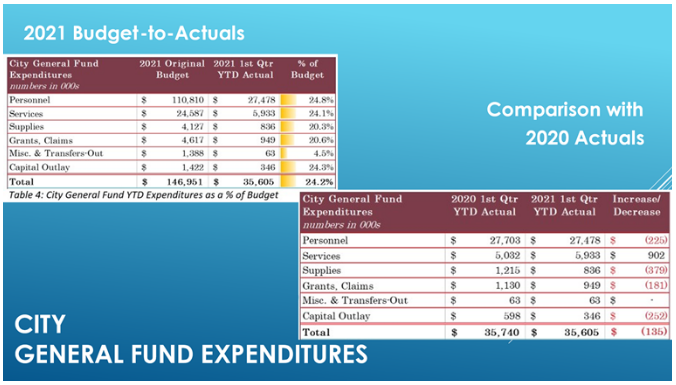
Table 7: County General Fund Revenues Year to Year Comparison

COUNTY
GENERAL FUND REVENUES

For this is the County's General Fund, and over here on the left is the comparison of the current year first quarter collections with the budgeted level, and overall were doing very well in that area as well. Again, property taxes over half, sales tax at 28%, other taxes at 33. Again, permits and licenses are below the 25 and that's pretty typical. Just as the same for charges to services are quite a bit lower than we like to see them at this point so we're going to take a look at that. Fines and fees are good. Overall, the collections for property tax, County General Fund, are doing very well.

This is a comparison of how much we collected last year for this quarter compared with this past years or this year's quarter. We have collected $1.7M more in this quarter than we did this time last year, and the largest is because of property tax that's not due to any rate increase, it's just due to the increased market value of property. All right, any questions on the revenues?

Chairman Burroughs asked, any questions, comments, committee? **Ms. VonAchen** said okay, I'm going to pass this on to Debbie and she'll be talking about expenditures.



City General Fund Expenditures *numbers in 000s*	2021 Original Budget	2021 1st Qtr YTD Actual	% of Budget
Personnel	$ 110,810	$ 27,478	24.8%
Services	$ 24,587	$ 5,933	24.1%
Supplies	$ 4,127	$ 836	20.3%
Grants, Claims	$ 4,617	$ 949	20.6%
Misc. & Transfers-Out	$ 1,388	$ 63	4.5%
Capital Outlay	$ 1,422	$ 346	24.3%
Total	**$ 146,951**	**$ 35,605**	**24.2%**

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

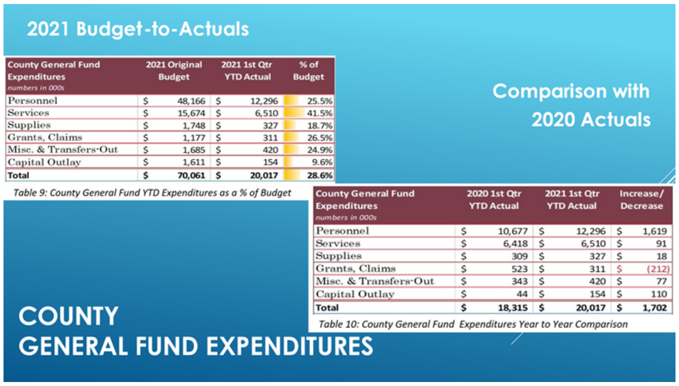
City General Fund Expenditures *numbers in 000s*	2020 1st Qtr YTD Actual	2021 1st Qtr YTD Actual	Increase/ Decrease
Personnel	$ 27,703	$ 27,478	$ (225)
Services	$ 5,032	$ 5,933	$ 902
Supplies	$ 1,215	$ 836	$ (379)
Grants, Claims	$ 1,130	$ 949	$ (181)
Misc. & Transfers-Out	$ 63	$ 63	$ -
Capital Outlay	$ 598	$ 346	$ (252)
Total	**$ 35,740**	**$ 35,605**	**$ (135)**

Debbie Jonscher, Deputy Chief Financial Officer, said this first slide we're talking about the City General Fund expenditures. We've got two graphs here. The upper left graph, up in the upper left corner, shows the Budget-to-Actuals. We've got all the categories for the City General Fund and with this being first quarter information, we would expect most of the percentage of budget used to be around 25%, as Kathleen had said. In most of these categories, that's about where we are. Personnel is running just slightly under 25%; Services we're at 24%. I will just note that for Services, the largest amounts that are included there would be the trash and recycling contracts, which is close to $8M, and then the ATA contract which is about $3M. So those are included in the Services category.

Under Supplies, we have fuel, natural gas and other utilities, as well as auto parts, different things like that. We're running at about 20.3% of budget, Grants and Claims, 20.6%. The miscellaneous that transfers out, I will just note this includes both reserves for the City General Fund as well as transfers out. What we're showing here is only transfers out for that 63,000, that's why it's only at 4.5%, and then Capital Outlay 24.3%.

For the total for the first quarter where expenditure for the City General Fund are about 24.2% of budget. In your lower right-hand corner is the comparison with 2020 actuals, and as you can see, looking at the increased, decreased columns, there's not a whole lot of difference between First Quarter 2020, Personnel is running a little bit lower. I do know that in 2020 we held some of the vacancies due to the pandemic, so not sure if that could be a potential reason for why this is trending a little bit lower, maybe some of those positions haven't been filled or weren't filled by the first quarter.

Services, only about 902,000. As I said, they're all pretty minimal changes to 2020. For the total it's only about $135,000 difference from first quarter 2020.



County General Fund Expenditures *numbers in 000s*	2021 Original Budget	2021 1st Qtr YTD Actual	% of Budget
Personnel	$ 48,166	$ 12,296	25.5%
Services	$ 15,674	$ 6,510	41.5%
Supplies	$ 1,748	$ 327	18.7%
Grants, Claims	$ 1,177	$ 311	26.5%
Misc. & Transfers-Out	$ 1,685	$ 420	24.9%
Capital Outlay	$ 1,611	$ 154	9.6%
Total	**$ 70,061**	**$ 20,017**	**28.6%**

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

County General Fund Expenditures *numbers in 000s*	2020 1st Qtr YTD Actual	2021 1st Qtr YTD Actual	Increase/ Decrease
Personnel	$ 10,677	$ 12,296	$ 1,619
Services	$ 6,418	$ 6,510	$ 91
Supplies	$ 309	$ 327	$ 18
Grants, Claims	$ 523	$ 311	$ (212)
Misc. & Transfers-Out	$ 343	$ 420	$ 77
Capital Outlay	$ 44	$ 154	$ 110
Total	**$ 18,315**	**$ 20,017**	**$ 1,702**

Table 10: County General Fund Expenditures Year to Year Comparison

Next slide is the County General Fund expenditures. We'll start with a graph on the left-hand side, the Budget-to-Actuals. As I said, we expect these to be at around 25%, which most of them are. I will just note for Services, you're seeing that is at 41.5% and the reason for that is one of the larger categories in there is the Inmate Medical Contract, which is about $4M of this $15.6M total, and the contract is fully encumbered at the beginning of the year. The majority of this amount, the $6.5M is the Inmate Medical Contract which is why that pushes the percentage up higher than the 25%.

All the rest of them are pretty much Grants and Claims, Transfers are around 25%, Capital Outlay is a little bit low at 9.6%. For the first quarter they may just not have started if it's projects or equipment, they may just not have gotten started on those projects yet.

For the County General Fund the total budget percentage is 28.6%. Then moving over to the comparison graph, Personnel is the largest change here. Just note that it's $1.6M above what the first quarter 2020 was. Some of that is due to, I believe, the County General Fund has a lower vacancy rate than the City does. On the City side we were seeing a little bit lower actuals this year than 2020 but, on the County General Fund side, we are seeing a higher number. The rest of the categories, pretty minimal change. The total for all the County's General Fund Expenditures is $1.7M.

Tax Levy Funds	REVENUES numbers in 000's 2021 Original Budget	2021 YTD Actual	% of Budget	EXPENDITURES numbers in 000's 2021 Original Budget	2021 YTD Actual	% of Budget
City General Fund	$ 144,483	$ 45,309	31.4%	$ 146,951	$ 35,605	24.2%
City Bond & Interest	$ 36,680	$ 16,719	45.6%	$ 37,501	$ 6,651	17.7%
County General Fund	$ 67,823	$ 32,075	47.3%	$ 70,061	$ 20,017	28.6%
Cons. Parks General Fund	$ 6,232	$ 2,278	36.5%	$ 6,685	$ 1,681	25.1%
County Bond & Interest	$ 5,283	$ 2,261	42.8%	$ 5,956	$ 1,103	18.5%
Aging	$ 2,054	$ 1,008	49.1%	$ 2,047	$ 454	22.2%
Developmental Disabilities	$ 372	$ 195	52.5%	$ 572	$ 57	10.0%
Elections	$ 1,419	$ 769	54.2%	$ 1,561	$ 311	19.9%
Health	$ 3,534	$ 1,562	44.2%	$ 3,593	$ 824	22.9%
Mental Health	$ 665	$ 374	56.3%	$ 674	$ 166	24.6%
Total UG Tax Levy Funds	**$ 268,545**	**$ 102,551**	**38.2%**	**$ 275,600**	**$ 66,869**	**24.3%**

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

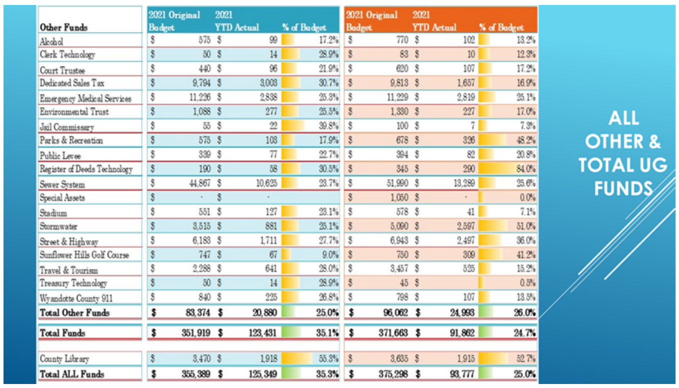
The next slide, this is showing the revenues and expenditures for all the other tax levy funds including the city and county which we just went over. Revenues are in the middle column in blue and expenditures are in the column on the right in orange. Most of these, I guess for revenues, most of the categories Kathleen talked about how the property tax distribution in January, we have a January distribution and a June distribution, which is—covers about 90% of the property tax collections. On the revenue side for the tax levy funds, we expect these to see the 25%, because a good portion of their revenue is collected in January. I will just note a couple of funds.

The City Bond and Interest Fund, which is the second line here, you can see the revenue is at 45.6% and that's due to the property tax collections, but on the expenditure side it's only at 17.7%. The reason for that is, there are two debt service payments a year, one in February and one in August. The February is an interest only payment, and then August is interest and principal. You typically see a smaller amount on the debt service funds in the first half of the year, but then in August, that percentage will increase, that's the same for both the City and County Bond & Interest Fund. For total tax levy funds, revenue is at 38.2% and expenses are at 24.3%.

Chairman Burroughs said I'm looking at the Developmental Disabilities, with 10% only being expended. Can you share with us why that would be at just 10% for the first quarter?

Ms. Jonscher said I don't have a lot of information on that one. I may have to get back to you on what that is, I'm not exactly sure what the differences are. Maybe there's a contract that just wasn't encumbered in the first quarter. I don't have an answer for you tonight on that, but I can certainly find that out and get back to you. **Chairman Burroughs** said if there's services out there that aren't being provided under this pandemic, I'm sure there's a cry for services, all across the community. When I see a 10% of the funds only been dispersed, it concerns me greatly as we're leaving—or if people are finding other sources of service—another place to find services, or if those dollars are what's coming in that we're only spending our dollars and not the COVID dollars. I don't know if any of these figures include the monies that was received from the federal government last year and new monies expected this year.

Ms. Jonscher said I do know they do also have a grant fund, which is not shown here. It could be that maybe they have spent some funds out of the grant, but I can certainly double check that and find that out for you.



Other Funds	2021 Original Budget	2021 YTD Actual	% of Budget	2021 Original Budget	2021 YTD Actual	% of Budget
Alcohol	$ 575	$ 99	17.2%	$ 770	$ 102	13.2%
Clerk Technology	$ 50	$ 14	28.9%	$ 83	$ 10	12.3%
Court Trustee	$ 440	$ 96	21.9%	$ 620	$ 107	17.2%
Dedicated Sales Tax	$ 9,794	$ 3,003	30.7%	$ 9,813	$ 1,657	16.9%
Emergency Medical Services	$ 11,226	$ 2,838	25.3%	$ 11,229	$ 2,819	25.1%
Environmental Trust	$ 1,088	$ 277	25.5%	$ 1,330	$ 227	17.0%
Jail Commissary	$ 55	$ 22	39.8%	$ 100	$ 7	7.3%
Parks & Recreation	$ 575	$ 103	17.9%	$ 678	$ 326	48.2%
Public Levee	$ 339	$ 77	22.7%	$ 394	$ 82	20.8%
Register of Deeds Technology	$ 190	$ 58	30.5%	$ 345	$ 290	84.0%
Sewer System	$ 44,867	$ 10,625	23.7%	$ 51,990	$ 13,289	25.6%
Special Assets	$ -	$ -		$ 1,050	$ -	0.0%
Stadium	$ 551	$ 127	23.1%	$ 578	$ 41	7.1%
Stormwater	$ 3,515	$ 881	25.1%	$ 5,090	$ 2,597	51.0%
Street & Highway	$ 6,183	$ 1,711	27.7%	$ 6,943	$ 2,497	36.0%
Sunflower Hills Golf Course	$ 747	$ 67	9.0%	$ 750	$ 309	41.2%
Travel & Tourism	$ 2,288	$ 641	28.0%	$ 3,457	$ 525	15.2%
Treasury Technology	$ 50	$ 14	28.9%	$ 45	$	0.5%
Wyandotte County 911	$ 840	$ 225	26.8%	$ 798	$ 107	13.5%
Total Other Funds	**$ 83,374**	**$ 20,880**	**25.0%**	**$ 96,062**	**$ 24,993**	**26.0%**
Total Funds	**$ 351,919**	**$ 123,431**	**35.1%**	**$ 371,663**	**$ 91,862**	**24.7%**
County Library	$ 3,470	$ 1,918	55.3%	$ 3,635	$ 1,915	52.7%
Total ALL Funds	**$ 355,389**	**$ 125,349**	**35.3%**	**$ 375,298**	**$ 93,777**	**25.0%**

This next slide is all the other funds, the Special Revenue and Enterprise Funds, that collect revenues other than property tax revenues. I'll just point out a couple on here, Parks and Recreation. I will just note that on the expense side, it's showing 48.2% and that is due to their mowing contracts. They go ahead and encumber the entire contract at the beginning of the year and that could be—that's the same for several of these. Registered of Deeds, you'll see their expenses are at 84% and that's due, I believe, they have a technology project that is being encumbered and they got quite a bit of funds already encumbered.

One I did want to note was stormwater. I didn't catch this before the report went out, it's showing 51% on the expenditures, but I went back and looked and discovered that there was an entry that was incorrectly charged to that number. So, we are getting that corrected, but their expenditures are actually only at 24%, not 51%. That will be corrected and then we'll show correctly in the second quarter.

Chairman Burroughs said thank you for that clarification because that tells me that either we spent more money than we had or we moved it out of, I would say, emergency funds. But if we're bringing in 25.1%, and we're only spending 24.8%, then we're right there where we need to be in reference to having ability to pay our expenses. But at 51%, we've overextended ourselves. **Ms. Jonscher** said yes, and that is incorrect, so we'll get that corrected.

The golf course is at 41% and that's due to the Golf Pro Contract. They typically encumber that at the beginning of the year. As you can see, they've only collected 9% of revenues for the first quarter. That's probably because it's nobody's out there in January and February. It was pretty cold this year.

I think overall total other funds were standing at 25% collected for revenues and 26% and that number is probably actually a little bit lower on the expenses because this 51% is probably going to affect that number when I adjust it. **Chairman Burroughs** said right.

Ms. Jonscher said that completes our presentation on the Budget-to-Actuals, so if there's any questions on any of the information we provided, we're here to answer.

Chairman Burroughs asked committee, any questions. I don't see any hands. I would just like to say it's not as dire as we had proposed a year or so ago. I commend staff for their budget decisions in the presentation this evening. I do believe there are some highlights within this budget shared with us that we have taken the proper action. I am anticipating a bump in sales tax revenue. We're seeing it on the state side as well as on the local side. Property taxes over performing at this particular time, which I think is a great benefit even though it's the first quarter. If my memory serves me correctly, looking at the first two City Budget and County Budget, Property Tax was nearly 2.8M over projected collections. If that's not correct, please correct me, but that's 2.8M more than what we started with last year just in property tax alone.

Okay, well with that ladies, thank you. Any other questions or comments from committee members. Sorry, I'm trying to get to the hands raised here. Seeing none, thank you for your presentation this evening. As I stated, this is a non-action item. It's for information only. That does conclude tonight's meeting and information shared with the public in all our action steps. With that, I will just state the meetings adjourned. Thank you everyone for joining us.

Action: For information only.

Adjourn

Chairman Burroughs adjourned the meeting at 7:00 p.m. mbb

Staff Request for Commission Action

Tracking No. 211015

Full Commission Meeting Date: 9/30/21
Committee: Economic Development & Finance

Date of Standing Committee Action: 9/13/21 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/31/2021	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

First Amendment to Village West Apartments III Development Agreement, modifying the completion dates and PILOT schedule.

The proposed dates are:

Completion of public infrastructure (Delaware Pkwy extension) to July 1, 2023 (originally December 31, 2022)
Completion of entire project to Aug 1, 2024 (originally December 31, 2022)

The PILOT fees will be increased due to the increased construction timeline.

Action Requested:
Approve and advance to FC

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

Attachments List:
Resolution Approving First Amendment to Village West Apartments III DA, First Amendment to Village West Apartments III DA

RESOLUTION NO. R-____-21

A RESOLUTION ADOPTING THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR VILLAGE WEST APARTMENTS III.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") and Village West Apartments III, LLC, a Kansas limited liability company ("Developer"), entered into that certain Development Agreement for Village West Apartments III dated as of February 27, 2020 (the "Agreement"); and

WHEREAS, Developer has requested an extension to the Completion Dates for the Improvements and the Public Infrastructure Improvements in exchange for a $100 per door increase to the annual PILOT; and

WHEREAS, the Governing Body has determined that it is advisable to enter into the First Amendment to Development Agreement for Village West Apartments III with Developer (the "First Amendment"), attached hereto as **Exhibit A**.

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

Section 1. That the Governing Body hereby approves the First Amendment in substantially the form attached hereto.

Section 2. That the Mayor is hereby authorized to execute in the name of the UG, the First Amendment, and the County Administrator and other officials and representatives of the UG, including special counsel, are hereby further authorized and directed to take such actions and to execute any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

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

[Remainder of page intentionally left blank; signature page follows.]

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS _____TH DAY OF _______________, 2021.

____
David Alvey, Mayor/CEO

ATTEST:

____
Unified Government Clerk

(Seal)

EXHIBIT A

First Amendment

[To be attached.]

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR VILLAGE WEST APARTMENTS III

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR VILLAGE WEST APARTMENTS III (this "First Amendment") is made as of September _____, 2021 (the "Effective Date") between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") and Village West Apartments III, LLC, a Kansas limited liability company ("Developer").

RECITALS

A. The UG and Developer entered into that certain Development Agreement for Village West Apartments III dated as of February 27, 2020 (the "Original Agreement") for Developer to design, develop, and construct a luxury apartment complex and related amenities as more fully set forth therein. The Original Agreement, as amended by this First Amendment, may be referred to herein as the "Agreement." Capitalized terms used in this First Amendment but not otherwise defined herein shall have the meanings assigned to them in the Original Agreement.

B. The UG issued Resolution No. R-8-20 on February 27, 2020 determining the UG's intent to provide IRB financing for the Project, as described in Section 4.1 of the Original Agreement (the "Resolution of Intent"). The Resolution of Intent expired on January 1, 2021.

C. Pursuant to the terms of the Original Agreement, Developer agreed to Substantially Complete construction of the Improvements and the Public Infrastructure Improvements on or before December 31, 2022.

D. Developer has requested to extend the Completion Date for the Improvements and the Public Infrastructure Improvements in exchange for a $100 per door increase to the annual PILOT.

E. The UG and Developer, pursuant to Section 10.4 of the Agreement, hereby desire to amend the Agreement as more particularly set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the UG and Developer agree as follows:

1. Modification of Completion Dates. The parties hereby agree that Section 6.10 of the Agreement shall be deleted in its entirety and replaced with the following:

> Completion Dates. Developer hereby agrees that, subject only to Force Majeure, Developer shall Substantially Complete construction of the Public Infrastructure Improvements on or before July 1, 2023, and the Improvements described in Section 2.2(a) on or before August 1, 2024 (the "Completion Dates").

2. Modification of Timing for Issuance of IRBs. The parties hereby agree that the parenthetical "(but in no event later than January 1, 2022)" in Section 4.1(b) shall be deleted and

replaced with "(but in no event later than January 1, 2025)". The UG will consider an amendment to the Resolution of Intent to extend its effectiveness to January 1, 2025.

3. Modification of PILOT Schedule. The parties hereby agree to modify the Agreement by deleting **Exhibit D**, entitled "PILOT Schedule", in its entirety and replacing with **Exhibit D** attached hereto.

4. Miscellaneous. In connection with this First Amendment, the parties hereby agree as follows:

(a) The Recitals set forth above are true and correct and are hereby incorporated by reference.

(b) Except as specifically modified by this Third Amendment, the Agreement, as amended, remains in full force and effect in accordance with the terms thereof.

(c) In the event of any inconsistency between the terms of this First Amendment and the Original Agreement, this First Amendment shall control.

(d) This First Amendment contains the entire agreement between the parties hereto, and the terms hereof are contractual and not mere recitals. No promises, inducements or agreements not herein expressed have been made.

(e) This First Amendment shall be binding upon and inure to the benefit of the parties hereto, and their successors and assigns.

(f) This First Amendment may be executed in counterparts.

(g) All remedies set forth in Article 9 of the Original Agreement shall be made available for the enforcement of this First Amendment.

(h) This First Amendment shall be construed in accordance with the laws of the State of Kansas.

[Remainder of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed as of the day and year first above written.

UG:

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:_______________________________________
David Alvey, Mayor/CEO

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ____________________, 2021, by David Alvey as Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas.

Printed Name: ______________________________
Notary Public in and for said State
Commissioned in Wyandotte County

My commission expires:

____

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed as of the day and year first above written.

DEVELOPER:

VILLAGE WEST APARTMENTS III, LLC,
a Kansas limited liability company

By: NPD Management, LLC,
a Missouri limited liability company, its Manager

By: ________________________________
Nathaniel Hagedorn, Manager

STATE OF MISSOURI)
) SS.
COUNTY OF PLATTE)

This instrument was acknowledged before me on ____________________, 2021, by Nathaniel Hagedorn, as Manager of NPD Management, LLC, a Missouri limited liability company, the Manager of Village West Apartments III, LLC, a Kansas limited liability company.

Printed Name: ______________________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires:

____

EXHIBIT D

PILOT Schedule

Value/Unit	# Units	Projected Value	2021 Mill Rate	Per Door Taxes
$53,719.19	330	$17,727,331.48	170.061285	$1,150.00

	With L/M/W		Without L/M/W	
Year	Per Unit	Annual PILOT Payment	Per Unit	Annual PILOT Payment
1	$1,150.00	$379,500.00	$1,150.00	$379,500.00
2	$1,160.50	$382,965.00	$1,172.11	$386,796.30
3	$1,192.32	$393,463.95	$1,222.13	$403,302.90
4	$1,225.08	$404,277.87	$1,274.08	$420,446.40
5	$1,258.84	$415,416.20	$1,321.78	$436,187.40
6	$1,293.60	$426,888.69	$1,377.68	$454,634.40
7	$1,329.41	$438,705.35	$1,435.76	$473,800.80
8	$1,366.29	$450,876.51	$1,496.09	$493,709.70
9	$1,404.28	$463,412.81	$1,551.73	$512,070.90
10	$1,443.41	$476,325.19	$1,616.62	$533,484.60
	Total:	**$4,231,831.57**		**$4,493,933.40**

Staff Request for Commission Action

Tracking No. 211016

Full Commission Meeting Date: 9/30/21

Committee: Economic Development & Finance

Date of Standing Committee Action: 9/13/21 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/31/2021	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:

First Amendment to Kaw River Bridge Development Agreement, modifying the conditions required to be met for Developer to access the previously approved $75,000 of pre-development funding. The conditions required to access pre-development funding include Commission approval of the TIF District and Project Plan, and proof of the 1:1 funding match.

Action Requested:

Approve and advance to FC 9/30

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Resolution Approving First Amendment to Kaw Bridge Dev Agreement, First Amendment to Kaw Bridge DA

RESOLUTION NO. R-____-21

A RESOLUTION ADOPTING THE FIRST AMENDMENT TO THE KAW BRIDGE COOPERATIVE AND DEVELOPMENT AGREEMENT

WHEREAS, on June 7, 2021, the UG and Developer entered into that certain Kaw River Bridge Cooperative and Development Agreement (the "Original Development Agreement"), whereby Developer proposed to rehabilitate the Rock Island Bridge by adding certain amenities including, but not limited to; public trails, commercial restaurants and retail, event spaces and areas for non-profit corporations, all as set forth in the Original Agreement.

WHEREAS, the Original Agreement provided that certain conditions would have to be met before Developer would have access to Pre-Development Funding from the UG. The UG agrees that some of the conditions set forth in the Original Agreement are not necessary or feasible for Developer to meet at this time, and therefore agrees to modify the conditions set forth in the Original Agreement.

WHEREAS, the Governing Body has determined that it is advisable to enter into the First Amendment to Kaw River Bridge Cooperative and Development Agreement with Developer (the "First Amendment"), attached hereto as **Exhibit A**.

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

Section 1. That the Governing Body hereby approves the First Amendment in substantially the form attached hereto.

Section 2. That the Mayor is hereby authorized to execute in the name of the UG, the First Amendment, and the County Administrator and other officials and representatives of the UG, including special counsel, are hereby further authorized and directed to take such actions and to execute any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

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

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS _____TH DAY OF _______________, 2021.

____
David Alvey, Mayor/CEO

ATTEST:

Unified Government Clerk

(Seal)

<u>EXHIBIT A</u>

First Amendment

[To be attached.]

FIRST AMENDMENT TO KAW RIVER BRIDGE COOPERATIVE AND DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO KAW RIVER BRIDGE COOPERATIVE AND DEVELOPMENT AGREEMENT (this "Amendment"), by and among the **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS** (the "UG"); **and FLYING TRUSS, LLC.,** a Missouri limited liability company ("Developer"), is made and entered into as of the date executed by the UG (the "Effective Date"). The UG and Developer are collectively referred to herein as the "Parties".

RECITALS:

A. On June 7, 2021, the UG and Developer entered into that certain Kaw River Bridge Cooperative and Development Agreement (the "Original Development Agreement"), whereby Developer proposed to rehabilitate the Rock Island Bridge by adding certain amenities including, but not limited to; public trails, commercial restaurants and retail, event spaces and areas for non-profit corporations, all as set forth in the Original Agreement.

B. The Original Agreement provided that certain conditions would have to be met before Developer would have access to Pre-Development Funding from the UG. The UG agrees that some of the conditions set forth in the Original Agreement are not necessary or feasible for Developer to meet at this time, and therefore agrees to modify the conditions set forth in the Original Agreement.

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

1. **Incorporation of Recitals.** The Parties understand and agree that the Recitals set forth above are hereby incorporated as though more fully set forth herein.

2. **Amendment of Original Agreement.**

A. Modification of conditions required to be met for Developer to access Pre-Development Funding. The Parties hereby agree that Section 4.2(a) shall be deleted in its entirety and replaced with the following:

> UG Contribution. It is contemplated by the parties that a limited portion of the Project Costs for Phase 1 shall be funded in part by the UG Contribution.
>
> (a) In order to provide some working capital for the public/private partnership, an amount up $75,000 of the UG Contribution (the "Pre-Development Funding") will be made available to Developer to pay for architectural, engineering, site plan and environmental costs, subject to the terms and conditions described herein. For Developer to access the Pre-Development Funding, Developer must (i) satisfy the Closing Condition set forth in Sections 3.1(c) and (ii) demonstrate to the UG that it has access to at least $75,000 of matching private funding which can be used for final architecture, engineering, site plan and environmental, and for use in

Developer's Private Placement Memorandum to raise Phase 1 Funds as required by this Agreement. Subject to the conditions described in subsections (i) and (ii) herein, Developer may draw the Pre-Development Funding on a dollar-for-dollar basis with the private funds used for such pre-development costs and expenses; in other words, for each $1.00 of Pre-Development Funding, Developer must provide evidence that it has spent at least $1.00 of private funds on such pre-development expenses as described in subsection (ii) above. The UG shall make the Pre-Development Funding available to Developer for reimbursement of architectural, engineering, site plan and environmental costs following approval of such expenses pursuant to Section 4.6 below.

3. **Miscellaneous.** In connection with this Amendment, the Parties hereby agree as follows:

A. Any capitalized term used herein that is not specifically defined herein shall have the meaning provided in the Original Agreement.

B. Except as specifically modified by this Amendment, the Original Agreement shall be and remain in full force and effect in accordance with the terms thereof.

C. It is the intent of the Parties that the provisions of the Original Agreement, as amended by this Amendment, shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in the Original Agreement, as amended by this Amendment, or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified, deleted or interpreted in such a manner as to afford the party for whose benefit it was intended the fullest benefit commensurate with making the Original Agreement, as modified, enforceable and the balance of the Original Agreement shall not be affected thereby, the balance being construed as severable and independent.

D. The Parties hereto declare and represent that no promises, inducements or agreements not herein expressed have been made; the Original Agreement, as modified by this Amendment, contain the entire agreement between the Parties hereto; and the terms hereof are contractual and not mere recitals.

E. This Amendment shall be binding upon and inure to the benefit of the Parties hereto, and their successors and assigns.

F. This Amendment may be executed in counterparts.

G. This Amendment shall be construed in accordance with the laws of the State of Kansas.

[Remainder of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the Parties have executed these presents as of the day and year first above written.

UG:

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:____
David Alvey, Mayor/CEO

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ________________, 2021 by David Alvey as Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas.

Printed Name: ________________________________
Notary Public in and for said State
Commissioned in _____________ County

My commission expires
____

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

DEVELOPER:

FLYING TRUSS, LLC, a Missouri limited liability company

By: ____________________________________
Michael Zeller, Manager

STATE OF _________________)
) SS.
COUNTY OF _______________)

This instrument was acknowledged before me on _______________, 2021 by Michael Zeller, as Manager of Flying Truss, LLC, a Missouri limited liability company.

Printed Name: ______________________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires

____

Staff Request for Commission Action

Tracking No. 21895

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

Date of Standing Committee Action: 8/9/21, 9/13/21
(If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
8/27/2021	J. Renee Ramirez, Kathleen VonAchen	x5665, x5186	rramirez@wycokck.org, kvonachen@wycokck.org	Finance

Item Description:
Review of the Unified Government's Other Post-Employment Benefits (OPEB) retiree healthcare benefits liability, its impact on the financial statements, and how formation of an OPEB Trust will reduce the unfunded long-term liability, presented by Kathleen VonAchen, Chief Financial Officer, and Renee Ramirez, Human Resources Director.

Action Requested:
For review only

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

Attachments List:
OPEB Funding 101 UG-EDF-8-9-21

Other Post-Employment Benefits: Funding

Unified Government of Wyandotte County and Kansas City, KS

GovInvest
Insights to your financial future

Agenda

Background

- What is OPEB?
- How are plans paid for?

Funding Principles

- Basic Concepts
- Pay As You Go Funding
- Traditional Actuarial Funding
- Other Funding Approaches

Decisions

- Authorize Committee
- Return with Recommendations by March 2022

What is OPEB?

Other Post-Employment Benefits (OPEB)

- Includes
  - Retiree Health Benefits
  - Retiree Dental Benefits
  - Retiree Vision Benefits
- Excludes
  - Pensions
  - Severance Pay

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Other Post-Employment Benefits (OPEB)

- Unlike pensions, OPEB contributions are currently based on health care benefit costs during the years that a retiree (and beneficiaries) are eligible.
    - Kansas Statute 12-5040 requires the UG offer these benefits to retirees up until age 65.
    - Current UG policy extends these benefits beyond age 65.

Funding Principles

Overview of OPEB Funding

BASIC FUNDING PRINCIPLES

TRADITIONAL ACTUARIAL FUNDING

OTHER COMMON FUNDING APPROACHES

Money In = Money Out

Employer Contributions +

Employee Contributions +

Investment Return

→

OPEB Fund

→

Benefit Payments

+

Expenses

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Assumptions with Biggest Impact on OPEB Liabilities and Cost

Economic

- Medical Inflation
- Investment Return

Demographic

- Retirement
- Disability

OPEB Funding Approaches

A basic discussion of the most common approaches to funding OPEB plans

Pay as You Go

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Pay as You Go

- Pay OPEB retiree healthcare claims as they come due
- No assets are accumulated
- To determine future liability, actuaries typically assume a discount rate based on current bond yields. These rates are currently in the 2%-3% range. These are based on low-risk bonds that match how money must be invested in your reserves.

Benefit Payments are Projected to Increase Faster than UG Revenues

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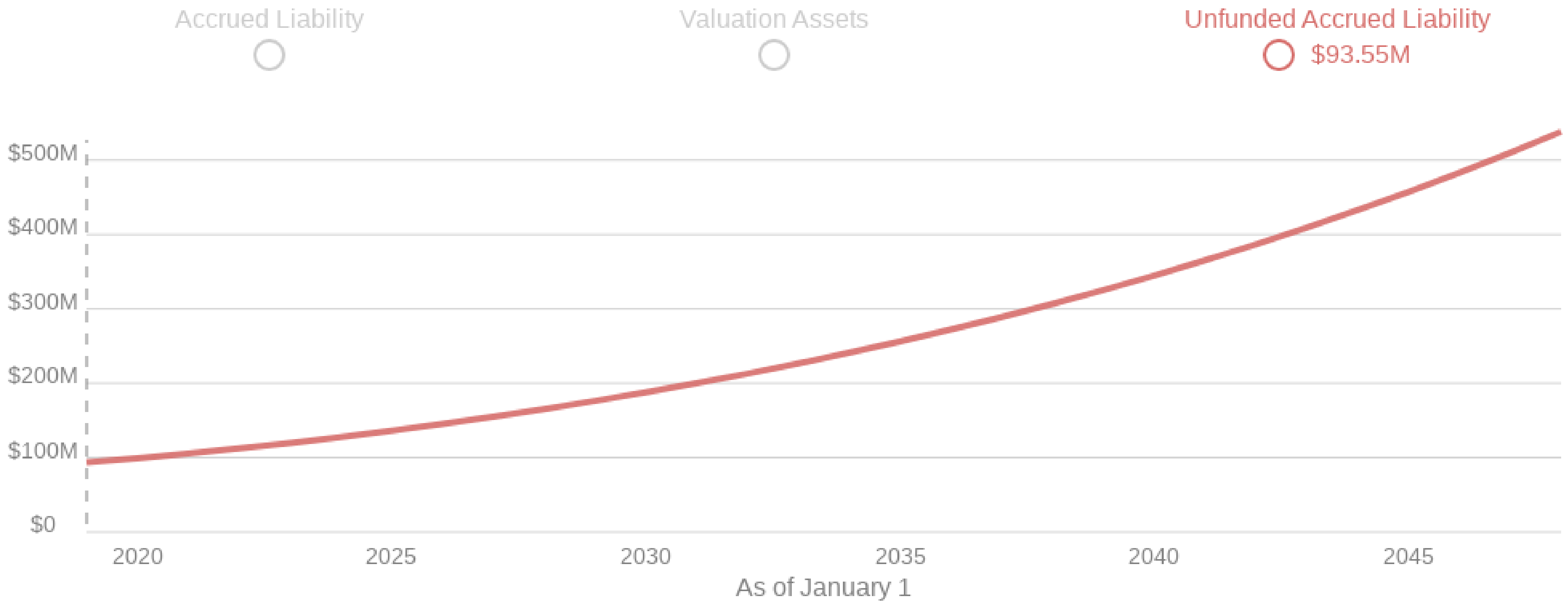
Without offsetting Assets, Liability Continues to Grown



Traditional Actuarial Funding

Reasons to Prefund

- Lowers Long-Term Cost of Benefits
- Lowers Liabilities on Balance Sheet
- Provides Additional Benefit Security to Employees and Retirees

Actuarially Determined Contribution

Definition of Actuarially Determined Contribution (ADC) from GASB 75:

Actuarially determined contribution

A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

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Actuarially Determined Contribution

Normal Cost + Unfunded Actuarial Liability (UAL) Amortization Payment = Total Employer Contribution

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Normal Cost

Costs attributed to current year of service

- The percentage of payroll that would be sufficient to fully fund promised benefits for current active employees, IF
  - This percentage was paid each year from the time the employee is hired until the employee leaves,
  - Current plan benefits are not changed,
  - Employee experience matches assumptions, and
  - Investment experience matches assumptions.

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Actuarial Liability

Funding Target

- The assets that would be in the fund today, IF
  - The Normal Costs had always been paid into the fund,
  - Current plan benefits had never been changed,
  - Employee experience had always matched current assumptions, and
  - Investment experience had always matched assumptions.

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Unfunded Actuarial Liability (UAL)

Progress towards Target

- Actuarial liability minus assets
- The Amount that the current assets are behind (or ahead of) the funding target
- Amortization of the UAL is part of the employer's funding policy. The actuary follows applicable ASOP's, consults with the employer and an amortization policy is adopted for purposes of the ADC.

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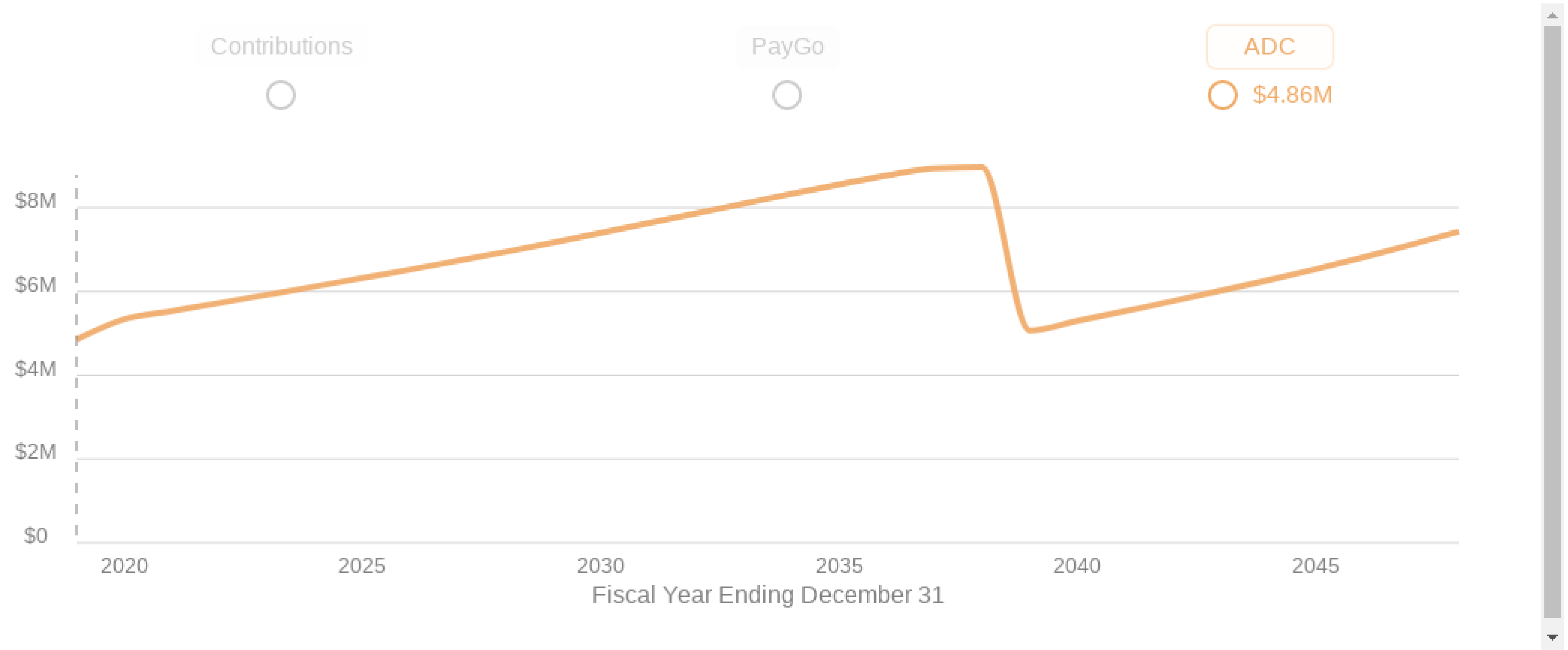
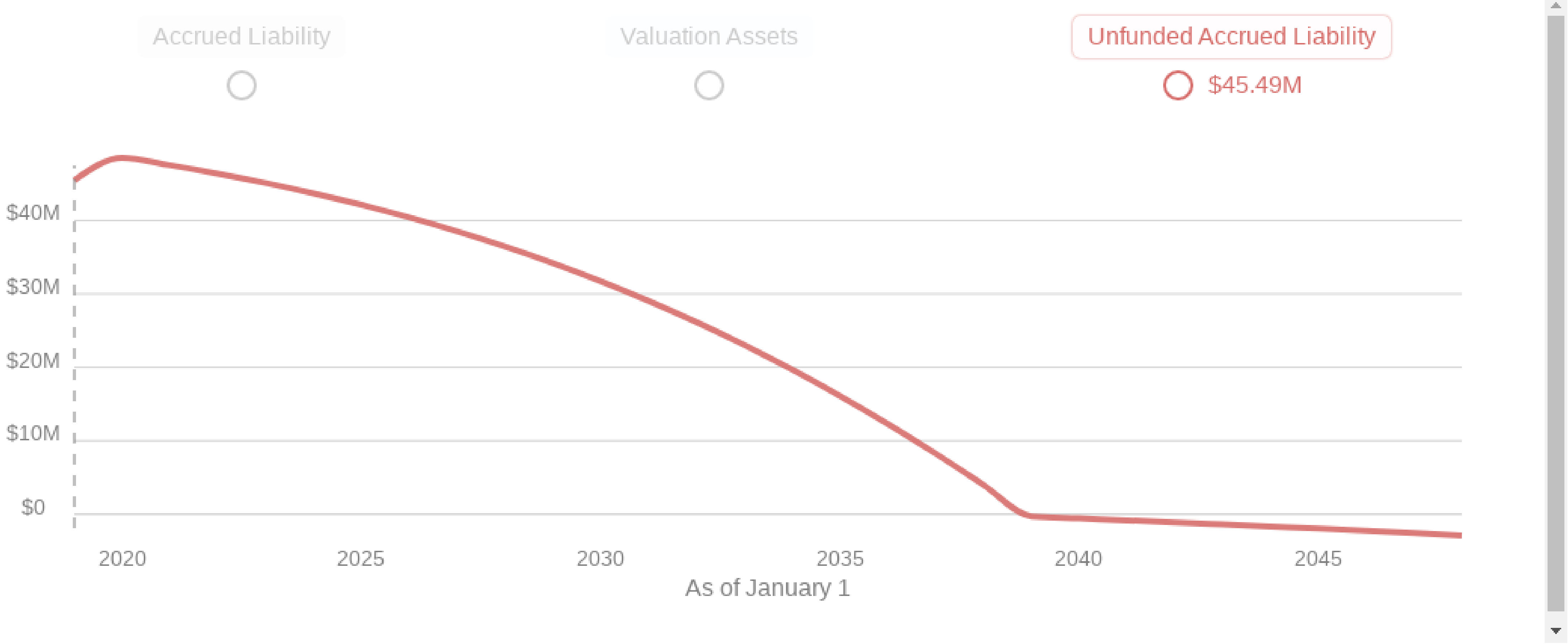
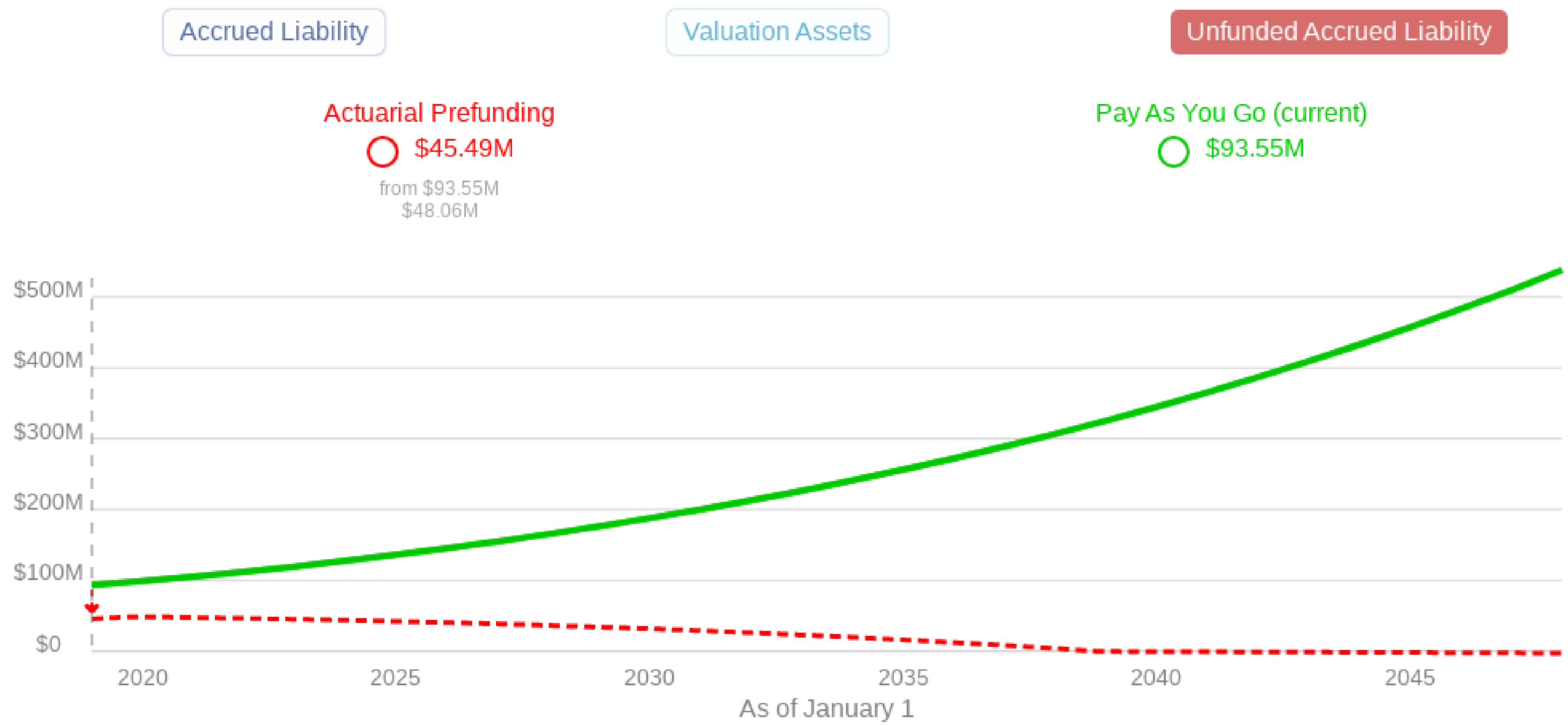
Contributions are Initially Higher than Pay As You Go, Until Liability is Paid off



Unfunded Liability Drops Immediately Due to Higher Discount Rate



Unfunded Liability Comparison



Impact of Change to Actuarial Funding

	Pay As You Go	Actuarial Funding
Discount Rate	3%	6%
2021/2022 Contribution	$1.1 Million	$5.7 Million
Liability as of 6/30/22	$112 Million	$46 Million

Actuarially Determined Contribution

Benefit Payments + Contribution to Trust = Total Employer Contribution

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115 Trust

- Contributions made to the Trust can only be used to pay OPEB Liabilities
- Assets in Trust can be invested in wider variety of assets than internal UG reserves

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Other Funding Approaches

Other Funding Approaches

- Pay as you go + prefunding contribution
  - Additional Dollar Contribution
  - Additional % of Pay

Next Steps

Today's Decisions

- Authorize a new OPEB Advisory Committee
  - Set up 115 (OPEB) Trust
  - Recommend Prefunding Approach
  - Return with Recommendations no later than March 2022

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